The COMMERCIAL and FINANCIAL CHRONICLE

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EDITORIAL

As We See It

With apologies to the cartoonist, can you remember way back when there was a horrible "missile gap" which placed us in a hazardous situation with respect to Soviet Russia? Of course you can if you were out of swaddling clothes at the time of the last Presidential election. Can you remember still farther back when one Nikita Khrushchev was about to "bury us" under an avalanche of all the good things of life—and convince us as well as the remainder of the world that Communism is not only a "higher form" of civilization than we have ever known but one which can assure us and would assure us of much more in the form of worldly goods? To do so one has to be but a year or two beyond infancy. Well, we still have all the problems of a free society, and some that need not be ours and would not be ours if we had more respect for the lessons of history, but at least for the time being we need not worry too much about missile gaps or about being buried by the economic performance of the communists, or rather the socialists of Soviet Russia.

Naturally, we have nothing more than common knowledge about the real missile and atomic strength of Russia or for that matter of the United States, but we must conclude along with all the others that in the eyes of the Russians themselves at least our military strength and our ability to deliver destruction to Soviet territory are not only great but in the words of then President Eisenhower, "awesome." By actions, at least, the Russian dictator has acknowledged in effect the general accuracy of the several assessments that have of late been made of the comparative missile strength of the United States and Russia. It is fortunate for us (Continued on page 20)

Closing Fiscal-Monetary Ranks To Finance Deficit From Tax Cut

By Dr. Walter W. Heller,* *Chairman, Council of Economic Advisers to the President, Washington, D. C.*

Our Central Bank is advised not to pursue interdictive deflationary offsets to planned deficit efforts to stimulate the economy. Dr. Heller explains deficit-financing through the banks need not be price inflationary; concedes balance of payments considerations may require higher interest rate than that desired for domestic needs; declares paramount issue ahead is the tax-cut issue; and states our principal problem is not expansion or recession but persistent five-year under-utilization of our human and physical resources.

We are on the threshold of a fundamental testing period in fiscal and monetary policy—a period that will not only test our policy instruments, but will test and try the souls of the policy-makers, both in government and in private life. Happily, we face neither a dramatic surge of inflation nor a damaging depression—no economic crises which lead men to close ranks on economic policy and action. What we face is persistent underutilization of our human and physical resources — which, even after more than 5 years of it, serves as no such ready catalyst. Diagnosis and prognosis of pneumonia is relatively easy: for "tired blood," it's much harder. Both in assessing the nature, seriousness, and causes of the malady, and in prescribing remedies for it, there is considerably more room for disagreement.

Walter W. Heller

Our problem is not that the economy has failed to expand and set new records, nor that it is *in* recession or about to *go* into recession. The problem is this: in spite of *good* advances on all major economic fronts, they have simply not been *good enough* to meet our growth and employment goals.

Further, the problem is not that we have failed to pursue expansionary monetary and fiscal policies. Again, in spite of *good* policies, they have not been *good enough*, as yet, to meet the test of making full use of our existing manpower, physical plant, and technology — and to provide enough thrust for more rapid expansion of our existing capabilities.

That's why the Conference on Fiscal and Monetary Policy of the President's Advisory Committee on Labor-Management Policy was convened to look at the nature of our economic problem and the fiscal-monetary ways and means of scaling the heights of full employment and steepening the slope of our growth curve while at the same time maintaining price stability and moving toward balance-of-payments equilibrium — always within the constraints of a market economy and growing equality of opportunity.

(A) A Look at Our Current Economic Problem From the Ground Up

To do a useful job in the search for consensus and solution, we need to look at this vexing economic problem of ours from the ground up—to raise the basic questions that face all of us in reassessing our fiscal and monetary policies:

(1) Do we consider our economic performance of the past 5 years as something "we can live with," or perhaps as some sort of an "inevitable price" we have to pay to avoid (Continued on page 24)

NSTA Convention Supplement: Section Two

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

Peoria & Eastern Railway 4% Bonds due April 1, 1990—Hubert F. Atwater, Security Analyst, Wood, Walker & Co., New York City. (Page 2)

P. R. Mallory & Co.—Maurice S. Benjamin, Partner, Benjamin, Hill & Co., New York City. (Page 2)

MAURICE S. BENJAMIN

Partner, Benjamin, Hill & Co., New York City

P. R. Mallory & Co.

It seems to me that the most important element for a successful enterprise is the era in which it functions. Today we are in the most fabulous period in history — the age of science. New products, new materials and new processes can give a company in the technological field superior growth.

P. R. MALLORY & Co. operates in this promising area and measures up to the requirements that qualify its stock, which is listed on the N. Y. Stock Exchange, for one of "the securities I like best."

To give you an idea of just how diverse its product lines are, the chances are good that your washing machine has a Mallory timer in it, that your radio and television sets have Mallory capacitors and electronic components, that your automobile has Mallory parts in its ignition system, and that its frame was welded with Mallory electrodes. United States missiles and satellites contain Mallory power packages. The airplanes you ride contain special Mallory metals. In fact, Mallory products are at work nearly everywhere: for *home use* in appliances, radio and TV; for *industrial use* in communications, electronic computers, power generation and transmission; for *medical use* in instruments and laboratories; for *leisure time* use in photographic equipment and transportation; and for use in national defense and space exploration projects.

The company is a leading manufacturer of electrical contacts for automobiles, appliances, business machines and a host of industrial and utility applications —wherever there is a rquirement to make and break an electrical circuit. Many of these contacts are made from alloys produced by the powder metallurgy process in which Mallory has been a pioneer. Elkonite is a basic Mallory metal. It has proven itself especially able to withstand the high temperatures and abrasions of rocket exhaust. These high density metals have also proved useful as a source of gamma-ray shielding in portable nuclear reactors.

One of the most glamorous phases of operations is the Mallory battery area. This age of cordless electricity has called for more effective electrical packages to power the host of new portable products appearing on the scene. The mercury battery—pioneered by Mallory is considered the most important break-through in portable power since the advent of the first zinc-carbon battery almost a century ago. Mercury batteries have been a boon to the makers of hearing aids and pocket paging systems. And just last year mercury cells went into a variety of new exotic devices. For example, a heart stimulator worn either strapped to the waist or surgically embedded under the rib cage uses a Mallory battery that lasts up to five years. There is also a pill transmitter, a tiny capsule which, when swallowed, measures certain functions of the gastric system and transmits the information to receiving and recording instruments. It contains the world's smallest battery — a minute Mallory mercury cell. During the past year Mallory perfected an entirely new kind of manganese alkaline cell—with a flash current never achieved before—for use in a camera currently being marketed by Eastman Kodak.

During the past two years Mallory has engaged in the largest plant expansion program in its history. It has put up seven new plants.

About 60% of the business is consumer products, 25% industrial, 15% government.

To meet the challenge of a thriving Europe and the Common Market P. R. MALLORY International has seven affiliates in England, Europe, Australia, Canada and Latin America.

Earnings have steadily advanced from 49 cents in 1954 to $2.88 in 1961 and $3.05 (estimated for 1962). Projected earnings for 1963 are $3.20. The stock, selling at 40 and paying $1.40, yields 3½%; it also pays 2% in stock. There are about 1,500,000 shares, of which management owns 17%. Long term debt is $7 million and there are 74,000 shares of a convertible $50 preferred. The stock sold at 57½ this year and 60 in 1961. The low in the past two years has been 35-37. Research and development is over 5% of sales. Order backlog is currently at a record high.

MALLORY is in a good position. One of the longest established firms in the metallurgical and electronics fields, its product line is unusually diverse — 17 product divisions producing literally thousands of differing products and components. The company has built a reputation for product reliability, so that its components, materials and batteries have been designed into virtually every missile and satellite produced by the government's prime contractors, as well as into the giant computers and automation systems that are becoming so large a part of today's industrial life. And MALLORY is setting its sights more and more on the research targets that will help it keep ahead of today's progress so that it will achieve its share of tomorrow's markets.

HUBERT F. ATWATER

Security Analyst, Wood, Walker & Co., New York City

Members New York Stock Exchange

Peoria & Eastern Railway (4% non-cumulative) Income Mortgage Bonds due April 1, 1990

At the outset, the investor must be reminded that these bonds are secured by a first lien upon the entire railroad of the company. Further, that the interest is payable annually, on April 1, without any provision for accumulation, and that $350,000 of these bonds have been retired.

The Peoria & Eastern Railway is a freight line, extending from Indianapolis to the Peoria Gateway, and enjoying interchange with many railroads serving the area. In addition, it owns a substantial interest in Peoria & Pekin Union Railway, which operates the terminal facilities at Peoria.

Capitalization is simple, and consists of $3,650,000 of these bonds, $405,000 Equipment Trust Certificates, maturing $135,000 annually to 1965, and approximately 100,000 shares of stock (par $100).

At last report, the New York Central system owned 52% of the Peoria & Eastern stock, and operated the property under lease.

The attraction in these bonds lies in the relatively large cash flow that is available for the payment of interest and the retirement of debt.

	9 Months 1961	9 Months 1962
Federal Income Tax	$402,163	$368,516
Depreciation	237,104	167,385
Fixed charges	174,321	122,184
Total deducted	$813,588	$658,085
Net after charges	451,263	331,874
Estimated cash flow	$1,265,851	$989,959
Income bonds retired	$107,000	$253,000

Therefore, if we compute coverage on the basis of cash available, we find the ratio of 6¼ times in 1961, and about 8.30 times so far this year.

If the New York Central System should increase its holdings to 80% of the stock of the Peoria & Eastern, there could be substantial income tax savings through a consolidated return.

To the investor, this is not so important a consideration as the knowledge that substantial sums may be available in the future from the Cash Flow, that would permit a more rapid retirement of these bonds.

Policy, and available funds will determine the rate of retirement of these bonds, but under favorable conditions they might not have a life of more than fifteen years.

Peoria & Eastern 4's/1990, are listed on the New York Stock Exchange, where they recently sold at 65 flat, carrying a $40 coupon due April 1, 1963.

(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.)

Basis for Enthusiasm About Aerospace Industry

By Lee H. Idleman,* *Aerospace Research Staff, Merrill Lynch, Pierce, Fenner & Smith, New York City*

The stock market is undervaluing the developing aerospace industry according to Wall Street analyst's bullish assessment of that industry's medium- and long-term prospects. Meeting head-on the bearish arguments of the industry's low profit margin and exposure to project cancellations, Mr. Idleman explains how to overcome or offset low profit margins, and how diversification, balanced work-load, and the nature of the aerospace programs make this argument untenable. He sketches the reasons for his optimistic view, and then proceeds to examine individual issues believed deserving of consideration in any aerospace portfolio.

If there is any industry which has dominated the American economy in the past generation or become recognized as the symbol of our industrial might, it is the automotive industry. Now this is a peculiar way to start a discussion on the aerospace industry, but I wanted you to make a comparison in terms of what the automotive industry represents and then relate this impression to a recent statement by Mr. M. G. O'Neil, President of General Tire, who has estimated that within 10 years the aerospace industry will be larger than the combined automotive industries of the entire world.

This alone should suggest that there are indeed tremendous investment opportunities in the aerospace group.

Let us examine just what is the aerospace industry. Frankly, the name aerospace is really just a new tag on what were basically the old aircraft manufacturers. This new glamorous title does have certain merit in that the transition from manned aircraft to first missiles and now spacecraft has dramatically broadened the scope of interest of the former aircraft manufacturers and suppliers.

Bullish Prospects

There are a number of reasons why I am bullish on the aerospace industry both from a medium term standpoint and as a longer term investment. To begin with, I make the assumption that there will be no important disarmament accomplishments. This is perhaps a harsh viewpoint, but I do not feel that the previous efforts at disarmament or the current international situation indicate any important relaxation of world tension or Communist pressure to the point where we could chance a material cutback in our defense capabilities. Even a small reduction in the standing army or the present arsenal would not necessarily have any effect upon the continued development of more sophisticated, advanced weapons systems. In other words, I assume that defense is here to stay. Along this line, Government experts have estimated that our defense outlays will continue to rise moderately from the present, $50 billion, level in coming years.

Secondly, on top of the already substantial defense efforts, we have added an entirely new market: the space market. The civilian-directed National Aeronautics and Space Administration has been one of the fastest growing Government agencies in recent years. The new obligational authority granted to NASA in the current budget is roughly four times as great as the budget of three years ago, and another sharp rise is indicated in the fiscal 1964 budget to be presented to the Congress in January.

The prestige alone involved in the space race of getting to the moon or probing to other planets beyond is perhaps ample justification for the added billions being spent in this area. However, there are likely to be and in fact already have been important by-products of our space efforts in terms of weather and storm predictions; broadening our knowledge of the universe and the physical sciences and utilizing our knowledge for defense and communications purposes.

Thus, between defense and space applications, we have an available market which is now some 44% greater in terms of procurement and research and development than it was two years ago. Major responsibility for the U. S. effort in space as well as for the development and production of defense weapons rests with the aerospace industry. And, what other major industry has such assured prospects that its major customer announces months in advance exactly how much it has to spend!

Business Cycle Immunity

This advance planning of available funds lends a considerable degree of immunity to the busi-

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Thursday, November 29, 1962

Articles and News

More Articles in Section Two

SECTION TWO of today's issue is devoted to the proceedings, editorial and pictorial, of the recently-concluded Annual Convention of the National Security Traders Association and includes the following articles on the pages indicated.

Regular Features

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Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

The Mosler Safe Company

By Dr. Ira U. Cobleigh, *Economist*

Describing a company that, for 114 years, has been safeguarding property, operating profitably, and will, this year, vault to new highs in sales and earnings.

With all the myriads of new companies that have come on the corporate scene in recent years, it is nice to review, today, an enterprise that has been in business for well over a century, survived five wars, a whole batch of depressions, sustained a top reputation for quality products, and is a more dynamic company today than at any time in its history. Such a company is The Mosler Safe Company, now operated under the effective executive guidance of John Mosler, President, and Edwin H. Mosler, Jr., Chairman, great-grandsons of the founder. Not only has this company survived magnificently, but uniquely, managerial competence has continued well into the fourth generation of family proprietorship.

Security Products

Mosler is renowned for its "safes", now found all over the world, in the vaults of financial institutions, in corporations, retailing establishments, educational institutions and Governments. Mosler installations protect the gold at Fort Knox, the billions in the vaults in the new Chase Manhattan Bank building; and the Declaration of Independence, the Constitution of the United States and the Bill of Rights, housed in one of the world's largest safes, in the National Archives Building, Washington, D. C. The combinations of Mosler safes unlock, each day, the doors to untold wealth.

In addition to vault equipment, safe-deposit boxes, burglar resistant safes, designed primarily for protection of money and valuables against theft, Mosler has a newer line of products, consisting of components of blast resistant shelters, radiation-shielding doors, and other structures.

Office and Office Systems Equipment

The major product items here are fire resistant safes, insulated cabinets and other equipment for the protection of records. These are, for the most part, manufactured to conform with Underwriters' Laboratories, Inc., standards. Vital to any business is quick access to records. In this area, Mosler produces an entire line of rotary files under the trademarks, "Revo-File" and "Selectronic." These filing systems enable an operator to extract a required file card or record from a large number of same, in three seconds. "Revo-File" can accommodate up to 20,000 business records in a single unit; and "Selectronic" up to 385,000 such records.

Security Systems

Included among Mosler protection devices are complete security systems — burglary and hold-up alarms, photographic surveillance, and electronic anti-intrusion systems. These are sold to the Government to provide special protection for classified areas; and to financial institutions, especially in connection with drive-in banking and night depository facilities. The latest device is the "Auto-Banker Snorkel" which uses television, voice communication and pneumatic tube carriers to provide an advanced facility in remote-location banking. Mosler has developed this jointly with International Telephone and Telegraph.

Customer Service

Mosler has always stressed prompt and efficient service on its installations. Whereas a "safe" will last 40 years or more, with little or no attention, reliable service on vaults and systems is needful. Mosler performs under its warranty service, and repairs and supplies parts and general services to its customers, through a special division employing about 260 persons. This Division operates out of 55 service locations in 19 major regional districts.

For 1961, sales were derived 45% from security products, 26% from office and office systems equipment, 18% from security systems and facilities, 9% from customer service, and the balance from miscellaneous sources. Main office of Mosler is at 320 Park Avenue, New York. Company operates eight manufacturing plants in the United States, aggregating 745,000 square feet of floor space.

Going Public

Mosler started out as a partnership in 1848, and became a New York Corporation in 1895. From that year until 1962, the entire equity was privately held. In September 1962, however, 260,000 shares of The Mosler Safe Company common stock were publicly offered at $13.50 per share. The issue was well received, moved up to an immediate premium, and brought over 1,700 new stockholders to the company.

Thus, in less than three months, Mosler, whose name had been for decades a legend in the citadels of finance, became a public company, with its common stock actively traded in the over-the-counter market, and appraised, evaluated, and recommended by many security analysts.

Mosler Common

Investment consideration of this equity centers around earning power and growth. Sales in recent years have risen quite dramatically from $19.7 million in 1957 to $30.4 million in 1961; and an estimated $34 million this year. There was a decline in net earnings between 1957 and 1959, due to a broad scale training program for personnel, heavy research and development costs, and extensive production control studies. These special efforts are now paying off handsomely. Net per share earnings rose from $.48 in 1960 to $.93 in 1961 and are expected to exceed $1.20 this year. Capitalization is uncomplicated, consisting of 1,654,519 common shares, preceeded by only $1,083,409 in long term debt.

The common is currently quoted at 14½, about 12 times indicated net earnings for 1962. This appears to be an exceedingly modest price/earnings multiple for an equity of such demonstrable quality and earning power. Present annual dividend rate is $.30; but this could be increased on the basis of present earnings, and supplemented in due course, by an extra declaration in stock.

While investors have had available to them, for only a short time, this interesting equity, a number of prudent buyers see in Mosler common an issue that may respond to the growth in banking, the need for protection of records, valuables, money and securities, in an age of nuclear war; and the great demand for automation in business offices. In these areas, The Mosler Safe Company is active, progressive, profitable and steadily adding new lustre to a distinguished corporate name.

H. J. Jensen With Coughlin & Co.

DENVER, Colo.—Henry J. Jensen has become associated with Coughlin and Company, Inc., Security Building, members of the Midwest Stock Exchange. Mr. Jensen, who has been in the investment business for many years, was formerly with Bache & Co. in Chicago and prior thereto was manager of the municipal department of the Chicago office of Eastman, Dillon & Co.

Phila. Secs. Ass'n To Hear

PHILADELPHIA, Pa.—Herbert L. Nichols, Chairman of the Board of Southwestern Public Service Company, will be guest speaker at a luncheon meeting of the Philadelphia Securities Association on Wednesday, Dec. 5, at the Barclay Hotel.

Edwin J. Pearson, of Smith, Barney & Co., is in charge of arrangements.

OBSERVATIONS...

BY A. WILFRED MAY

GREETING THE TAX SEASON

In the flood of the customary seasonal literature cajolling the investor to take advantage of *Opportunities in Tax Switching* we have failed to find a single mention of the practical offsets to the glorified advantages of establishing capital losses to offset capital gains.

Overlooked is the vital fact that switching from the "loss" issue entails an immediate reduction in your cost basis—creating mere postponement but not avoidance of the tax bill which had accrued on your "capital gain" issue. If your investing judgment is vindicated, meaning that the switched-into issue subsequently rises in equal proportion to the liquidated issue, your capital gains tax obligation will be restored (plus brokerage commissions and other expenses).

And if your newly acquired issue goes sour market price-wise, the initial switching advantage will have been offset by the prior reduction of the cost basis from which a future tax-loss is calculable.

FACTS-OF-LIFE

Also materially omitted in Tax Switch, along with general capital gains discussion, is the giving of consideration to the age and life expectancy of the tax strategist. This factor is rendered important by reason of the statutory wiping-out of the taxability of accrued capital gains via death.

The tax-investing maneuverer aged 30 should figure on a 40.7 year interval (46.1 years if a female) before death-dealing extinction of accrued capital gains tax; a 40-year old investor 31.6 years; (36.1 in the case of a female). The 60-year old can figure on 16.1 more years (19 years if a female); with the 65-year old counting on 10.6 years (12.6 if a female).*

Also of interest in life-tax considerations, is the fact that individuals on pension plans, as with annuitants, enjoy a higher life expectancy—by two to three years.

Recognition of the time limits on capital gains tax incidence should tend to make the older investor more loath to cash-in accrued capital gains, as well as happier to switch into new commitments from those which he has sold.

Specific Gadget

One of the specific tax-prompted maneuvers whose limitations are generally unappreciated is the "marking-up" of one's securities; that is, selling and immediately buying back securities with profits to offset previously taken losses. This is fruitful only if the use of the losses is about to expire.

Losses of one year can be carried forward five years. The mark-up can pay off in the fifth year if the losses would otherwise go to waste. Before then, prematurely taking of it accomplishes very little from the tax standpoint, and is a costly operation.

GLIB ILLUSIONS IN ART AND SECURITIES

Typical of the fictional tax legends that have widely taken hold is the glibly adopted credo applied to both art and securities, on which substantial capital appreciation has accrued, to the effect that "you make money by the giving."

Actually, unless the donor would have liquidated his profit laden property item anyway, neither an art object nor a security affords a net give-away benefit.

Those contending that the accrual of profit on a painting raises the tax-saving benefit to the owner are really assuming that the current value is being overstated by a phony appraisal — a dubious assumption at any time, and surely completely out of order in today's mood of the Internal Revenue boys.

*These life expectancy data from estimates by the Statistics Department of The Metropolitan Life Insurance Co.

Comments on Lowering of Japan's Bank Rate

The cut in the official bank rate by the Bank of Japan, Nov. 26, to 6.57% from 6.9% will have no appreciable effect on the inflow or outflow of short-term money, according to Rikuro Takahashi, New York Agent of the Fuji Bank, Ltd., Japan's largest commercial bank. "Despite the fact that Japan has the highest discount rate of any nation in the Free World, financial authorities have witnessed very little movement in short-term or the so-called 'hot' money. Virtually all foreign capital moving into Japan is the type of stable long-term investment needed by our economy.

"This new lower bank rate, following the earlier cut from 7.3% on Oct. 27, is primarily a gesture to encourage the Japanese economy," Mr. Takahashi stated.

"It may be considered as one of a continuous series of steps to adjust our economy. We do not expect any further cuts for the present until the Bank of Japan has had an opportunity to assess the effectiveness of the current cut.

"Although the Finance Ministry hopes to bring the bank rate in line with rates elsewhere in the world, these steps will be taken on a very gradual basis.

"This latest cut, however, may be considered a confirmation that the Government's economic adjustment policy of the past 15 months has proved successful and that the easing of interest rates at this time will not upset the present economic balance."

Barr Brothers Admits Derrey

Robert F. Derrey has been admitted to partnership in Barr Brothers & Co., 40 Wall Street, New York City.

COMMENTARY...

BY M. R. LEFKOE

A few years from now, Lockheed Aircraft Corporation may no longer exist. But if this industrial giant—a half-billion dollar combination of brains and machinery—fatally succumbs to the government's economic pressure, Lockheed will have gone down fighting for a good cause. The company will have been destroyed for refusing to submit to government blackmail, and for its determination to fight for a principle: that American citizens possess certain inalienable rights which even a majority vote cannot take away from them.

For almost seven months, Lockheed has been negotiating a new labor contract with the International Association of Machinists, the union which acts as bargaining agent for 31,000 of the company's 55,500 California employees. Shortly after the IAM began negotiations with Lockheed (and three other aerospace firms), President Kennedy decided to intervene in the dispute. A three-man board was set up to study the situation and recommend a solution.

The President's Position

The Presidential board supported the union's demand for a union shop, and President Kennedy again stepped into the picture. At a press conference early in September, he indicated that he agreed with the board's recommendation and openly sided with the union against the four companies. He attempted to justify this unprecedented display of Presidential bias by calling attention to the fact that "most major industrial companies or industries accepted the union shop many years ago. . . . The union shop is a part of collective bargaining."

While the justification for his blatantly pro-Union stand was played down (and necessarily so, since the widespread acceptance of the union shop which he referred to was made possible only through previous government intervention), the President was brutally clear when he told the nation that if a strike resulted due to the companies' refusal to obey the board's "recommendations," "the responsibility would be very clear, I think, to the American people."

Workers Voted Against Union Shop

Afraid to be on the receiving end of the unleashed power of the White House as exhibited in the steel fiasco earlier this year, three of the companies surrendered to the President's threat. They agreed to incorporate a union shop provision in their new labor contracts if at least two-thirds of their employees voted in favor of it. To the surprise of almost everyone, however, the employees of all three companies voted against the union shop and the IAM was forced to withdraw its demand at those companies.

Lockheed offered the union a contract with wages and other benefits equal to any in the industry, but continued to refuse permission for a union shop vote at its plants. When Lockheed proposed to submit its offer to a vote of all its employees, a union representative retorted that the company's proposal reached "a new high in arrogance" since the union shop provision was excluded. The offer was refused, and the IAM ordered a strike unless it also obtained increased union security—a union shop which would force all of Lockheed's workers to join the union or lose their jobs.

The IAM soon discovered, however, that even with the President's help it was unable to force Lockheed to back down, and decided to call for additional help. The Government was not long in responding to their call.

Pressure From the Pentagon

According to reliable sources, the Pentagon decreed last week that "no new contracts or amendments to present contracts will be awarded Lockheed or any of its subsidiaries without the specific approval of the Army, Navy, or Air Force Secretaries." This order, it is reported, will remain in effect "for as long as the Government's interests are adversely affected." In order to bring even more pressure to bear on the company, the Defense Department then indicated that it was considering "alternative means of production" if a strike did take place.

Finally, Willard Wirtz decided that, as the new Secretary of Labor, he too should get in on the act and join the Government's strikebreaking attempt on behalf of labor. Early this week he appeared on a network TV show where he stated that "the other companies all agreed to hold elections and the question now is only whether there should be an election at Lockheed. I think that there should be."

The Government does have the right—in fact, it has the duty—to protect our nation's security. Thus, if any vital defense program were placed in serious jeopardy due to a strike at Lockheed, the Government would be fully justified in refusing to award any new contracts to Lockheed—if such action appeared to be absolutely necessary.

Protecting the Rights of the Minority

But when Lockheed is told, before a strike actually occurs, that it will face serious difficulties in obtaining any new contracts from the Government—and might even lose its present contracts—unless it complies unconditionally with the union's demands, then the IAM is justified in boasting to its members that "our allies, President Kennedy and Defense Secretary McNamara and others high in the Government, stand with us in this fight."

Faced with the very real prospect of having its business totally destroyed as a result of losing all its government business, Lockheed has continued to defy the Government's strong-arm tactics. The company has stood firm in its conviction that even if over two-thirds of its employees voted for a union shop (only 55% have actually joined the union thus far), that majority still has no right to force the minority to join or lose their jobs.

When asked how large a minority it was trying to protect, Lockheed replied: "Size is unimportant. The principle is the same if only one person is involved."

Company's Argument

In a full page ad placed in approximately twenty newspapers throughout the country, Lockheed answered its critics who asked why the company refuses to accept the decision of a majority of its employees on the union shop issue. The company stated: "First, because our American way of life is also built equally upon another principle: the protection of minorities—racial, religious, political, and labor minorities. We believe it is wrong to force 14,000 Lockheed men and women to join a union against their will. Second, because we believe that this is *not* the right way to settle a question of such far-reaching consequences. A basic freedom is not something to be voted away."

In concluding its open letter to the public, Lockheed proudly proclaimed: "We cannot escape the clear conviction that if you uphold a principle you should stand up for it, and it is even more important to stand up for it when it is threatened. *So we shall stand fast.*"

If, 30 years ago, other companies had had the courage to come forward and openly flaunt their decision to "stand fast,' Lockheed and the rest of the business community would not now be living in constant fear of the Government, never knowing which company or industry will be next to feel the brunt of the arbitrary edicts emanating from the White House.

What Might Have Been

If more companies had refused to compromise—had refused to surrender to expediency—during the past few decades, the Government never would have acquired the power it possesses today to openly blackmail a major corporation and tell it to submit, or face bankruptcy.

Those businessmen who view with horror the growing trend toward statism in America, but who cry: "What can we do about it?"—now have their answer. Lockheed has won for itself a place of honor on that distinguished list of American patriots by proudly announcing: "We know that we are right and they are wrong. And *that* fact is the only one we consider relevant in this issue."

Lockheed deserves all the support it can get: from businessmen, who know that any one of them may be the next victim of the Government's quest for power; from employees, who know that the universal establishment of a union shop would mean the total destruction of their right to work free from compulsion; and from every citizen in America, whose freedom Lockheed is risking its very existence to fight for.

The United States was established by men who believed that peace without honor is not worth having, and peace without liberty is nothing more than slavery. Such convictions and such men should not—and need not—exist only in our history books.

Future historians will recognize that Lockheed was a single example of such men in the 1960's but how will they judge the rest of American industry and the men who led it? Your response to Lockheed's courageous battle will determine their verdict.

Pacific Gas & Electric Co. Bonds Offered

Halsey, Stuart & Co. Inc., New York, heads a group of underwriters which is offering $65,000,000 Pacific Gas & Electric Co. first and refunding mortgage bonds, Series II, 4¼%, due June 1, 1995 at 100% and accrued interest. The group was awarded the bonds Nov. 26, on its bid of 99.377%.

Proceeds from the sale initially will become part of the treasury funds of the company and will be applied toward the cost of additions to its properties.

The Series II bonds will be redeemable at the option of the company at prices ranging from 105% to 100%. However, none of these bonds may be redeemed prior to Dec. 1, 1967 from the proceeds of debt incurred at an interest cost to the company of less than the effective interest cost to the company of these bonds.

Pacific Gas & Electric, of 245 Market Street, San Francisco, is engaged principally in furnishing electricity and natural gas throughout most of northern and central California. The territory has an estimated population of approximately 7,230,000 and includes the City of San Francisco.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The interest in tax-exempt bonds has not been as general recently as it was during early fall. Business activity varies within particular spheres of quality, maturity, and rating to an extent that has temporarily upset traditional price relationships. The competition for new issues has shown but little respite from the high level set a few weeks back. Generally the highly rated new issues have fetched bids that are closely related to the market's peak and the lower rated issues have been bid for with but little less avidity. However, the market is not doing very well as the slow build-up inventories continues to exemplify.

Prices Down Slightly

The Commercial and Financial Chronicle's yield Index averages at 2.93% currently as against 2.91% a week ago. In sum, this relates that 13 generally available 20-year high grade state and municipal bond offerings may be purchased down one-quarter of a point this week. The market reached its high point two weeks back when the Index was averaged at 2.904%. The low point was touched in early August at a 3.123% yield.

Thus the market for high grades is, at present, about three points higher than in early August and, as a matter of interest, a bit more than five points higher than it was a year ago.

Favorable Market Indices

A year ago most of our financial experts and economists believed and predicted that bond prices were headed lower for reasons that had largely to do with misjudging the tempo of the economy and partly to do with a lack of discernment of the Administration's ideological proclivity for cheap money. It is notable that the less than dynamic economy has set the scene for monetary ease in abundance during the past year with but bare usage of the weaponry possessed by the Federal Reserve.

We allude to this brief interlude in our bond market continuum to better point up our feelings and thoughts concerning its near future movements. The market's socalled technical features, although less favorable than they have been during recent months, continue to be reasonably positive. The level of yields and prices still makes good sense for those in the 40% bracket or higher. The visible supply of bonds is presently light and promises to be so for some little time. Through the year end, scheduled and tentatively scheduled new issue sales total less than $325,000,000. The Street, under present circumstances, can take this volume in a walk. Even with the proposed $190,000,000-$200,000,000 Memphis, Tennessee Electric revenue (1965-1985) issue added to the calendar, the market's ability to absorb this total could be taken for granted.

Possible Adverse Factor

Only one factor appears as a possible negative in the present market situation and that involves inventory. For the past month or more new issues have not been very well sold. As a natural result, inventories have been gradually building up even though new issue volume has not been recently heavy. Our classic measurement relative to dealer inventories is the *Blue List* total of state and municipal offerings. This figure has now reached $533,865,187. As a total, this is not necessarily indicative of a trend toward excessive volume. However, as a symbol, it continues, for the present at least, as a number to be concerned about.

It should be noted, in this connection, that there is a tendency among dealers to carry substantially more tax-exempt inventory than in the past and it is our opinion that in the not distant future more than $500,000,000 of municipals rather than less than $500,000,000 will be offered daily in the *Blue List* as an average.

Tax Cut Question

To what extent the proposal for cutting income taxes is affecting the market interest of investors is difficult to measure. It is a negative factor but almost certainly it will develop as an unimportant one. Although everybody seems to be in agreement over the need to cut taxes, the likelihood that everybody will agree on how to practically effect tax reduction seems more remote than agreement on disarmament, for example.

Until there is serious agreement on budget reduction, of which there is none whatever, general agreement as between the President, the unions, corporations, trade groups and other influential spheres on tax cutting prevails as an almost cruel paradox. Responsible representatives, and there are still many of them, seem not prepared to wilfully legislate greater deficits on the argument that a consequent debilitating inflation can be handled through bold procedures as it arises.

Despite the formidable obstacles to a favorable trend, we continue to believe that within moderate fluctuation, the market for tax-exempt bonds will at least approximate its present level. Immoderate bidding due to the over-competitive dealer situation will generate almost chronic price cutting and temporary market relapses due to periodic glut, but the easy money complex seems likely to prevail overall for some little time with its bouyant market influences offsetting the negative market factors in the aggregate.

Recent Awards

The new issue calendar for the past week has been interrupted by the Thanksgiving Holiday and the fact that many security people took a long weekend. Despite this there were $126,000,000 of tax-exempt bonds offered in the open market. Last Friday there was only one notable issue; $7,000,000 City of Chicago, Illinois various purpose (1964-1977) bonds were offered for competitive bidding. This general market issue attracted six bids with the group headed by *Halsey, Stuart & Co., Inc.* the high bidder at a 2.622% net interest cost. The runner-up bid, a 2.63% net interest cost, came from The Harris Trust and Savings Bank account. The other four bids ranged in interest cost from 2.67% to 2.687%.

Associated with Halsey, Stuart & Co., Inc. as major members of the winning group are Morgan Guaranty Trust Co., Lehman Brothers, Stone & Webster Securities Corp., First National Bank in Memphis, Wm. E. Pollock & Co., Inc., Seattle First National Bank, Braun, Bosworth & Co., Inc., Mullaney, Wells & Co., National City Bank of Cleveland and Rodman & Renshaw. Scaled to yield from 1.60% to 2.75%, initial investor demand has been moderate with the present balance in account $4,810,000.

"Comedy of Errors"

On Monday of this week the sale of $3,100,000 Akron, Ohio, Limited Tax (1964-1983) bonds to the *Northern Trust Co.* and associates at a net interest cost of 2.932% was the feature. In this bidding there was a comedy of errors as two syndicates made better bids but the bids were

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.20%	3.05%
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	3.00%	2.85%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.05%	2.90%
Los Angeles, California	3¾%	1981-1982	3.25%	3.10%
Baltimore, Maryland	3¼%	1981	3.00%	2.85%
*Cincinnati, Ohio (U. T.)	3½%	1981	3.10%	2.90%
Philadelphia, Pennsylvania	3½%	1981	3.20%	3.10%
*Chicago, Illinois	3¼%	1981	3.25%	3.10%
New York, New York	3%	1980	3.20%	3.15%

Nov. 28, 1962 Index=2.9307%

*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 29 (Thursday)

Buena Vista Township, Mich.	2,200,000	1965-1992	7:30 p.m.
East Side Levee & San. Dist., Ill.	1,390,000	1974-1982	7:00 p.m.
Jefferson Parish La.	1,728,219	1964-1972	2:00 p.m.

December 3 (Monday)

Dallas County (General Obligation County Bonds), Texas	8,000,000	1964-1993	10:00 a.m.
Florida. Devel. Commission (Road Rev. Bonds), Broward Co., Fla.	9,000,000	1964-1985	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)

Anderson, Ind.	7,750,000	1963-2000	2:00 p.m.
Detroit, Mich.	6,375,000	1965-1973	11:00 a.m.
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	5,589,000	1969-1972	7:30 p.m.
Statesville, N. C.	1,750,000	1963-1992	11:00 a.m.

December 5 (Wednesday)

Cook County Township High Sch. Dist. No. 205, Ill.	4,500,000	1964-1980	8:00 p.m.
Cranston, R. I.	4,080,000	1963-1983	11:00 a.m.
Grant Joint Union H.S. Dist., Calif.	1,015,000	1965-1983	10:00 a.m.
Hollywood, Fla.	3,050,000	1964-1993	11:00 a.m.
Mentor Exempted Village SD, Ohio	1,100,000	1964-1983	2:00 p.m.
Williamsburg, Va.	1,100,000	1964-1983	Noon

December 6 (Thursday)

Henrico Co. Tuckahoe San. D., Va.	1,000,000	1964-1983	Noon
Marietta City Sch. Dist., Ohio	2,000,000	1964-1985	Noon
Tyler Indep. Sch. Dist., Texas	2,000,000	1964-1983	12:30 p.m.

December 10 (Monday)

Cullman, Ariz.	1,625,000	1964-1981	2:00 p.m.
Maricopa County SD. No. 210, Ariz.	2,400,000	1967-1977	11:00 a.m.
New York (State of), Albany	30,000,000	-------	-------
Victoria Indep. Sch. Dist., Texas	1,400,000	1963-1983	2:00 p.m.

December 11 (Tuesday)

El Monte Sch. Dist., Calif.	2,880,000	1965-1983	9:00 a.m.
St. Paul Port Authority, Minn.	2,500,000	1965-1992	Noon
Somerset County, N. J.	1,142,000	1963-1982	11:00 a.m.

December 12 (Wednesday)

Elyria City Sch. Dist., Ohio	5,760,000	1963-1985	1:00 p.m.
Elyria City Sch. Dist., Ohio	5,760,000	1964-1985	1:00 p.m.
Fairfax County, Va.	6,275,000	1964-1988	Noon
Georgia State Hospital Authority (Atlanta), Ga.	6,500,000	-------	-------
Jefferson City School District, Mo.	1,495,000	1964-1982	4:00 p.m.
Public Housing Administration, Washington, D. C.	94,985,000	-------	Noon
Richland Co., Jacksongills Creek Public Service Dist., S. C.	1,500,000	1966-1993	Noon
Waukesha, Wis.	1,800,000	1964-1979	3:00 p.m.

December 13 (Thursday)

Georgia State Hospital Auth., Ga.	6,500,000	1963-1982	Noon
Tampa, Fla.	11,935,000	1964-1992	11:00 a.m.

December 17 (Monday)

Cleveland City Sch. Dist., Ohio	10,000,000	1964-1983	-------

December 18 (Tuesday)

Green Bay, Wis.	1,600,000	1964-1995	11:00 a.m.
Grossmont Jr. College Dist., Calif.	2,000,000	1965-1983	10:30 p.m.
Honolulu, Hawaii	9,000,000	-------	-------
Los Angeles County, Malibu Waterworks Dist. No. 29, Calif.	1,000,000	1963-1992	9:00 a.m.
Mountain View Sch. Dist., Calif.	1,340,000	1964-1983	9:00 a.m.

December 19 (Wednesday)

Richmond, Va.	11,300,000	-------	Noon
West Homes Local Sch. Dist., Ohio	1,500,000	1964-1985	Noon

December 27 (Thursday)

Elgin, Ill.	2,600,000	1964-1985	-------
Hammond Sanitary District, Ind.	2,900,000	1965-1989	2:00 p.m.

January 7 (Monday)

Pomona, Calif.	1,100,000	-----	-------

January 9 (Wednesday)

Louisiana (Baton Rouge)	15,000,000	-------	-------
St. Mary Parish, La.	1,100,000	1964-1902	10:30 a.m.
Terrebonne Parish, La.	1,500,000	1963-1982	7:00 p.m

January 23 (Wednesday)

East Carroll Parish Consolidated School District No. 1, La.	1,200,000	1965-1983	9:30 a.m.
Hampton, Va.	4,500,000	1964-1983	Noon

January 24 (Thursday)

Lafayette Parish, La.	1,500,000	1965-1988	2:00 p.m.

January 29 (Tuesday)

Opelousas, La.	2,700,000	-------	10:00 a.m.

February 1 (Friday)

Calleguas Mun. Water Dist., Calif.	4,500,000	-------	-------
New Canaan, Conn.	1,800,000	-------	-------

Outlook for the Petroleum And Natural Gas Industry

By Morgan J. Davis,* *Chairman of the Board, Humble Oil & Refining Co., Chief domestic affiliate of Standard Oil Co. (N.J.)*

Oil executive is confident that the dynamic oil-gas industry will hold its own in 1963 and that the problems darkening the short-run outlook will be succeeded by a brighter long-run picture as the problems are resolved. During 1963 oil demand is expected to expand modestly and natural gas is seen topping 1962 by 3%. Looking further ahead, petroleum demand in the next 20 years is put at considerably more than that produced in the preceding 40 years. Mr. Davis warns that the industry must be accorded adequate profit incentives and an equitable political climate. Turning specifically to natural gas, he criticizes Federal regulatory uncertainties said to be plaguing the industry and avers that the area pricing approach has amounted to a ceiling price concept which, if continued, will hold back future expansion.

By way of background for the 1963 outlook, it should be remembered that there are both short-run and long-run problems for the petroleum industry. They are related, but are different. Several developments of recent years have created problems of short-term adjustments, and these must be dealt with while we prepare, at the same time, to develop adequate supplies for increased demands over the long run. Let's take first some of the more pressing of our short-range problems.

Morgan J. Davis

Before 1957, the annual growth rate for the oil industry was about 6%, while after that year it dropped to about 2%. The industry, however, continued to operate—at least for several years—without an apparent awareness that the growth rate had declined. Consequently, every phase of our industry continued to add new capacity at a rate which was no longer appropriate in terms of the demand. As the margin of spare capacity increased, costs, prices and rates of return were adversely affected.

Corrective Measures

These conditions necessitated corrective measures by the industry. New investments were curtailed and some operators, particularly producers, sold out. The rest of us have been faced with the difficult task of reducing costs in the face of continually rising prices for labor, services, and materials in order to check the decline in profitability. Between 1956 and 1960, drilling was reduced by about 20%, and it has shown no significant recovery since then. As a result, the rate of growth in producing capacity has not been as great for several years. At the same time, production has remained relatively static, so that we still have a substantial amount of reserve producing capacity. The growth in refinery capacity has also slowed down in recent years, but the ratio of operations to capacity is still lower than desirable. The adjustments to our aggressive expansion of capacity under the stimulus of early postwar experience has been slow and painful, but at least we seem to be moving in the right direction.

So much for the so-called short-run problems. Insofar as it takes many years to find and develop oil and gas reserves, we must balance adjustments to the needs of today with preparations to meet increasing long-term demand. Economists tell us that in the next 20 years oil and gas together will continue to supply about 73% of the total energy demand. In this period, total demand will increase by about 75% and will reach approximately 82 quadrillion Btu's in 1980. Such a gain would represent 36 quadrillion Btu's which is about one and one-half times that of the 1920-1960 period. In other words, we have to expand output during the next 20 years by considerably more than we did during the preceding 40 years.

1963 Prospects

With this as a background, let us now see what the industry may do in 1963. On the demand side, our forecasts show that total domestic demand in 1963 will be approximately 10,300,000 b/d, which will be a gain of about 2% over the currently estimated level for this year. This increase is only about half the 4% gain experienced this year, but better than the gain of 1% in 1961. Most of the reasons why we expect this slowing down in demand are outside the control of the industry. In the first place, some economists believe there will be a slight business recession in 1963. Secondly, the 1962 figures reflect many factors which were favorable to the industry. Early in the year, the weather was extremely cold with a consequent considerable increase in demand for heating oil. Moreover, 1962 was a good year for automobile sales, which reached approximately 6.8 million. With such a large gain in new car sales usually comes an increase in the use of automobiles and therefore in sales of motor fuel. In forecasting for 1963, however, it seems best to assume that weather and automobile sales will be normal rather than favorable. Because it is unusual to have good automobile sales two years in a row, car sales in 1963 are expected to decrease, perhaps by about 10%. And so we see only a modest gain in demand for 1963.

Let's turn now to the supply side, with an assumption that petroleum import controls will not be revised drastically. Crude oil production in the United States should show little change from the estimated level of this year. Imports, under present controls, would increase slightly and the nation's production of natural gas liquids will be up somewhat. Thus, if we keep in balance with demand, none of the major sources of supply will show much gain. This outlook offers little hope for improvement in Texas from current producing rates.

Industry Shift From Oil to Natural Gas

Natural gas, on the other hand, continues to stand out as one of the growth commodities in our industry. The gain in demand in recent years has been extremely rapid and consistently greater than that for oil. As a result of the changing growth rates of these two fuels, more of the petroleum industry's efforts have been shifting from oil to gas. Although natural gas is plagued by continued uncertainties, because of Federal regulation, demand for it should show further improvement in 1963. We are expecting a gain of about 3% for the year over estimated 1962 demand.

Although some growth is possible for both oil and gas in 1963, these numbers reflect volume and are not necessarily indicative of the industry's financial position. To understand this, we need to view the outlook for prices, profits, and investments in the industry.

An erosion of both crude oil and product prices has been in progress for several years, and a reversal of the trend is not anticipated, though the decline may be checked near current levels. The rate of return in the oil industry is now at a level no greater than that for manufacturing in general, and in view of the large risks involved in our industry, we cannot continue to progress satisfactorily for long at this rate. Some adjustments have already taken place so that in future years we are expecting prices at least to hold their own. Price stability, along with the efforts made to reduce costs through more efficient use of manpower and materials and better inventory control, should help the industry profit position in future years.

The industry must have better profits if it is to continue to invest the huge sums of money in the search for oil and gas that will be necessary to meet future demand. The industry apparently expects that profits will improve judging by the level of capital expenditures this year. Furthermore, the recent sales of Louisiana offshore leases by the Federal Government have added greatly to normal leasing costs and undoubtedly will set in motion substantial offshore drilling operations which will maintain expenditures at high levels for some time.

Aid from the Conservation Commissions

I think it is readily apparent that 1963 will not be a year in which we will make great strides toward solving either short-run or long-run problems. We should hold our own, however, and that will not be too bad a showing in a recession year. As I have mentioned before, the solutions to immediate problems must be consistent with long-term considerations. Although drilling may be reduced somewhat next year, exploration at about current levels seems desirable to provide the additional reserves necessary to meet increasing long-term demand. In our cost-control program we are now having some help from the conservation commissions through regulations encouraging wider spacing of wells. With steps such as these, the industry can further reduce its costs and thus maintain itself in a good position to contribute to the well-being of the nation.

The industry also can do much more for itself. As I said earlier, the favorable growth in 1962 was attributable mostly to external factors. We can do a better job of salesmanship for both our products and our public reputation. Greater promotion of the use of automobile travel would be helpful in stimulating the demand for gasoline. Undoubtedly our standing with the public could be improved, particularly if we could persuade the consumer of the fact that, despite our constantly rising costs, we have been supplying better quality gasoline at no increase in price—except for higher taxes. Even with increased gasoline taxes, which now average more than 10 cents a gallon, the retail price of motor fuel is still what it was five years ago, and the wholesale price of petroleum and products is less than five years ago.

The industry certainly is capable of continuing to provide energy at reasonable cost to the consumer, and it can cope with its own problems and still contribute to the country's economic expansion. I repeat that it can make this contribution, but I must add that it can do so only if its problems and needs get appropriate recognition in the area of public policy.

Energy Study

In the area of public policy is the question of a national fuels policy which has been so vocally advocated by the coal industry. As a result of pressures from this industry, a study of national fuels and energy resources was conducted this year by the Senate Committee on Interior and Insular Affairs. A valuable report has now been completed and released publicly. It concludes that the American consumer has been best served by—and will continue to be best served by — freedom of choice as to the fuel most economical and suitable to his purpose. The oil industry and all consumers should endorse this report and commend its adoption by the committee. It represents a decisive answer to those who would seek to carve out certain markets contrary to the interest of the consumer and to the spirit of American enterprise.

Federal controls covering crude oil imports are another public policy matter. Since the purpose of these controls is stated to be in the interest of national security and to maintain the health of the domestic industry, they should be reviewed from time to time to see if these purposes are being complied with. Since 1959, the year in which mandatory controls were instituted, total petroleum imports — excluding heavy fuel oil — increased about 16%. During the same period, however, domestic crude production rose

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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:

Air Cargo Carriers—Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are analyses of **American Chicle** and **Warner Lambert Pharmaceutical Co.**

Aluminum Industry — Review — Calvin Bullock, Ltd., 1 Wall Street, New York 5, N. Y.

Book Publishing Industry—Analysis—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y. Also available are analyses of **Crowell Collier Publishing Company, Ginn & Company** and **McGraw Hill Publishing Company.**

Canadian Steel Industry—Analysis with particular reference to **Algoma Steel Corporation Ltd., Dominion Foundries And Steel Limited, Dominion Steel and Coal Corporation Limited, Steel Company of Canada Limited**—Equitable Brokers Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Consumer Electronics — Survey with particular reference to **General Electric Co., Litton Industries, Magnavox Co., Motorola, Radio Corp. of America** and **Zenith Radio**—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Current Recommendations—Notes issues which appear attractive—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

Drug Industry—Study of outlook —Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are studies of **Pendleton Tool Industry, Trucking Company Stocks, New York Air Brake, St. Louis San Francisco** and **Symington Wayne.**

Federal And State Stock Transfer Taxes — Booklet giving current original issue and transfer tax rates—Registrar and Transfer Co., 50 Church St., New York 7, N. Y.

Guide To Profitable Bond Selection — An analytical record of yields and yield spreads—Salomon Brothers & Hutzler, 60 Wall St., New York 5, N. Y.

Hawaii—Mid year report on industrial development, business conditions and economic potentials—Bank of Hawaii, Research, P. O. Box 2900, Honolulu 2, Hawaii.

Hawaiian Stocks — Write-up — Bishop Securities Ltd., King and Bishop Streets, Honolulu, Hawaii.

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

Japanese Market—Survey—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. Also available is a memorandum on **Ebara Manufacturing Co.**

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is an analysis of **Fuji Photo Film Co.**

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.

Petroleum Industry — Survey — Northern Trust Company, Northwest corner La Salle and Monroe Streets, Chicago 90, Ill.

Portfolios — Three portfolios for different aims — Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 5, N. Y.

Selected Stocks—List of issues in various categories which appear attractive—Bell & Farrell Inc., 119 Monona Ave. Madison 3, Wis.

Selected Stocks—Bulletin of issues which appear interesting—Stirling, Linder & Prigal, Inc., 50 Broadway, New York 5, N. Y.

Stocks, Bonds And Your Future—What every American Family should Know about Investment Securities — Westheimer and Co., 124 East Fourth St., Cincinnati 2, Ohio.

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

* * *

Abbott Laboratories — Report — Bacon, Whipple & Co., 135 South La Salle St., Chicago 3, Ill. Also available is a report on **Southern Pacific Company.**

American News Company — Analysis—John H. Kaplan & Co., 120 Broadway, New York 5, N. Y.

American Viscose — Review — Colby & Company, Inc., 85 State St., Boston 9, Mass. Also available are surveys of **Buckingham Corp.,** and **Electronic Associates.** (firm requests stamped self addressed envelope when requesting material).

Amp Inc.—Memorandum— Winslow, Cohu & Stetson Inc., 26 Broadway, New York 4, N. Y.

Atlantic Coast Line Railroad And Seaboard Air Line Railroad— Review—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are reviews of **Famous Artists Schools** and **Schering Corporation.**

Beatrice Foods Co. — Analysis — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is an analysis of **Chase Manhattan Bank.**

C. Brewer & Co. Ltd.—Annual report—C. Brewer & Co., Ltd., P. O. Box 3470, Honolulu, Hawaii.

Central Valley National Bank (Oakland, Calif.) — Analysis — Davis, Skaggs & Co., 111 Sutter St., San Francisco 4, Calif.

Cities Service — Memorandum — Richard J. Buck & Co., 4 Albany St., New York 6, N. Y.

Clevite Corporation — Analysis — Bruns, Nordeman & Co., 115 Broaway, New York 6, N. Y.

Consumers Gas Company — Review— James Richardson & Sons, Inc., 14 Wall St., New York 5, N. Y. Also available is a review of **Union Gas Company Of Canada Ltd.**

Dymo Industries Inc. — Report — Hancock Securities Corporation, 79 Pine St., New York 5, N. Y.

Fireboard Paper Products—Bulletin—Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a bulletin on **Auto Parts Industry.**

Gateway Sporting Goods—Memorandum—Pyne, Kendall & Hollister, 60 Wall St., New York 5, N. Y.

Geco Mines Limited — Report — Isard, Robertson, Easson Co., Limited, 217 Bay St., Toronto 1, Ont., Canada.

General Telephone & Electronics —Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill.

General Telephone & Electronics —Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **Safeway Stores, Black & Decker, Commercial Credit, National Airlines, Midland Ross, Dow Chemical** and **Air Products & Chemicals.**

Greyhound Corp. — Analysis— Bache & Co., 36 Wall Street, New York 5, N.Y.

H. J. Heinz — Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Seeburg Corp.**

Holiday Inns—Memorandum—Rader, Wilder & Co., Union Planters Bank Bldg., Memphis 3, Tenn.

International Resistance Co. — Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available is an analysis of **Oklahoma Gas & Electric Co.** and a bulletin on **Electric Utility Stocks.**

Iowa Electric Light and Power Co. — Annual report — Iowa Electric Light and Power Co., Cedar Rapids, Iowa.

Iowa Power & Light Co.—Annual report—Iowa Power & Light Co., Des Moines 3, Iowa.

Laurentide Financial Corp., Ltd.—Review — Watt & Watt Ltd., 6 Jordan St., Toronto 1, Ont., Canada.

Levy Russell Ltd.—Review—Ross, Knowles & Co., Ltd., 105 Adelaide St., Toronto, Ont., Canada. Also available is a report on **Bell Telephone Company of Canada.**

Lockheed Aircraft Corp.—Survey —Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available is a survey of **P. Lorillard Co.**

MacMillan, Bloedel & Powell River Ltd.—Analysis—Royal Securities Corp., Ltd., 244 St. James St., West, Montreal 1, Que., Canada.

Manufacturers Hanover Trust Co. —Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Marine Capital — Memorandum— Saunders, Stiver & Co., 1 Terminal Tower, Cleveland 13, Ohio. Also available is a memorandum on **Braun Engineering.**

Massey Ferguson Ltd. — Analysis —G. W. Nicholson & Co., Ltd., 67 Richmond St., West, Toronto, Ont., Canada. Also available is a detailed analytical study of **Page Hersey Tubes Ltd.**

Mercury Photo Corp. — Progress report — General Securities Co., Inc., 101 West 57th St., New York 19, N. Y.

Minerals & Chemicals Philipp Corp.—Analysis—Wm. M. Rosenbaum & Co., 331, Madison Ave., New York 17, N. Y.

Montgomery Ward & Co.—Analysis—Herzfeld & Stern, 30 Broad St., New York 4, N. Y.

Morningstar Paisley — Memorandum — Boenning & Co., Alison Building, Philadelphia 3, Pa. Also available is a memorandum on **Green Giant.**

Mosley Safe Co.—Bulletin—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Mountain Fuel Supply Co.—Annual report—Mountain Fuel Supply Co., 180 East First South St., Salt Lake City 10, Utah.

National Gypsum — Review—Edward D. Jones & Co., 300 North Fourth St., St. Louis 2, Mo. Also available is a report on **Westinghouse.**

Occidental Petroleum—Analysis— F. S. Moseley & Co., 50 Congress St., Boston 2, Mass.

Puerto Rico Aqueduct and Sewer Authority — Report—Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Shamrock Oil & Gas—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Shell Oil Company of Canada — Analysis — McLeod, Young, Weir & Co., Ltd., 50 King St., West, Toronto, Ont., Canada.

Stanley Warner Corp.—Analysis— Freehling, Meyerhoff & Co., 120 South La Salle St., Chicago 3, Illinois.

Stubnitz Greene—Memorandum— McKeown & Co., 209 South La Salle St., Chicago 4, Ill.

Union Bank—Analytical brochure —R. J. Henderson & Co., Inc., 621 South Spring St., Los Angeles 14, California.

Universal Oil Products—Analysis —Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

Vanadium Alloys Steel — Memorandum — Parrish & Co., 1421 Chestnut St., Philadelphia 2, Pa.

Werner Transportation Co. — Report—J. M. Dain & Co., Inc., 110 South Sixth St., Minneapolis 2, Minneapolis.

West Chemical Products — Analysis—Coffin & Burr, 141 Milk St., Boston 9, Mass.

Westinghouse Electric Corp.—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y.

New Edition of the Encyclopedia of Banking and Finance

A new edition of Glenn G. Munn's "Encyclopedia of Banking and Finance" (788 pages; $25) has been published by the Bankers Publishing Co., 89 Beach Street, Boston 11, Mass.

This is a new, completely revised, sixth edition of this important work which for many years has been a standard and valuable reference book in banks and investment houses.

Two years of editorial revision have gone into this Sixth Edition and the up-dating of information has continued as close to publication time as was possible. As in the previous editions, revisions have been made by F. L. Garcia, a member of the Faculty of Finance of the School of Business, Fordham University. Professor Garcia is also a member of the New York Bar, a bank analyst and investment adviser.

Because of important changes which have recently taken place, this new edition becomes indispensable. It discusses scores of new subjects, and elaborates or revises those which have already appeared. In it, the various banking terms, as well as all bibliographies, are brought strictly up to date.

In one compact volume this encyclopedia gives the gist of hundreds of books on every phase of banking and finance. In authoritative quick reference form it offers busy bankers and financial executives just the information they need to answer the questions which arise constantly in their daily work.

The book contains a tremendous amount of organized information; clear explanations of over 4,000 subjects; summaries of all important laws pertaining to banking and investing; much special matter which the banking or financial executive uses many times each month.

It is arranged alphabetically by subject, thus providing an automatic index. Cross-referencing is widely employed. The reader is therefore assured of having access to all phases of his subject—and in a minimum of time.

With Reynolds & Co.

PHILADELPHIA, Pa. — Reynolds & Co., members of the New York Stock Exchange and other leading exchanges, announce that G. Curtis Steinman is now associated with their Philadelphia office, 1526 Chestnut Street, as an Account Executive.

Mr. Steinman has been active in the investment securities business for many years and prior to joining Reynolds & Co. was associated with Joseph D. Goodman & Co. of Philadelphia.

New Growth Factors in Hawaii's Economic Future

By James H. Shoemaker, *Vice-President-Director of Business Research, Bank of Hawaii, Honolulu, Hawaii*

Hawaii's underlying growth factors are seen adding up to the probability of another major economic advance after 1963. Knowledgeable study: (1) reviews our latest state's post WW II progress; (2) estimates this year's general business advance at 4% rate, which is above the national average but below the 12% boom years of 1959-1960; and (3) predicts continuing but mild rise in 1963 as the economy stabilizes and readjusts to its new and higher level. Mr. Shoemaker discusses the generally overlooked star performance of diversified manufacturing developments and cites the numerous prospects for further industrial advances. He notes the Island's favorable location in terms of trading opportunities arising from growing progress made by countries bordering the Pacific Ocean. Further, the writer anticipates a resurgence of tourism at a much higher level than heretofore. The shift of Hawaii into the ranks of a modern economy was due to WW II and its swift change is said to amount to a preview of its expansion in the years that lie ahead.

Background — Some Historic Economic Changes

The outstanding features of Hawaii's economic development prior to the end of World War II are of interest as a basis for understanding the economy of today. These may be enumerated as follows:

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(1) Hawaii has grown from a primitive to a modern economy in a shorter period than any other island area. Such rapid changes are necessarily accompanied by drastic shifts in power, in economic activity, and in the structural organization of the government as well as of the economy. It is not surprising, therefore, that he history of Hawaii is one of repeated social, political, and economic readjustment.

(2) The most remarkable of these changes was the dramatic decline in the population of Hawaii from 300,000 in 1778 to 56,000 in 1872 (due to the lack of immunity, of the long isolated Hawaiians, to oriental and occidental diseases). This was followed by an even more rapid rise to nearly 700,000 by 1962 (due to immigration and "natural increase").

(3) From an economic point of view, the essence of the many developments between 1778 and 1962 has been the shift from a primitive, subsistence economy to a modern, mass-production economy tightly geared to Mainland markets.

(4) For nearly a century (1778 to 1872), there were periodic changes in the focus of economic activity in the Islands with frequent ups and downs in production and trade—but no clear line of economic development.

(5) In contrast, the following 60 years (1872 to 1932) was an outstanding period of economic growth. During this time, there was a continuous expansion of sugar production; an expansion which induced a parallel growth of population, exports, and income. After the invention of the Ginaca machine in 1913,expansion was accelerated by the remarkable growth in the output of canned pineapple.

(6) Production in these vital industries leveled off after 1932, however. Because of mechanization, employment declined. Meantime, population continued to grow.

(7) This trend toward a labor surplus was offset (a) by employment in urban service industries (stimulated by rising wages and living standards), and (b) by the increasing emphasis on defense activities because of Japan's aggressive policies.

(8) World War II created an acute shortage of manpower, making it necessary to import mainland workers to build and maintain new military installations. These new workers, together with the much greater numbers in the armed forces, forced the demand for goods and services to unprecedented levels. Meantime, because of war restrictions, acute shortages had developed in commercial buildings, housing, productive equipment, and consumer hard goods.

Postwar Changes 1945-62

For the purpose of economic analysis, postwar developments may be divided into four periods: 1945-49, a period of postwar readjustment; 1950-54, a period of recession and recovery; 1955-60, a period of pronounced growth; and 1961-62, a period of stabilization at new levels.

The war had changed the economic structure of the islands with a decisiveness never before experienced in Hawaii's history. During 1945-49, there was thus a major problem of postwar readjustment for which the government and the business community were unprepared either in terms of previous experience or in the basic information necessary to deal with developing changes (since all of the underlying statistical benchmarks derived from the census of 1940 were of little use during the post-war period).

Acute needs, backed by buying power, resulted in a postwar buying boom, but by 1949-50, two factors had caused a major depression. The first, and most important, was the cutback in defense activity from an annual level of about $800 million during the war to $147 million in 1950. The second was a sharp rise in unionism following the war, resulting in a number of strikes, including the sugar strike of 1946 and the longest and costliest strike in Hawaii's history — a waterfront strike which lasted from May 1 to Oct. 24, 1949.

The resultant recession was so pronounced that it caused a marked outmigration. A rise in defense spending, however (due to the Korean War which began in June 1950 and to the "cold" war which followed), an unprecedented growth in tourism, and a gradual growth in manufacturing, brought about a recovery.

Hence, by 1955, the economy was in a position to make a major advance. The business recovery brought a reversal in the movement of population from outmigration to a pronounced inmigration. The expansion of military installations also was a substantial factor in population growth which, during 1955-60, was the greatest in the history of the Islands. Two measures of the strength of this advance are (1) the rise in personal income from $952 million in 1955 to $1.442 billion in 1960 (an increase of 51.5%); and (2) the rise in construction from $97 million in 1955 to $275.4 million in 1960 (an increase of over 184%). This period culminated in a pronounced boom during 1959-60.

New 1961 Economic Phase

Since January of 1961, however, business in Hawaii has clearly entered a new phase—a period of post-boom readjustment and stabilization at a new and higher level. There thus has been a shift from a pronounced uptrend in 1959-60 to a mixture of divergent tendencies among the major industries within the economy, accompanied by a more moderate rate-of-growth.

Tourism in Hawaii suffered a temporary decline at the beginning of this period (during first-quarter 1961) because the 1960-61 Mainland recession reached its lowest point at that time. Thereafter, the Mainland business re-

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Hawaii Offers Worthwhile Investment Opportunities

By Ralph A. Bing, *Senior Analyst, Dean Witter & Co., San Francisco, Calif.*

Expert security analyst provides a trenchant near- and long-term forecast of the State's economic prospects and an appraisal of its investment opportunities. The latter lists and discusses Hawaii's leading bank, utility and diversified companies. Dr. Bing predicts 1962 should turn in a better economic performance than the Mainland's despite undergoing a slowing-down phase, and he expects that a moderate Mainland recession in 1963 will slow down but not turn Hawaii's 1963 progress into a recession. As for the 1960's, the economic and financial analyst foresees the economy keeping in line with, or slightly ahead of, the Mainland's prospective economic pace.

Hawaii has just gone through a period of extraordinary economic expansion. Some of the ingredients for that boom can be found in some of the Islands' basic attributes: their commanding position in the central Pacific, their subtropical climate and scenic beauty, and their racially mixed but very well integrated population


Ralph A. Bing

which enoys a relatively high educational standard. However, it took the the coincidence of continued worldwide tensions and sharply rising living standards in the later '50's to stimulate a simultaneous boom in defense as well as in tourist spending in Hawaii. A sharp increase in building activities was largely a by-product of the rising defense and tourist activities. The strong business stimulus emanating from these areas spread to other business fields such as diversified manufacturing, dairy farming, most service industries, etc., which in turn reinforced the net influx of people into the State. Finally, the transition of the Islands from the status of a Territory to that of the 50th State in the Union helped further increase popularity with both Mainland tourists and investors.

Primarily as a result of the defense, tourist and building boom since 1955, the Hawaiian economy made most impressive strides during the '50's, as typified by the data in the accompanying table.

These figures in the table are largely self-explanatory. They show that Hawaii's increase in total population and labor force in the last decade averaged 2.8% annually, as compared with 1.7% for the U. S. as a whole. Average per capita income of $2,407 in the Islands last year was 6.4% above the U. S. average of $2,263. The table also illustrates the dynamism of Federal Government spending in Hawaii, which increased from $202 million to $486 million in the '50's, and the even greater percentage advances made by building activities, tourist spending, diversified manufacturing, and agriculture, other than sugar and pineapple. On the other hand, the sugar and pineapple industries, formerly Hawaii's foremost private industries, have been clearly laggards and have been overtaken by some of the other industries in their importance as a source of revenue. So much for the past.

Hawaii's Prospects for the '60's?

It is trite but important to state that many of the most fundamental factors in the Hawaiian picture are subject to prophecies rather than to forecasting. This seems true for our international relations and military technology, both of which will affect the size and the form of defense spending in Hawaii. It is also true for the way in which Hawaii will preserve its scenic attraction for U. S. and foreign tourists. Future development of transportation facilities will influence the cost and convenience of passenger and freight movements to and from the Islands, both in absolute terms and in comparison with facilities for other areas.

Assumptions

In the face of these and other basic uncertainties, any attempt to size up prospects must be based upon a set of assumptions—single or alternative—which at present appear reasonable. This brief discussion of Hawaii's prospects in the sixties is based on the following premises:

(1) International tensions and military technology will necessitate maintenance of present defense spending in Hawaii approximately at recent levels, although military manpower requirements could moderately decline.

(2) The basic cost handicaps for Hawaiian industry resulting from the 2,000 miles distance from its major source of raw materials and its Mainland markets will continue.

(3) Hawaii will remain an area of relatively high living costs within the Union.

(4) The Islands will be able to retain their various features of tourist appeal, divided between lively and crowded Waikiki on the one hand, and the more quiet and scenically unspoiled resorts on the "outer Islands" on the other.

Implications

If these assumptions turn out to be reasonably close to the mark, they will have a number of important implications for Hawaii's future outlook:

	1950	1960	% Avg. Annual Growth 1950-60	1961
Over-All Data				
Civilian Population*	474,624	605,336	2.5	631,927
Military Population*	21,000	54,653	10.0	59,487
Labor Force†	187,700	246,540	2.8	252,000
Gross State Products (millions)	$900.0	$1,700.0	6.6	$1,800.0
Total Personal Income (millions)	$689.0	$1,442.0	7.7	$1,515.0
Per Capita Personal Income	$1,403	$2,274	4.9	$2,306
Federal Government Spending (millions)	$202.5	$485.7	9.2	$530.0
Some Private Industries				
Manufacturing (millions)	$71.6	$148.7	7.6	$168.6
Construction (millions)	$67.7	$275.4	15.1	$268.5
Retail Sales (millions)	$4[illegible]2.5	$858.6	6.4	$862.5
Bank Loans* (millions)	$157.6	$400.1	9.8	$420.6
Telephones in Use	99,300	208,400	7.7	221,600
Electricity Sold, Oahu (millions of kwh)	522.3	1,370.9	10.1	1,518.2
Sugar Crops (millions)	$124.0	$127.4	0.3	$144.9
Pineapple Crops (millions)	$101.0	$118.0	1.6	$117.0
Other Agriculture (millions)	$27.4	$43.0	4.6	$43.5

*As of Dec. 31. †Calendar year average for 1960 and 1961.

Source: Bank of Hawaii, 1962 Annual Economic Report, page 4. Personal income data taken from U. S. Department of Commerce, Survey of Current Business, August 1962, page 11.

(1) Federal spending will not be the strongly dynamic factor which it has been until recently in Hawaii but, by its sheer present size, will be an important stabilizer in the State's economy.

(2) Tourism, increasingly reinforced by brief stop-overs on the fast rising trans-Pacific business and pleasure traffic, will remain one of the dynamic forces in the Hawaiian economy. Although the trend toward a shorter average stay and greater representation of visitors accustomed to restraint in spending will continue to reduce average per capita spending, total tourist spending should show substantial further increases. The Bank of Hawaii estimates that, within four years, Hawaii can expect over 500,000 visitors a year—an increase of about 60% over 1961—with a total tourist trade in excess of $215 million annually. The Hawaii Visitors Bureau estimates 1966 arrivals in the neighborhood of 590,000.

(3) Tourism in the "outer Islands" is henceforth likely to grow faster, percentagewise, than on the main Island of Oahu.

(4) Other services, such as banking, telephone and electricity are likely to continue in their relatively rapid expansion, since tourism requires more services than most "primary" industries, and since services also show a disproportionately fast expansion as an area's personal income is rising.

(5) With the continued expansion of Hawaii's domestic markets, diversified manufacturing and agriculture (other than sugar and pineapple) will remain additional areas of above-average growth. Spreading tourist contacts of Mainlanders with the Islands should further expand the market for Hawaiian apparel and textiles.

(6) On the other hand, there is no reason for assuming that Hawaii's sugar and pineapple industries would snap out of their relatively stagnant state.

Expected Population Changes

(7) In an area such as Hawaii net emigration (which occurred in the early postwar years) or net immigration (since 1955) may have a prime effect on over-all population trends. Since prospects for business and jobs naturally influence immigration into, or emigration from, such an area, such prospects have to be first analyzed before future population trends can be discussed.

In the fifties, a large part of the net addition to the population resulted from the shift of about 34,000 military personnel plus nearly 60,000 military dependents into the State. In the sixties, the aggregate of defense personnel plus their dependents may moderately decline rather than increase. The dynamics of the Hawaiian economy, in comparison with that of the Mainland, seems likely to attract only a relatively minor influx of immigrants into the State. It is assumed that the relatively high living costs in Hawaii will continue to preclude a massive retirement movement into the State. Further expansion in Hawaii's population, therefore, is likely to result primarily from natural increases which will propably remain slightly above the U. S. average of 1.7% annually, maybe on the order of 1.8-2.0%, in view of the racial and age distribution of the present population in the Islands. This would compare with an average increase of 2.9% per annum in the fifties, including immigration and additions to military personnel. This thinking might place Hawaii's civilian labor force at around 280,000 by 1970 and total population, including military, around 800,000 to 820,000. Dr. Thomas Hitch, Economist of the First National Bank of Hawaii, estimates approximately 270,000 for the 1970 civilian labor force, and 750,000 for total population, while Dr. James Schoemaker, Economist of the Bank of Hawaii, projects 1970 population at 840,-

000 minimum (both including military).

(8) As to building activities in the sixties, the expected absence of any substantial influx of non-tourists into the State will reduce needs for new housing, compared with the 1955-60 period. Moreover, much of the pent up demand for new office space in Honolulu has been filled in recent years, and the same seems true for tourist accommodations, if those now under construction or in the planning stage in the "outer Islands" are included. Consequently, total building activities, too, will probably not maintain their explosive uptrend of the late fifties, although they are likely to remain in a gradual long term uptrend.

Near Term and Long Term Outlook

For the sixties, these estimates add up to the picture of an economy progressing at a more leisurely pace than was the case in the last five years, but probably still well in line with, or slightly ahead of, the prospective average economic growth on the Mainland.

Near term, Hawaii's economy seems to be passing through a phase of slowed-down and uneven growth, in line with the long term outlook: While visitors' arrivals through August were 16.5% ahead of (relatively slow) 1961, and while recent retail sales, service industries gross, and employment figures all hit new peak levels, construction completed in the first half of 1962 was nearly 13% off the 1961 level. Latest building permit figures, as published in the monthly "Economic Indicators" by the First National Bank of Hawaii, offer a mixed picture, with July awards materially down on the main island of Oahu but August awards sharply up. In all, 1962 looks for Hawaii like a year of somewhat greater over-all advance than the Mainland economy is promising.

Hawaii's postwar business cycles have shown little parellelism with those of the Mainland. At first glance, this may be surprising for an area which derives such a huge percentage of its own gross product from exports of services and merchandise. However, about one-half of Hawaii's gross dollar receipts from outside areas is derived from U. S. Government spending in the State, and another 35% from overseas shipments of sugar and pineapple products; each of these items is subject to its own peculiar cycle (in defense spending and crops), rather than being sensitive to the general business cycle. While the latter naturally influences the flow of tourists to Hawaii, visitors' spending, accounting for roughly 13% of gross dollar receipts from out-of-State areas and 8% of Gross State Product, is not important enough to fully transmit the Mainland cycle to the Islands. Consequently, should there again be a moderate business recession on the Mainland some time next year, this would probably slow down Hawaii's 1963 progress, rather than throw the fiftieth state into a recession.

Some Hawaiian Stocks

As a result of Hawaii's rapid economic expansion in the last few years, stocks of many Hawaiian companies attracted increasing interest in 1960 and 1961 and changed hands prevailingly from Hawaiian into Mainland hands. For a while many Hawaiian stocks sold at unrealistically high levels, but most of them have come down materially, just as many previously over-boosted Mainland stocks have. Consequently, Hawaii's leading bank and utility stocks may now again be considered reasonable long term investments, and some of the other stocks briefly discussed below may have some long term merit for the more speculatively inclined. Obviously this is not meant to be either a wholesale recommendation nor an exhaustive list of Hawaiian stocks whose potentialities may merit attention for one reason or another.

Hawaiian Telephone Company serves the entire State and connects with the Bell System on the Mainland and with foreign telephone systems. The company has a 35% share in the trans-Pacific submarine cable linking Hawaii to the U. S. mainland, and will have a similar share in the second such cable to be laid in the latter '60's. A Hawaii-Japan submarine cable should be in operation by 1964, and Hawaiian Telephone will own 35% of the portion serving Hawaii. In the ten years 1951-1961 net per share rose 93% and per share dividends 35%, which compares with increases of 35%, and 15%, respectively, for American Telephone and Telegraph. Common equity is slightly over 47%, and the management has an approximate target of 45%, which will secure an "A" rating for the company's bonds while giving a good leverage to the common stock. The next stock offering will probably take place in the latter part of 1963.

In 1960 the State Public Utilities Commission established a rate schedule designed to produce a 6.7% return on investment (about 9.25% on the book value of common equity); actual return last year was 7.15%, with the difference due to overseas telephone business which is not regulated by the State P. U. C. 1962 earnings may be around $0.95 per share as against $0.86 last year. Dividend payout has averaged 60-75%.

There are about 36 telephones per 100 population in Hawaii, with about 76% of the State's households having telephones. This is close to the national average but reveals potential for further development. The management expects the number of telephones to go up about 20% from the end of 1961 to 1965, which gives a rough measure of the company's growth expectations. (Stock traded on Honolulu

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The Market . . . And You

BY WALLACE STREETE

The stock market continued to push upward through mounting resistance this week. The power of the advance was still impressive even though in the extremely short span of about a month since the Cuban crisis selling dried up on Oct. 24, the industrial average has rebounded about a hundred points.

The accent was on quality items for the most, helping the industrial average which is heavily loaded with top flight issues to make its sensational showing.

Even the long-neglected steels were able to participate in the runup and they were well above their year's lows as a result. The auto shares were coasting for the most, apart from Chrysler, with General Motors hovering slightly under its all-time peak and, therefore, thoroughly entitled to a rest.

Outstanding Motor Sprinter

Chrysler was the motor sprinter when strength was general. It loomed large in the short interest report and has a far more limited capitalization than the other auto issues and is capable of volatile action as a result.

Chrysler also can show the sharp per-share rebound in earnings when the going is good since its nine million shares are well under the 47 million Ford shares and the 285 million General Motors ones; and only half of the 18 million American Motors shares listed. In the parlance of the Street, the Chrysler shares are the ones.

Bullish Items

There are plenty of items in the business news on which the new buyers can dwell since it is year-end dividend time and the extras and higher payments typical of this period of the year are plentiful. The forecasts, starting to emerge, are now on the cheerful side, auto business booming, and even some pickup in steel production.

How much of the current buying is based on hopes of worthwhile income tax cuts next year wasn't clear, but it certainly did figure in the Street's thinking.

The speed of the advance has split the market fraternity rather obviously. One school found mounting caution the rule as the giant strides were made without the semblance of a worthwhile, more-or-less necessary, correction. The other contended the market strength was feeding on itself and was well-nigh irresistible, at least until there has been a significant shrinkage in the record-high short position.

The specific recommendations were largely aimed at the quality section where established dividend records and earnings ability were pronounced, as against the low or nonyield items where the sole appeal in recent years was a constantly expanding sales curve.

A Stirring Quality Issue

Even such a long-neglected item as American News came in for some attention. The shares of this issue have held in a range of around 14 points each year since they were split last in 1960. And before the fanfare of that split started, the old shares had done little more from one year to the next through the long bull market runup.

American News is without peer in the dividend category, at least as far as longevity is concerned. Only a few companies were committed to quarterly dividends in the 19th Century and of the handful, none has been paying each three months without a break for longer than American. Its record dates back to 1864, the year of its organization. That record is superior to the other 19th Century quarterly payment companies of far greater fame, such as General Electric and Procter & Gamble.

At recent price levels American News has been offering the above-average yield of nearly 5%. Its price-earnings ratio runs a conservative 13-times. And where a low float of shares in public hands is supposed to produce volatile market aciton, American News is proof to the contrary since of only a bit more than a million and a half outstanding shares, some 13% are owned by company officials.

The company's period of trial came some five years ago when it decided to quit magazine distribution and concentrate on its activities in the restaurant field. It retained its book distribution business that operates nationwide, its advertising specialties, book match and stationery lines.

In dropping the magazine distribution division, American News in one swoop cut its sales from $172 million to $100 million. But since there was little profit in the magazine activity, the company was able to make some good progress in subsequent years as it built its food field gross to $100 million, or three-fourths of last year's total revenues. And the steady progress promises to continue as it is expanding busily around the country. But that didn't keep the price of the shares from reacting sharply earlier this year, with recovery so far having been limp.

Unique Operation

An issue that once was a widespread favorite, but is well depressed currently, is Universal Oil Products. This is an unique operation, the leading independent research and development outfit in the petroleum field, with the products it does serve its customers being mostly chemical, not oil, products peculiar to petroleum processes. Its principal income, however, comes from royalties on the thousands of patents it has developed for domestic and foreign oil operators.

An important part of Universal's service to the oil industry is the engineering and other technical services which account for a fifth of its income. And when glamour issues were being sought, it was able to show market attention because of its work toward developing an auto muffler that would eliminate the objectionable exhaust discharges. But when the market upset came along, Universal suffered with the rest to where, considering its future potentials, it would seem to be definitely undervalued.

As far as earnings are concerned, the low capital spending rate of the oil industry earlier this year will hurt this year's results, but the comparison with last year is with a five-year peak, so a ratio of 11-times its cash flow would seem to be on the low side. With some start-up costs tapering, increased interest in some of its newer processes apparent, and royalty income pushing ahead by a good margin, the probability is for a strong earnings rebound.

Neglected Blue Chip

Johns-Manville, a blue-chip rated issue, is an item that offers a yield in the middle of the 4% bracket, and its range of only a bit more than a score of points in a wild market year would indicate that it is a neglected one.

Sales have been showing a good increase in Johns-Manville's case, but the mitigating circumstance is soft prices. It also has had rising cost problems. And on top of that, by adopting new depreciation schedules, the company will pare the reported per-share earnings of this year. The general projection is that there will be little change in the final figure from that of last year. For the nine months the reported $2.17 a share profit was only five cents over results of 1961's comparable period. And some estimates place the increased cash flow this year at around $4 million more than last year. Whatever the problems, the facts don't seem to indicate that Johns-Manville is doing other than well in a trying period.

[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.]

Japan's Capital Inflow Stays at High Level

Japan's relaxation of the ban governing capital-repatriation last August has not led to a perceptible outflow of funds.

Despite the dull and soft toned Japanese stock market in the past several months, foreign investments in Japanese securities continued on a high plateau.


Tadashi Ishida

Tadashi Ishida, General Manager of The Nomura Securities Co., Ltd., New York office, pointed out recently that in the 12-year period—1950 - 1962—equities have totaled $352 million; other securities, $3.8 million and foreign currency issuances, $169 million.

The lifting of the ban on the repatriation of foreign capital (from two years to the six months) effective this past Aug. 1, did not set off any accelerated withdrawal of capital from Japan, Mr. Ishida said.

Brisky Capital Inflow

"Rather," he said, "we noted that the foreign investor entered the market in a brisker mood and September figures attest to that fact."

Repatriated investments in the April-Sept. period totaled $3,280,000 in 1961 while repatriations amounted to only $2,860,000 in 1962, Mr. Ishida stated.

Total foreign investments from foreign countries—based on figures from the Tokyo Stock Exchange—totaled $48,660,000 in the April-Sept. period this year as compared to $32,580,000 in a like period last year. In August and September this year foreign investments reached $9,190,000 and $7,610,000, respectively, as compared to $3,810,000 and $2,320,000, respectively, in August and September of 1961.

Indicative also of the faith shown in the Japanese economy by foreign investors, Mr. Ishida said, is the fact that during the April-September period, this year, 19,869 applications were validated by the Finance Ministry for the purchase of Japanese securities for a total of $64,930,000. In 1961 when the market was at its highest postwar peak, the dollar figure was only slightly higher at $65,660,000.

The phenomenal development of Japan's industries in the postwar era can be attributed to the induction of technical know-how from foreign countries, he said, adding that it has been considered the most important factor in the exchange between Japanese and foreign enterprises during the past 12 years.

Japanese-foreign technical ties reached an all time high at the close of September this year with a total of 1,836 contracts, he said. Similar contracts concluded before World War II totaled a mere 231.

The Nomura Securities Co., Ltd. is the leading investment and brokerage firm in Japan. The company maintains over 110 branches in Japan, Honolulu and the United States.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The international balance of payments and its attendant influences on the dollar and our gold holdings is still one of the prime forces operating in the money and capital markets even though the tense foreign political situation cannot be dismissed as a potentially overpowering force which could change completely the way in which these markets would operate. However, as we go along from one cold war (front) to another we find that the short- and long-term markets continue to move along in about the same areas they have been operating most of the year.

However, it does appear as though the larger and still growing demand which is in evidence for all fixed income bearing obligations is having quite a favorable effect on all Government obligations, especially the longer-term bonds. The most liquid issues have such a demand that the Treasury has a hard job keeping these yields from going down too far.

New Competitive Issue Seen Attractive

The coming offering of long-term Government bonds through the medium of competitive bidding is going to attract investment funds that are interested in a very high grade bond (none better) which should also have a rate of return that is in line with non-federal issues and a maturity date that is suitable for those who are interested in putting money to work for an extended period of time. This new issue and the others that are likely to follow should keep the capital market supplied with long-term Government bonds and this will tend to narrow the yield spread between Treasury bonds and the non-federal obligations.

This would not be an unusual development since there have been occasions in the past when the market was being hit quite hard with new offerings of long-term Treasury bonds and non-federal flotations were at about normal levels when the yield spread was not only non-existent but the non-federal bonds, namely corporates, sold at a lower yield basis than did the best credit of them all, the Government bonds. Whether this will happen again depends upon how many long-term Government bonds are offered by the Treasury in its financing of the deficit through the sales of marketable Government obligations to the ultimate investor.

However, it should be remembered that not a few money market specialists are of the opinion that the impending financing of the Government for new money needs through the use of the competitive bidding method is not likely to replace the other ways of selling these securities to the ultimate investor. It is believed that after a few tries with the competitive bidding method there is quite likely to be a return to the former means of obtaining new money.

Must Be Realistically Priced

There is no question but what the capital market can very readily absorb the expected offering of $250,000,000 of long-term Government bonds provided the terms are such that they will meet current competitive conditions. However, there is not likely to be any real big demand for a distant Government bond if there is an attempt to shove it down the throats of prospective buyers just because it is a Treasury issue and it is evident that it is over-priced when compared with corporates or tax-exempt obligations.

The use of long-term Government bonds to push up yields in the capital market appears to be part of the over-all debt management policy so that the flotation of foreign bonds in our market will not get out of hand and in this way some help will be given to our balance of payments problem.

Accent on Income

The growing interest in fixed income bearing obligations appears to come from opinions that the forces of inflation and the boom and bust psychology is at least relegated to the background. This means that the capital appreciation idea is giving way to a search for obligations which have good security and a desirable rate of return or yield. This had been a favorable development as far as Government securities are concerned since the demand for the intermediate and long-term Government obligations is still very much on the up and up.

The not too distant maturities, such as Treasury notes and the shorter Government bonds, continue to move into the portfolios of institutions which not so long ago were interested almost entirely in Treasury bills.

COMING EVENTS

IN INVESTMENT FIELD

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.

Jan. 24, 1963 (Kansas City, Mo.)
Kansas City Security Traders Association Mid-Winter Party on the Roof Garden of the Hotel Continental.

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.

Sept. 22-26, 1963 (Colorado Springs, Colo.)
National Security Traders Association Annual Convention at the Broadmoor Hotel.

The CHRONICLE will publish on Oct. 17 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

DIVIDEND NOTICES

GEORGE W. HELME COMPANY
9 Rockefeller Plaza, New York 20, N. Y.

On November 28, 1962 a quarterly dividend of 43¾ cents per share on the Preferred Stock, and a dividend of 40 cents per share on the Common Stock, plus an extra 20 cents per share on the Common Stock, were declared payable January 2, 1963 to stockholders of record at the close of business December 12, 1962.

WM. C. SIMONSON, Secretary

CSC
COMMERCIAL SOLVENTS
Corporation

DIVIDEND NOTICE

The Board of Directors has today declared the following dividends on the common stock of this Corporation:

Quarterly cash dividend of twenty cents per share

Stock dividend of one percent

Both dividends are payable on December 28, 1962 to stockholders of record at the close of business on December 5, 1962.

H. B. DURBIN,
November 26, 1962 Secretary

DIVIDEND NOTICES

E. I. DU PONT DE NEMOURS & COMPANY

DU PONT
REG. U. S. PAT. OFF.

Wilmington, Del., November 19, 1962

The Board of Directors has declared this day regular quarterly dividends of $1.12½ a share on the Preferred Stock—$4.50 Series and 87½¢ a share on the Preferred Stock—$3.50 Series, both payable January 25, 1963, to stockholders of record at the close of business on January 10, 1963; also $3.00 a share on the Common Stock as the year-end dividend for 1962, payable December 14, 1962, to stockholders of record at the close of business on November 27, 1962.

P. S. DU PONT, *Secretary*

INTERNATIONAL SALT COMPANY

DIVIDEND NO. 194

A dividend of ONE DOLLAR a share has been declared on the capital stock of this Company, payable December 21, 1962, to stockholders of record at the close of business on December 10, 1962. The stock transfer books of the Company will not be closed.

WILLIAM L. BENGER
Vice Pres. & Treasurer.

ANACONDA
REG. U.S. PAT. OFF.

DIVIDEND NO. 218

November 21, 1962

The Board of Directors of **THE ANACONDA COMPANY** has today declared a dividend of One Dollar ($1.00) per share on its capital stock of the par value of $50 per share, payable December 27, 1962, to stockholders of record at the close of business on December 3, 1962.

R. E. SCHNEIDER
Secretary and Treasurer
25 Broadway, New York 4, N. Y.

DIVIDEND NOTICES

UNITED GAS CORPORATION
SHREVEPORT, LOUISIANA

Dividend Notice

The Board of Directors has this date declared a dividend of forty cents (40¢) per share on the Common Stock of the Corporation, payable January 2, 1963, to stockholders of record at the close of business on December 10, 1962.

B. M. BYRD
November 27, 1962. *Secretary*

UNITED GAS
SERVING THE
Gulf South

DIVIDEND NOTICES

BENEFICIAL FINANCE CO.

134th CONSECUTIVE QUARTERLY COMMON STOCK CASH DIVIDEND

The Board of Directors has declared per share cash dividends payable December 31, 1962 to stockholders of record at the close of business December 7, 1962.

Common Stock—Quarterly—$.30

5% Preferred Stock—Semi-annual—$1.25

$4.50 Dividend Convertible Preferred Stock—Semi-annual—$2.25

Over 1,350 finance offices, 400 company-owned and 3,700 associate Western Auto stores

BENEFICIAL FINANCE SYSTEM

Wm. E. Thompson
Vice-President & Secretary
November 27, 1962

P. Lorillard Company

AMERICA'S FIRST TOBACCO MERCHANTS

Established 1760

Cigarettes
KENT
Regular
King Size
Crush-Proof Box
OLD GOLD STRAIGHTS
Regular
King Size
YORK
Imperial Size
NEWPORT
King Size
Crush-Proof Box
SPRING
King Size
OLD GOLD SPIN FILTERS
King Size
EMBASSY
King Size

Smoking Tobaccos
BRIGGS
UNION LEADER
FRIENDS
INDIA HOUSE

Little Cigars
BETWEEN THE ACTS
MADISON

Chewing Tobaccos
BEECH-NUT
BAGPIPE
HAVANA BLOSSOM

Turkish Cigarettes
MURAD
HELMAR

DIVIDEND NOTICE

Dividend of $1.75 per share on the Preferred Stock of P. Lorillard Company, which otherwise would be payable on the first business day in January, 1963, by way of anticipation has been declared payable December 18, 1962, to stockholders of record at the close of business December 3, 1962. A regular quarterly dividend of $.60 per share on the outstanding Common Stock of P. Lorillard Company has been declared payable December 18, 1962, to stockholders of record at the close of business December 3, 1962. Checks will be mailed.

G. O. DAVIES,
New York, Nov. 21, 1962. Vice President

First With The Finest—Through Lorillard Research

The State of TRADE and INDUSTRY

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

Prospects for investment spending in plant and equipment revolve around numerous factors. This week's issue of the November-December *Business in Brief*, a bi-monthly publication of the Chase Manhattan Bank, New York City, examines the latest developments affecting the investment outlook.

According to the Bank: "Industrial production has been virtually level since July. Despite a very high rate of auto production, activity in other lines appears to have leveled out.

This is significant since a production plateau characterized the final stages of the past three business cycles. Moreover, the picture now given by the leading indicators is similar to that in past periods preceding a downward move in business.

"However, historical analogies should be treated with caution. This is particularly true in a period such as the present when the international situation contains great uncertainties.

Developments thus far in Cuba do not appear to have brought a major change in the business scene. At most, there has been a tone of firming in inventory policies, in attitudes towards capital expenditures and in some prices.

"Yet one cannot rule out the possibility that further developments related to Cuba or some other area could call for an increased effort on the part of the United States. While such events could clearly change the business picture, it is impossible to know in advance the timing or extent of the impact. These uncertainties would argue for a flexible approach to an appraisal of business prospects as well as to short-run business policies.

Factors Affecting Investment Spending

"One of the major problems in assessing the outlook at this time relates to possible changes in business plans for investing in new plant and equipment. Two important factors would appear to point to some reduction in such investment in the year ahead:

Excess capacity characterizes many industries, so there is little need to launch new expansion;

Profits this year, while higher in most industries, are less than anticipated, thus affecting incentives to make new investments.

"At the same time, two other developments may operate in significant fashion to increase investment. In a number of important cases, business managements have decided to launch large new investment programs designed to improve efficiency and accelerate the introduction of new products. The objective is to improve upon the profit showing of recent years by aggressive development programs. Thus, business leaders are responding to the challenges of the times.

"A second development favoring a rise in business capital investment is that the changes in depreciation rules and the new tax credit could provide a considerable stimulus in certain fields. It is by no means clear that these tax changes go as far as is necessary to support a sustained expansion in investment.

"Nevertheless, the depreciation and tax changes carried through this year represent an important step in the right direction. A careful study by the Machinery & Allied Products Institute shows that, for new equipment of average service life, the tax credit and the shorter depreciation life produce the following results:

They improve the after-tax rate of return by 20%;

They are equal to a 9% reduction in the purchase price of the equipment;

The reduction in the corporate income tax required to equal their effects works out to 10 percentage points.

"In addition, government spokesmen have argued that the net effect of this year's tax and depreciation actions is to put U. S. business on a comparable basis with business in Western Europe in terms of the tax treatment of new investments.

"While all of this is important in the case of many investments, it is true that the new rules provide less encouragement in other cases, such as long-lived assets or investment by public utilities. Moreover, the real question is not whether U. S. practices as narrowly-defined are comparable with those in other nations—it is whether the U. S. tax system is compatible with the level of business investment required for prosperity.

"On this score, the results of the preliminary McGraw-Hill survey of business plans for investment in 1963 are not particularly encouraging. The survey shows a planned increase of 3% for the year 1963 over the average for 1962. This could imply a modest decline from the current rate of investment. Preliminary plans are always subject to revision. But there would appear to be no great upsurge in investment underway at the moment.

"If it can be assumed that further developments on the international scene will not bring major changes in the domestic business picture, then it is clear that additional effort will be needed to produce the vigorous expansion in investment needed for high-level activity and strong advance in the general economy."

Bank Clearings Declined 9.3% Below 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. 24, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 9.3% below those of the corresponding week last year. Our preliminary totals stand at $27,473,834,327 against $25,144,653,175 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Nov. 24—	(000 Omitted) 1962	1961	%
New York	$14,723,563	$12,792,594	+15.1
Chicago	1,179,164	1,124,483	+ 4.9
Philadelphia	1,120,000	1,117,000	— 4.0
Boston	833,153	777,899	+ 5.8
Kansas City	532,427	465,336	+14.4

Steel Output Up 3.5% From Week Ago and Down 9.3% From Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Nov. 24, 1962, was 1,844,000 tons (*99.0%), as against 1,782,000 tons (*95.7%) in the week ending Nov. 17.

Data for the latest week ended Nov. 24, 1962, shows a production decline of 9.3% compared to last year's week output of 2,032,000 tons (*109.1%).

Production this year through Nov. 24 amounted to 88,989,000 tons (*101.6%), or 2.4% above the Jan. 1-Nov. 25, 1961, period.

The Institute concludes with Index of Ingot Production by Districts for week ended Nov. 24, 1962, as follows:

District—	*Index of Ingot Production for Week Ending Nov. 24 1962	Nov. 17 1962
North East Coast	89	88
Buffalo	94	88
Pittsburgh	87	84
Youngstown	83	85
Cleveland	118	107
Detroit	156	140
Chicago	111	104
Cincinnati	112	108
St. Louis	100	114
Southern	89	86
Western	88	92
Total Industry	99.0	95.7

Steel's Fourth Quarter Rise May Lift 1962 Output Above 1961

Rising demand for nonautomotive steel is virtually guaranteeing that fourth quarter ingot production will be 12 to 15% higher than the third quarter's, *Steel* magazine said this week.

Barring a sudden decline in automotive business — the market's mainstay—steelmakers will melt at least 23 million ingot tons this quarter and 97.6 million tons in the full year (vs. 98 million tons in 1961).

There is an outside chance that fourth quarter production will hit 23.5 million ingot tons and that this year's total will slightly exceed last year's.

December will tell the story.

If tradition holds, December's output will be less than this month's because of seasonal declines, the usual holiday curtailment, and the holding down of inventories so that yearend balance sheets will show ample cash and yearend property taxes will be minimal.

This year may be different if automakers place some big orders for late December and early January delivery and if other buyers complete inventory adjustments and resume buying on the basis of current consumption.

Midwest Mills Do Better Than Eastern Mills

Midwest mills see more improvement than Eastern mills. There is optimism in Chicago because order entry rates at some mills are the best they have been since April.

Steelmakers in the Midwest are happy because the upturn they have seen in the last few weeks has a broad base. Automakers are still leading the market, but they are no longer so dominant. Makers of fasteners, farm equipment, hardware, heavy machinery, and railroad cars are all ordering more actively.

Mills in Eastern Ohio, West Virginia, and Pennsylvania are less encouraged. Orders for sheets are edging upward, they agree, but other products show little change, and some are in seasonal decline.

Eastern mills have more capacity than their home markets can absorb, and they are burdened by product mixes that are weighted toward seasonally affected items: Line pipe, oil country goods, plates, structurals, and tin plate.

Rising steel demand has yet to be reflected in weekly production. Ingot output this week is expected to be about the same as the 1,782,000 tons that *Steel* estimated the industry poured last week, unchanged from the previous week.

Mills, however, did not lower ingot production schedules on the Thanksgiving Day holiday even though they curtailed finishing operations. Most sheet mills continued to operate to meet rising automotive demand.

Steelmaking scrap prices dropped again. *Steel's* composite on No. 1 heavy melting declined 33 cents to $23.67 a gross ton last week. It is now thought that prices on the steelmaking grades have bottomed out, and the new move in the market will be upward.

Predicted Jan.-Feb. Steel Drop Not Expected

The steel market will hold on a plateau through December, with possibly a pickup in January, *The Iron Age* reported.

The magazine pointed out that increased automotive steel buying is expected to offset seasonal factors that tend to depress December production and shipments.

But indications are automakers will hold to a high rate of steel buying through the end of the year. Although there is not enough tonnage on the books to be decisive for January, some further gains should show up after the first of the year.

Because of the adverse steel factors that show up in December, a level rate of production and shipments for the month would actually be encouraging, *The Iron Age* said. If the month goes by without a relapse, a January upturn is likely.

Increased business is concentrated in automotive, resulting in doubts of long-term gains. There are a few signs of a pickup in the overall steel market. But they are scattered and inconclusive. Unless there is a revival in ordering from non-automotive users, a question mark will continue to overhang the market.

But even in the absence of any trend in the broad steel market, there are some indications that gains will have to follow.

First is the all-important level of inventories of steel. Users have continued to liquidate their stocks to the point where total steel inventories are low by any past standard. And even though there is no great industrial boom, there has been no decline in consumption. Guesses by most analysts on steel inventories and inventory policies have been wide of the mark, but an end to liquidation is inevitable.

Also, some of the new strength in the market is spilling over into products other than flat-rolled. Until recently, the market gains could be placed almost entirely in cold-rolled sheet. Now bar producers in some areas are reporting increases in tonnage booked for December. The same holds true in other products in separated areas.

Again, this is not evidence of a trend. But it does indicate the market may be ripe for a fair move after the first of the year when tinplate and other products tend to move up. In any case, a dropoff for December and January, which many forecast a month or so ago, may now be avoided.

Auto Output Kept at Intense High Level

The industry's U. S. plants resumed auto assembly last Friday following the Thanksgiving Day observance and 22 plants were scheduled to work Saturday in a drive to produce another 800,000 cars by Dec. 31.

Ward's Automotive Reports said U. S. auto makers plan to produce 6,937,000 cars during entire 1962, necessitating heavy overtime in the year-end pre-holiday weeks. It called the year's target 88% complete through this week, with 6,131,000 cars produced since Jan. 1.

Passenger car output last week, *Ward's* said, is scheduled at 134,239 units, the 17% decline from 161,703 last week reflecting the holiday Thursday. Another factor was a strike-caused shutdown at Chevrolet's St. Louis plant, for the past two weeks.

Otherwise, *Ward's* said, the industry's drive for auto output remains as intense as ever with 47% of its plants working last Saturday, the same ratio as the previous Saturday.

Scheduled to work the extra day last Saturday was 81% of Ford Motor Co. and 35% of GM Corp. assembly plants, plus American Motors Corp.

Meanwhile, truck output in the U. S. declined to 19,456 units last week from 26,271 of two weeks ago.

Rail Freight Loadings Are 3.4% Below 1961

Loading of revenue freight in the week ended Nov. 17 totaled 571,401 cars, the Association of American Railroads announced. This was a decrease of 14,885 cars or 2.5% below the preceding week.

The loadings represented a decrease of 19,934 cars or 3.4% below the corresponding week in 1961, but an increase of 3,840 cars or seven-tenths of 1% above the corresponding week in 1960.

There were 15,100 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Nov. 10, 1962 (which were included in that week's over-all total). This was an increase of 2,504 cars or 19.9% above the corresponding week of 1961 and 4,306 cars or 39.9% above the 1960 week.

Cumulative piggyback loadings for the first 45 weeks of 1962 totaled 614,398 cars or an increase of 103,396 cars or 20.2% above the corresponding period of 1961, and 129,809 cars or 26.8% above the corresponding period in 1960. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 54 in the corresponding week in 1960.

Truck Tonnage Off 4.3% From 1961 Level

Intercity truck tonnage in the week ended Nov. 17 was 3.5% below the volume in the corresponding week of 1961, the Ameri-

Continued on page 37

MUTUAL FUNDS

BY JOSEPH C. POTTER

Here We Go Again

Unlike Oscar Wilde's Bernard Shaw, the investment counselor's railroads have had many enemies and none of their friends have liked them. Somewhere in this far-flung economy there may be a field of endeavor that has roused more unyielding hostility from market students, but generation-long observance of the financial community does not recall it. The railroad hobbyist, who carried his enthusiasm over into the market-place, has found the experience plenty painful.

Even the railway suppliers long ago took to other fields, so that today there is not a single company which gets its sole sustenance from the carriers. More recently, even the railroads have shown a disposition to look elsewhere. Thus, Illinois Central Railroad last week disclosed plans to expand into non-transport fields. Earlier this year, Kansas City Southern Railway made a similar move and before that Bangor & Aroostook decided to diversify.

Yet it is an open secret that fundmen have taken to looking once more at railroad stocks. Here and there, a fund has announced acquisition of a carrier equity. What could possibly attract the funds to the longest-suffering of all industries?

Well, for one thing, the funds and other investors, shaken by the collapse of the market earlier this year, have come back in a bargain-basement frame of mind. The rails, with yields of from 6% to 9%, were not without appeal. Incidentally, the carriers have done a far better job of maintaining dividends this year than, for instance, the steels. And, here and there, railroads have fattened the payout.

Even more important, from the standpoint of portfolio pundits, this Administration appears to be kindly disposed toward the railroads and determined to get the carriers highballing anew. Pro-Administration legislators are determined to keep Hoffa & Co. from plowing under piggybacking, the truck-on-railway flatcar concept that already is a sort of growth industry. Government agencies have indicated a basic sympathy with railroad merger proposals and there has been less emphasis on Federal rate regulations.

It may be that the tracks finally were cleared for railroads during the Cuban crisis. The Defense Department, at the height of that emergency, found our railroad rolling stock something less than adequate. One general went so far as to get Jervis Langdon, Jr., President of the Baltimore & Ohio, out of bed at midnight to tell him he wanted equipment on his base, "not Tuesday, Wednesday, Thursday, Friday, next week, next month, but by 6 o'clock the following morning. . ."

True, the railroads have been much sinned against, but they are themselves not without sin. Their failure to meet the needs of commuters with modern equipment and better scheduling has cost them goodwill of inestimable value. Doubtless, their dreary image here has carried over into freight haulage. And even if a shipper were inclined to overlook their feebleness as a factor in the passenger field, it would not be easy to forget the broken-down rolling stock that was supposed to move goods.

Railroads, basically, are the cheapest way to move goods, but too many of the carriers either have lacked rolling stock or have offered cars full of holes and termites. Contrast this with the customer-oriented truckers and it becomes easier to understand why the railroads have gone steadily downhill.

To be sure, a handful of rails in the West and South have continued to command respect within and outside the financial community. But they have come to be regarded merely as an exception to the rule.

Right now, some small voices within the council of the funds are saying that a new day is about to dawn for the rails—great strides in piggybacking, the emergence of containerization, new-look rolling stock spurred by liberalized depreciation and military prompting, encouragement from government quarters of sensible mergers, to cite only some.

On numerous occasions in this market rebound, the railroads have set the pace. This generation of investors has witnessed many strange phenomena, but a market in which the railroads starred would indeed be a first—and a welcome one at that.

The Funds Report

Boston Fund announces that George Olmsted, Jr., President of S. D. Warren Co., has been elected to its Board of Directors, and Vincent C. Ziegler, President of Gillette Safety Razor Co. and a Director of the fund, elected to the Advisory Board.

* * *

American Mutual Fund announces that T. M. McDaniel, Jr., Executive Vice-President of Southern California Edison Co., has been elected to the fund's Board of Directors.

* * *

Eurofund, Inc. reports that net assets on Sept. 30 amounted to $29,668,365, or $18.09 a share. These figures compare with $35,199,307, or $21.28 a share on Dec. 31, 1961, and $33,965,598, or $20.54 a share, on Sept. 30, 1961.

* * *

A proposal to merge **Haydock Fund, Inc.** into **Scudder, Stevens & Clark Fund, Inc.** will be submitted to stockholders of each fund at special meetings to be held on Dec. 11.

* * *

Research Investing Corp. reports that during the period from July 1 to Sept. 28 it bought Arlan's Department Stores, a new purchase, and added to its holdings of C. F. M. Co., National Rolling Mills and Season-All Industries, Inc. At the same time it eliminated Vornado, Inc. convertible subordinated debentures 5% of 1982, Brandywine Raceway Association, Carrols, Inc., Hawaiian Pacific Industries and Modern Home Construction Co. It also reduced holdings of Jaguar Cars and Tastee Freez Industries, Inc.

Wellington Names Three V.-Ps.

PHILADELPHIA, Pa.—The Wellington organization, 1630 Walnut St., has announced that three key executives have been appointed vice-presidents:


Thomas F. Glancey


Henry C. Dugan


Daniel S. Ahearn

Thomas F. Glancey as Vice-President of Wellington Fund and Wellington Equity Fund;

Henry C. Dugan as Vice-President of Wellington Co., Inc., national distributor for the funds;

Daniel S. Ahearn as Vice-President — Investment Research of Wellington Management Co., investment manager of Wellington Fund.

Mr. Glancey joined the Wellington organization as Comptroller in 1948, and for many years has served both Funds as Treasurer, a post he continues to hold. Active in Mutual Fund industry affairs, Mr. Glancey is presently serving as Chairman of the Operations Committee of the Investment Company Institute.

Mr. Dugan will continue to serve as Director of Dealer Relations for Wellington Co., Inc., a position to which he was appointed in 1957. He joined the Wellington organization in 1949.

Mr. Ahearn began his association with Wellington Management Co. in 1961 as Financial Economist. Previously he had been an officer of the First National City Bank of New York. Mr. Ahearn has written numerous articles for financial publications, and has just completed a book, *The Federal Reserve Reappraised: 1951-1959*, which will be published by Columbia University Press early in 1963.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Congress when it quits leaves scores of bills unattended to. They are unsung and soon to be forgotten except by the man who introduced them. He never expected they would get anywhere in the first place. In both House and Senate 23,310 bills were introduced in the last session. Only a few were passed.

Many people think that it would be a blessing if we could have a respite from laws and just as many think that Congress, made up mostly of lawyers, passes laws so that other lawyers can break them, but the fact is that regardless of the laws we already have on the statute books every session of Congress presents new problems to be coped with.

Only a fraction of the proposed legislation that died with the adjournment of Congress has received or will receive public epitaphs.

Everyone knows that medical care for the aged, aid to education and the urban affairs plan did not become laws. But few will remark on Congress' failure to establish a national drum corps week or to act upon the House resolution on tapioca limitations.

They are lost forever unless someone remembers to reintroduce them when the 88th Congress convenes. Representative Joe Broyhill, Republican, who won his re-election against Augustus C. Johnson, Democrat, in Virginia's 10th District, sponsored a measure in sheet music which was passed by the House last May. His purpose was to amend down to the last note, the act passed in 1931 which made the Star Spangled Banner our National Anthem. The bill did not get through the Senate and into law. Mr. Broyhill may try it again in the next session.

Many a bill introduced and referred to an appropriate committee is never heard of again. A good example is the one introduced by Congressman McVey of Kansas, a Republican.

The essence of Mr. McVey's bill was to prohibit shorts on male or female persons over 12 in the Capitol building. It went to the Public Works Committee and died there.

Many bills never reach the House floor but are laid on the table by committee action.

In the House a member can introduce a bill by simply dropping it in a wicker basket which lies on the Speaker's desk or a friend can introduce it for him. The Senate requires that the Senator gain recognition and formally present the bill.

Representative Shelley, Democrat of California, has a pet bill almost eight years old. Mr. Shelley, a yachtsman, was once fired upon when he tried to put in at the mouth of the Potomac River. It was during a storm and he tried to put in at a naval post. The near disaster prompted him to urge Congress authorization of a flag for each member of Congress which he could fly as identification.

The heraldic branch of the Quartermaster General's office designed for Mr. Shelley a blue rectangular flag. On it would be the coat of arms of the United States encircled by a wreath of oak leaves and other adornment. The flag would be trimmed with 2½ inches of wide yellow fringe and would hoist by five feet six inches and fly "in rayon, nylon or silk."

In behalf of the House automobile drivers one member asked in the debate: "Would you fly it above or below the squirrel tail on the radio antennae?"

Phila. Inv. Ass'n To Hear on Funds

PHILADELPHIA, Pa.—John C. Bogle, Administrative Vice-President of the Wellington Management Co. will be guest speaker at a luncheon meeting of The Investment Association of Philadelphia to be held on Friday, Nov. 30 at The Engineers Club in Philadelphia.

Mr. Bogle, who has been associated with the Wellington Co. for the past 11 years, will speak on "Developments in the Mutual Fund Industry in 1962 . . . Problems and Potential" which will touch on such areas as the Wharton School Study and the Keogh Bill.

William Rebmann of Laird, Bissell & Meeds, Secretary of the Association, is in charge of arrangements.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

THE PROPOSED FIREMAN'S FUND—AMERICAN INS. MERGER

Last Week, James F. Crafts, Chairman of Fireman's Fund Insurance Company, and Robert Z. Alexander, President of the American Insurance Company of Newark, New Jersey, jointly announced that the directors of both companies had approved a plan of affiliation. The plan calls for a two-for-one split of the common stock of Fireman's Fund, followed by a 5% stock dividend, and the offer of one share of the new stock of Fireman's Fund for each outstanding share of the common stock of American Insurance. The two-for-one split is to be effective regardless of the exchange, but the 5% stock dividend is contingent upon the consummation of the transaction, although it will not be paid on the shares issued in the exchange.

The proposed affiliation, if made effective, will be one of the most important mergers in the history of the insurance industry. It will combine the ninth and tenth largest underwriters among stock companies in the fire and casualty field. The combined premiums written of Fireman's Fund, $269.3 million in 1961, and American Insurance, $189 million in 1961, totaling $458.1 million, would rank the new company second only to Hartford Fire among the industry giants in premium volume.

In connection with the two-for-one stock split, the directors of Fireman's Fund raised the quarterly dividend from $.50 to $.65 per share. This will place the annual rate after the split at $1.30 per share, equivalent to the cash dividend paid by American in each of the past five years. In other respects the terms of the proposal of affiliation appear equally fair. Upon estimated June 30, 1962 figures, the holders of American Insurance will suffer a small decline in the liquidating value of their stock as well as a moderate dip in net investment income per share, but will gain in total operating earnings plus the advantages inherent in joining a larger, faster-growing organization.

In most underwriting respects, Fireman's Fund and American Insurance are quite similar. Both enjoy widespread geographical distribution of premiums, although the merger will result in a better balance overall. The distribution of premium volume is quite similar. In 1961 Fireman's Fund's volume was divided as follows: fire lines—43.5%, casualty lines—49.8% and multiple line—6.7%. American's 1961 premium breakdown was 42%, 48.8% and 9.2% respectively. Only in auto liability and property damage, where American's 26.7% compares with Fireman's Fund 19.3% of total volume, is there a sizable difference in the by-line breakdown. American's relatively large exposure in the auto liability line, which has proved extremely troublesome for the company as well as the insurance industry in recent years, partially explains Fireman's Fund's superior performance in underwriting profit margin since 1957. Both companies have been effective in steadily reducing their operating expenses ratio over the past three years. For 1961 expenses as a percentage of premiums written amounted to 37.6% for American and 37.0% for Fireman's Fund. Further reduction in the expense ratio is expected to be realized through the merger through the economies of size and elimination of duplicate facilities.

In investment operations there are again only minor differences between the two companies in operating policies and

AMERICAN INSURANCE COMPANY

Year	Admitted Assets (000's Omitted)	Net Prems. Written (000's Omitted)	Underwrit'g Profit Margin	Net Investm't Income (Per Share)	Total Adj. Earns. (Per Share)	Liquidating Value (Per Share)	Div. Paid (Per Share)	Price Range (Per Share)
1957	$305.6	$174.2	—10.5%	$2.00	—$2.40	$31.02	$1.30	$29-20
1958	307.8	166.6	— 3.0	1.99	.71	33,02	1.30	30-20
1959	309.8	172.5	0.6	2.03	2.14	32.23	1.30	32-24
1960	320.6	183.9	0.8	2.18	2.35	36.60	1.30	30-25
1961	341.6	189.0	— 5.0	2.22	— 15	40.66	1.30	35-27
Six Months 1962	----	102.9	— 2.4	1.14	.55	36.70	.65	35-23

FIREMAN'S FUND INSURANCE COMPANY

Year	Admitted Assets (000's Omitted)	Net Prems. Written (000's Omitted)	Underwrit'g Profit Margin	Net Investm't Income (Per Share)	Total Adj. Earns. (Per Share)	Liquidating Value (Per Share)	Div. Paid (Per Share)	Price Range (Per Share)
1957	$457.8	$215.6	— 5.1%	$3.06	$0.14	$51.38	$1.44	$47-32
1958	511.2	230.5	— 1.1	3.31	2.52	61.56	1.44	50-35
1959	561.7	258.2	1.8	3.98	5.03	69.07	1.53	53-41
1960	582.5	260.6	0.1	4.09	4.12	71.41	1.85	57-47
1961	643.6	269.3	— 0.6	4.03	3.54	83.13	2.00	71-53
Six Months 1962	----	154.0	— 1.2	2.15	1.75	72.66	1.00	73-56

past records of performance. Fireman's Fund has enjoyed the higher rate of growth in net investment income over the past decade due primarily to American's slower rate of growth in premium volume. Both companies have followed fairly aggressive policies in purchasing common stocks. As of Dec. 31, 1961 common stocks represented 30.8% of Fireman's Fund's total assets and 31.7% of American's total assets. The percentages have undoubtedly been reduced by the decline in stock values experienced in the stock market in 1962. Common stocks as a percentage of policyholders' surplus, representing investment exposure, were 84.0% for Fireman's Fund and 81.6% for American.

Through last week's stock market action, it appears that the investment community approves of the merger approval. In a rising market for insurance stocks and other equities, American Insurance moved from $27.25 bid prior to the announcement to close the week at $31.50 bid, while Fireman's Fund, bolstered by the favorable stock split and dividend action as well as the merger news, rose to a new 1962 and all-time high market price of $72.50 bid.

NEWS ABOUT BANKS AND BANKERS

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

Election of Norbert G. Leroy, John M. Porges, Vincent G. Potter, Robert J. Wynn, and Robert C. Mervine as Vice-Presidents of **Morgan Guaranty Trust Company of New York** was announced Nov. 23 by Henry C. Alexander, Chairman of the Board.

Messrs. Leroy, Porges, and Potter are in Morgan Guaranty's international banking division. Mr. Wynn is the Bank's representative in Tokyo. Mr. Mervine is head of the client service development department.

Also announced were the appointments of nine Assistant Vice Presidents: Walter I. Baranetsky, Charles S. Bissell, Jr., Francis J. Quinn, and Lee N. Shaw, all in the international banking division; Werner A. Stange, the Bank's deputy representative at Frankfort, West Germany; Joseph F. Cody, head of the loan department; George T. Fowler, in the general organization department; Alexander V. R. Halsey, in the methods and systems department; Max de Boysson in the Bank's Paris office.

Joseph E. Banta, Sidney T. Bogardus, and Thomas J. G. Spang were appointed Assistant Treasurers, all in the international banking division. Also named Assistant Treasurers were Raymond Jamieson, loan department, and Edward L. Tiffin, methods and systems department. Louis R. Modave was appointed an Assistant Treasurer in the Bank's Brussels office.

Elected Assistant Secretaries were Edwin E. Erikson, Jeremiah F. Flynn, and Sydney R. Roberts, all in the custody department; John G. Jeffers, electronic tabulating department; Ian S. Ridgeway, personnel division.

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Michael E. Puyans has been elected to the Rockefeller Center Advisory Board of **Chemical Bank New York Trust Company, New York**, it was announced Nov. 20 by Chairman Harold H. Helm.

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The Board of Governors of the Federal Reserve System Nov. 23 announced its approval of the merger of **Prattsburgh State Bank, Prattsburgh, New York**, into **Central Trust Company, Rochester, N. Y.**

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The retirement of Harold E. McCausland as Cashier of **The First National Bank of Jersey City, N. J.** and the appointment of Herman H. Suenholz as his successor, were announced Nov. 23.

Mr. McCausland retires under the Bank's retirement plan on Dec. 1, 1962 after 48 years of service. He started with First National at 17.

Mr. Suenholz joined First National in 1953 in the Bank's consumer credit department. He was promoted to Assistant Cashier in the operations division in 1958 and made Assistant Vice-President in 1959.

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The Mellon National Bank & Trust Co., Pittsburgh, Pa. elected Albert T. Sprankle a Vice-President.

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The Board of Directors of the **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.** announced the promotions of William B. Carr, Vice-President to Senior Vice-President of the Operations Division; Frank T. Howard, Vice-President to Senior Vice-President of the Trust Division.

The following Assistant Vice-Presidents were promoted to Vice-President: Charles A. Beitz to Vice-President of the Correspondent Bank Department of the Commercial Division; William C. Burleigh to Vice-President in the Electronic Data Processing Dept. of the Operations Division; Frederic E. Mygatt, III to Vice-President of the Trust Division; Leland W. Rule to Vice-President in charge of the Montgomery and Bucks County Offices; J. Harold Stephens to Vice-President of the Operations Division, Trust Operations Department.

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The National Bank of Washington, Washington, D. C. elected W. Louis Voigt and Richard D. Barrett, Vice-Presidents.

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Shareholders of **The Ohio Citizens Trust Company, Toledo, Ohio,** will be asked at a special meeting on Dec. 10 to authorize an increase in the Bank's capital account from 132,500 to 140,000 outstanding $20 par value shares.

Subject to shareholder authorization and approval of the State Superintendent of Banks, Directors propose a stock dividend—one for each 17⅔ shares presently held for a 5.66% overall increase. The capital account would then rise from $2,650,000 to $2,800,000.

At the time of the stock dividend, directors also proposed the transfer of $150,000 to surplus. Earlier this year the board added $350,000 to that account. Total of both capital and surplus accounts thus would reach a new $7,300,000 high.

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Northern Trust Co., Chicago, Ill., elected David S. Sampsell, Senior Vice-President and General Counsel. Robert C. Barker, Vice-President and General Counsel is retiring.

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Lake View Trust & Savings Bank, Chicago, Ill., elected Charles H. Klein a Vice-President.

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The Board of Governors of the Federal Reserve System on Nov. 20 announced its approval of the consolidation of the **Genesee Merchants Bank & Trust Co., Flint, Mich.,** with **Davison State Bank, Davison, Mich.**

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The Comptroller of the Currency James J. Saxon gave preliminary approval on Nov. 21 to an application to organize a national bank in Kennett, Mo.

The proposed bank would have an initial capital of $400,000 and the organizers are: John Hall Dalton, Esq., Harold B. Treasure, Esq., George Q. Dunmire, M.D., Leonard Carney, and T. A. Haggard.

* * *

The **National Bank of Commerce, Dallas, Texas,** elected Jean R. Johnson, Senior Vice-President and Trust Officer, a Director.

* * *

The **Valley National Bank of Arizona, Phoenix, Ariz.,** elected John G. Fry a Vice-President in the controller's department and John H. Noll was named a Trust Officer.

* * *

The Board of Governors of the Federal Reserve System, Nov. 21 announced its approval of the merger of the **First National Bank of Price, Price, Utah,** into the **Walker Bank & Trust Company, Salt Lake City, Utah.**

* * *

The Santa Monica Bank, Santa Monica, Calif. on Nov. 21 announced the election of Audrey Austin, Jr., President, as Chairman.

Mr. Austin, who became President in 1950 succeeding his father, will continue to hold that position.

George Ryan With Vance, Sanders

NEW YORK CITY— George D. Ryan has joined **Vance, Sanders & Company, Inc.,** mutual funds distributor, as a wholesale representative, it has been announced by Henry T. Vance, President.

Ryan, who formerly was associated with Colonial Distributors and Hugh W. Long & Co., Inc., will be based in the firm's New York office, 61 Broadway. Working under William G. Gallagher, Vice President, he will provide service to investment dealers in the metropolitan New York area, lower New York state, New Jersey and Pennsylvania.

Private Placements and The Investment Banker

By Daniel M. Kelly,* *Partner, Salomon Brothers and Hutzler, New York City*

Investment banker scrutinizes commercial banking trend toward longer term loans and other recent moves which if sufficiently continued could return commercial banking back into the corporate securities business. Swift review shows who are are principal suppliers of long-term debt and equity capital—which includes bank trust departments but not, as yet, the commercial loan departments. Evidence presented of ample supply of long-term funds seeking investment takes in the receptiveness of the market toward private placements. Mr. Kelly comments on the advantages of direct placements, and expresses the belief that today's favorable rate to borrowers "won't last very long."

The financial needs of business enterprise could be said to fall roughly, into three main divisions. One division is that which deals with the processing of goods, the maintenance of inventories, and so on. Another is chiefly concerned with consumer finance. And the third is devoted to the financing of capital goods.

Daniel M. Kelly

There is, of course, some overlapping in those areas. Commercial bank loans are usually defined as self-liquidating and confined to short run business needs. Customarily they run for fairly brief periods of time. But in recent years commercial banks seem to be making more term loans which tend to run for relatively long periods of time. Traditionally such term loans have usually matured in up to five years. Lately one hears of bank term loans which run for up to eight years. And about a month ago I read of a commercial bank term loan with a maturity of 12 years.

This tendency to lengthen the maturity of bank term loans seems to be picking up some steam and, perhaps, in the years ahead our commercial banks will become more like European commercial banks and take on, in addition to traditional commercial banking functions, the tasks of securities underwriters, dealers and brokers.

Banking Return to Corporate Securities Business

As some may recall, prior to the passage of the 1934 Banking Act, commercial banks did have securities affiliates and were active in the securities business. That depression inspired enactment ended such activities, with the necessary exception of one important area—the underwriting of tax supported obligations of state and local governmental units. Now, however, the cycle seems to have come full swing since those depression days, and some current commercial bank moves, if carried to logical fullfillment, could result in getting the commercial banking system back into the corporate securities business. This, indeed, may be one of the financial waves of the future. As of now, however, commercial bank loan departments are among the least important suppliers of long term capital funds. On the other hand, the trust departments of these banks are a very substantial source of both equity and long term debt capital

Nowadays the most important institutional group supplying long term capital to business enterprise by way of the public securities market are the pension funds. In the years since the war these funds have mushroomed in size until now they dominate the public market. Some of these pension funds are self-administered and some are administered by commercial bank trust departments. And as a result of recent legislation some, in the nearby future, will undoubtedly be administered by life insurance companies. When this last happens the percentage of pension fund money going into the public investment markets may be curtailed, for the life companies usually prefer to put their money into directly placed, as contrasted with publicly offered, securities issues.

Life insurance companies, once the most important group in the public market, are now largely notable by their absence from it, although this year a handful of such companies did come into the market from time to time on a hit-and-run basis. This group constitutes the most important source of long term funds over-all, and completely dominates the direct placement of securities issues, of which I will have more to say later. And, of course, life insurance companies also supply funds to the equity market.

Savings banks occasionally supply funds to corporate enterprise through the medium of the public bond market but, of course, their main investment interest lies in the field of real estate mortgages, not corporate bonds. Savings banks also supply some funds to the equity market.

Savings and loan associations, for the most part, provide no funds to the corporate market in either its equity or debt aspects.

Mutual funds are a major source of equity investment and a minor and intermittent source of debt financing.

Eleemosynary funds are prime purveyors of both debt and equity capital to corporate enterprise.

Individual investors are a major source of equity funds but are of virtually no significance at all in providing debt capital unless this latter happens to take the form of convertible or "with warrant" bonds, in which event individual investors may become very important.

To sum up. For all practical purposes, the pension funds, the life insurance companies and the trust departments of the commercial banks have been the largest suppliers of long term capital funds to corporate enterprise during the post-war period, and probably will continue to be for the visible future.

At this particular moment in time these institutions appear to have ample long term funds seeking investment. This is evidenced by the easing of long term interest rates in the corporate bond market which has taken place with only minor and brief interruptions over the past eighteen months. The easing of rates in the public market has been echoed in the direct placement area as well. In addition, many typically long term investors appear continually to be rolling over at maturity an unusually large volume of short term paper normally held only for temporary investment.

Forces Supporting Higher Bond Yields

Indeed, this erosion of the long term corporate rate structure might have been even more pronounced except for two fortuitous developments. One arose out of the circumstnaces of the United States Treasury market. Short term Treasury yields were maintained at relatively high levels for balance of payments purposes. And rather frequent offerings of U. S. Treasury issues with yields of 4% or higher probably inhibited more drastic reductions in corporate interest rates by providing the market with yield spread comparisons rather unfavorable to corporates. The second event which served to put a damper on the upswing corporate bond prices came at mid-year when, right after the devaluation of the Canadian dollar, a substantial supply of bonds with 5% and higher yields came into our market from above the border.

Additional evidence that institutions have ample supplies of long term funds seeking investment is furnished by the receptivity of their investment officers to direct placement offerings affording somewhat lower yields and carrying somewhat less onerous borrowing terms than heretofore. And finally, the appearance in force at all sorts of business conclaves of representatives of these institutions hoping to bird-dog a good direct placement confirms the impression that, at least for the present, uncommitted long term investment money is promoting a slow burn and some heat in their vaults.

How long such conditions, relatively favorable to the borrower, will continue to obtain is, like everything else in the future, difficult to judge. My own feeling, for whatever a subjective judgment may be worth, is that it won't last very long.

The potential corporate capital seeker, consulting history, will learn that interest costs and stock prices have been both a lot lower and a lot higher than they are today. After he has learned this he can fall back on the crystal ball, make his decision, and knock twice, ritualistically, on the nearest block of wood. I should think the deciding factor in raising funds is not the price set by the market but the profit potential of such funds when used in the business.

If the corporate treasurer decides to obtain equity capital he has little choice but to tap the public market through the mediation of a securities dealer and SEC registration. Most industrial enterprise has long standing relationships with investment banking firms whose job is to float securities issues. Industrial concerns without such historical relationships will find that they can be readily initiated by a telephone call to an investment banking firm, preferably through their commercial banker who is presumably well posted on both parties. Most public utility companies have only to announce that an issue of their securities is to be offered for public bidding, and groups of investment banking firms immediately form underwriting syndicates to compete for the issue.

Propensity in Private Placements

But, if he be so minded, the corporate borrower can by-pass the public market, the SEC, and, for that matter, the investment banker, and go directly to the institutional lender for his financial accommodation. An issue of securities which by-passes the public market and the SEC is called, for obvious reasons, a direct, or a private placement. This method of financing eliminates the necessity of filing an SEC registration statement, and can often be accomplished more easily and expeditiously than a public, SEC registered issue. It is usually placed with a relatively small group of institutional investors who are buying the issue, not with the intention of reselling it, but for permanent investment in the investment meaning of the word permanent, that is, subject to change as conditions change.

I have just pointed out that direct placement financings can be arranged directly between corporate borrowers and institutional lenders, and some are. Actually most direct placements are negotiated with the lender on behalf of the borrower by investment bankers. Since I am an investment banker I suppose this statement could be construed as special pleading on the part of an interested party rather than as a platonic observation by an innocent bystander. But let's examine my statement.

The investment banker through his daily contact with the market affords both contracting parties the benefit of his special expertise in the matter of appropriate interest rates, call features, sinking funds, negative pledge clauses, other covenants and so on, thus smoothing the path of negotiations. In addition, because of his daily briefing on the requirements of a wide group of institutional investors, he knows, for the benefit of the borrower, where to go for the money without wasting time knocking on the doors of institutions temporarily out of the market, or fully invested for the time being, perhaps, in that particular area of enterprise, or whose interest requirements are out-of-line with the credit status of the borrower.

The investment banker is a sort of financial obstetrician. Child birth is natural but most of us prefer to have a physician in attendance. So, too, with direct placements. The borrower can make do without the investment banker. But the process of financial parturition is a lot more comfortable with an expert in attendance. Institutional investment requirements can change quite rapidly; so can markets. And the alert investment banker can sometimes beat the market to the change. He knows exactly where to go for the money and what to haggle for in the way of terms. He earns his fee. There have been times when ditch digging seemed easier to me.

*From a talk by Mr. Kelly at the 6th Annual Business Conference of St. John's University, New York City, Nov. 15, 1962.

NSTA NOTES

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Annual Meeting and election of officers of The Security Traders Association of New York, Inc. will be held on Friday evening, Dec. 7, 1962 at the Harbor View Club, 2 Broadway, New York City.

At the conclusion of the meeting, a Cocktail Hour & Buffet Dinner will be held.

The Candidates Are:

President—Sidney Jacobs, Sidney Jacobs Co.

First Vice-President—Lewis Harrison Serlen, Josephthal & Co.

Second Vice-President—Salvatore J. Rappa, Mergott, Rappa & Co., Inc.

Secretary—James Torpie, Torpie & Salzman, Inc.

Treasurer—Wilbur Krisam, John C. Legg & Company.

Directors (2-year term): Joseph H. Billings, Cowen & Co.; Harold I. Murphy, Gregory & Sons; Thomas A. Larkin, Goodbody & Co., and Joseph R. Dorsey, Bache & Co.

National Committeemen: Stanley Roggenburg, Roggenburg & Co.; Samuel F. Colwell, W. E. Hutton & Co.; Michael J. Heaney, Michael J. Heaney & Co.

National Committeemen Alternates: W. F. Saunders, Dominion Securities Corporation; Thomas Greenberg, C. E. Unterberg, Towbin & Co.; John F. McLaughlin, Andrews, Posner & Rothschild; Wellington Hunter, Wellington Hunter Associates (Jersey City); Joseph D. Krasowich, Gregory & Sons.

Nominating Committee (Four to Be Elected): John R. De Marco, Edwin L. Tatro Co.; Thomas Greenberg, C. E. Unterberg, Towbin Co.; Leslie Barbier, G. A. Saxton & Co., Inc.; George L. Collins, American Securities Corporation; Joseph D. Krasowich Gregory & Sons; William J. McGovern, Blyth & Co., Inc.; J. T. McGivney, Hornblower & Weeks; Irving N. Maxfield, Winslow, Cohu & Stetson, Inc.; Stanley Roggenburg, Roggenburg & Co.; John R. Maher, John R. Maher Associates; John J. Meyers, Jr., John J. Meyers & Co.; Edward Zinna, Smith, Barney & Co.; Charles O'Brien Murphy, III, Mackay & Co., and Paul R. Yednak, Sidney A. Siegel & Co., Inc.

Canadian Economic Outlook —Financial Conditions

By A. T. Lambert,* *President, The Toronto-Dominion Bank, Montreal, Canada*

Canadian banker praises the new exchange rate as a good one but warns that its full effect in bringing about necessary, longer-range adjustments will not be felt for some time yet. Mr. Lambert attributes the recent exchange crisis, which came to a head last June 24, to the overdue return to a fixed exchange rate since it was abandoned in 1950. Indicated is the skill and self-discipline Canadians must employ, which transcends relying solely on monetary and fiscal policies, in order to meet the challenges which Mr. Lambert is confident will be overcome.

I would like to open my remarks by expressing the opinion that the Canadian dollar crisis of this past summer is over. This does not mean our problems are all behind us but it does suggest we have the opportunity now of tackling them in an atmosphere less charged with emergency than existed a few months ago. In Canada we have been accustomed to expect financial and monetary policy to reflect general economic conditions and to be chiefly influenced by them. However, the monetary stringency in Canada today originated in the balance of payments and the foreign exchange market, and for some time to come it will be necessary for domestic considerations to be subordinated to external considerations in the formulation of monetary and financial policies. It is, of course, still true that we must solve our domestic problems in a constructive and disciplined way if we are to have satisfactory financial conditions, but it is our obvious need to build confidence in our international position that makes internal self-discipline an immediate necessity.

Allen T. Lambert

Blames Fluctuating Exchange Rates

The present financial situation is a creature of the recent exchange crisis, and the causes of that crisis are something about which there are differences of opinion among Canadians. To my way of thinking, however, the exchange crisis was in part a legacy of the policy of allowing the exchange value of the Canadian dollar to fluctuate freely during recent years. While I do not question the necessity of abandoning the fixed rate in 1950, granted the circumstances that existed at that time, I do feel that it was a mistake to have delayed so long before bringing the rate under control once more.

Regardless of whatever virtues the fluctuating-rate policy may have had, it is clear that a considerable over-valuation of the Canadian dollar developed during these years, even when the competitive position of the Canadian economy was worsening, the growth rate was becoming unsatisfactory, and unemployment was rising. As recently as one year ago, the majority opinion would have been to the effect that the problem facing the authorities in controlling the exchange rate was to prevent the Canadian dollar from appreciating, not to prevent it depreciating. In fact, a strong speculative raid on the currency—a bull raid—occurred in October of 1961, spurred by the conviction that the Canadian dollar must soon appreciate to or above equality with the U. S. dollar.

By this time the authorities were already embarked on a policy of consciously influencing the exchange rate towards levels deemed more appropriate, presumably meaning some moderate discount below the U. S. dollar. In my view, their objectives were right, and so was the general tenor of the policies by which they pursued these objectives. Nevertheless, the attainment of these objectives soon ran into certain difficulties, some foreseeable but others not, and the authorities were forced into premature action.

June 24th Emergency Program

A new raid on the Canadian dollar—this time a bear raid—began early in 1962, and the pressure of events brought a crisis of confidence. Firm commitments by the authorities, including setting a new fixed rate of 0.92½ cents in U. S. funds on May 2, last, brought a temporary halt. However, uncertainties associated with the atmosphere of an election campaign contributed no doubt to renewed pressures on our dollar, and the drain on our reserves was not finally ended until the initiation of the new emergency program on June 24. The program included massive external support for the Canadian dollar, temporary import surcharges, reductions in Government spending, a 6% bank rate, and severe monetary restraint.

Public misunderstanding about the role of the great capital inflow into Canada in recent years played an unfortunate part in the exchange crisis. People were inclined to overlook the fact that the Canadian capital investment program substantially exceeded the flow of Canadian savings, making it necessary to either import capital from abroad or bring our domestic capital program and our flow of domestic savings into balance. Much was said, and a few things done, about curtailing the capital inflow, but no attempt was made to balance domestic investment and domestic savings. Indeed, it would have been difficult to effect the substantial shift of spending flows which this implies without setting off severe deflationary pressures. When trouble began to brew, past words and deeds in this field played a part in discouraging the entry of needed capital, while import demand continued unabated, and naturally the burden had to fall on Canadian exchange reserves.

The severity of the monetary restraint imposed by the authorities may be judged by the fact that the net deposit obligations of the chartered banks declined by $521 million in six weeks and bank portfolios of Dominion Government bonds fell $787 million in 12 weeks. Corresponding declines in the U. S. banking system would be of the order of $10 billion and $15 billion, respectively.

Adjustments of this magnitude in so short a period are dramatic evidence of the strains put on the banking system. Other parts of the financial community were less affected. In fact, an outstanding feature of the situation has been the strength of the Government bond market. Interest rates have held remarkably steady ever since the initial adjustment in June, and nonbank investors absorbed some $800 million worth of securities in 12 weeks.

A Look Into the Future

Now, what of the future?

The emergency measures in combination with the new fixed exchange rate are having their desired effect. Canadian foreign exchange reserves rose by $636 million between the end of June and the end of September. There are signs that foreign capital is once more entering Canada. There are numerous instances of Canadian production and Canadian capacity being expanded to take advantage of the improved competitive position that domestic producers now enjoy.

I am convinced that the new fixed exchange rate can itself bring about a major part of the longer-range adjustments necessary in the Canadian economy. Its full effects will not be felt for some time yet, but at one stroke it removed both the over-valuation that has handicapped Canadian competition with producers in other countries and the uncertainty that has sapped Canadian initiative in the past—uncertainty about how long conditions would remain favorable whenever the rate did fall temporarily to more suitable levels.

In my opinion, the new exchange rate is a good one. It neither overvalues the currency nor undervalues it. The handicap of overvaluation is well known to us, but undervaluation would serve us no better, for it would bring upward pressures on costs that would soon remove any apparent benefits. Important, too, is the fact that the authorities have shown a decisive determination to hold the new rate. Confidence in the Canadian dollar shold continue to grow. This, in turn, should bring lower interest rates and easier money before too long, though I would not be prepared to predict just how quickly that will come about. It will take a period of favorable experience before we can expect to see much in the way of concrete results.

In a world of convertible currencies and competitive markets, we must expect some fluctuations in our exchange reserves from time to time. This will be especially true in the next few years, while we are relearning how to live with a fixed exchange rate. These ups and downs may be fairly substantial, and we must be prepared to accommodate ourselves to them. We must also expect some fluctuation of interest rates for balance of payments reasons, which at times may have to override domestic considerations. The disciplines required by this can be turned to our own benefit, and they are a necessary part of the responsibility we have to others in the family of trading nations.

The ultimate solution to our problems cannot be accomplished by monetary and financial policies alone, but must involve some basic economic readjustments, and these must be in the direction of relying less on others and doing much more for ourselves, especially in the development and application of higher industrial and technical skills. I am not suggesting that we lapse into mere protectionism, for this would be defeatist. Rather, we should be realistic about the large imbalance in our internal payments and be at some pains to explain it to the nations with whom we are trading. In other words, we have no desire to inhibit trade but we must move to close the gap by recognizing and exploiting our own best capabilities.

We in Canada must meet and overcome a number of challenges in maintaining full employment, stable prices, and sound growth. I am convinced that these objectives can be achieved through the exercise of skill and self-discipline. We still have the great natural resources on which our past successes have been built. Our population has grown in experience and in skills. We are making a serious effort to improve our research facilities, to encourage sound business practices, to seek out and make the best use of the business opportunities we have. Canadians are becoming increasingly aware that their future depends largely on the effort they put forth, and I am confident that they will give a good account of themselves.

*An address by Mr. Lambert at the National Industrial Conference Board, October Conference, Montreal, Canada.

Canadian NAIC Council Names

MONTREAL, Canada — M. W. Mackenzie, President of Chemcell Securities Limited, Montreal, has been elected Chairman of the Canadian Council of the National Industrial Conference Board, succeeding D. W. Ambridge, Toronto. The Council's new Vice-Chairman, succeeding Mr. Mackenzie, is W. O. Twaits, President of Imperial Oil Limited, Toronto.

Election of the Council's new officers was announced today from The Conference Boards Canadian Office in Montreal by Monteath Douglas, the Board's Vice-President in charge of Canadian operations.

Also elected as new members of the Council are: W. Herman Browne, President, Moore Corp. Ltd., Toronto; G. Arnold Hart, President, Bank of Montreal, Montreal; George H. McIvor, Chairman, Robin Hood Flour Mills Ltd., Montreal; J. E. Richardson, President Maritime Telegraph and Telephone Co., Ltd., Halifax; J. S. D. Tory, Q. C., Senior Partner of the law firm of Tory, Arnold, DesLauriers & Ginnington, Toronto; and as a member from the United States, Gardiner Symonds, Chairman of the Board, Tennessee Gas Transmission Co., Houston, Texas. Mr. Symonds is a Trustee of The Conference Board.

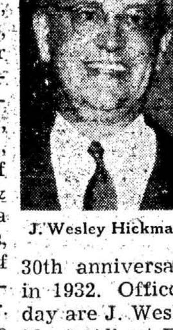
The National Industrial Conference Board is an independent, non-profit institution for business and economic fact-finding through scientific research. It was founded in 1916 and has its main office in New York, with foreign correspondents from 16 countries in Europe and South America. The Board's Canadian office was opened in Montreal in December, 1954. Recognized as a primary source for supply of data and exchange of experience in business economics, personnel practices and management organization, the Board's combined staff of over 200 includes specialists in these fields whose reports and findings are used by over 3,700 subscribing associates throughout North America and abroad, comprising companies, trade associations, labor unions, government agencies, universities and public libraries.

The Conference Board's Canadian Council, drawn from subscribing companies across Canada, is appointed to advise in the direction of the Board's Canadian activities. Other members of the Council are: D. W. Ambridge, President, Abitibi Power & Paper Co., Toronto; Paul Bienvenu, President Catelli Food Products Ltd., Montreal; Frank M. Covert, Q. C., Stewart, Smith & MacKeen, Halifax; N. R. Crump, President, Canadian Pacific Railway Co., Montreal; H. G. De Young, President, Atlas Steels Ltd., Welland; T. W. Eadie, President, The Bell Telephone Co. of Canada, Montreal; W. C. Harris, President, Harris & Partners Ltd., Toronto; J. R. Kimberly, Chairman of the Board, Kimberly-Clark Corp., Neenah, Wisconsin and C. H. McLean, President, British Columbia Telephone Co., Vancouver.

Also, J. R. Murray, Managing Director, Hudson's Bay Company, Winnipeg; J. G. Notman, President, Canadair Ltd., Montreal; James A. Richardson, Vice-President, James Richardson & Sons, Winnipeg; Lucien Rolland, President and General Manager, Rolland Paper Co., Montreal; V. W. Scully, President, Steel Co. of Canada, Hamilton; John S. Sinclair, President, National Industrial Conference Board, New York; H. S. Wingate, Chairman, The International Nickel Co. of Canada, New York and R. H. Winters, President Rio Tinto Mining Co. of Canada, Toronto.

Schneider, Bernet 30th Anniversary

DALLAS, Texas—Schneider, Bernet & Hickman, Inc., 1505 Elm Street, members of the New York Stock Exchange, is celebrating the



J. Wesley Hickman

Albert E. Bernet, Jr.

30th anniversary of its founding in 1932. Officers of the firm today are J. Wesley Hickman, President; Albert E. Bernet, Jr., Vice-President and Secretary; George N. Leitner and R. Mayo King, Vice-President; and Edward D. Cobb, Treasurer.

Jules E. Schneider, one of the founders of the firm, is now in semi-retirement.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Calgary Power Ltd.

Calgary Power (and its predecessor) have been in operation since 1909, initially as a hydro utility and later as a combined hydro and steam utility. The service area includes about half of the Province of Alberta, the two principal cities being Calgary and Edmonton. Originally mainly an agricultural economy, the Province has enjoyed a spectacular growth in the past 15 years due to the discovery and development of large oil and gas reserves, plus other important natural resources. Estimated reserves now include some 3.5 billion barrels of proven crude oil, 300 billion barrels of crude oil in the Athabasca Tar Sands, 28 trillion cf of gas, 48 billion tons of coal and 53 billion cf of timber. Salt is also found at many points in the Province, and large amounts of sulphur are being produced as a by-product of gas. Secondary industry has been slow in developing but with an expanding local market and a growing population, manufacturing now has assumed a more important position in the Provincial economy.

The company's major growth began about 15 years ago, following the discovery of oil in large quantities and the resulting industrial expansion. As a hydro company, Calgary Power had suffered from the highly seasonal nature of water power. Its hydro plants are all located on the Bow River—a tempestuous stream in the spring when mountain snows are melting, but only a trickle in winter. But with its new prosperity the company was able to build storage reservoirs on the Bow in order to harness this "hard working river," and also to construct steam plants to take care of heavy winter demands for power.

Fortunately, low-cost fuel in the form of nearby gas and strip coal is available. The first steam unit was commissioned in 1956—a 66,000 kw unit designed for initial firing with gas and for later conversion to coal; a second unit was added in 1956 and a third 150,000 kw unit is projected. The company acquired its own coal reserves, for although large volumes of natural gas are available coal was considered more apt to enjoy price stability over a long period of time. The initial coal cost was only about 15 cents per million btu and this is expected to decline to less than 10 cents when the next generating unit is commissioned.

The company has far-reaching plans for additional construction, which is expected to average about $21 million a year over the next five years. Steam units have been installed at a cost averaging about $125 per kw while additional hydro machines in existing plants were installed at the extremely low cost of $50 to $60 per horsepower. With the Bow River fully exploited, the company is now planning to develop a site on the Brazeau River about 100 miles northeast of Banff. It is planned to install at least four units of 150,000 kw each, with the first scheduled for 1964.

In this development, it is cooperating with the Provincial Government which is interested in obtaining additional water to alleviate pollution and also to provide for industrial needs. The Province has assumed the cost of the storage portion of the project up to $14 million. This storage has been leased to the company which is now constructing the first power unit at a cost of $24 million (future units will cost only about $9 million apiece). When the plant is fully completed (or by 1980, whichever is earlier) the company will purchase the storage works from the Province at cost. Thus, the Province will obtain the benefit of storage at no cost to the taxpayer other than interest charges less lease and water rentals.

Looking still further ahead, the company plans to construct five hydro plants with capacity of over 2 million horsepower on the Athabasca River. Currently, total capacity is about 638,000 kw, about half hydro and half steam. Hydro and steam plants are connected by high-voltage transmission lines.

Due to its low operating costs, the company's rates compare favorably with those in most other areas of Canada, despite its very low load density. Due to careful planning for long-term development the company has never found it necessary to ask for a rate increase. While the company is earning a fairly generous return on net plant, somewhat similar returns have been allowed for gas utilities; the Alberta Public Utilities Commissioner has never set any maximum return on electric utilities. It seems possible that as new generating units are built to provide a more substantial reserve over peak load, rate of return may decline moderately.

The company has enjoyed very rapid gains in peak load and in earnings per share. Over the past five years load growth has averaged 11% (although growth during 1960-63 may average about 10%); in the previous 15 years gains had averaged 13.5%. Increases in share earnings have been as follows in recent years (adjusted for the 5-for-1 split in 1959):

		% Increase
1962 Est.	$1.25	4
1961	1.20	10
1960	1.09	14
1959	0.96	8
1958	0.89	11
1957	0.80	7
1956	0.75	27
1955	0.59	7
1954	0.55	17
1953	0.47	--

*Earnings for the 12 months ended Sept. 30 were $1.24.

Earnings have risen steadily from 10 cents in 1947 to the estimated $1.25 a share, and for 1963 the management estimates a gain in load of about 10% with an increase in share earnings of about 8%. Dividend payout is expected to continue around 50% of earnings. Gains in earnings in 1961-62 were affected somewhat by an increase in local taxes, the retarding effect of which will end December 31.

Because of the takeover of British Columbia Electric by that Province, as well as the probability that Quebec utilities will also be expropriated, there may have been some fear that Calgary would suffer a similar fate. However, this seems very unlikely, since the Province and the company have been collaborating in the Brazeau River Development. Moreover, the Province in April passed unanimously a resolution favoring private ownership of industry. The company's hydro license also has strong protective features in the event of any takeover.

The stock has been selling recently on the Toronto Board around 21 representing a multiple of 16.8 times current earnings. The yield based on the 60-cent dividend is a little under 3%.

A. B. A. Centennial Kits Being Sent Member Banks

Next year marks the 100th year of dual commercial banking. To assist local banks' observance of this historic occasion and to enable them to better acquaint the public with commercial banking's contributions to the economy, the American Bankers Assn. is distributing centennial-celebration kits containing numerous promotional aids.

The American Bankers Association, in the biggest printing-mailing operation in its history, recently started distributing 15,000 Centennial Information Kits to member banks.

The kits contain a variety of factual and promotional materials designed to facilitate local observance of the Centennial of America's dual commercial banking system in 1963. The dual banking system resulted from the enactment on Feb. 25, 1863, of the National Currency Act authorizing the chartering of national banks by the Federal Government to function alongside already established state-chartered banks.

Each kit features 34 separate items suggesting ways of organizing, advertising, and publicizing local Centennial observances. All are keyed to the Centennial theme, "Progress Through Service — A Century of Commercial Banking." Order forms for banks' use in obtaining bulk supplies of materials made available by the A.B.A.'s Centennial Commission are included.

Among the items are: a brochure depicting eight advertising aids ranging from postmark ad plates to display posters and statement enclosures; a series of six newspaper advertisements; six speeches for adult and student audiences; sample news releases and spot announcements; an editorial source sheet of news feature articles; a booklet, "100 Ways Your Bank Can Celebrate," with suggestions for individual bank activities; and "How Banks Help," a 49-page account of banking history and services written in popular style for distribution to bank customers.

Also described in the kit are a Centennial book and a Centennial motion picture which will become available in the near future. The book, "Financing American Enterprise," is a comprehensive history of commercial banking in the United States. Written by Dr. Paul B. Trescott of Kenyon College, Ohio, it will be published by Harper & Row in February. The 16mm color film, "Banking in Action," 17½ minutes in length, will dramatize the development over the past century of commercial bank services. Now in production, it is expected to be available for rental or purchase early next year.

In a letter earlier this week, the Centennial Commission, chairmaned by Ben H. Wooten, Chairman of the Board, First National Bank in Dallas, Texas, alerted chief executive officers of A.B.A. member banks to the scheduled mailing of the kits.

"We urge you to look through and make full use of this important Centennial Information Kit and to see that your staff members are kept aware of your Centennial Observance plans," the letter stated. "Maximum impact will be gained if all commercial banks in the same community arrange joint activities during 1963."

The Commission also suggested that each bank check with its state bankers association to coordinate local with state programs.

Planning for the Centennial year began with the appointment of the A.B.A. Commission in 1958. More than 9,000 commercial banks have subscribed to a Centennial fund supporting the Commission's work.

Champion Heads Heart Fund Drive

George Champion, Chairman of the Board of Directors, Chase Manhattan Bank, New York, has been named National Chairman for the 1963 Heart Fund campaign to be conducted nationwide next February, the American Heart Association has announced.

George Champion

In accepting the Heart Fund chairmanship, Mr. Champion called on the American people for an all-out effort to support the drive with voluntary services and contributions.

The 1963 Heart Fund campaign will reach its climax on Heart Sunday, Feb. 24, when nearly 2,000,000 volunteers will call on their neighbors to provide health-saving information about heart diseases and to receive contributions.

As We See It

Continued from page 1

that the facts are as thus indicated, and, of course, we must see to it that they remain so.

Russia vs. U. S.

As to the economic sphere, it is interesting and, of course, significant that at the time that even the discontented estimate our annual production of goods and services this year at some 7% higher than our previous unparalleled record of the past, the powers that be in the Soviet Union feel under the necessity of overhauling their entire hierarchical system in the hope that, in that way, they can bring production of goods up to what their own analysts have long ago estimated they would be at this time but are not. Russia, a land that is able to boast of vast areas of extremely fertile land is still unable to feel assured of a normal food supply. The Russian powers that have long been boasting of their technological progress — and at least some of it is real enough —have to place alongside of their boasted weapons a deficiency in the output of many forms of peacetime consumer goods. Evidently if they are to bury us, they will have to start from somewhere behind scratch.

But all this provides us with something far beyond an occasion for self-gratulation, and certainly gives us no ground for the expensive luxury of over-confidence. It, in point of fact, holds certain lessons for us that ought not to be overlooked but which are all too apt to be slighted in times such as these. One is, of course, always somewhat skeptical of alleged facts and elaborate figures which come out of the Soviet Union, but one can hardly doubt that the reason for the disappointing record of the economic system in that country is the very nature of its organization and the theory upon which it proceeds. In a country which is supposed soon — or at least within foreseeable times — to have a way of life in which every man and woman produces to the full limits of his or her ability and shares in the products of industry, not in proportion to contributions to output but according to need, we now hear about the graft and the stealing (in addition to rank inefficiency) that we in the backward world of capitalism would expect in such a society as that of the Soviet Union with its detailed control by governmental agencies.

All of this of necessity brings to mind the wise words of Adam Smith when he spoke of the system of *laissez faire* (which we are supposed to have) relieving government "from a duty, in the attempting to perform which he (it) must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of a private people, and of directing it towards the employments most suitable to the interest of the society." Thus it would appear that the sworn enemy of the system Smith was advocating has been chosen or elected itself to give convincing evidence of the truth of the generalizations it scorns!

But let us not lay the flattering unction to our souls that we have not been touched by these same fallacies that are so obviously and damagingly embodied in the Soviet system. We have not, to be sure, officially adopted the communist ideal or even the socialist program, and it would be foolish to say that we are as yet either a socialist or a communist nation. Far from it. The fact is, though, that whether we realize it or not we have in actual practice grafted on to our system of private enterprise a number of socialistic, even communist ideas. The New Deal, the Fair Deal and the New Frontier philosophy are all redolent of them. And they have permeated the thought of the general public to a degree that is possibly not fully realized and which fills us with uneasiness.

Agricultural Problems, Too

The Soviet authorities are in trouble with their agriculture, and are trying to remedy the situation by more and more control by government. We have agricultural problems, too, of a radically different sort—too much rather than too little production—but instead of permitting natural forces to correct the situation, we have long been trying to have government tell farmers how much of this, that and the other they shall produce and punish those who do not comply by denial of subsidy payments—and failing to control the situation by this or any other means, we directly or indirectly take surplus products off the hands of the producer at the expense of the taxpayer. Government here has obviously undertaken a task in the performance of which it has exposed itself to "innumerable delusions, and for the performance of which" its wisdom or knowledge (like that of all human beings) has not sufficed and could not suffice.

But, of course, agriculture is but one example of our current deviations from the basic principle of a free enterprise system such as that envisioned by Adam Smith and proclaimed and largely practiced by the founding fathers. These deviations on the surface at least may not bear so close a resemblance to socialism or communism as those affecting agriculture, but they all point more or less in that direction. Housing subsidies, and other types of subsidies for that matter, to say nothing of the extensive regulations and regulatory bodies that have been created to direct large segments of our industry and trade are all examples of the all too general trend. It is time we came to our senses.

New Growth Factors in Hawaii's Economic Future

Continued from page 9

covery reversed this trend, resulting in an advance in visitor arrivals of 7.7% during 1961—a rise which accelerated this year, with an overall advance for 1962 of 18% above previous year levels.

Construction registered an uneven, mild decline last year from the all time high of 1960. This year, construction appears to be stabilizing at an approximate level of $260 million—substantially below the 1960 peak but far above the 1955 level of $97 million at which the construction boom started.

Sugar production also appears to have stabilized during 1961-62 at an annual output of approximately 1,100,000 tons. Pineapple production, however, is entering a mild downtrend. Both industries face increasingly intense competition in their traditional markets.

During 1961-62, strikes resulted in temporary shipping stoppages and caused some mild business setbacks. The West Coast shipping strike of March 16 to April 11, 1962, resulted in a few shortages. Losses would have mounted rapidly if the strike had been prolonged—hence they tended to be exaggerated in the Mainland press which referred to prospective, rather than actual, conditions. A few Island residents, for example, were amazed to receive some CARE packages (on the assumption that they were in danger of starving) at a time when all hotels, restaurants, and supermarkets were wide open.

Offsetting these negatives are three factors of increasing strength. Tourism, as noted above, is strongly up in 1962. Industrial production also shows continuing strength. Defense activity reached a record peacetime high in 1961, with continuing high levels in 1962.

The net result during 1962 has been a gradual rise, with an overall advance for the year estimated at 4%. This is decidedly below the 12% advance during the boom years of 1959-60, but above the national average.

The 1963 Outlook

The outlook for 1963 is for a continuing but mild rise as business adjusts to more complex forms of economic organization at new and higher levels. The principal factors of strength will continue to be tourism, manufacturing, and defense activity—with only a mild growth in sugar and construction, and a mild decline in pineapple production. The rate-of-growth will probably not exceed 3½%.

The present period, however, provides a breathing spell for the stabilization and reorganization of the economy preparatory to the next major advance.

Three factors stand out as potentials for expansion in the years that lie ahead—(1) new industrial developments; (2) the growth of new relationships between Hawaii and the various countries bordering the Pacific; and (3) the continuing advance of tourism.

Manufacturing and Processing as A Factor in Island Growth

Industrial development in Hawaii has received less attention than it deserves. In the basic sugar and pineapple industries, the more obvious planting, cultivating, and harvesting operations tend to obscure the fact that processing is as costly and adds as much to the value of these products as all of the field operations combined.

"Diversified manufacturing" (which covers all forms of manufacturing and processing except sugar milling and pineapple canning) is based on a few large plants and a great number of small ones. In this field, there has been no clear line of development, but expansion has been rapid, resulting in a remarkable range and variety of products. For these reasons, the actual industrial pattern of Hawaii is not clearly understood, and the aggregate dollar volume of manufactured products tends to be underestimated. The potentials for industrial expansion have been amply demonstrated in recent years.

If Hawaii is to achieve the growth necessary to maintain full employment, however, manufacturing and processing will require increasing attention by business and government.

The Processing of Sugar and Pineapples

There are 27 sugar mills in the Islands which, in 1962, will turn out an estimated 1,100,000 tons of raw sugar with an approximate value of $145 million. Mills vary markedly in size and volume of output (from as little as 16,000 tons to over 85,000 tons annually). Most of the raw sugar is shipped to the California and Hawaiian Sugar Refining Corp. plant in Crockett, California, but about 5% is refined in the Aiea plant near Honolulu (largely for Island markets).

The pineapple canneries in Hawaii processed 30,759,483 cases of pineapple last year with an estimated value of $117 million. This exceeds the aggregate output of all other pineapple canneries in the world.

Sugar milling and pineapple canning are the oldest and by far the largest manufacturing activities in the State. Both industries spend large sums on research and lead the world in production techniques.

Nevertheless, because of rising costs and increasing competition, there is little prospect for a significant expansion in either of these activities in the foreseeable future. Both of them, however, have created by-products industries, and there are possibilities for further development of this sort from materials now going to waste.

Diversified Manufacturing in Hawaii

Diversified manufacturing has been a star performer in Hawaii in recent years. In aggregate value, it rose from $71.6 million in 1950 to $168.6 million in 1961. It thus substantially exceeds tourism and since 1950 has increased about as much in dollar volume. Yet industrial development has received only a small fraction of the attention that has been devoted to the development of tourism during this period.

This is understandable. Tourism thrives on glamour—on spectacular hotels, sunny beaches, scenic attractions, romantic appeals, and powerful advertising programs. In contrast, the major manufacturing establishments that have been built since 1950 could be counted on the fingers of one hand. The great bulk of the industrial development has taken the form of small, unobtrusive plants, no one of which is of significant importance—but in the aggregate constituting one of Hawaii's greatest growth factors of the past decade.

Outlook for Manufacturing

Four factors favor the continued growth of manufacturing in the Islands: (1) an increasing population with rising incomes, which provides a growing local market; (2) still undeveloped opportunities for new manufactures (based on the importation of raw materials to be processed into finished products for local markets), as indicated by the annual importation of well over one-half billion dollars of commodities of all kinds to meet Hawaii's needs; (3) a growing market for Hawaiian curios, woodenware, processed jams and jellies, perfumes, etc., to meet the demands of a rising level of tourists (now numbering about 365,000 annually); and (4) a gradually expanding overseas market for a limited number of specialty exports (as exemplified by the production and export of uniquely Hawaiian garments).

A fifth and even more promising potential is to be found in by-product industries (in particular the development of uses for the waste products of the oil refining, sugar, and pineapple industries).

A widening range of by-products of Hawaiian industries, plus the capacity to grow all types of tropical plants in the Islands, increases the possibility for new developments in industrial chemicals, plastics, and phamaceuticals.

Underlying and supporting this growth are recent advances in training and research in Hawaii. In short, industrial development in the Islands has achieved a breakthrough to new levels, thus increasing the range of the opportunities for future growth.

New Growth for Hawaii as the Only Central Pacific Economy

Even a casual examination will convince anyone that the countries bordering the Pacific are now entering a period of dynamic growth. Many factors are contributing to this growth, including the rise of new and ambitious nations and a gradual increase in their levels of competence.

The principal generative force in this expansion, however, is the rapid advance in science and technology. The "vast reaches of the Pacific" have shrunk so rapidly in "time-distance" that it is now possible to span them in a matter of hours. New agricultural and industrial methods have sharply increased productive capacity. Large new mechanisms of great power make it possible to clear forests and jungles for agriculture, industry, and mining. New materials and metals form the basis for new types of construction and equipment. The expansion in travel and in transpacific communications, together with the extraordinary increase in international organizations and conferences, makes these new advances quickly available to all areas—and, in turn, has led to international cooperation in research and development programs.

Because the countries bordering the Pacific vary greatly in size, density of population, political stability, and economic development, these influences have affected them in varying degrees—hence there are marked differences in annual rates of growth. But they all are moving toward the same economic goals. These are: (1) a diversification and expansion of agriculture; (2) an increase in industrial output (based on the exploitation of raw materials and the creation of new manufacturing and processing plants); (3) higher levels of trade with other Pacific areas; and (4) a rapid advance in travel and tourism.

This is not to imply that Pacific area countries have been advancing as far or as fast as those in the European Common Market (although some of them, notably Japan, have exceeded the growth of Western Europe during the past decade) — nor have they as yet created even the basis for economic cooperation of the sort that already exists in Europe.

But their manpower and their wealth of raw materials, plus the introduction of modern techniques adapted to their conditions, indicate an accelerating rise during the next decade. Moreover, the development of the European Common Market implies a continuing pressure (particularly on the countries of the Far East) to develop a similar basis for economic cooperation.

Historically, the growth of Hawaii has been based on its relationships with the United States mainland, first as a participant in the U. S.-China trade and as an operational center for the whaling industry—later, in terms of the export of sugar and pineapple—to which has been added the expansion of services to tourists, to the military establishment, and to shipping and airlines. This integration of the Hawaiian economy with that of the Mainland will continue to higher levels.

But an additional factor — the development of new relationships to other overseas areas throughout the Pacific — will initiate a new era in the development of Hawaii which will bring fundamental changes in the pattern of the economy.

Expansion in the Pacific as a Growth Factor in Hawaii

There are those who see little advantage to Hawaii in these developments. They point out that much of the Pacific trade bypasses Hawaii, and that, in any case, Hawaii can expect to participate only to a very small degree in the total business activity that Pacific area growth will generate. Both of these views are correct, but they overlook the significance of relative magnitudes.

Hawaii contains a population of less than 700,000 persons. In Asia alone (even if Communist China is excluded), there are over 700 million. Hawaii has an annual gross state product of $1.8 billion; Japan alone has a Gross National Product of $38.7 billion.

Thus, a fraction which is very small in terms of the overall growth in economic activity throughout the Pacific is extremely large relative to the economy of Hawaii.

Hawaii, as the only Central Pacific economy, can benefit from the economic growth of the Pacific in the following ways:

(1) **A Gradual Increase in the Volume of Trade.**

Between 1950 and 1961, the aggregate dollar volume of Hawaii's export and import trade with foreign countries has increased from $37.2 million to $80.5 million (or 116.4%). Increases have occurred primarily in trade with Japan, Hong Kong, Australia, and New Zealand. A continuing gradual rise appears probable.

(2) **The Possible Development of A "Free Port and Transshipment Center."**

During 1961-62, there has been a renewal of interest in the creation of a free port and transshipment center in Honolulu. This would make it possible for freighters to exchange cargoes and thus to avoid visiting numerous ports-of-call in Asia and North America. Whether this would, in fact, be an economically profitable activity, however, has not as yet been determined.

During 1962, an estimated 365,000 persons will visit Hawaii, and within the next four to five years arrivals will exceed a half million. Thus Hawaii offers an excellent opportunity for the exhibition of products from both the East and the West. It also provides a ready-made miniature market of consumers from all parts of the United States for testing the acceptability of Oriental products in a limited and inexpensive way before undertaking a much larger and more costly Mainland promotion program.

(3) **Hawaii as the Meeting Place for Pacific Area Business, Technical, and Professional Groups.**

There has been an extraordinary, general rise in international conferences and conventions in all parts of the world. Because of Hawaii's geographic position, there has been a substantial increase in this activity in Honolulu in recent years—with every indication that it will continue to grow.

(4) **Contracts for Technical and Other Services.**

In certain limited fields, Hawaii is in a position to provide technical know-how and contractual services to Pacific area countries. Within the past five years, there have been a number of such arrangements with Hawaiian firms. Developing changes indicate a continuing and marked advance in this field of activity. At present, Hawaiian firms are engaged in the development of sugar production in the Near East and in technical aid to producers in other areas. Another island firm has participated in dredging operations in Suez, Kuwait, and the Philippines, with prospective major operations in Japan. Still another firms is engaged in Australia in the development of an area for agricultural production which is three and a half times the area of the island of Oahu.

(5) **Hawaii as a Center for Technical Training.**

A closely related field is training in such fields as tropical agriculture, communications, the generation and transmission of electrical power, banking, and food processing. The East-West Center for Cultural and Technical Interchange at the University of Hawaii is specifically designed to provide such technical training. It should be noted that its program is designed to fully exhibit all of the advantages noted above—including arrangements with local industries and enterprises for intern training. The Center is now in its infancy—but with its rapidly expanding plant and faculty, appears certain to grow substantially in the near future.

(6) **Port Facilities and the Servicing of Ships and Planes.**

Since 1950, the annual number of ships that make Honolulu a port-of-call has increased from 861 to 1,411 (or 63.9%). The number of persons coming to or through Hawaii by sea and air has risen from 88,510 to 615,219 during the same period (excluding military personnel).

New harbor and airport facilities have paralleled this growth, as have stevedoring, provisioning, and other services to shipping and airlines.

Again, it should be noted that the growth of these various Hawaiian activities will be small when measured against the size and growth of major Pacific area countries. But they become extremely large when measured against the relatively small economy of Hawaii. In the aggregate, they will probably constitute the greatest growth factor in Hawaii during the decade 1965-75.

One island activity, however, is not small in this relative sense—the rise of Hawaii as a Pacific area travel center. Even when measured against the major travel centers of other parts of the Pacific, it is outstanding.

New Developments in Hawaii as A World Travel Center

Tourism has been a leading growth factor in Hawaii throughout the entire postwar period. Visitor expenditures increased from $6 million in 1946 to $137 million in 1961—and are estimated at about $156 million for 1962.

The daily average number of visitors in Hawaii now exceeds 10,000—rising to a level of over 20,000 at the height of the summer peak. Estimated arrivals during 1962 total 365,000 (a figure which is over half of the population of the State). In the aggregate, this is equivalent to transporting, housing feeding, and entertaining considerably more than all of the residents of Portland, Ore., or St. Paul, Minn., for various periods of time within a single year.

Factors Affecting Growth

Postwar expansion has been due to six factors: (1) a continuing rise in levels of family income throughout the United States, which has greatly expanded the market for travel to Hawaii; (2) the closely related growth in annuity and retirement programs, which has increased the number of retired persons who now have the leisure and means for travel; (3) advances in air transportation, which have reduced the "time-distance" to Hawaii from the West Coast from four and a half ship-days to four a half airline-hours; (4) the Mainland migration to the west, which has made California's population second only to that of New York (well over two-fifths of Hawaii's visitors come from California and 57% from west coast states); (5) the development of convention business in Hawaii, which has risen to new levels in recent years and is now supported by greatly increased facilities for such conventions; and (6) the broad growth of tourist travel everywhere, in which Hawaii is participating.

Thus, the factors that have brought about the rapid postwar advance are themselves increasing in strength—hence, a continuing, substantial expansion of tourism in Hawaii appears to be assured for the foreseeable future.

New Visitors from Other Areas

Hawaii now faces a new and critical period because the basic conditions which are determining the pattern of tourism in Hawaii are changing rapidly. This applies not only to Hawaii's relations with other areas, but also to developments within the Islands.

There can be no question but that tourism throughout the Pacific is entering a new era—with Japan and Hong Kong as the most rapidly rising Far Eastern centers. This has been accompanied by a sharp growth in the volume of stopover visitors to Hawaii en route to points beyond Hawaii or on round-the-world tours.

Equally important changes are occurring in the pattern of visitors to Hawaii from the Mainland. There has been a gradually increasing penetration by Hawaii into the largest travel market of the world—the eastern half of the United States. These changes are taking place in a period of increasingly intense competition for tourist trade throughout the entire world.

The most important new factor is the rise in stopover visitors destined to points beyond Hawaii. This should be considered, not a negative, but a positive trend in which New Zealand, Australia, Honk Kong, Japan, and other centers are partners in a joint effort to expand Pacific travel—an effort in which all can participate and benefit. In this connection, it is significant that "eastbound" visitors to Hawaii (those arriving from New Zealand, Australia, and the Pacific Far East) increased from 11,693 in 1955 to 71,267 in 1961—a more than six-fold expansion.

Tourist Developments Within Hawaii

The basic trend within Hawaii is toward a spread-out of tourism to the Neighbor Islands (evidenced by the marked increase in Neighbor Island facilities and the very substantial plans for future resorts an Hawaii, Maui, and Kauai). This has been accompanied by a major change of emphasis in advertising and promoting all-island attractions in order to increase the scope and appeal of Hawaii as a world travel center.

Hawaii already is in the midst of all of the changes noted above—changes which are increasing rather than diminishing in intensity. This implies the imperative necessity (1) for reappraising Hawaii's role as a world travel center; (2) for measuring the year-to-year growth (and the planned future growth) of all-island facilities to service tourists here; (3) for an analysis of the interrelated effects of these new developments (in particular on the "spread-out rate" to new Island resort areas, as well as on carriers, tour agencies, restaurants, etc.); (4) for an evaluation of the rate at which travel to Hawaii must grow in order to parallel the growth in facilities and thus provide satisfactory levels of business for our total "visitor plant"; and (5) for a penetrating study of the major travel markets, as well as the promotional efforts and offerings of competing areas, to determine the potentials for generating travel to Hawaii in such markets and to provide the groundwork for effective promotional programs to realize these potentials.

The planned development of new resorts on all islands is of course an essential element in the growth of tourism in Hawaii. Ultimately, however, the governing factor which will determine the soundness of their growth will be the effectiveness of the programs for generating travel to Hawaii to support these new developments.

Assuming sound development and promotion (and barring a major Mainland recession), Hawaii can expect a growth to an annual level of over a half million visitors with an annual tourist trade of approximately $215 million.

A closely related factor is the possibility of gradually generating a trend toward retirement - in-Hawaii through a carefully focused Mainland promotion program.

In view of all of the underlying growth factors noted above, it appears probable that there will be another major advance in Hawaii following the post-boom stabilization of 1962-63.

J. H. Brooks Co. To Admit Partner

On Jan. 1, Scott A. Brooks will acquire a membership in the New York Stock Exchange, and will become a partner in the Exchange firm of J. H. Brooks & Co. He will make his headquarters at the New York City office, 25 Broad Street.

Basis for Enthusiasm About Aerospace Industry

Continued from page 3

ness cycle to the aerospace industry. It is not necessary to worry about the consumer's credit rating, or ups and downs in the economy to the extent that more cyclical groups are concerned. It seems to me that in a time when many economists are concerned about the outlook for corporate profits and the business climate over the coming year that the aerospace group offers considerable appeal through its recession-proof characteristics.

As if this were not enough, we also have the happy circumstance of finding that the market is not valuing the aerospace stocks particularly high at this point. The group has turned in a superior performance so far in 1962, but many aerospace stocks are still selling for roughly 10 or 15 times rapidly rising earnings. Since there are, in my opinion, only a handful of companies who possess the technical capabilities to fully compete for the growing work available during the coming decade, I feel that most aerospace issues should continue to turn in an above-average performance in relation to the general market for some time.

Criticism Raised Against Aerospace Stocks

Of course, nothing is ever all black or all white so let's look at the other side of the coin. Two of the main arguments raised against investment in this group are low profit margins and abrupt program cancellations. There is a measure of validity in these factors, but I also feel that they are not so over-riding as to diminish the appeal of the group.

The first factor, low profit margins, is not peculiar to aerospace alone, but it is unusual in the sense that the renegotiation law under which profits are determined sets a ceiling of approximately 7½% on pre-tax results. In an effort to reward those efficient and successful program managers, Secretary of Defense McNamara has been implementing an incentive-type contract where rewards or penalties are made on the basis of performance. Most of the industry has welcomed such a development. However, the best method to overcome low profit margins is to watch common stock capitalization and not allow too many shares to dilute the benefits of high sales volume. It is not unusual to find $100 or $200 a share in sales in this industry so that low margins can be offset by a high degree of leverage. There is really no need for high equity capital since many of the facilities being utilized are Government-owned and are merely leased by the individual companies.

The second factor, project cancellations, continues to be a hazard since there can be no compromise with spending our tax dollars on the most promising programs. However, here again, we must realize that the addition of space activities lends further diversification to most companies. A good balance of aircraft, missile and space work now prevents many firms from excess dependence on any one project. Such a balanced work load doesn't just happen but requires strong management and research efforts to improve capabilities in weaker areas. Another facet of this cancellation aspect lies in the nature of the program itself. If, for example, the Pentagon decides the Lockheed-run Polaris missile program is not quite up to snuff, they cannot arbitrarily cancel it because there is no other alternative program along these lines. The weapons systems have become so sophisticated that unsuccessful bidders can no longer afford to keep working along on their own and hope for later contracts. So, if we cancel Polaris, then we have no missile for undersea firing from submarines. It is not like the days when company X lost a big contract because company Y had a new plane which could fly 25 miles an hour faster.

Thus, I do not recognize the arguments of those who continue to avoid the aerospace group because of these reasons. Having sketched briefly some of the reasons why I am enthusiastic on this group, let me now turn to some of the individual issues which I would favor for representation in the field.

North American Aviation and Project Apollo

No discussion of the aerospace industry can ignore the announced goals of putting a man on the moon within the next five or six years. This program is known as Project Apollo. It will be costly. We have no idea what it will cost to accomplish this end but we do know that it will run into the billions on billions. One company has been chosen to be the prime industrial contractor on this program. I am speaking, of course, of North American Aviation. North American, more than any other company, symbolizes the changed nature of the aerospace industry. Some 10 years ago North American had a work force of approximately 80,000 or not much below the present employment level. At this time, the company had some 2,500 full time scientists and engineers engaged in research and development work. Today, that figure approximates 30,000 out of the roughly same 90,000 total employment. What a reservoir of manpower talent this is! It is little wonder that this company has shown a strong operating improvement in recent years which was capped by the successful bid for Project Apollo. Without wishing to minimize the enormous problems which are involved in this program, it seems to me that North American should fully reap the benefits of our space efforts in the coming decade.

From a numbers standpoint, North American currently sells for about 67. The company earned a little over $4 in the September, 1962 year just ended, and I look for a fairly important gain to the $4.75 area perhaps in the current fiscal year. But, this is only the beginning since the Apollo project is just now getting under way. It is not hard to visualize North American earning twice its present rate within a few years. With the rest of North American's operations encompassing such attractive areas as the Minuteman missile, propulsion systems for the Saturn boosters, etc., North American has a solid base in this market which appears to justify the current earnings multiple. I certainly look with favor upon inclusion of this issue in any aerospace portfolio.

Lockheed Aircraft

Another one of the major industry giants which in my opinion has a solid base for continued future growth is Lockheed Aircraft. Like certain other major companies, Lockheed had a very bad experience in the commercial airplane area, in this case with its Electra. However, these days now are passed, and the company has been achieving some very strong earnings improvement based upon participation in attractive Government programs.

I referred earlier to the Polaris missile program for which Lockheed is the prime industry contractor. This has been an enormously successful program, and procurement is at a very high level. We are now in the process of attempting to develop an improved model which should extend the life of this program for several additional years. In the military air cargo field, Lockheed has enjoyed good volume from manufacture of the C-130 prop-jet cargo plane, and last year the company was selected to build the multi-billion dollar next generation C-141 purejet craft scheduled for initial delivery in 1965. This program is now receiving heavy developing funding and should make an increasing contribution to Lockheed's results. The NATO nations as well as Japan and certain other countries have adopted the F-104 for their use, and Lockheed is receiving substantial royalties for versions of this aircraft being produced abroad under license agreements. Even the somewhat ill-fated Electra has become a plus factor now that the Navy has indicated they may buy up to $1 billion worth of the planes as the P3V patrol plane. One of the more attractive recent competitions won by Lockheed lies in the space area. This is the so-called RIFT program, or reactor in flight testing, a nuclear-powered rocket stage with a price tag of some $300 million. And, of course, Lockheed produces the Agena booster and its attendant satellites such as Midas and Jamos for surveillance work.

As a consequence of these major programs plus a good collection of propulsion, electronics, and shipbuilding work, Lockheed will experience earnings in the area of $4.50 per share for 1962, up from $3.46 last year. Another good gain is anticipated in 1963, and we would look for liberalization of the present dividend rate in the not too distant future. To me, Lockheed seems quite reasonably priced at current levels of around 51.

Garrett

The two companies which I have just discussed are basically project companies; that is, they are prime contractors on programs of major importance, and the over-all status of these programs is such that the companies can look forward to rising results in the years to come. Another type of company in this industry is the kind typified by Garrett—a subcontractor with particular strength in an area needed in almost all of the aerospace projects. Garrett is particularly noted for its environmental control equipment including aircraft cabin pressure systems, air-conditioning and refrigeration equipment, missile and space capsule pressurization and breathing systems, etc. The company is participating in at least 16 missile programs alone as a subcontractor as well as virtually all of the important spacecraft and aircraft projects.

Thus, while it is not as easy to look at one program and spell out the benefits to Garrett if this program accelerates, the company's progress can be related to the over-all trend of military and Government procurement.

Therefore, it is no surprise that in this time of rising Government outlays that Garrett is experiencing a handsome sales and earnings improvement. For the year ended last June, Garrett reported $3.50 a share and further improvement is being shown in the current year. Affording a fairly good yield from the $2.00 annual dividend, Garrett seems to be an attractive commitment for broad participation in this area.

Northrop

Another company with broad capabilities is Northrop. The rapid acceleration, however, of the Skybolt missile program as well as the selection of one of the company's planes for the U. S. military assistance program to foreign nations may result in future earnings coming more heavily from key projects. Nevertheless, the high backlog and broadly diversified aircraft, missile, and space work qualifies Northrop as a balanced aerospace commitment. The company also produces the T-38 jet trainer, parts for the Boeing commercial and military jets, a variety of electronic work for such missiles as the Polaris and Hawk together with various target and surveillance drones and Mercury and Apollo sub-contracts.

For the year ended July 31, 1962, Northrop reported $2.16 per share. They have a convertible bond outstanding which represents a maximum of about 10% dilution. Without any dilution, we would look for results this year to approximate $2.50. Even with full dilution, earnings would range around $2.25 a share. At a current price of approximately 29 and with prospects favoring a strong earnings improvement in the next few years, Northrop seems to be an above-average commitment and it also affords a satisfactory yield from the well protected $1.00 dividend.

McDonnell

Two of the more attractive medium sized aircraft producers who have successfully made the transition to the space age are McDonnell Aircraft and Grumman. McDonnell's work in the Mercury program has attracted much publicity, and the company has already been selected to do the follow-on program known as the Gemini, a two-man capsule for flights of up to a week duration. McDonnell's big earnings, however, are expected to come from the heavy purchases of its F4H Phantom for the Navy and now to be bought in quantity by the Air Force. Very substantial contracts in relation to McDonnell's present size are being negotiated, and we look for sales and earnings to continue to set new peaks in the next three or four years. Incidentally, McDonnell's net income has risen for 11 consecutive years, a record matched by few so-called growth stocks.

Yet McDonnell sells for only about 12 or 13 times estimated earnings of $4.75 per share for the June, 1963 year. This is what I meant when I said that the market does not seem to be paying very much of a premium for the aerospace stocks. While McDonnell is now selling near its all time high, we feel continued earnings progress will lead to further improvement in the price of the stock, and that commitments at current levels do not involve much risk.

Grumman Aircraft

Grumman Aircraft went through about six years without a major production contract, but is now beginning to deliver important quantities of aircraft for the Navy. At the same time, the company just successfully competed for the Lunar excursion module, or Lunar bug, to put it squarely in the space field. The program could result in more than $500 million to Grumman over a period of years which is quite significant in relation to the company's current annual sales level in the $350 million area.[1]

From an earnings standpoint, I expect Grumman to report a little over $3.00 per share this year, up from $2.76 in 1961. However, the benefits of new contracts coupled with heavy production of planes which have been in development should enable Grumman to show a sharp gain in results next year and beyond. The stock has moved up recently, but still seems to be sound value under current market conditions.

Thompson Ramo-Wooldridge

Sometimes at Merrill Lynch, we have to make arbitrary decisions as to which group a company should be classified into, but I am fortunate that Thompson Ramo-Wooldridge has been assigned to the aerospace field. The company was originally a producer of automotive parts, and still derives some very sizable sales and earnings from this segment of operations. However, during World War II, the company became heavily involved in the aircraft field and now more recently in the missile and space areas. The combined aircraft, missile, space and electronics volume now represents about three-quarters of the company's activity, and we feel that it will represent an increasing share of earnings in the future.

During the past five years, the company has perhaps attempted too many things for an outfit of its size, but under more stringent management controls, the company has seems poised to begin showing the benefits of some very high research expenditures and reorganizationn of operations during the past few years.

For 1962, I expect Thompson Ramo to show $3.50 a share or roughly double the 1961 level. Next year, even assuming a moderate drop off in original automotive equipment sales, TRW should be able to top the $4.00 level aided particularly by initial deliveries of the new M-14 rifle where TRW was selected in a field of 40 bidders to become a major source.

It is not too easy to identify Thompson with any particular defense program, but we feel that their sizable technical staff with over 2,000 scientists and engineers

[1] The Pentagon on Nov. 24 announced its award to the General Dynamics Corporation of the development contract, with Grumman as an associate, in the multi-billion-dollar program for the new jet fighter plane for use by both the Air Force and the Navy.

in the aerospace group alone coupled with the advantages of a relatively small common stock capitalization on the order of 3½ million shares seem to indicate that much potential exists. With the stock now only half of its peak in the last five years and earnings expected to double or triple in the next six to eight years, we feel that this is a good buying opportunity now.

Thiokol Chemical

An issue which sells at a little higher multiple than those which I have discussed so far is Thiokol Chemical. However, we feel this premium is deserved in view of the fairly high proportion of earnings derived from commercial areas as well as the company's very attractive prospects in a number of missile programs such as the new Minuteman ICBM and a new proposed medium range ballistic missile. Thiokol has particular strength in the solid fuels area where we would look for a good growth rate in coming years. Like Thompson Ramo, the quality of Thiokol's earnings is quite good with depreciation running almost as much as reported net income.

We look for Thiokol to report earnings to about $1.35 a share this year with another good gain to the $1.75 area in 1963. These record earnings are being achieved at a time when the stock is less than half of its peak price of 72, and just as the pendulum swung too far in one direction, we feel that perhaps the stock has been unduly deflated this year.

Douglas Aircraft

As one final purchase idea, I would consider Douglas Aircraft. This company reported deficits totaling about $14 a share for 1959 and 1960, entirely due to write-offs in connection with the DC-8 program. The commercial jets have been a great technical success but a very poor financial gamble. During the enormous write-offs which continued at a lesser degree right into this year, Douglas continued to do quite well in the military area. We have now reached the point where the military activities will no longer be diluted by losses from commercial jet problems, and we look for Douglas to show something on the order of $2.25-$2.50 a share this year with a good gain to the $3.50-$4.00 area in 1963. These results are being aided by a strong build-up in the Skybolt missile program as well as participation in the Saturn boosters. Many investors are no doubt familiar with the Congressionanl efforts to force construction of the B-70 in quantity; however, this so far has not been approved by the Administration. Without a B-70, it becomes necessary to increase the capabilities of existing bombers such as the B-52, and this is where the Skybolt missile comes in. Both Douglas and Northrop should benefit very handsomely from this program.

Douglas is also an example of what I was talking about earlier; that is, the advantages of keeping your common stock capitalization small. With $92 million in debt and less than 4 million common shares, Douglas stands particularly well in this regard. A moderate increase in sales in 1963 should be translated into some very important earnings improvement.

*An address by Mr. Idleman before the New York Council of the National Association of Investment Clubs, New York City, Nov. 17, 1962.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Security Salesmanship as a Career

ARTICLE I

This is the first in a series that will discuss the opportunities and the problems which are unique in the profession of security salesmanship. Further articles will follow during consecutive weeks on this subject.

A Volatile Business

Several months ago I was talking with the sales manager of a fine investment firm. It was during the sharp slump in business that developed after the break in the market last spring. During our discussion he made the observation that if any business had its ups and downs, the security business was somewhere at the top of the list. But said he, "I'll never forget what my Dad told me 20 years ago. He was then a vice-president of an investment firm in a growing city of over a half million people. We were talking about what I was going to do to make a living. When he suggested that I might make a good security salesman, I told him that from what I could see, his business was too volatile for me. I wanted a career that was more stable. Then he gave me his answer. It went something like this—

"'Sure this is a business with many ups and downs, but let me tell you my version, Son. Do you know that in all the years that I have been selling securities, in good years and bad, in booms and panics, I never brought home less than $500 a month; and there were many months that your mother and I put thousands of dollars into our kitty for investment, for you and your brother's education, and for our retirement? That's not such a bad business after all, is it, son? Do you know of any other business you could go into that during the worst sort of a depression you could still do that?'"

"Then he continued, 'This is the way I did it. I started out back in the thirties when there were hardly any people who had money and the courage to invest. But I made ten calls a day, six days a week. I met substantial people in my community. I selected high grade, sound, well known investment stocks, in which people in our town could place their faith and their money; such as our good bank stocks, and our better manufacturing companies that had paid dividends for years. I told them that I would like to have their business, that these investments were low in price but high in quality, that this was the time to buy, not despair and pass up these opportunities. Some listened. Some bought. Their securities grew. I made QUALITY my motto. I began to spend less time making calls and more time in the office answering inquiries and the orders came to me. I sold good bonds, tax exempts, solid values in equities, also growth stocks and mutual funds to people whose needs indicated they should own them.

'That's the combination, 10 calls a day; on ten people who can invest (not gamble); work and live in a community where there are sound local companies and where there is a wide acceptance of these securities; use them as a leader; fit your offerings to the needs of the client; and invest your own money wisely when you have a surplus.'"

"That is the reason," my friend the salesmanager told me, "Why I went into this business. My Dad died a year ago. He left Mother a comfortable income invested in GOOD securities, some land on the edge of town for the grandchildren, and a host of friends. I suppose that is why I have never regretted my decision to try and follow in his footsteps."

Another Conversation

And one evening last week I had a visit from an executive officer of a mutual fund. We were discussing this subject and he too remarked that many investment security salesmen find it difficult to cope with the wide swings of optimism and pessimism that is inherent in human nature and that is reflected in the volume of public participation in the security markets. Contrast this story he told me with what you have just read.

"Some security salesmen," he related, "are like the fellow I know in New York. For the past two years he has earned over $50,000 a year as a registered representative. Now his business has fallen right through the cellar. He is looking around for another job, another business, another place to hang his hat. He actually has the mistaken idea that he is a $50,000 a year man. He thinks he made this money, that he is worth that kind of income. He told me he wouldn't take a $20,000 a year job if it was offered to him. He was worth twice that.

"What he didn't realize was that he just rode the wave. He took orders for millions of dollars worth of common stocks, purely on a speculative basis, and sold overpriced underwritings to those who were motivated by their own cupidity and greed at a time when anyone with a gift of gab, and a good mixer among that element of people, could have done the same thing. Now his customers have lost their profits. They wonder what hit them, and he doesn't even know that he wasn't an investment man. He was simply an order taker who sold people whose only motivation was 'something for nothing.' Now he thinks he is a $50,000 a year man."

This IS a volatile business. Isn't it?

To Be V.-P. of Granbery, Marache

Effective Dec. 6, F. Brent Neale will become a Vice-President of Granbery, Marache & Co. Incorporated, 67 Wall Street, New York City, members of the New York Stock Exchange, and other leading exchanges.

Chicago Analysts Hear

CHICAGO, Ill.—The Investment Analysts Society will have as guest speaker at their luncheon meeting today at the La Salle Hotel, Herbert R. Silverman, President of James Talcott Inc.

Has Fords Saved Britain From Surrendering to Labor?

By Paul Einzig

British correspondent praises the recent firm stand by British Ford Motor Co. against labor trouble-makers in the face of a "deplorable lack of cooperation between employers" and, also, of an ill-timed, undermining governmental move. Dr. Einzig declares that Ford did more to advance productivity than all the government propaganda to that end, and believes that this may possibly prove to be a turning point in British post-War industrial history. The noted economist castigates the British labor movement for its short-sighted economic and anti-social behavior.

LONDON, Eng.—Notwithstanding the threat of an official strike, the British Ford Co. persisted in its refusal to re-engage those of its employees who had been the cause of endless trouble at the Dagenham Works over a period of years. The executive made its stand on the major principle whether in the Welfare State the management of a firm is entitled to enforce some measure of discipline or whether its production must remain at the mercy of a few Communist shop stewards. In making its stand the Ford Company received no support whatsoever from British official quarters. In fact it was virtually stabbed in the back by Mr. Maulding's announcement of a major reduction of the Purchase Tax on automobiles, an announcement which stiffened the demand of the trade unions that the trouble-makers must be reinstated.

Lack of Employer Agreement

As a result of this gratuitous move, Fords were impelled to give way to some extent, being well aware that an increase in the demand for automobiles resulting from the tax reduction would provide an opportunity for their employees to find alternative jobs in case of a major prolonged strike. There is indeed a deplorable lack of cooperation between employers in face of trade unionist pressure. They could and should declare any employees on strike "black" and refuse to employ them for the duration of the strike. Instead they are only too pleased to steal a march on their rivals and to strengthen their own manpower at their rivals' expense.

This absence of a united front is in sharp contrast with the united front among trade unions. Thanks to its existence, trade unionists are in a position to behave like little Hitlers—to conclude agreements with the intention of dishonoring them as soon as it ceases to be convenient to adhere to them. They are not even honest in their dishonesty. Instead of openly breaking agreements, they let the shop stewards do their dirty work by stirring up unofficial strikes—just like Hitler let the Sudeten Germans stir up trouble in Czecho-Slovakia in 1938 and then appeared on the scene as Big Brother protecting the trouble-makers. This is exactly what the 22 trade unions which have members in the employ of Fords have done. While paying lip-service to their disapproval of unofficial strikes, they immediately assumed the role of Big Brother, extended their full protection to the trouble-makers when Fords tried to assert their authority against them.

In the circumstances it is gratifying that Fords were able, after all, to stick to their guns at least to some extent, even if they had to make concessions. Even their partial victory may possibly prove to be a turning point in British post-War industrial history. The trouble-makers and idlers have now learned the lesson that, although their activities (or lack of activities) enjoy the supreme protection of the all-powerful trade unions, Big Brother does not necessarily save them from losing their jobs.

Lesson to the Government

This salutory lesson should do a great deal more towards an increase in productivity than the propaganda campaign which the British Government launched to that end. It is difficult to imagine, for instance, anybody being inspired to work harder by the sight of the postage stamps of ultra-modern design issued in order to remind recipients of letters that this is "National Productivity Year." Indeed the British Post Office is setting a bad example. The size of these commemoration stamps is twice that of the normal British stamps, which means that they require twice as much paper against the receipt of the same money. If all British producers were to follow this example British imports of raw materials would double and the balance of payments gap would widen to a ruinous extent!

It takes much more than mere exhortation to induce the trade unions to realize the elementary truth—that an increase of productivity is necessary in order to be able to raise the standard of living of their members. The basic principle of their "Fool's Paradise Economics" is that a non-stop increase of money wages is the only thing that matters. So long as money wages continue to increase, trade unions could not care less whether the output increases. Indeed they could hardly care less whether, as a result of inflationary wage increases, the purchasing power of the higher money wages in terms of real goods and services fails to increase.

Nothing short of firm action, such as that of Fords, can make the trade unions realize that the encouragement of trouble makers, to disrupt production and to keep down the output is against the interests of their own members. Being essentially anti-social, they would not lose sleep over the fact that their attitude is against the public interest. But possibly the failure of their attempt to bully and blackmail Fords into re-employing the trouble-makers may bring them to their senses and may make them realize that their power is, after all, not unlimited.

Closing Fiscal-Monetary Ranks to Finance Deficit

Continued from page 1

greater dangers—or is it a condition we refuse to tolerate?

(2) Do we think that it will be self-corrective, either in 1963, or say, by 1966?

(3) If we regard today's economic performance as a cause for policy action, how much stimulus can we gain, if any, from shifts in distribution as between profits and wages?

(4) Or should our *basic* reliance be on policies to increase aggregate demand, both for consumer and producer goods?

Let me enlarge on these questions, in a purposefully provocative form. Inevitably, I will indicate or reflect the Administration's thinking on these problems —but that is in no sense meant to prejudge the directions or outcome of the Conference's deliberations.

(1) *Present situation, tolerable or intolerable?* Do we accept 5½% unemployment, a 2½% growth rate, 83% utilization of our manufacturing capacity (McGraw-Hill Survey, November 1962), profits leveling off $8 or $9 billion below the full employment norm, and an output gap of nearly $35 billion between *actual* and *potential* production of the U. S. economy—do we dismiss this as perhaps statistical trickery, or as a natural and normal concomitant of growth and maturity, or as an allegedly necessary cost of containing the price-wage spiral and reducing balance-of-payments risks?

Few, I think would agree or accept our present situation as a satisfactory or tolerable state of affairs. To be sure, most of us occasionally sound as though we do when we are counting our blessings on the fundamental strength of the American economy—as, for example, when we note that 94½% of our labor force is employed, that 1962 profits are several billions above their previous annual record, that GNP has risen $55 billion since early 1961. But no matter how far we have come, we continue to be confronted by the painful and inescapable statistics showing how far we still have to go.

(2) *Self-correction?* Do we feel that inherent forces in the private economy will correct the present economic deficiencies in the near term and provide a strong second wind for our current expansion? Or perhaps we feel that we should await the bounty of providence and procreation — demography, after all, is on our side—and assume that the somewhat soggy 60's will begin to soar by 1965 or 1966?

Again, I think there are few in this camp—either explicitly or implicitly. Surely the record of the past 5 years does not suggest an affirmative answer.

Unemployment has not been as low as 4.0% of the labor force at any time since April, 1957, and it has averaged 6.1% of the labor force from 1958 through September 1962. Yet, in the first postwar decade, 4% or better was the rule, not the exception. During the 4-year period 1958-62, the gap between actual and potential GNP (at current prices) has averaged about $35 billion, while personal income has averaged about $20 billion and corporate profits about $8 billion below potential at 4% unemployment. Real GNP grew only 2¼% per annum from 1957 to 1961, compared with a growth of 3.8% from 1947 to 1957.

(3) *Profits vs. wages?* If we accept the current economic facts and outlook as a cause for action, do we then conclude that all will be well if only we change the distributive shares — just squeeze wages so that profits can rise and provide the incentives and funds for expansion, or just squeeze profits so that wages can rise and pep up the tired markets for underutilized factories and manpower? Or is this essentially a stand-off?

(4) *Expand demand?* Do labor and management, then, coalesce in a policy to raise the level of demand, employment, and production—and thereby profits and wages simultaneously — through expansionary monetary and fiscal policies? And if so, what are the magnitudes, the mix, and the speed limits that must be observed? And suppose that we could agree on the fiscal arithmetic and the appropriate monetary policy to reach full employment. Do the resulting tax cuts, expenditure increases, and deficits —while generating high employment and faster growth—threaten to upset our four-year record of price stability and our three-year trend toward balance-of-payments equilibrium? Or are these measures — as we increasingly hear in Europe—consistent with continued U. S. price stability and progress towards payments equilibrium in the current domestic and world economic setting?

The Administration's answers to these questions may seem to be implicit in the way they are stated. But they remain the central and critical questions that must be answered in deciding on action versus inaction and in making choices among alternative courses of fiscal-monetary action.

(B) Our Fiscal and Monetary Policies to Date

As we contemplate tax, expenditure, debt, and Federal Reserve policies for the period ahead, we are well advised to look about us at recent policy developments and the current setting for new policy formation.

(1) *Fiscal and monetary policy in two expansions.* In the record of fiscal-monetary policy in the 1961-62 expansion, compared with that in the 1958-60 expansion, we find a basis for satisfaction in policies which have been suitable, though not sufficient, unto the problem at hand. We find also, one must add, a basis for disquiet about our economic future if it is not graced by more stimulative policy than we have had to date.

With respect to budgetary policy, it is widely acknowledged that the sharp swing from an $11.1 billion deficit (annual rates, national-income accounts budget) in the second quarter of 1958 to an $8.1 billion surplus in the first quarter of 1960—a swing of $19.2 billion—played a substantial role in the choking off of the recovery short of full employment in 1960. During the current recovery, in spite of a continued heavy tax drag, the swing was much more moderate: from a $6.3 billion deficit in the first quarter of 1961 to a $0.7 billion deficit in the second quarter of 1962, a swing of $5.6 billion. And the latest budget figures show a $4.5 billion budget deficit on national income account for the current fiscal year.

With such a sharp difference, and yet experiencing an unsatisfactory pace of expansion in 1962, one is led to look further. One finds that both of the fiscal experiences have this in common: the budget came into balance, or virtual balance, well short of full employment. And in both cases, the full employment surplus showed no sharp trend — up or down—during the first year and a half of recovery. In fact, the economy operating at 4% unemployment would have generated an estimated $7 billion surplus in the second quarter of 1962. It is clear that our budget on national income account comes into balance while the economy is still badly out of balance. This is central to our current economic problem.

With respect to monetary policy, the 1958-60 and 1961-62 expansions differ even more sharply. While monetary policy began tightening up only a few months after the 1958-60 expansion began, it has remained basically easy throughout the current recovery. In the earlier recovery, long-term interest rates were up generally more than a full point, i.e., about one-third. But in the current expansion, long-term rates—while remaining high by historical standards of recent decades — have changed little or have actually declined. As to the money supply, it grew in the 1958-60 expansion by 1.2% per annum, excluding time deposits, and 2.3% per annum, including them. The 1961-62 expansion tops these figures with 1.9% and 6.6% annual increases.

(2) *The policy situation as we enter 1962.* As we enter the advanced stages of the policy-making season for the 1963 economic program, we are confronted with: (1) an unclosed gap in employment, production, industrial utilization, profits — coupled with a favorable price situation and year-to-year improvement in our balance of payments; (2) an outlook for continued mild expansion—not with all possibilities of mild recession erased, but at best, an insufficient expansion to close the recently widening gap between our actual output and our potential output at 4% unemployment; (3) the rather formidable fiscal combination I have already referred to: a deficit in being, an inevitable rise in expenditures, and a widely acknowledged need for the tax cut pledged by the President in his Aug. 13 speech; (4) a scheduled payroll tax *increase* of about $2 billion on Jan. 1.

In this setting, let me address myself only briefly to the case for tax reduction—since Secretary Dillon will fully cover this subject [*Ed. Note:* See *Chronicle* of Nov. 22, p. 3, for full text of Sec. Dillon's remarks]—and a bit more extensively to the oft-misunderstood subject of the financing of a deficit, i.e., the appropriate monetary policy under currently foreseeable conditions.

(C) Why Taxes Should be Cut

Essentially, the economic case for tax reduction, as it enters Administration policy for 1963, boils down to the following:

With present tax rates, the total spending of

—consumers on consumer goods and new houses

—businesses on plant and equipment and additions to inventories

—governments on goods and services (including the services of their own employees)

—foreigners on U. S. output (in excess of their sales to U. S.)

falls about $35 billion short of potential output at 4% unemployment.

Total spending by the above four categories of buyers has been slowly increasing, and thus our total production — or GNP — to meet these demands is growing. But capacity to produce is also growing, and there is no near-term prospect that spending will catch up with capacity. In fact, since the turn of the year, the "gap" has actually been widening.

If a recession should occur in 1963, the gap would of course widen further, for demand and output would fall while capacity continued to increase. *But the case for a basic tax cut is independent of recession.* It rests on the long-continued existence of the gap between capacity and spending, and the absence of any reason to suppose that the gap will close itself.

A cut in personal taxes will leave consumers with larger disposable incomes—and they will surely spend the great bulk of the increment. The increased production to meet this added demand raises incomes further and generates more spending—the "multiplier effect."

As consumer spending and the output of consumer goods rises, business firms have to utilize their existing plant capacity more fully, and this makes them more ready to consider new investment to expand their capacity. As sales rise, inventories that were formerly adequate become a little tight, and some expansion of inventories is called for. Together, these impacts add the "accelerator effect." Also, profits rise, and this provides added internal funds to finance investment in plant and inventories.

If, as anticipated, business taxes are cut at the same time, this further increases the flow of internal funds and buttresses it with enlarged profit incentives. And the wider margin of profit after taxes, especially if it occurs under conditions of fuller utilization of existing capacity, will further stimulate investment.

This is the basic economic case for a tax cut. It rests on clear economic principles, now well known, repeatedly demonstrated, and widely accepted.

To remove the dual tax drag on the economy—both the drag on markets and drag on incentives—is a central concern of today's economic policy in the Kennedy Administration.

The Conference's judgment of the wisdom and form of this policy—or proposals for alternative stimulants—will be awaited with keenest interest.

(D) The Financing of Deficits

There has recently been much discussion of the appropriate means of financing a deficit that may result from a tax cut designed to stimulate economic activity, and it may be helpful to examine briefly some aspects of this essential element of expansionary policy.

We have heard a lot lately about the traditional distinction between the inflationary impact of financing a deficit through sales of securities to commercial banks and the non-inflationary impact of financing deficits through "real" saving — i.e., by selling securities to the nonbank public.

This simple dichotomy is misleading. From the standpoint of the inflationary impact of additions to the public debt, the question is not whether the bonds are sold to the public or to the commercial banks, but whether— if they are sold to the banks— the Federal Reserve System provides additional reserves to accommodate the purchases.

The suggestion that sales of government securities to the commercial banks are *automatically* inflationary is simply wrong. If the deficit is financed by sales to the commercial banks, they create demand deposits in favor of the Treasury. However, this tells us little until we know where the banks obtained the reserves to buy the securities. If the total amount of reserves is fixed, the banks can buy additional government securities only by selling an equivalent amount of other securities or shrinking their loans. Far from being inflationary, such an operation, in itself, actually tightens private credit to some extent. Of course, if the central bank supplies sufficient additional reserves—for example, by purchasing a portion of the newly-issued securities itself—to permit the commercial banks to buy the additional securities without shrinking other forms of credit, there will be no deflationary monetary offset to the initial expansionary fiscal action. Nor will there necessarily be an inflationary effect.

Thus, the effects produced by the financing of a deficit depend not primarily on whether the securities are bought by commercial banks or by the nonbank public but on the kind of policy that is followed by the central bank. And the appropriate monetary policy—just as the appropriate fiscal policy—should be responsive to the needs of the economy at any given time. The proper "mix" of the two must be "cooked" in such a way that they are mutually consistent with the goals of policy.

If the deficit arises because a national emergency requires large increases in public expenditures in an economy already at full employment, naturally the central bank should be applying a restrictive policy. But a deficit that arises out of policies to stimulate a lagging economy calls for a different approach. A deficit arising from either increased expenditures or reduced tax rates will cause incomes to rise. This rise in income will produce a general increase in the demand for money and credit, which—unless bank reserves are increased—will tend to raise interest rates and restrict private credit. If the deficit is financed under conditions of monetary restraint, its stimulating effects will be partly offset. Or to put it another way, a larger tax cut or increase in expenditures will be needed to achieve a given target level of income and employment if the stimulative fiscal action is accompanied by a restrictive monetary policy.

It should be clear, however, that even if the central bank supplied no extra reserves—i. e., even if the bonds had to be sold to the nonbank public—the rise in interest rates could, at most, provide only a partial restrictive offset to the expansionary effect of the deficit tax reduction or expenditure increase. In discussions last summer—including Congressional Hearings — the idea was frequently expressed that, if the bonds are sold to the public, "the extra money you give consumers by tax reduction would be taken away by bond sales," and this would make a tax cut useless. This argument incorrectly identifies the effects of a change in *disposable income* (from the tax cut)—which would clearly make consumers better off — with a voluntary *asset exchange* — in which bond buyers swap one form of asset (cash) for another (bonds).

Today, of course, we have a significant constraint on monetary policy: our balance-of-payments problem. To the extent that international differences in interest rates may influence the outflow of capital, it may be necessary to hold domestic interest rates higher than would be desirable for reasons of domestic economic policy. This need has to be balanced against domestic considerations in deciding how to finance a deficit. Since it is short-term interest rates that primarily influence international flows of short-term capital, the balance-of-payments constraint would support primary reliance on the sale of short-term Treasury securities.

(E) Conclusion

Important as it is to have compatible and flexible monetary measures, the overshadowing economic policy issue that lies dead ahead is the tax issue. Perhaps the unsatisfactory record of the past five years, marked by two recessions and two reluctant recoveries, *will* lead to a closing of ranks on the central guides for economic policy in 1962. The deliberations and conclusions of The Conference can make a major contribution to this process and thereby to our common goal of "maximum employment, production, and purchasing power" under the mandate of the Employment Act of 1946.

*An address by Dr. Heller to the Conference on Fiscal and Monetary Policy of the President's Advisory Committee on Labor-Management Policy, Nov. 14, 1962, Washington, D. C.

NASD Elects Seven Governors

Seven new governors were elected to the board of the National Association of Securities Dealers for three-year terms each. They succeed an equal number who complete their tenure in January, except for two who were re-elected after completing unexpired

Van S. Trefethen

Malcolm F. Roberts

G. Shelby Friedrichs

Gus G. Halliburton

Norman B. Ward, Jr.

John W. Callaghan

Joseph Ludin

terms of other members. The NASD board consists of 21 governors representing all of the association's 13 districts covering the 50 states. The new members for 1963 to 1966 are:

Van S. Trefethen, partner, Shuman, Agnew & Co., San Francisco, for District No. 2 which includes the states of California, Hawaii and Nevada. He succeeds William S. Hughes, President, Wagenseller & Durst, Inc., Los Angeles.

Malcolm F. Roberts, manager of the Denver office of Hornblower & Weeks, for District No. 3 which comprises the states of Arizona, Colorado, New Mexico, Utah and Wyoming. He succeeds Paul E. Youmans, Vice-President, Bosworth, Sullivan & Co., Inc., Denver.

G. Shelby Friedrichs, partner, Howard, Weil, Labouisse, Friedrichs & Co., New Orleans, was re-elected to the board as representative from District No. 5 which includes the states of Alabama, Arkansas, Louisiana, Mississippi and a part of Tennessee.

Gus G. Halliburton, Vice-President, Equitable Securities Corp., Nashville, was re-elected in District No. 7 which comprises the states of Florida, Georgia, South Carolina and a part of Tennessee.

Norman B. Ward, partner, Singer, Deane & Scribner, Pittsburgh, for District No. 11 which includes the states of Pennsylvania, West Virginia and a part of New Jersey. He succeeds Robert E. Daffron, Jr., partner, Harrison & Co., Philadelphia.

John W. Callaghan, partner, Goldman, Sachs & Co., and Joseph Ludin, Vice-President, Dillon, Read & Co., Inc., both of New York, for District No. 12 which includes the states of Connecticut, New York and a part of New Jersey. They succeed Avery Rockefeller, Jr., partner, Dominick & Dominick, and Edward H. Ladd, III, Vice-President, First Boston Corp., also both of New York.

Individual Investors Gave Major Impetus to May Stock Market

Individual investors from all over the country increased their share of total volume and gave the major impetus to heavy selling and buying waves on the New York Stock Exchange last May 28, 29 & 31, Exchange President Keith Funston has reported.

Keith Funston

"Persons in middle and upper income brackets, both cash and margin customers, were particularly active sellers," the Exchange President noted in releasing preliminary findings of a special Public Transaction Study of the end-of-May period.

"Members and member firms of the Exchange, like public individuals, also increased their percentage of total volume," Mr. Funston said, "while the share of institutions and intermediaries decreased. Members' and institutional activity generally tended to offset individual investors' activity, taking the buy side when individual investors were selling, and the sell side when they turned to buying."

Margin Transactions

Public individuals' margin buying and selling came to about 20% of the 80 million shares bought and sold in round and odd lots on the three days, Mr. Funston pointed out. This is about the average level for margin transactions in Public Transaction Studies for the past ten years. Margin selling, however, contributed downward pressure during all three days, he added, by a ratio of three shares sold to each two bought. As shown in earlier Exchange research on the May 28-31 period, only a small part of margin selling was forced liquidation due to margin calls.

Women, whose total volume was a third that of men, nevertheless had a sales balance for the three days over two and a half time as great as that for men, Mr. Funston pointed out. Orders from outside the country rose somewhat from levels in previous Public Transaction Studies to 5.5% of public volume, he added. They were on the selling side, by a ratio of seven shares sold for each six bought.

Here is a summation of buying and selling on May 28-31 as determined in the special study:

On Monday, May 28, when prices declined 5.7% on average, individual investors sold roughly five shares for every four they bought. In contrast, institutional investors and the Exchange membership were buyers, by a ratio of about 4-to-5.

On May 29, the market lost another 2½% on average, before turning and starting upward at about midday. For the full day, individuals were again on-balance sellers, by a lesser ratio, and institutions were again buyers on balance.

Members and member firms sold 4.4 million shares and bought 4.1 million on Tuesday. Preliminary figures show that members generally — and particularly specialists — registered strong purchase balances during the morning's price decline and substantial sales balances in the afternoon rally, tending to counterbalance selling and buying activities of individual investors.

On May 31, when prices continued to regain their losses of the first day-and-a-half, public individuals became on-balance buyers, and institutions and the Exchange membership generally assumed offsetting roles by selling more than they bought.

"For a number of reasons — including the difficulty of collecting investors' opinions after the fact and of discounting the benefits of hindsight in evaluating this information—this survey did not attempt to determine motives for individual transactions," Mr. Funston said.

Profit Taking by Sophisticated Investors

"However, one conclusion that can be drawn from Exchange studies and from the general experience of the Exchange Community is that persons in higher tax brackets, presumably sophisticated investors with larger and sometimes long-held portfolios, sold to protect profits which they had not taken earlier because of capital gains tax considerations, and which they feared might be evaporating."

The special Public Transaction Study (PTS) expanded on findings published in four previous interim reports and will be combined with this and other information in an overall report. The latest PTS revealed this distribution of volume, compared with the last such study in September, 1961:

	Per cent of Total Round & Odd Lot Volume May 28-31	Sep. 1961
Public Individuals	56.9%	51.4%
Institutional Investors	18.7	26.2
Members and Member Firms	24.4	22.4

Institutional investors include mutual funds and other investment companies, pension funds, insurance companies and intermediaries for other investors, such as commercial banks and trust companies.

Specialists' Activities

The major volume participants among members of the Exchange are specialists, who buy and sell as principals to maintain markets in assigned stocks. Their dealings on May 28-31 were almost 30% higher than usual. An unusually high proportion of specialists' transactions — more than 92% — were "stabilizing,"—that is, buying when the public was selling, and selling when the public was buying. In addition price continuity ran at a better-than-usual rate for the three days. This is a measure of the extent to which prices between sales have been held to small changes or no changes at all.

The special PTS covered 110,000 of the 670,000 public transactions on the Exchange on May 28, 29 and 31, when the value of all transactions came to $3½ billion. Data on public activity were projected from transactions in 50 widely-held Big Board stocks handled by 25 member firms. These firms accounted for 48% of last year's commissions on the Exchange. Other highlights of the study include:

Individual investors, as a group, were net sellers for the three days by 780,000 shares.

About 77% of individuals' volume for the full period came from persons with family incomes of $10,000 and over, about half of this from those in the $25,000-plus group.

All income categories were net sellers on May 28 and 29; only the $25,000-plus group remained net sellers on May 31.

Persons in the under-$10,000 category became net buyers for the three days through their large purchase balance of 1,390,000 shares on May 31. (This helps explain an odd-lot purchase balance of 1,245,000 shares on that day, highest in three decades.)

The $25,000-plus group accounted for nearly 42% of all margin transactions by the public, compared to a previous high of 36.2% in ten years of Public Transaction Studies.

About 62% of public orders were entered "at the market," that is, with no price limitation; about 36% more were "limit orders," specifying prices; the remaining 2% were "stop orders," which become market orders when stocks sell at or through specified prices.

Public Short Selling Was Minute

Short selling by the public accounted for only about 2.3% of public sales, or 1.7% of all sales. (By contrast, separate reports show that short selling by specialists in maintaining markets accounted for 3.4% of total sales — more than half of this in the rising market of May 31—and came to 0.7% for other members and member firms.)

Commercial banks and trust companies accounted for the largest single share of institutional volume—36%. They were buyers on balance, although on the first day they had the only sales balance among the institutional group, 60,000 shares.

Mutual funds bought and sold 2,650,000 shares during the three days, or 17.4% of institutional volume. They ended the period with a net purchase balance of 20,000 shares.

Corporate pension and profit-sharing funds accounted for almost 5% of institutional volume and registered one of the highest ratios of purchases to sales for any group in the study—roughly 600,000 shares bought out of a 700,000-share total.

Hawaii Offers Worthwhile Investment Opportunities

Continued from page 11

Stock Exchange and the Over-the-Counter Market.)

Hawaiian Electric Company has just completed an underwriting for additional common stock, which was heavily oversubscribed. Primary and secondary subscriptions totaled 346,517 shares as against 315,730 shares offered. Proceeds will be applied toward the financing of the company's 1962-1966 capital expenditures, estimated at $92,761,000. Information on the company is available in the latest prospectus. (The stock is traded on the Honolulu Stock Exchange and the over-the-counter market.)

Honolulu Gas Company has a perpetual franchise to produce and sell gas on Oahu and in the South Hilo district of the Island of Hawaii. The company manufactures gas from oil and distributes it through its mains in the city of Honolulu. In other areas customers are serviced with propane. Operating revenues went up 53% from 1955 to 1961 to $7.2 million, accompanied by a mild increase in per share earnings. City gas sales were up 6.7% in the first seven months of 1962, and country sales of L. P. G. rose 12% from 1961. Higher operating costs may hold 1962 net to about last year's level which, however, has to be distributed over an additional 68,000 shares. The company pays $0.25 quarterly. (Stock is traded on the Honolulu Stock Exchange.)

Bank Stocks

During the last seven years, demand deposits in Hawaii have doubled, compared with an increase of only about 10% in the nation. However, more recently there has been a leveling off, as a result of the general slowdown in Hawaii's growth, and a shift from demand to savings accounts (Economic Indicators, First National Bank of Hawaii, Aug. 31, 1962).

Bank of Hawaii is the State's largest bank, with total resources of $383 million at the end of 1961. The bank continues to account for about 44% of total bank deposits in Hawaii, despite the expansion of some newer banks in Honolulu. Earnings growth has been very satisfactory. Management sees no immediate need for additional equity financing. Interest payable charges will be higher this year, but rising deposit levels, maintenance of a full loan portfolio and lower expenses for fewer new branch openings may result in a slight net improvement in this year's net profits over the $2.62 per share of 1961. The current quarterly dividend rate is $0.30. (Stock traded on Honolulu Stock Exchange.)

First National Bank of Hawaii is a close second, with total resources of 349 million at the end of 1961. Earnings performance in the past few years has been satisfactory. Management does not expect to do any new equity financing this year or in early 1963. Although interest payable will be up this year, recent firming in loan demand should put 1962 net operating profit around last year's level or slightly higher. The current dividend rate is $0.35 quarterly. (Stock is traded on Honolulu Stock Exchange and the Over-the-Counter Market.)

Some Diversified Companies

All of Hawaii's "Big Five" (all of which excepting one are briefly discussed below) have extensive sugar, agency and real estate interests, and two of them are also involved in the pineapple business. Hawaiian sugar output has been fairly static between roughly 1.0 and 1.1 million short tons a year, just below Hawaii's U. S. sugar quota, interrupted by weak crops resulting from strikes. Hawaiian sugar has not benefited from the nation's switch of sugar purchases from Cuba to other areas; in fact, this has resulted in keener competition for Hawaiian sugar from the Mainland beet sugar growers. All Hawaiian sugar shipped to the Mainland is refined and marketed by California & Hawaiian Sugar Refining Corp. acting as a cooperative. U. S. sugar consumption on a per capita basis has been unchanged for decades within an average annual range of 94 to 96 pounds. The 1962 sugar crops in the 50th state look promising, excepting for the Island of Hawaii.

The world market for pineapple has expanded a slow 11% since 1956, while Hawaii's share of that market has receded from 60% to 55% during the same period. There is no evidence that this trend is changing. Hawaii-grown pineapple not only is in sharp competition with lower cost crops from other areas but also with competing other products, such as peaches and fruit cocktails. The 1962 pineapple pack seems to be about as large as last year's; inventories are under control.

In contrast to the uninspiring sugar and pineapple situation, real estate values have skyrocketed, especially on the main island of Oahu. Much of the Islands' 6,430 square miles are mountainous and only about 10% is arable. Land is all the more at a premium, especially on Oahu, since a large part of the usable land is owned by relatively few companies and estates which have a policy of leasing it (usually for 55 years), rather than selling it. A growing part of land is changing from sugar and pineapple crops, or from no particular use at all, to high-profit use in tourist resorts, residential or industrial developments, and diversified agriculture.

The companies listed below own valuable real estate whose current market value is well above book values. In most instances, these hidden market values—targets of widely differing estimates and guesstimates—and their future earnings potential derived from prospective real estate developments, have furnished the principal basis for investors' and traders' interest in these stocks.

Alexander & Baldwin derives nearly two-thirds of its gross from sugar and pineapple sales, and 23% from its agency operations (the company is agent for 15 insurance companies, including Travelers, and for Matson Navigation in some Hawaiian and West Coast ports). Last year, A. & B. merged with Hawaiian Commercial & Sugar Co., Hawaii's largest sugar plantation, which owns about 54,000 acres of land on the island of Maui (of which some 28,000 acres are suitable for cane). In addition, A. & B. owns 81% of McBryde Sugar which, in turn, owns over 22,000 acres on the island of Kauai (of which 5,300 acres are cane land). A. & B. also holds an substantial portfolio of other stock investments and cash and cash equivalent, worth approximately $16 to $18 per share. In 1961, these securities produced income equal to 12½% of the company's gross, and of course a much larger portion of its net income. While net operating profits have usually been in the $0.80 to $0.95 range, the stock appraisal has been strongly influenced by the estimated underlying asset values. (Traded on Honolulu Stock Exchange and the Over-the Counter market.)

American Factors derived about 40% of its 1961 net operating earnings from sugar operations, mostly in Maui, Kauai and Oahu. The second biggest income source is wholesaling. Retailing was the third biggest income source, as the company operates Liberty House, Honolulu's largest Department store, and the Waikiki Pharmacy. Additional income is derived from the insurance division which sells all types of insurance and acts as agent for some prominent U. S. and British companies. Amfac has shown early initiative in the development of some of its extensive land holdings. Construction of a 1,000-acre resort at Kaanapali, Maui, is progressing fast, and the Sheraton-Maui luxury hotel should open in January. In the Lihue area on Kauai, 300 homesites, a large shopping center and a light industrial park are under development. About 16,500 acres at Pearl Harbor, Oahu, will be developed into a large residential area over the next 10 years. In the long run, these developments may materially boost Amfac's earning power which now is roughly in the $1.80-$2.20 per share range. Recent indications are that the company's 1962 sugar yields will exceed 1961, and so does the level of retail sales. Last year's net was $2.14 per share, including $0.48 of pretax capital gains but excluding $0.30 of undistributed equity in the profits of affiliated companies. (The stock is traded on the Honolulu Stock Exchange and the Over-the-Counter Market.)

C. Brewer and Company is primarily in the sugar business but, in addition, maintains an insurance department and owns some ranches and dairies. In 1961, C. Brewer — already engaged in a model sugar operation in Iran—stepped into foreign operations in a major way by acquiring Fajardo Eastern Sugar Associates of Puerto Rico, with its five raw sugar factories and approximately 20,000 acres of land (of which over 8,800 acres are cane land). Fajardo output, which in recent years averaged 160 to 180 thousand tons of sugar annually, is expected to be lifted substantially in the coming years. Its Puerto Rican factories could produce 210 to 230 thousand tons during a 100- to 110-day operating season. However, in the current year, the Puerto Rico operation has suffered from continuous rains and will be substantially in the red. On the other hand, as late as the end of August, the management was quite optimistic regarding the 1962 outlook for its Hawaiian sugar operations. With a large part of them located on the island of Hawaii it remains to be seen to what extent they may now be affected by the drought conditions more recently reported from that area. 1962 earnings could be materially below the 1961 level of $3.11. In normal sugar years, Brewer's earnings power has been somewhat above $3.00 per share. (The stock is traded on the Pacific Coast Stock Exchange and the Honolulu Stock Exchange.)

Castle & Cooke, Inc. breaks down its gross revenues in the past fiscal year as follows: 53.0% Dole pineapple (rather narrow profit margins), 19.3% "Bumble Bee Seafoods" (a growing and quite profitable operation), 14.2% sugar, 6.9% service operations including rentals, 5.2% merchandising (mostly Mainland-produced machinery and equipment, plus macadamia nuts), 1.4% income from dividends and interest, plus a small capital gain. Land holdings of about 156,000 acres — of which about 30% are used for plantations, the remainder being mainly range land, watershed and gulch areas — are carried on the books at $17.6 million, a low average of $113 per acre.

In order to activate some of its real estate potential the company last year set up a special subsidiary, Oceanic Properties. Oceanic has a 40% participation in the Queen Emma Gardens, the first large-scale redevelopment project in downtown Honolulu, to house about 600 families. Start on a model community of 15,000 dwelling units on 3,000 acres overlooking Pearl Harbor is awaiting the approval by the State Land Use Commission; ground may be broken by mid-1963. Other real estate development plans are also maturing. Development of the 6,500 acre Black Hawk Ranch near the San Francisco Bay Area must await the arrival of city water.

Net proceeds of about $17.5 million from the sale of Honolulu Oil stock give Castle & Cooke a good financial start for the execution of these plans. The long range impact on the company's earnings power—now in the $2.00 to $2.50 range—should be material. For the current fiscal year, no major change from 1961-62 net profit seems likely, as pineapple operations should be about the same to slightly improved, sugar crops of Ewa Plantation and Waialua Agricultural seem somewhat improved but those of Kohala Sugar are adversely affected by drought. The company has a number of stock investments, the largest of which is a 24% ownership of Matson Navigation. (Stock is traded on the Pacific Coast Stock Exchange and Honolulu Stock Exchange.)

Dillingham Corp. is the product of the 1961 merger of two old and successful companies: Oahu Railway and Land, and Hawaiian Dredging & Construction. Last year, Dillingham's gross operating profit broke down as follows: (1) 36.7% transportation, wharfage and towage (within and between Island ports); (2) property rentals 25.6%; (3) construction and dredging 31.8%; (4) other activities 5.9%. The first two business lines normally enjoy high profit margins, in contrast to (3) and (4). The company is prominent in large construction and dredging projects, both U. S. and foreign, which are of course cyclical by nature.

The company owns a diversified "portfolio" of some of the most valuable real estate in and around Honolulu. Some of it is "operational," that is, it directly supports the company's non real - estate operations. However, a large part is held for investment purposes, including the stunning Ala Moana Shopping Center and Office Building. Total gross real estate, carried on the books at $33.7 million, has been variably appraised at between $85 million and $110 million. Further additions are planned which, because of heavy depreciation charge - offs, will boost the company's cash flow much more than its net reported profits. The company's earnings (on a pro forma basis) since 1956 have ranged from a low of $0.91 per share in 1957 to a high of $1.55 in 1959. Last year's net was $1.39, and—excluding non-recurrent gains — would have been $0.77. It seems that 1962 gross from construction and dredging may be somewhat down from 1961 while gross from other activities will be up. Recently the management announced that it will embark on two big real estate ventures in San Francisco, indicating its interest in geographical investment diversification. (The stock is traded on the Honolulu Stock Exchange.)

Neumark to Join L. F. Rothschild

On January 1, Arthur J. Neumark will become a partner in L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange, and other leading national exchanges.

Arthur J. Neumark

Mr. Neumark is a partner of H. Hentz & Co., where he is in charge of the Syndicate department.

Scholarship Award

MINNEAPOLIS, Minn. — A Minneapolis securities firm is the principal donor for a newly-established scholarship to be awarded annually to a student enrolled in the University of Minnesota School of Business Administration.

The firm, Naftalin & Co., Inc., is headed by Niel T. Naftalin, who is also President of The Naftalin Foundation, which established the Harold H. Naftalin scholarship in memory of Neil's late father.

The scholarship covers costs of tuition and books for one year and is awarded on the basis of ability, scholarship, character and financial needs. The winner is selected jointly by the Bureau of Student Loans and Scholarships, University of Minnesota, and the scholarship committee of the School of Business Administration.

Earlon LeRoy Milbrath, a senior majoring in finance, will receive the first annual Harold H. Naftalin scholarship, the Bureau of Student Loans and Scholarships has announced.

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.**
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. **Offering**—Indefinitely postponed.

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.

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. (12/10-14)
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. (12/10-14)**
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.**
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. **Offering**—Jan.

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. (12/10-14)**
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. (12/3-7)
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.

Americana East, Inc.
Nov. 13, 1962 filed 400,000 common. **Price**—$2.50. **Business**—Development, construction and management of real estate properties. **Proceeds**—For construction, debt repayment and working capital. **Office**—173 First St., Macon, Ga. **Underwriter**—Nusouth Growth Stock Sales Corp., 4101 Steam Mill Rd., Columbus, Ga.

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.

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 49,993 shares of $3 cumulative preferred stock and 205,105 common shares being offered for subscription by stockholders of the respective classes on the basis of one new share for each 10 held. Record date for both offerings is Nov. 21 and the rights expiration date Feb. 15. **Price**—For preferred $52; for common $13. **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**—198 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.

Beneficial Finance Co. (12/12)
Nov. 20, 1962 filed $30,000,000 of debentures, due June 1, 1988. **Price**—By amendment. **Business**—A holding company with subsidiaries in the small loan, sales finance and merchandising fields. **Proceeds**—For loan repayment, and other corporate purposes. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

Birtcher Corp.
Sept. 21, 1962 filed 429,013 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. 6, 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.

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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.**
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. **Offering**—Temporarily postponed.

● **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, New York. **Note** — This registration may be withdrawn and then refiled.

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

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 was withdrawn.

Center Star Gold Mines, Inc.
April 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. (12/13)
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.

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NEW ISSUE CALENDAR

December 3 (Monday)

American Plan Corp. — Units
(Bear, Stearns & Co.) 248,000 units

Canaveral Hills Enterprises, Inc. — Common
(Willis E. Burnside & Co., Inc.) $500,000

Electro-Temp Systems, Inc. — Common
(S. C. Burns & Co., Inc.) $160,000

Forst (Alex.) & Sons, Inc. — Common
(McDonnell & Co.) 125,000 shares

Jackson's/Byrons Enterprises, Inc. — Class A
(Clayton Securities Corp.) 120,000 shares

Jackson's/Byrons Enterprises, Inc. — Debentures
(Clayton Securities Corp.) $750,000

Jamoco Air Conditioning Corp. — Common
(Martin-Warren Co., Ltd.) $120,000

Kaiser-Nelson Corp. — Common
(Robert L. Ferman & Co., Inc.) 140,000 shares

Keene Packaging Associates — Common
(Hardy & Co. and Kleiner, Bell & Co.) $600,000

McGrath (John W.) Corp. — Common
(Bear, Stearns & Co.) 253,375 shares

Metropolitan Edison Co. — Bonds
(Bids 12 noon EST) $15,000,000

San Diego Imperial Corp. — Common
(White, Weld & Co. and J. A. Hogle & Co.) 124,552 shares

Servotronics, Inc. — Capital Stock
(General Securities Co., Inc.) $375,000

Standard Security Life Insurance Co. of New York — Common
(Ira Haupt & Co.) 230,000 shares

December 4 (Tuesday)

New England Power Co. — Bonds
(Bids 11 a.m. EST) $12,000,000

New England Power Co. — Preferred
(Bids 12 noon EST) $10,000,000

December 5 (Wednesday)

Consolidated Edison Co. of New York, Inc. — Bonds
(Bids 11 a.m. EST) $60,000,000

December 6 (Thursday)

Montana-Dakota Utilities Co. — Bonds
(Bids 11 a.m. EST) $15,000,000

United Markets Inc. — Units
(Moran & Co.) $500,000

December 10 (Monday)

American Bolt & Screw Mfg. Corp. — Units
(S. D. Fuller & Co.) $900,000

American Educational Life Insurance Co. — Com.
(Standard American Securities, Inc.) $450,000

American Gas Co. — Common
(Cruttenden, Podesta & Miller) 275,000 shares

American Gas Co. — Debentures
(Cruttenden, Podesta & Miller) $1,685,000

Career Academy, Inc. — Common
(Divine & Fishman) 100,000 shares

Computer Concepts Inc. — Common
(Doft & Co.) $500,000

Conso Products, Inc. — Common
(H. Hentz & Co.) 125,000 shares

Cosnat Corp. — Debentures
(Van Alstyne, Noel & Co.) $1,250,000

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

I. P. D. Financial Corp. — Common
(J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc.) $1,200,000

Lewis (Tillie) Foods, Inc. — Debentures
(Van Alstyne, Noel & Co.) $2,250,000

Livestock Financial Corp. — Common
(Shearson, Hammill & Co.) $1,300,000

Logos Options, Ltd. — Capital Stock
(Filor, Bullard & Smyth) 250,000 shares

Norfolk & Western RR. — Equip. Trust Ctfs.
(Bids 12 noon EST) $5,250,000

Pak-Well Paper Industries, Inc. — Class A
(Francis I. du Pont & Co.) 150,000 shares

Schaevitz Engineering — Common
(Bear, Stearns & Co.) 150,000 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. — Debentures
(Bids 11 a.m. EST) $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

Beneficial Finance Co. — Debentures
(Eastman Dillon, Union Securities & Co.) $30,000,000

Tokyo Shibaura Electric Co., Ltd. — Debentures
(Smith, Barney & Co., Inc., and Nomura Securities Co. Ltd.) $20,000,000

December 13 (Thursday)

Chestnut Hill Industries, Inc. — Common
(Clayton Securities Corp.) $2,250,000

Tabach Industries, Inc. — Common
(Costello, Russotto & Co.) $250,000

December 14 (Friday)

Geigher Pipe Supply Inc. — Class A
(Midland Securities Co., Inc.) $570,000

December 17 (Monday)

Ampeg Co., Inc. — Units
(John R. Boland & Co., Inc.) $299,880

Consolidated Leasing Corp. of America — Common
(Blair & Co.) 99,000 shares

Consolidated Leasing Corp. of America — Debentures
(Blair & Co.) $1,000,000

Electro-Nucleonics, Inc. — Common
(Richard Bruce & Co., Inc.) $147,625

Hallandale Rock & Sand Co. — Units
(Mutch, Khanbegian, Flynn & Green, Inc.) $450,000

International Systems Research Corp. — Units
(Leib, Skloot & Co., Inc.) $440,000

Met Food Corp. — Debentures
(Brand, Grumet & Siegel, Inc.) $1,000,000

Optech, Inc. — Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $300,000

Rona Lee Corp. — Common
(Winslow, Cohu & Stetson Inc.) $500,000

Sperti Products, Inc. — Common
(Blair & Co.) $230,000 shares

Telephone Employees Life Ins. Co. — Cap. Stk.
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) $2,757,300

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

Honda Motor Co., Ltd. — ADR's
(Goldman, Sachs & Co. and Nikko Securities Co., Ltd.) 450,000 ADR's

January 3, 1963 (Thursday)

Columbia Gas System, Inc. — Debentures
(Bids to be received) $25,000,000

January 8, 1963 (Tuesday)

New York Telephone Co. — Bonds
(Bids to be received) $70,000,000

January 15, 1963 (Tuesday)

Illinois Power Co. — Bonds
(Bids 10 a.m. CST) $35,000,000

January 22 (Tuesday)

Chesapeake & Potomac Telephone Co. of Md. — Debs.
(Bids to be received) $50,000,000

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

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).

Community Health Association, Inc.
Nov. 19, 1962 filed 72,000 common. **Price**—$15. **Business**—Company is engaged in the health care service contract business in Washington and Oregon. **Proceeds**—For selling stockholders. **Office**—4000 Aurora Ave., Seattle. **Underwriter**—None.

● **Computer Concepts Inc. (12/10-14)**
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 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.

● **Consolidated Leasing Corp. of America (12/17-21)**
April 27, 1962 filed $1,000,000 of 6½% subord. debentures due 1977 (with warrants), and 99,000 common. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Renting of cars, trucks and equipment. **Proceeds**—For debt repayment, an acquisition and other corporate purposes. **Office** — 1012 Baltimore Ave., Kansas City, Mo. **Underwriter**—Blair & Co., N. Y.

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

Contact Lens Guild, Inc.
Sept. 19, 1962 ("Reg. A") 75,000 class "A" common. **Price**—$4. **Business**—Manufacture and sale of a patented contact lens. **Proceeds**—For moving expenses, research, inventory, advertising and working capital. **Office**—360 Main St. E., Rochester, N. Y. **Underwriter**—John J. DeGolger Co., Inc., Rochester, N. Y.

ControlDyne, Inc.
Oct. 24, 1961 filed 150,000 common. **Price**—$1.15. **Business**—Development and production of electronic testing and training devices. **Proceeds** — For expansion and working capital. **Office**—9340 James Ave., S., Minneapolis. **Underwriter**—To be named. **Note**—This firm formerly was named Control Dynamics, Inc. **Offering**—Indefinitely postponed.

Corporate Funding Corp.
April 26, 1962 ("Reg. A") 75,000 class A common. **Price** $4. **Business** — A financial investment and holding company. **Proceeds**—For expansion and working capital. **Office**—39 Broadway, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

● **Cosnat Corp. (12/10-14)**
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. **Offering**—In early January.

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.

Delta Bowling Corp.
Sept. 28, 1962 filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 by stockholders. **Price**—$3. **Business**—Leasing and operating of bowling centers. **Proceeds**—For expansion, equipment and working capital. **Office**—230 Park Ave., N. Y. **Underwriter**—Provost Securities, Inc., N. Y.

Deuterium Corp.
Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held; 2 units for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction, equipment and other corporate purposes. **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

Diamond Dust Co., Inc.
Feb. 27, 1962 filed 102,000 common. **Price**—$3. **Business**—Production of graded diamond powder and compound. **Proceeds**—For debt repayment, additional personnel, advertising and working capital. **Office**—77 Searing Ave., Mineola, N. Y. **Underwriter**—Magnus & Co., N. Y. **Offering**—Indefinitely postponed.

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

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

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

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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. (12/10-14)
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. (12/17-21)**
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. (12/3-7)
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.

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. **Offering**—Imminent.

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.
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. **Offering**—Imminent.

● **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**—$0.90. **Business**—Life insurance. **Proceeds** — For investments. **Office**—1330 Leyden St., Denver. **Underwriter**—None. **Note**—This registration has become effective.

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. (12/10-14)
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.

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. (12/3)**
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.

Geigher Pipe Supply Inc. (12/14)
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.

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.

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

Gourmet Food Products, Inc.
May 25, 1962 filed 28,113 common. **Price**—$3.50. **Business** — Growing, purchasing, distributing and selling whole potatoes and processing and selling of prepared potato products. **Proceeds**—For the selling stockholders. **Office**—915 Southeast 10th Ave., Portland, Ore. **Underwriter**—To be named.

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

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

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

Greenman Bros., Inc.
April 25, 1962 filed 150,000 common, of which 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.**
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.

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.

Honda Motor Co., Ltd. (12/19)
Nov. 16, 1962 filed 450,000 ADR's (representing 9,000,-000 common shares). **Price**—By amendment (max. $20). **Business**—Manufacture of motorcycles. **Proceeds**—For capital improvements, investments in subsidiaries, and working capital. **Office**—Tokyo, Japan. **Underwriters**—Goldman, Sachs & Co. and Nikko Securities Co., Ltd.

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.

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 171,829 common being offered for subscription by stockholders on the basis of one new share for each share held of record Nov. 16, with rights to expire Dec. 10, 1962. **Price** — $7.50. **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.**
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., New York. **Offering**—Imminent.

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 electro-mechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and other corporate purposes. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., N. Y.

● **International Systems Research Corp. (12/17-21)**
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**—Leib, Skloot & Co., Inc., Clifton, N. J.

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., 111 W. 57th St., New York.

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.

● **Israel Hotels International, Inc.**
Feb. 28, 1962 filed $4,036,000 of 6½% sinking fund debentures due 1980-86 and 40,360 common (with warrants) to be offered for sale in units of one $1,000 debenture and 10 common (with 20 attached warrants). **Price**—$1,050 each. **Business** — Company was formed to construct the luxury hotel "Tel Aviv Hilton" at Tel Aviv, Israel. **Proceeds**—For general corporate purposes. **Office**—229 South State St., Dover, Del. **Underwriters**—Van Alstyne, Noel & Co., and American Israel Basic Economy Corp., New York. **Note**—This statement has become effective. **Offering**—Expected sometime in December.

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. (12/3-7)**
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. **Note**—This registration was withdrawn.

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.

● **(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., New York. **Offering**—Imminent.

Kaiser-Nelson Corp. (12/3-7)
March 29, 1962 filed 140,000 common, of which 70,000 are to be offered by company and 70,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Reclamation of metallics from steel slag; mining of sand and gravel; and dismantling and salvage of industrial buildings. **Proceeds**—For new plants, debt repayment and working capital. **Office**—6272 Canal Rd., Cleveland. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

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 (12/3-7)
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.

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 receiv-

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able, 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. (12/10)
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.

Logos Options, Ltd. (12/10-14)
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.

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. (12/3-7)
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.

Met Food Corp. (12/17-21)
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.

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.

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. (12/6)**
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. 6 (11 a.m. EST) at 20 Pine St. (10th Floor), N. Y. **Information Meeting**—Dec. 4 (11 a.m. EST) Room 1420, 20 Pine St., N. Y.

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

Multronics, Inc.
Jan. 5, 1962 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Production of electronic parts and components and the furnishing of consulting services in the radio-engineering field. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2000 P St., N. W., Washington, D. C. **Underwriter** — Switzer & Co., Inc., Silver Spring, Md **Offering**—Temporarily postponed.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $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 Mortgage Corp.
Nov. 9, 1962 filed $8,000,000 of installment certificates, series 20, and 410,000 common shares. **Price**—For certificates, $1,000; for common, $1.15. **Business**—A mortgage loan company. **Proceeds**—For investment and other corporate purposes. **Office**—113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc. (same address).

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 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.
Oct. 15, 1962 filed 209,000 common being 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). Record date for the offering is Nov. 19, and the rights expiration date, Dec. 5. **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., New York.

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. **Information Meeting**—Nov. 29 (11 a.m. EST) in Room 100, 441 Stuart St., Boston.

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)). **Information Meeting**—Nov. 29 (11 a.m. EST) in Room 100, 441 Stuart St., Boston.

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.
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., New York. **Note**—This registration will be withdrawn.

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.

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.

Pak-Well Paper Industries, Inc. (12/10-14)
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.
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. **Offering**—Imminent.

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.

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** — 43-12 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.
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., New York. **Offering**—Imminent.

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.

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● Richard Gray & Co., Inc.
June 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business** — A securities broker-dealer. **Proceeds** — For working capital and other corporate purposes. **Office**—237 W. 51st St., N. Y. **Underwriter**—Richard Gray Co., New York. **Offering**—Imminent.

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.

● Rona Lee Corp. (12/17-21)
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.

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. (12/3-7)
Oct. 1, 1962 filed 124,552 common. **Price**—By amendment (max. $14). **Business**—A holding company for 15 savings and loan associations. **Proceeds** — For selling stockholders. **Office**—1400 Fifth Ave., San Diego. **Underwriters**—White, Weld & Co., N. Y., and J. A. Hogle & Co., Salt Lake City.

San Francisco Capital Corp.
April 23, 1962 filed 60,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—400 Montgomery St., San Francisco. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

Schaevitz Engineering (12/10-14)
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. (12/3-7)
March 30, 1962 filed 125,000 capital shares. **Price** — $3 **Business**—Design, development and manufacture of precision control components and associated products. **Proceeds** — For debt repayment, equipment and working capital. **Office** — 190 Gruner Rd., Cheektowaga, N. Y. **Underwriter**—General Securities Co., Inc., N. Y.

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. **Offering**—In Jan.

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

Southern New England Telephone Co. (12/11)
Nov. 16, 1962 filed $45,000,000 of debentures, due Dec. 1, 2001. **Price**—By amendment. **Proceeds**—To repay advances from A. T. & T. parent 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-Solomon Brothers & Hutzler (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Dec. 11 (11 a.m. EST) at 195 Broadway (Room 2315), New York.

Southeastern Towing & Transportation Co., Inc.
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Construction and operation of towing boats. **Proceeds**—For debt repayment, conversion of a boat, and working capital. **Office**—3300 N. W. North River Drive, Miami, Fla. **Underwriter**—Irwin Karp & Co., Inc., 68 William St., N. Y.

● Sperti Products, Inc. (12/17-21)
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 (12/3-7)
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.

Star Development Corp.
Nov. 9, 1962 filed $300,000 of 6½% convertible s. f. debentures due 1972. **Price**—At par. **Business**—Real estate development. **Proceeds**—For debt repayment, land acquisition, construction, and working capital. **Office**—1601 E. S. Mountain Ave., Phoenix. **Underwriter**—None.

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

Superior Commercial Corp.
Nov. 15, 1962 filed 200,000 class A common, of which 100,000 are to be offered by the company and 100,000 by stockholders. **Price**—$1.50. **Business**—Company buys and holds second mortgages. **Proceeds**—For general corporate purposes. **Office**—9 Maiden Lane, New York. **Underwriter**—S. C. Burns & Co., Inc., New York.

Tabach Industries, Inc. (12/13-14)
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.

● Telephone Employees Life Insurance Co. (12/17-21)
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.

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.

● Tokyo Shibaura Electric Co., Ltd. (12/12)
Nov. 19, 1962 filed $20,000,000 of convertible debentures, due 1978. **Price**—By amendment. **Business**—Manufacture of electrical equipment for home and industry. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Smith, Barney & Co. Inc. and The Nomura Securities Co., Ltd., New York.

Top Dollar Stores, Inc.
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$5. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Philips, Appel & Walden, 115 Broadway, N. Y. **Offering**—Temporarily postponed.

Tourist Industry Development Corp. Ltd.
Aug. 3, 1962 filed $5,000,000 of 7% senior debenture stock due 1962. **Price**—At par. **Business**—Company was organized by the State of Israel to furnish financing to tourist enterprises. **Proceeds**—For general 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., New York. **Note**—This registration will be withdrawn.

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. (12/6)**
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.

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

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.

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.

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.

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

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.

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

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

★ **Belock Instrument Corp.**
Nov. 23, 1962 filed $1,400,000 of 6% conv. subord. debentures, due 1975 (series A). **Price**—By amendment. **Business**—Design, development, and manufacture of mechanical, electromechanical and electronic precision equipment for U. S. armed forces. **Proceeds**—For prepayment of loans. **Office**—112-03 14th Ave., College Point, N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York.

★ **Belock Instrument Corp.**
Nov. 23, 1962 filed $752,400 of 6% conv. subord. debentures, due 1975 (series B) and an unspecified number of common shares to be offered by subscription in units (7,524) consisting of $100 of debentures and an unspecified number of shares, on the basis of one unit for each 130 common held. **Price**—By amendment (max. $210). **Business**—Design, development, and manufacture of mechanical, electromechanical and electronic precision equipment for U. S. armed forces. **Proceeds**—For prepayment of loans. **Office**—112-03 14th Ave., College Point, N. Y. **Underwriter**—None.

★ **Big Top Stores, Inc.**
Nov. 26, 1962 filed 86,000 common. **Price**—$3.50. **Business**—Operation of five retail toy, stationery and variety stores, and the servicing of franchised dealers. **Proceeds**—For expansion, additional inventory, and working capital. **Office**—832 Scarsdale Ave., Scarsdale, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y.

★ **Columbia Gas System, Inc. (1/3/63)**
Nov. 27, 1962 filed $25,000,000 of debentures, due 1988. **Proceeds**—To redeem outstanding 5⅜% debentures, due 1984, and increase working capital. **Office**—120 East 41st St., New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.-First Boston Corp. (jointly). **Bids**—Expected Jan. 3, 1963.

★ **Hallicrafters Co.**
Nov. 27, 1962 filed 108,144 capital shares. **Price**—By amendment (max. $15). **Business**—Manufacture of shortwave radio transmitting and receiving equipment, company also engages in long-range engineering projects for U. S. armed forces. **Proceeds**—For selling stockholders. **Office**—4401 W. Fifth Ave., Chicago. **Underwriter**—Paine, Webber, Jackson & Curtis, Chicago.

★ **King-Stevenson Gas & Oil Co.**
Nov. 26, 1962 filed $1,526,200 of 6½% conv. subord. debentures, due 1977, to be offered by subscription by common stockholders at the rate of $100 of debentures for each 30 shares held of record Nov. 15. **Price**—At par. **Business**—Company is engaged in operating gas and oil properties, supervising drilling on its leases and managing exploration programs for investors. **Proceeds**—For general corporate purposes. **Office**—2200 First National Bank Bldg, Denver, Colo. **Underwriter**—None.

★ **National Security Life Insurance Co., Inc.**
Nov. 28, 1962 filed 590,075 common to be offered for subscription by common stockholders of record Oct. 15, on a share-for-share basis. **Price**—By amendment (max. $2). **Business**—Writing of participating and non-participating ordinary life insurance. **Proceeds** — To expand operations. **Office**—6225 University Ave., Madison, Wis. **Underwriter**—None.

★ **Remitco, Inc.**
Nov. 19, 1962 filed 952,000 common. **Price**—$10. **Business**—Company is engaged in selling "puts" and "calls." **Proceeds**—For working capital. **Office**—130 N. Virginia St., Reno, Nev. **Underwriter**—None.

★ **Wade, Wenger ServiceMaster Co.**
Nov. 23, 1962 filed $250,000 of 7% conv. subord. debentures due 1973. **Price**—95% of principal amount. **Business**—Sale of franchises for on-location cleaning of carpets, furniture, floors, etc., and the manufacture and sale of cleaning equipment and materials. **Proceeds**—For debt repayment and other corporate purposes. **Office**—2117 N. Wayne, Chicago. **Underwriter**—None.

Effective Registrations

The following registration statements were declared effective this week by the SEC. Offering details, where available, will be carried in the Monday issue of the "Chronicle."

International Data Systems, Inc.
100,000 common shares offered at $3.25 per share by E. H. Austin & Co., San Antonio, Tex.

Jetronic Industries, Inc.
$375,000 of 6½% subordinated convertible debentures due 1972 offered at par by Weil & Co., Washington, D. C.

Majestic Utilities Corp.
29,000 common shares offered at $3.25 per share by the company, without underwriting.

Orbit Stores, Inc.
100,000 common shares offered at $4.25 per share by Norton, Fox & Co., Inc., New York.

Pacific Gas & Electric Co.
$65,000,000 of 4½% first and refunding mortgage bonds, series II, due June 1, 1995, offered at 100% and accrued interest by Halsey, Stuart & Co. Inc., New York.

Pacific Power & Light Co.
$32,000,000 of 4½% first mortgage bonds due 1992 at 100% and accrued interest by Lehman Brothers, Bear, Stearns & Co., and Salomon Brothers & Hutzler, New York.

Southern Electric Generating Co.
$7,500,000 of 4⅜% first mortgage bonds due June 1, 1992 offered at 101.246% and accrued interest, to yield 4.30% by Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., New York.

Western States Real Investment Trust
32,000 shares of beneficial interest offered at $6.25 per share by Westco Corp., Aurora, Colo.

Prospective Offerings

Atlanta & Charlotte Air Line Ry.
Nov. 20, 1962 it was reported that this subsidiary of Southern Railway Co., plans to sell about $12,305,000 of first mortgage bonds in 1963 to refund a like amount of 3¾% bonds which mature Nov. 1, 1963. **Office**—14th and Canal Sts., Richmond, Va. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly).

Belock Instrument Corp.
Sept. 4, 1962 it was reported that the company plans to raise an additional $1,000,000 by sale of securities. **Busi-**

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ness—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).

★ **Chesapeake & Potomac Telephone Co. of Md. (1/22/63)**
Nov. 28, 1962 this A. T. & T. subsidiary announced plans to sell $50,000,000 of debentures due Jan. 1, 2002. **Proceeds** — To refund $25,000,000 of 5¼% debentures due Jan. 1, 1996, repay loans, and expand facilities. **Office**—320 St. Paul Place, Baltimore, Md. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co. **Bids**—Expected Jan. 22, 1963 at 195 Broadway, New York.

★ **Chicago Union Station Co.**
Nov. 28, 1962 it was reported that this company will issue $48-$50 million of first mortgage bonds in May 1963. **Proceeds**—To refund outstanding 3⅛% and 2⅞% bonds maturing July 1, 1963. **Office**—210 S. Canal St., Chicago. **Underwriters** — (Competitive). Probable bidders: Kuhn, Loeb & Co.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.

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).

★ **General Motors Corp.**
Nov. 28, 1962 it was reported that following the recent sale of 1,581,692 GM shares by Christiana Securities Co., and other major stockholders of E. I. du Pont de Nemours & Co., a total of 3,081,522 GM shares remained to be sold by that group under terms of a Federal Court order dated March 1, 1962. It is expected that the shares will be sold in two blocks by July 30, 1963. The du Pont company has stated that it will distribute its remaining 40,008,508 GM shares to stockholders in two or more instalments by February 1965. Approximately 13,417,120 of these shares will be received by Christiana, who in turn will distribute a portion of them to its stockholders, and sell the balance. **Office**—1775 Broadway, New York. **Underwriter**—Morgan Stanley & Co., New York.

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. (1/15/62)**
Nov. 28, 1962 it was reported that this utility expects to sell $35,000,000 of first mortgage bonds in January. **Office** — 500 South 27th Street, 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). **Bids**—Jan. 15 (10 a.m. CST) in Room 2075, 231 So. La Salle St., Chicago. **Information Meeting**—Jan. 10, 1963 (2:15 p.m. CST) at Morgan Guaranty Trust Co., 60 Liberty St., New York.

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. **Underwriters**—(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 in 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development. **Office**—Tokyo, Japan. **Underwriters** — First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co., Inc., N. Y.

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.

New York Telephone Co. (1/8/63)
Nov. 15, 1962 it was reported that this A. T. & T., subsidiary plans to sell $70,000,000 of first mortgage bonds in January. **Proceeds**—To repay bank loans. **Office**—140 West St., New York. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected Jan. 8, 1963.

Norfolk & Western RR. (12/10)
Nov. 20, 1962 it was reported that this road plans to sell $5,250,000 of 1-15 year equipment trust certificates. **Office**—8 N. Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected Dec. 10 (12 noon EST) in company's office, Transportation Bldg., Philadelphia.

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.

★ **Pacific Power & Light Co.**
Nov. 28, 1962 it was reported that the company plans to issue $30,000,000 of first mortgage bonds in June 1963. **Proceeds**—To repay outstanding loans. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Lehman Brothers-Bear, Stearns & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly).

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).

Snelling & Snelling, Inc.
Nov. 20, 1962 it was announced that the company plans its first public offering of stock. **Business**—Operation of a nationwide network of franchised personnel consultants with offices at 35 major cities. **Proceeds**—For expansion. **Office**—1530 Chestnut St., Philadelphia. **Underwriter**—To be named.

South Carolina Electric & Gas Co.
Aug. 1, 1962 it was reported that the company plans a rights offering to stockholders of approximately $8,500,000 of common stock. **Office**—328 Main St., Columbia, S. C. **Underwriter**—To be named. The last rights offering in February, 1958, was underwritten by Kidder, Peabody & Co., N. Y. **Offering**—Expected in the first quarter of 1963.

Southern 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 Railway Co.**
Nov. 28, 1962 it was reported that stockholders are to vote Jan. 15 on authorizing the company to issue $50,000,000 of general mortgage bonds. **Proceeds**—To acquire stock of Central of Georgia Ry.; retire first mortgage 3¾% bonds of Atlanta & Charlotte Air Line RR.; reimburse the treasury for capital expenditures and provide for additional capital expenditures. **Offices**—14th and Canal St., Richmond, Va., and 70 Pine St., New York. **Underwriters** — (Competitive). Probable bidders: Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly).

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.

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.

★ **Southwestern Public Service Co.**
Nov. 28, 1962 it was reported that the company plans to raise $14,000,000 by sale of first mortgage bonds early in 1963. **Proceeds**—For construction. **Office**—720 Mercantile Dallas Bldg., Dallas. **Underwriter**—Dillon, Read & Co., Inc., New York.

Tennessee Valley Authority
Oct. 3, 1962, A. J. Wagner, Chairman, stated that the Authority plans to issue $50,000,000 of short- or long-term securities in the spring of 1963. **Proceeds**—For construction. **Office**—Knoxville, Tenn. **Underwriters**—To be named. On Jan. 24, 1962 the Authority sold at competitive bidding $45,000,000 of 4½% bonds due Feb. 1, 1987. The issue was won by a group jointly managed by Chase Manhattan Bank; Morgan Guaranty Trust Co. of New York; Chemical Bank New York Trust Co.; C. J. Devine & Co.; and the First National Bank of Chicago.

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.

Union Light, Heat & Power Co.
Nov. 21, 1962 it was reported that this subsidiary of Cincinnati Gas & Electric Co., plans to sell $5,000,000 of first mortgage bonds in 1963. **Office**—139 East Fourth St., Cincinnati. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Equitable Securities Corp.; White, Weld & Co.; Kidder, Peabody & Co.

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.

The State of TRADE and INDUSTRY

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can Trucking Associations announced. Truck tonnage was 4.3% below that of the previous week of this year.

While the weekly survey shows the largest year-to-year decrease of 1962, the findings are colored by the unusually strong upturn in traffic in the Fall of 1961. Also, the Veteran's Day holiday did not occur in the comparable week a year ago. While the observance of this day is not uniform at all centers, its observance along with seasonal factors tended to depress volume in the week-to-week comparison.

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 10 localities, with 24 points reflecting decreases from the 1961 level. Truck terminals at Jacksonville and Detroit reflected tonnage gains of 10.5 and 10.1%, respectively. Eight trucking centers registered decreases of 10% or more from that of a year ago.

Compared with the immediately preceding week, 31 metropolitan areas reflected decreased tonnage, while only three areas showed increases. The sharp week-to-week and year-to-year decrease at San Francisco can be attributed to a local labor dispute at key terminals in this area.

Lumber Output Is 4.4% Above 1961 Rate

Lumber production in the United States in the week ended Nov. 17, totaled 288,878,000 board feet compared with 233,606,000 in the prior week, according to reports from regional associations. A year ago the figure was 219,132,000 board feet.

Compared with 1961 levels, output rose 4.4%, shipments fell 0.6% and new orders rose 0.3%.

Following are the figures in thousands of board feet for the weeks indicated:

	Nov. 17, 1962	Nov. 10, 1962	Nov. 18, 1961
Production	228,878	233,606	219,132
Shipments	221,600	225,866	222,871
New orders	210,568	223,954	209,918

Electric Output Up 5.1% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 24, was estimated at 16,109,000,000 kwh., according to the Edison Electric Institute. Output was 360,000,000 kwh. below that of the previous week's total of 16,469,000,000 kwh., and 779,000,000 kwh., or 5.1% above the total output of the comparable 1961 week.

Business Failures Down in Holiday Week

After holding even for two weeks, commercial and industrial failures dropped to 253 in the week ended with Thanksgiving, Nov. 22, from 291 in the preceding week, reported Dun & Bradstreet, Inc. Although casualties were at the lowest level since Labor Day week in September, they exceeded slightly the 238 occurring in the similar week last year and were equal to the pre-war level of 252 in 1939.

Failures involving liabilities of $100,000 or more fell to 23 from 40 a week earlier but remained close to the 26 of this size last year. Smaller casualties with losses under $100,000 declined to 230 from 251 in the prior week. However, they ran higher than last year when 212 of this size succumbed.

Retailing casualties dropped to 131 from 147 in the holiday week, while the toll among manufacturers was down to 34 from 48 and among service concerns to 22 from 29. Little change appeared in wholesaling at 28 as against 27 last week or in construction with 38 as against 40. More businesses failed than a year ago in the trades and manufacturing, but construction and service mortality remained even with 1961 levels.

Casualties in the Middle Atlantic States were off to 78 from 89, in the South Atlantic to 21 from 33, in the Pacific to 52 from 59, and in the East North Central to 54 from 59. A decline also prevailed in the East South Central States, whereas business tolls in the other four geographic regions held steady with week-earlier levels. Failures equalled or exceeded 1961 tolls in six of the nine major geographic regions.

Wholesale Commodity Price Index Hits Another New Low for Year

Continuing to edge downward, the general wholesale commodity price level slipped to 267.74 this Monday, reported Dun & Bradstreet, Inc. With steer, hide, tin, silver, wheat and rye prices easing down from their week-ago quotations in wholesale markets, the index stood at the lowest level since January, 1961.

The Daily Wholesale Commodity Price Index after a week of small uneven fluctuations came to 267.74 (1930-32=100) on Monday, Nov. 26. Off fractionally from 268.00 on the same day of the preceding week, the index ran considerably below the 270.65 a month ago and the 272.35 registered on the corresponding day a year ago.

Wholesale Food Price Index Rises Slightly in Latest Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., moved up 0.5% to $5.99 on Nov. 29. While this represented the highest level since September this year and was 1.2% above the $5.92 on the similar day last year, it continued below the comparable 1960 level of $6.18.

With tea and cocoa leading the price increases at wholesale, wheat, corn, ham, eggs, hogs and lambs also were quoted higher during the week. These gains were partially offset by dips in the wholesale cost of rye, bellies, cheese, cottonseed oil, potatoes and steers.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Purchases Forge Ahead

With the approach of Thanksgiving, consumer buying gained momentum in the week ended a week ago Wednesday and pushed well ahead of comparable year-ago volume. The holiday season stimulated interest in foodstuffs, confectionery, and housewares, while cool, crisp weather encouraged apparel purchases. The first signs of gift shopping were noted in sales of toys, radios and television. New model cars continued to maintain their solid position topping all other retail categories in year-to-year gains.

The total dollar volume of retail trade in the week ended Wednesday, Nov. 21, ranged from 3 to 7% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: West North Central —6 to —2; New England —3 to +1; Mountain —1 to +3; Pacific +2 to +6; East and West South Central +3 to +7; Middle Atlantic +4 to +8; East North Central +6 to +10; South Atlantic +8 to +12.

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. 17, compared with the like period in 1961. In the four-week period ended Nov. 17, 1962, sales advanced 4% over the corresponding period in 1961.

According to the Federal Reserve System, department store sales in New York City for the week ended Nov. 17, were 10% above the same period in 1961.

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. 24	1,844,000	1,782,000	1,739,000	2,037,000
Index of production based on average weekly production for 1957-1959	Nov. 24	99.0	95.7	93.3	109.3
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Nov. 24	63.0	61.0	59.5	69.5
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 16	7,360,710	7,339,810	7,345,710	7,166,210
Crude runs to stills—daily average (bbls.)	Nov. 16	8,295,000	*8,364,000	8,100,000	8,170,000
Gasoline output (bbls.)	Nov. 16	30,041,000	30,065,000	29,692,000	29,063,000
Kerosene output (bbls.)	Nov. 16	3,182,000	3,285,000	3,613,000	2,718,000
Distillate fuel oil output (bbls.)	Nov. 16	13,365,000	13,181,000	12,997,000	14,191,000
Residual fuel oil output (bbls.)	Nov. 16	5,552,000	5,147,000	4,970,000	5,793,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Nov. 16	178,350,000	177,008,000	176,976,000	170,079,000
Kerosene (bbls.) at	Nov. 16	36,032,000	37,433,000	37,491,000	36,591,000
Distillate fuel oil (bbls.) at	Nov. 16	175,912,000	178,750,000	178,055,000	178,483,000
Residual fuel oil (bbls.) at	Nov. 16	53,173,000	*53,993,000	54,310,000	48,696,000
Unfinished Oils (bbls.) at	Nov. 16	85,447,000	85,967,000	Not given	84,961,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Nov. 17	571,401	586,286	613,223	591,335
Revenue freight received from connections (no. of cars)	Nov. 17	509,072	518,523	511,615	518,277
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 22	$444,900,000	$446,300,000	$326,200,000	$304,800,000
Private construction	Nov. 22	218,400,000	240,300,000	171,800,000	149,000,000
Public construction	Nov. 22	226,500,000	206,000,000	154,400,000	155,800,000
State and municipal	Nov. 22	199,300,000	177,900,000	124,700,000	138,100,000
Federal	Nov. 22	27,200,000	28,100,000	29,700,000	17,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Nov. 17	8,770,000	*8,750,000	8,810,000	9,073,000
Pennsylvania anthracite (tons)	Nov. 17	408,000	390,000	342,000	345,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Nov. 17	136	125	117	130
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Nov. 24	16,109,000	16,469,000	16,149,000	15,330,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 22	253	291	290	238
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 16	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 16	$63.43	$63.43	$66.33	$66.44
Scrap steel (per gross ton)	Nov. 16	$23.50	$23.50	$24.17	$32.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Nov. 21	30.600c	30.600c	30.600c	30.600c
Export refinery at	Nov. 21	28.550c	28.525c	28.625c	27.925c
Lead (New York) at	Nov. 21	10.000c	10.000c	9.500c	10.000c
Lead (St. Louis) at	Nov. 21	9.800c	9.800c	9.300c	9.800c
‡Zinc (delivered) at	Nov. 21	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	Nov. 21	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	Nov. 21	24.000c	24.000c	24.000c	24.000c
Straits tin (New York) at	Nov. 21	111.250c	111.000c	108.500c	122.875c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Nov. 27	90.04	90.08	89.62	86.71
Average corporate	Nov. 27	88.27	88.13	87.86	86.24
Aaa	Nov. 27	92.35	92.50	92.06	90.48
Aa	Nov. 27	90.34	90.20	90.20	88.40
A	Nov. 27	87.86	87.59	87.32	85.59
Baa	Nov. 27	82.03	82.90	82.40	81.05
Railroad Group	Nov. 27	84.81	84.43	84.17	83.91
Public Utilities Group	Nov. 27	89.92	89.92	89.37	87.18
Industrials Group	Nov. 27	90.34	90.34	90.20	87.86
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Nov. 27	3.71	3.71	3.72	4.02
Average corporate	Nov. 27	4.54	4.55	4.57	4.69
Aaa	Nov. 27	4.25	4.24	4.27	4.38
Aa	Nov. 27	4.39	4.40	4.40	4.53
A	Nov. 27	4.57	4.59	4.61	4.74
Baa	Nov. 27	4.94	4.95	4.99	5.10
Railroad Group	Nov. 27	4.80	4.83	4.85	4.87
Public Utilities Group	Nov. 27	4.42	4.42	4.46	4.62
Industrials Group	Nov. 27	4.39	4.39	4.40	4.57
MOODY'S COMMODITY INDEX	Nov. 27	365.2	363.6	364.7	367.6
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Nov. 17	346,835	320,004	315,380	332,241
Production (tons)	Nov. 17	340,565	355,229	347,069	344,952
Percentage of activity	Nov. 17	94	96	94	97
Unfilled orders (tons) at end of period	Nov. 17	461,802	454,490	465,807	515,009
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Nov. 23	118.68	119.60	117.85	113.67
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Nov. 2	3,020,950	3,945,970	1,892,590	2,731,010
Short sales	Nov. 2	887,740	833,030	499,940	452,660
Other sales	Nov. 2	2,307,330	3,054,090	1,387,260	2,305,600
Total sales	Nov. 2	3,195,070	3,887,120	1,887,200	2,758,260
Other transactions initiated off the floor—					
Total purchases	Nov. 2	710,750	820,640	439,120	344,700
Short sales	Nov. 2	148,100	169,100	80,800	28,900
Other sales	Nov. 2	515,700	602,120	330,790	303,280
Total sales	Nov. 2	663,800	771,220	411,590	332,180
Other transactions initiated on the floor—					
Total purchases	Nov. 2	1,025,767	1,137,106	721,925	934,522
Short sales	Nov. 2	260,667	222,940	184,275	104,860
Other sales	Nov. 2	844,985	1,048,016	600,459	716,488
Total sales	Nov. 2	1,105,652	1,270,956	784,734	821,348
Total round-lot transactions for account of members—					
Total purchases	Nov. 2	4,757,467	5,903,716	3,053,635	4,010,232
Short sales	Nov. 2	1,296,507	1,225,070	765,015	586,420
Other sales	Nov. 2	3,668,015	4,704,226	2,318,509	3,325,368
Total sales	Nov. 2	4,964,522	5,929,296	3,083,524	3,911,788
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	Nov. 2	1,414,777	1,901,957	1,212,224	1,851,100
Dollar value	Nov. 2	$68,402,469	$86,925,232	$56,995,068	$105,072,491
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Nov. 2	1,547,715	2,106,910	1,260,805	1,874,426
Customers' short sales	Nov. 2	88,960	125,392	83,031	15,844
Customers' other sales	Nov. 2	1,458,755	1,981,518	1,177,774	1,858,582
Dollar value	Nov. 2	$74,446,046	$94,652,304	$59,802,686	$96,954,159
Round-lot sales by dealers—					
Number of shares—Total sales	Nov. 2	548,760	769,300	411,410	571,420
Short sales	Nov. 2				
Other sales	Nov. 2	548,760	769,300	411,410	571,420
Round-lot purchases by dealers—Number of shares	Nov. 2	457,590	552,180	376,600	559,130
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	Nov. 2	2,406,650	2,590,340	1,560,280	714,600
Other sales	Nov. 2	18,419,810	23,372,230	12,985,440	17,896,890
Total sales	Nov. 2	20,826,560	25,962,570	14,545,720	18,611,490
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Nov. 20	100.5	*100.6	100.7	Not avail.
Farm products	Nov. 20	98.3	*98.8	98.1	Not avail.
Processed foods	Nov. 20	101.0	*101.4	101.9	Not avail.
Meats	Nov. 20	99.0	*99.5	100.3	Not avail.
All commodities other than farm and foods	Nov. 20	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 GAS ASSOCIATION—			
For month of September:			
Total gas sales (M therms)	6,157,000	6,060,300	5,762,700
Natural gas sales (M therms)	6,057,800	5,971,200	6,672,100
Manufact'd & mixed gas sales (M therms)	99,200	89,100	90,600
AMERICAN HOME LAUNDRY MANUFACTURERS ASSOCIATION—Month of October:			
Total home laundry appliance factory unit sales (domestic)	521,679	568,355	482,488
Washers	336,988	389,158	321,870
Automatic and semi-automatic	276,635	319,901	259,326
Wringers and others	60,353	69,257	62,544
Combination washer-dryers	3,016	3,684	7,635
Dryers	181,675	175,513	152,983
Electric	113,606	113,772	95,820
Gas	68,069	61,741	57,163
AMERICAN RAILWAY CAR INSTITUTE—			
Month of October:			
Orders of new freight cars	4,436	1,593	2,086
New freight cars delivered	2,799	2,946	1,907
Backlog of cars on order and undelivered (end of month)	12,159	11,064	10,297
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of October (000's omitted)	$308,700,000	$263,300,000	$274,700,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of October 31:			
Imports	$501,737,000	$519,562,000	$456,972,000
Exports	678,980,000	674,308,000	948,773,000
Domestic shipments	15,634,000	15,550,000	16,005,000
Domestic warehouse credits	94,239,000	57,193,000	208,834,000
Dollar exchange	159,699,000	144,174,000	91,445,000
Based on goods stored and shipped between foreign countries	917,075,000	870,407,000	769,334,000
Total	2,367,364,000	2,281,194,000	2,491,363,000
BUSINESS FAILURES—DUN & BRADSTREET INC.—Month of October:			
Manufacturing number	244	185	217
Wholesale number	152	133	159
Retail number	672	514	731
Construction number	231	194	221
Commercial service number	111	92	118
Total number	1,410	1,118	1,446
Manufacturing liabilities	$48,833,000	$39,988,000	$17,930,000
Wholesale liabilities	11,021,000	9,825,000	12,735,000
Retail liabilities	26,876,000	27,944,000	21,524,000
Construction liabilities	24,728,000	12,803,000	14,583,000
Commercial service liabilities	7,634,000	5,605,000	3,485,000
Total liabilities	$119,092,000	$96,165,000	$70,257,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK—			
As of October 31 (000's omitted)	$2,417,000	$2,228,000	$1,818,000
COTTON GINNING (DEPT. OF COMMERCE):			
November 14, running bales	10,691,094	------	10,379,455
CROP PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—			
Crop as of Nov. 1 (in thousands):			
Corn for grain (bushels)	3,590,238	3,511,532	3,624,313
Wheat, all (bushels)	1,095,225	1,095,225	1,234,705
Winter (bushels)	815,023	815,028	1,076,274
All spring (bushels)	280,197	280,197	158,431
Durum (bushels)	67,252	67,252	18,955
Other spring (bushels)	212,945	212,945	139,476
Oats (bushels)	1,027,959	1,027,959	1,012,855
Barley (bushels)	430,794	430,794	393,384
Rye (bushels)	38,926	38,926	27,262
Flaxseed (bushels)	31,603	31,603	21,852
Rice (100 lb. bag)	63,622	63,725	53,636
Sorghum grain (bushels)	490,258	491,048	482,615
Cotton (bale)	14,533	14,675	14,318
Hay, all (ton)	117,488	117,488	116,632
Hay, wild (ton)	10,737	10,737	8,371
Hay, alfalfa (ton)	69,552	69,552	66,961
Hay, clover and timothy (ton)	21,156	21,156	23,810
Hay, lespedeza (ton)	3,105	3,105	3,805
Beans, dry edible (cleaned) (100 lb. bag)	18,102	18,568	20,006
Peas, dry field (cleaned) (100 lb. bag)	4,954	4,954	3,498
Soybeans for beans (bushel)	668,830	672,145	693,023
Peanuts (pounds)	1,786,425	1,704,725	1,742,960
Potatoes—			
Winter (cwt.)	4,395	4,395	4,967
Early spring (cwt.)	3,443	3,443	4,640
Late spring (cwt.)	20,652	20,652	27,753
Early summer (cwt.)	12,537	12,537	15,496
Late summer (cwt.)	32,791	32.791	36,106
Fall (cwt.)	191,059	191,533	204,632
Total (cwt.)	264,877	265,351	293,594
Sweetpotatoes (cwt.)	17,229	16,445	15,083
Tobacco (pounds)	2,200,340	2,167,166	2,058,302
Sugarcane for sugar and seed (tons)	11,082	11,082	9,860
Sugar beets (tons)	18,439	18,621	17,664
Broomcorn (tons)	23	23	25
Hops (pounds)	43,907	43,907	35,454
Apples, commercial crop (bushels)	121,255	------	126,710
Peaches (bushels)	75,806	------	77,895
Pears (bushels)	28,802	------	27,080
Grapes (tons)	3,098	------	3,092
Cherries (tons)	290	------	267
Apricots (tons)	158	------	191
Cranberries (barrels)	1,355	------	1 236
Pecans (pounds)	79,800	------	246,750
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of October:			
Weekly earnings—			
All manufacturing	$96.72	*$97.44	$94.54
Durable goods	105.37	*105.88	102.66
Nondurable goods	85.89	*87.20	84.77
Hours—			
All manufacturing	40.3	40.6	40.4
Durable goods	41.0	*41.2	40.9
Nondurable goods	39.4	*40.0	39.8
Hourly earnings—			
All manufacturing	$2.40	*$2.40	$2.34
Durable goods	2.57	*2.57	2.51
Nondurable goods	2.18	*2.18	2.13
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1957-59 Average = 100—Month of October:			
Seasonally adjusted	120	120	114
Unadjusted	123	122	117
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES BUREAU OF MINES—Month of September (in long tons):			
Stocks in beginning of period	31,020	31,610	28,970
Receipts	5,525	5,685	9,865
Supply	36,545	37,295	38,835
Stocks at end of period	30,620	31,020	32,200
Total processed	5,925	6,275	6,635
Intercompany scrap transactions	235	125	155
Consumed in manufacturing	5,690	6,150	6,480
Primary	3,910	4,175	4,245
Secondary	1,780	1,975	2,235

TAX-EXEMPT BOND MARKET

Continued from page 6

disallowed. In advertising for bids, Akron stipulated tnat a "Good Faith" deposit would be required in the form of cash, certified check or cashiers check. However, the State code does not allow the use of cashiers checks in making such deposits which caused Akron to turn down the two better bids at a cost to the city of about $9,000.

Other members of the successful account include Chemical Bank New York Trust Co., Philadelphia National Bank, A. C. Allyn & Co., Inc., Shearson, Hammill & Co., Fahey, Clark & Co., Field, Richards & Co. and First Cleveland Corp. Scaled to yield from 1.70% to 3.15% for a 3% coupon, about $1,520,000 of bonds remain in account.

On Tuesday two issues of importance came to market with bidding among underwriters continuing to be very keen. The *First Boston Corp., Bank of America N T. & S. A.* and *Mellon National Bank & Trust Co.* jointly submitted the best bid of a 3.132% net interest cost for $15,000,000 State of Texas, Water Development Board general obligation (1964-1997) bonds. This successful bid compared very favorably with the Halsey, Stuart & Co., Inc. bid of a 3.136% annual net interest cost. The obligations are offered to yield from 1.60% to 3.25% and the present balance is $6,565,000. The first ten maturities were sold and the last $3,000,000 of maturing bonds were placed during the initial order period.

Purdue University, Indiana awarded $9,800,000 Dormitory Facilities revenue (1966-2003) bonds to the group managed jointly by *John Nuveen & Co.* and *City Securities Corp.* at a net interest cost of 3.4892%. The runner-up bid, designating a net interest cost of 3.544%, came from the B. J. Van Ingen & Co., Inc. account.

Other major members of the winning group include Paine, Webber, Jackson & Curtis, Shearson, Hammill & Co., Hayden, Stone & Co., William Blair & Co., Bache & Co., Raffensperger, Hughes & Co., Inc., Julien Collins & Co., Cruttenden, Podesta & Miller-Collitt & Co., K. J. Brown & Co., Inc., William J. Mericka & Co., Stranahan, Harris & Co., Mullaney, Wells & Co. and Channer Newman Securities Co. Reoffered to yield from 2.00% to 3.60%, investor demand to date has been disappointing with the present balance $8,000,000.

Week's Major Sale

During Wednesday's session three more notable issues came to market and as in previous days bidding, competition continued to be very keen. The group led by the *Northern Trust Co., Continental Illinois National Bank and Trust Co., First National Bank of Chicago, Harris Trust and Savings Bank* and *Chase Manhattan Bank* submitted the best bid for $25,000,000 Commonwealth of Kentucky (1972-1990) bonds naming a net interest cost of 3.0717%. The runner-up bid, a 3.077% net interest cost, came from the First National City Bank and associates.

The bonds are reoffered to yield from 2.40% in 1972 to 3.20% in 1989 and as we go to press a balance of $18,800,000 remains in account. The 1990 maturity carried a one-eighth of 1% coupon and was offered at a 4.10% yield.

The account headed by the *First Boston Corp.* submitted the high bid for $14,000,000 Puerto Rico Aqueduct and Sewer Authority (1964 to 1991 serial and a term loan due 2000) bonds naming an annual net interest cost of 3.532%. The second bid, a 3.536% annual net interest cost, came from Ira Haupt & Co. and associates.

Other major members of the winning account include Drexel & Co., Harriman Ripley & Co., Inc., Goldman, Sachs & Co., Hornblower & Weeks, F. S. Moseley & Co., Banco de Ponce, Hayden, Stone & Co. and Bache & Co. The serial bonds were reoffered to yield from 1.75% in 1964 to 3.50% in 1991, bearing various coupons. The term bonds, due 2000, are 3.60s, reoffered to yield 3.75%. Bank demand was good for the shorter bonds and casualty company interest was apparent for the yield bonds. The present balance is under $10,000,000.

The final sale of note this week consisted of $10,000,000 Oklahoma City Municipal Improvement Authority, Oklahoma revenue (1971-2000) bonds which were awarded to the syndicate headed jointly by *John Nuveen & Co., Allen & Co., B. J. Van Ingen & Co., Inc.* and *Leo Oppenheim & Co.* on a bid of 97.96 for a 3.30% coupon; equivalent to an annual net interest cost of 3.38%. The second bid, a 3.387% annual net interest cost, came from the Smith, Barney & Co. group. The bonds were reoffered to yield from 2.50% to 3.50% and after the initial order period about $5,700,000 of bonds remained in syndicate.

Beame vs. Tobin

The Port of New York Authority has made page one headlines again. Austin Tobin, the able as well as devoted Executive Director of the Port of New York Authority, has someone in his hair almost continuously. Today it's Controller Abraham Beame of the City of New York. A little bit back it was Congressman Cellar of New York and perennially it's a variety of assemblymen and senators deriving from the Port of New York area.

Mr. Beame has declared that New York City should be permitted to levy real estate taxes on revenue producing installations of the Port Authority in New York City. These remarks may, to some extent, be prompted by the fact that New York needs more revenues in order to balance next year's budget if reasonable demands for additional services are to be met after providing for mandatory costs. Mr. Beame realistically conceded that there were legal problems involved in attempting to collect taxes on these improvements because of the indentures of the Port's numerous bond issues many of which are long term. His pitch seems more appropriately aimed at new projects of both the Port and Triboro Bridge Authorities.

Mr. Tobin and his associates appear well conditioned to the varieties of criticism that they must absorb and roll with. The Port is both too big and too small depending on who needs money or what unprofitable public facility may need a convenient takeover.

Toll Issues Steady

The revenue bond issues are down slightly on the week. *The Commercial and Financial Chronicle's* revenue bond average is 3.61% now as against 3.591% a week ago today. This three-eighths point sell-off represents a small change in this average representing 23 long-term revenue bond issues.

Outlook for the Petroleum And Natural Gas Industry

Continued from page 7

only 4%. Domestic producers, therefore, are not sharing fully in the growth in demand for crude. Domestic producers would undoubtedly be happier if they had the opportunity to participate in the growth of demand on an equal footing with imports.

Need for Amending the Natural Gas Act

In discussing the outlook for natural gas I mentioned the uncertainties of Federal regulation. The outlook for this important phase of our industry in 1963 will depend to some extent on whether we act promptly to resolve the regulatory dilemma that has existed since 1954. It is obvious that the Natural Gas Act was designed for interstate pipelines and does not contain standards that can be applied successfully or satisfactorily to producers. In the absence of suitable legislative standards, no commission can provide assurances of satisfactory regulations regardless of its desire to do so. The threat of unpredictable changes in the future cannot be removed except by legislation which provides workable standards applicable to the sale of gas by producers.

The area pricing approach, which we hoped would be a step in the right direction, has apparently turned into a ceiling price concept subject to rollbacks without notice. We have recently seen arbitrary reductions of serious magnitude in Louisiana and Texas, the most important areas of new supplies. These reductions are a step in the wrong direction because they will discourage rather than encourage exploration and drilling. Even if the commission were to establish the "right" level of area prices which would operate to balance supply and demand over a period of time, there would be no protection against future adverse changes after investments have been made and gas committed on new contracts. In these circumstances, the great need is for legislation that will make it possible for all parties engaged in the natural gas business to enter into contracts with confidence that the provisions agreed upon will be honored rather than set aside.

In this short paper, it has been possible for me to touch only briefly on the many points that must be considered when one views the outlook for our industry next year. There are numerous other problems that we will have to face—and the outlook is not too encouraging—but one good thing about the short-run period is that it will not last forever, and the long-range picture is somewhat brighter.

The petroleum industry has demonstrated that it is dynamic and that it can continue to keep pace with the nation's needs for energy. With proper management, adequate economic incentives, and an equitable political climate, we can continue to do so, and at the same time greatly contribute to our nation's progress and rising standard of living.

*An address by Mr. Davis before the Houston Association of Petroleum Landmen, Houston, Texas, Oct. 29, 1962.

Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

NEW FIRMS

BROOKLYN, N. Y. — **Benjamin Novick,** 1905 East 17th Street.

BROOKLYN, N. Y.—**Kaye Phyllips Company,** 770 Empire Blvd. Kaye Phyllips is proprietor.

FOREST HILLS, N. Y. — **Louis Gottlieb,** 104-20 Queens Blvd.

ISLAND PARK, N. Y.—**Bombara Associates, Inc.,** 1063 Austin Blvd.

NEW YORK CITY — **Safeguard Planning Corporation,** 15 East 40th Street. Herbert S. Bender is a principal of the firm.

NEW YORK CITY—**Jack Tilden,** 666 Fifth Avenue.

NEW YORK CITY — **Englert & Company, Inc.,** 50 Broadway. Joseph A. Englert is a principal of the firm which is successor to Vested Income Plans, Inc.

NEW YORK CITY — **Certified Capital Corp.,** 165 Broadway.

NEW YORK CITY—**Morris Equities Corp.,** 500 Fifth Avenue.

NEW YORK CITY—**Trent Securities,** 239 East 79th Street. A. Geist is sole proprietor.

NEW BRANCHES

BROOKLYN, N. Y.—**Herzfeld & Stern,** 965 Flatbush Avenue. Morris Lamer is Local Manager.

CODY, Wyo.—**Amos C. Sudler & Co.,** 1277½ Sheridan Avenue. Ralph E. Cook is Local Manager.

CORNING, N. Y.—**Harvey & Co.,** 40 West Market Street. Resident Manager is Jesse H. Townsley, Jr.

DENVER, Colo.—**International Securities Corp.,** 101 University Boulevard. Arnold Christensen is Local Manager.

EAST HAMPTON, N. Y.—**Adams & Peck,** 26 Main Street. Leonard L. Levy is Manager.

KILLEEN, Texas—**First City Securities Corporation,** 313 East Avenue C. Wayne Chipman is Resident Manager.

NORFOLK, Va. — **Nation-Wide Diversified Services, Inc.,** 300 Boush Street. Floyd D. Strew is Manager.

PHILADELPHIA, Pa.—**The Dreyfus Corporation,** 1420 Walnut Street. Felix Ehren is Resident Manager.

PONCE, Puerto Rico—**Richard J. Buck & Co.,** 515 Gonzalez-Oficina Building. Henry J. Hodges is Resident Manager.

PORT HURON, Mich.—**Watling, Lerchen & Co.,** 409 Andrew Murphy Avenue. Harold L. Butt is Manager.

SHERIDAN, Wyo.—**Amos C. Sudler & Co.,** Lowe Building. Resident Manager is Charles Galey.

PERSONNEL

ATLANTA, Ga.—Mike G. Chanos has been added to the staff of **E. F. Hutton & Company Incorporated,** 2 Pryor Street, Southwest. Mr. Chanos was formerly with Reuben Rose & Co.

DENVER, Colo.—Walter R. Bauer and John Sakayama have become associated with **Howsam-Brown & Associates, Inc.,** 290 Fillmore St. Mr. Bauer was formerly an officer of Shaw, Bauer & Co., Inc. of Broomfield, Colo. Mr. Sakayama was with Copley & Company.

EUGENE, Ore.—Arnett B. Johnson and Raymond G. Crakes have become associated with **Pacific Northwest Company,** 72 West Broadway. Mr. Johnson was formerly resident manager for Black & Co., Inc., with which Mr. Crakes was also associated.

PHILADELPHIA, Pa. — **Paine, Webber, Jackson & Curtis,** members of the New York Stock Exchange and other leading exchanges, announce that Ronald James Graczyk is now associated with their Philadelphia office, 1400 South Penn Square, as a registered representative.

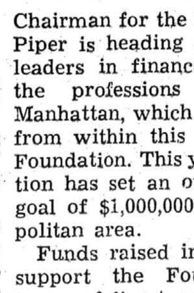
PORTLAND, Ore.—John W. Wilson is now with **Belford & Co., Inc.,** 610 Southwest Alder Street.

SAN FRANCISCO, Calif—Dean H. Connaway has become associated with **Sanford & Company,** 233 Sansome Street, as Registered Account Executive. Mr. Connaway was formerly with Davis, Scraggs & Co., of San Francisco.

WORCESTER, Mass.—Bernard L. Romanoff has become affiliated with **Coburn & Middlebrook Incorporated,** 390 Main Street. He was formerly with S. Romanoff & Co., Inc.

Piper Heads Div. In Fund Drive

Alexander Ross Piper, general partner in Paine, Webber, Jackson and Curtis, is serving as 1962-63 Chairman of the Downtown Business and Professional Committee of New York Arthritis and Rheumatism Foundation, it has been announced by Charles B. Harding, Senior partner in Smith, Barney & Co. and this year's Campaign Chairman for the Foundation. Mr. Piper is heading a Committee of leaders in finance, business and the professions in downtown Manhattan, which will raise funds from within this area to aid the Foundation. This year the Foundation has set an overall campaign goal of $1,000,000 for the metropolitan area.



A. R. Piper, Jr.

Funds raised in the drive will support the Foundation's programs of direct services for arthritis sufferers, research to improve treatment and to find a cure for arthritis, and education for physicians and the public. The Foundation's research program is aimed at attracting and training promising young scientific investigators, to meet the greatest need in research today.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Although our productive land use is shrinking to the tune of more than 1,450,000 acres a year, and our population is heading far beyond the 200,000,000 mark, and our daily fresh water requirements are skyrocketing, little attention was given to the forestry and land laws of the last Congress.

There were several bills of considerable importance to forestry or preservation of natural resources that were passed. Congress did not, however, pass the controversial "Wilderness bill," because many members regard it as a bad bill.

These bills did not make the front pages. Nevertheless, they affect the people of this country far more than the average citizen perhaps realizes.

With the demand for forest products increasing as the economy moves ahead, Secretary of Commerce Luther H. Hodges said the products of the forest industries are valued at more than $20 billion a year. These industries are employing 7½% of all the people engaged in manufacturing in the United States.

With the tremendous population increase, one of the most important current demands on our forest lands is for outdoor recreation. The demands have grown with more leisure time, higher incomes and highways that will get the people to the areas quickly.

The farm bill that passed provides for Federal assistance to farmers who divert lands from surplus crop production to recreational uses. Certainly this will not cost the taxpayers as much as growing surplus crops on those acres.

At the last session, Congress also doubled the authorization for funds for cooperative forest work. This is aimed chiefly at the small woodlands owner. The sum was doubled from $2,500,000 to $5,000,000.

Lumber Surplus

There is currently a lumber surplus in the United States. The lumber industry has been somewhat depressed by the imports, particularly from Canada. Currently we are also growing substantially more timber, such as pulpwood, than we have a market for. One reason is the increased use of hardwood for pulp. Not too many years ago there was only small demand for hardwood at the pulp and paper mills.

Although the paper mills are not producing at capacity today, the government agencies in Washington, including the Forest Service and the Department of Commerce, say the per capita consumption of paper products apparently is going substantially higher.

It is estimated that during 1962 every man, woman and child in this country will have accounted for more than 440 pounds of paper, plus more than 200 board feet of lumber.

Obviously the paper and pulp industry has experienced marked growth. And it is expected to grow at a faster clip in the coming years. American Forest Products Industries, Inc., a trade association, contends that worldwide use of paper is expected to almost double in the next 14 years.

The World Bank, plus some commercial banks in New York and Philadelphia, a few days ago approved loans for a great expansion program of a paper mill in Chile, which is the largest paper mill in Latin America.

Paper Demand Soaring

With the demand for paper napkins and plates, even paper clothes and paper diapers, and containers for milk and meat, fruit and vegetables, increasing, paper use in this country is expected to increase by at least 20% during the next four years.

Although our country has only 6% of the world's population, it is currently using more than half of the world's paper.

New paper products are coming into use all the time, the Department of Commerce says. There are many new potential products now undergoing tests and research. Out of these efforts will come some new uses.

New Products in the Offing

One of the big increases in the future will involve simple clothing, according to some of the more enthusiastic paper industry people in the capital. These include hats, dresses, aprons, shirts, neckties, bed and table linen.

Also it is just a matter of time until strapless evening gowns, soft as facial tissues, will be making their debut. The tissues will be made exceedingly strong by super wet-strength treatment.

Bathing suits, playsuits and tennis clothes made from paper made their debut last year. Also, some of the major stores are selling paper tents to people who want to use the tents in the summer, but have no place to store them.

Despite all the new areas paper is entering, it is not expected to lessen the demand for cotton and wool clothing.

American Forest Products says a check of new paper products reports that a new paper towel that also serves as soap and water has already found its place on numerous airlines. Creped wet-strength paper toweling saturated with skin-cleansing lotion is wet when taken out of its foil-sealed envelope.

Also purchasable are paper garbage containers which can hold up to 50 pounds of wet garbage. Noiseless paper bags for popcorn eaters in theaters and non-rattling script paper for use in radio and TV studios are now in use.

Importance of Forest Lands

What next will the paper industry researchers bring forth? A scientist has predicted that astronauts of the future on long space journeys will wear paper suits. Atomic workers in a large nuclear plant in this country are using disposable heavy-duty paper uniforms that are fire- and water-resistant.

It is apparent that our forest lands are extremely vital to the welfare of all the people. It is also apparent that our forests are not going to be denuded with the next generation or the generation after that.

Nevertheless, the small forest owners—those with less than 100 acres—need to be encouraged to meet the future demands. These forest lands are needed to "back up" the investments in the thousands of sawmills, and the hundreds of pulpmills and paper mills, and plywood mills, to name a few.

Unlike oil and natural gas and some other resources, our forests are renewable resources. Many millions of our people regard forests as the best place to camp, fish and hunt.

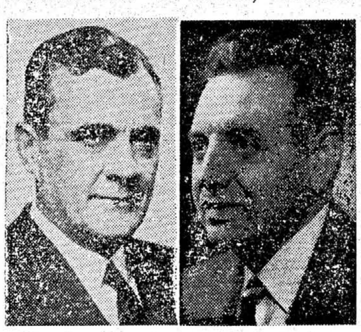
"To an average citizen — the elusive man on the street," said Dr. Ira N. Gabrielson of Oakton, Va., President of the Wildlife Management Institute, "trees have other real and tangible values whether or not he realizes it. They help feed, clothe and shelter him. They mantle his watersheds, accelerate soil moisture storage, and anchor aridable soil."

[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.]

"And now we conclude this panel discussion on Brigitte Bardot with a few words from your sponsor!"

Pace Institutes Annual Award; Alexander Hon'd

Pace College, New York City, is inaugurating an annual award to recognize a business leader for his contribution to social, cultural and economic progress in the community and the nation. Dr Edward J. Mortola, President of Pace, announcing the establishment of the "Man in Management" award, said it would be given for the first time in 1963.



Henry C. Alexander Dr. Edw. J. Mortola

Henry C. Alexander, Chairman of the Board of Morgan Guaranty Trust Company, will be the first executive to be so honored. The award will be presented at a banquet in the Grand Ballroom of the Waldorf-Astoria Hotel on Jan. 15, 1963. Pace also will confer on Mr. Alexander the honorary degree of Doctor of Humane Letters. Lt. Governor Malcolm W. Wilson will be the toastmaster.

The award is intended to underscore the dual nature of Pace College as a liberal arts college with strong business programs emphasizing the importance today of the executive who adds a new dimension to his business and professional activities: responsible participation in the social, cultural and economic development of today's complex world.

As part of the "Man in Management" program an oil portrait of the recipient will be displayed permanently in a Hall of Management, now being erected at the college on Park Row. The award and the Hall of Management are intended to throw a spotlight on the qualities associated with enlightened business leadership, which the college emphasizes in training its students for future managerial careers.

According to Edward L. Steiniger, President of Sinclair Oil Corporation and co-Chairman of the award dinner, "the need of management today is for the whole man with a well-balanced view of his work and of his life. He must have a broad knowledge and a capacity for creative thinking. In contrast to the overly-publicized Organization Man America needs management men who are able to think for themselves."

Dr. Mortola points out that in its business and professional programs Pace College stresses and requires that its students receive the fullest possible education in liberal arts—to stimulate the imagination, to create perspective and breadth of outlook, to prepare the individual to live with change while understanding and preserving the fundamental values of our society.

Dr. Mortola further states, "In Mr. Alexander, the Council is honoring a member of the business community who can well serve as an example of the enlightened businessman and as a prototype for future recipients of the 'Man in Management' award."

Charles H. Dyson, Chairman of the Board and Director of The Dyson-Kissner Corporation, is co-Chairman of the award dinner.