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EDITORIAL

As We See It

All the planned increases in Federal spending and all the proposed reduction in taxes will fail of their purpose unless the resulting deficit is financed with the issue of greenbacks or the modern equivalent thereof. Such is the official view of the New Frontiersmen and apparently of the Administration in Washington. We have the word of the chief theorist, as the Soviets would call him, of the official Democratic rulers in the national capital, Walter W. Heller, Chairman of the President's Council of Economic Advisers.

This is a very serious matter. To document the charge, we take leave to quote a section of the Chairman's address to the Conference on Fiscal and Monetary Policy of the President's Advisory Committee on Labor-Management Policy, the full text of which appeared in **The Chronicle** last week:

"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 governmental securities to the commercial banks are **automatically** inflationary is simply wrong. If the deficit is *(Continued on page 19)*

Priming the Economy's Powder To Achieve Full Growth Potential

By Dr. J. Fred Weston,* *Professor of Business Economics and Finance, University of California Graduate School of Business Administration, Los Angeles, Calif.*

West Coast economist revises pre-Cuba GNP projection to a more optimistic one of $581 billion which falls short, however, of the CEA's full employment model. Dr. Weston notes the discouraging effect of after-tax corporate profits of 3% on net worth, and the perverse impact of our tax bite when recovery ensues. He prescribes increased trade, tax reductions, and wage restraint; and concludes that our overriding need is to induce investments.

The current economic outlook is fraught with inordinate uncertainties. The intensification of the cold war is taking place on a number of fronts. The economic winds blow in one direction and then another. This is a period of a potential turning point in economic activity. It is a time in which compelling challenges are presented to business managers. The business outlook for 1963 represented by a standard forecast of Gross National Product of $565 billion is likely to be significantly altered as a consequence of the Cuban crisis. The leveling off and decline in important segments of private domestic investment may be stopped and even reversed. Investment in business inventories was taking place at a $6.7 billion annual rate during the first quarter of 1962. This declined to a $1.5 billion annual rate by the third quarter of 1962, representing a contractive influence on Gross National Product of over $5 billion at an annual rate. This influence alone represents almost a one per cent decline in Gross National Product. In addition, a leveling off of spending on plant and equipment was indicated for the first half of 1963.

J. Fred Weston

The behavior of the leading economic indicators was erratic. From June to July, of 24 leading indicators, ten were down, 14 were up. For the July to August changes, of the 24 indexes, 15 were down and only nine were up. Clearly the trend was unfavorable. For August to September, however, of the 17 series available only five were down and 12 were up. Even though the list was incomplete, the number of indicators up already exceeded the number that had been up during the July to August period.

However, what was more alarming and what provided the basis for the earlier forecast that a downturn for the first half of 1963 was indicated was the slowing down of the rate of increase of the general measures of economic activity. It has been consistent experience, supported by the basic theory of business fluctuations as well, that when the rate of increase in the total level of economic activity declines, the volatile segments of spending in the area of inventory and other forms of investment decline in absolute terms. This was the basis for an expected decline in gross private domestic investment of about 12% for 1963.

My own forecast for 1963 is shown in Table I. I had expected consumer spending to rise by 3% or $10 billion, government spending to rise by 6%, representing an increase of $7 billion over 1962, and net exports to hold level. However, gross private domestic invest- *(Continued on page 20)*

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

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

FMC Corporation — Seymour Klein, Reg. Rep., Harris, Upham & Co., 99 Park Ave., New York City. (Page 2)

Mosler Safe Co. — Keith Wenz, V.-P. of Research Dept., Hooker & Fay, Inc., San Francisco, Calif. (Page 2)

SEYMOUR KLEIN
Registered Representative with Harris, Upham & Company, 99 Park Ave., New York City

FMC CORPORATION

This company, formerly Food Machinery and Chemical Corp., has an outstanding growth record. It is believed that the past growth rate will be maintained in the future and therefore an investment in the common stock would appear suitable for those looking for long-term capital gains.

Incorporation in 1928 FMC's origin goes back to a predecessor company founded in 1884. Over the years the company expanded, and sales increased from $53,600,000 in 1946 to $415,000,000 last year. For 1962 sales are now estimated at around $500,000,000. Growth has partially been accomplished by purchasing various established companies making canning and food processing machinery, pumps, sprayers, insecticides and fungicides, agricultural equipment, packaging machinery, and miscellaneous machinery.

In regard to the company's financial position, current assets as of Dec. 31, 1961 totaled $221,580,000 and current liabilities were $61,820,000 for a current ratio of 3.6 to 1. Working capital was $159,760,000 which amounted to over $11 per common share, and the book value was equal to $14.26. The capitalization now consists of a long-term debt of about $80,000,000 and 14,361,000 common shares. Narrowing profit margins constitute the principal problem of many companies today. However, FMC shows a widening of profit margins in recent years, from 13.2% in 1958 to 14.7% in 1961.

The sales breakdown for 1961 was divided as follows: chemicals, 42.2%; machinery, 35.7%; and defense, 22.1%. Chemical sales include phosphates, barium and magnesium chemicals (12% of total 1961 sales), and agricultural chemicals, including fertilizers, insecticides, fungicides, and fumigants (13%). Machinery sales include agricultural and farm equipment (7.1%), and industrial and specialty equipment (6.1%). Defense business consists primarily of the manufacture of the Army's M113 aluminum personnel carriers. A large portion of the indicated sales increase for 1962 will be represented by billings from these carriers. Other government contracts include development of a highly automated postoffice. Also a 54% owned venture produces Dimazine, a liquid fuel for the Titan missile.

The order backlog as of Sept. 30, 1962 was $35,000,000 for commercial machinery products, nearly the same as last year. Defense products were $89,000,000 versus $111,000,000 a year ago. In October, the company received a $44,000,000 Army contract to produce armored vehicles.

In 1961 exports constituted 5.7% of sales and foreign subsidiaries 5.1%. Sales abroad are composed principally of pumps, insecticides, food equipment, and fungicides. The principal foreign plants are located in Australia, Belgium, Brazil, Canada, England, France, Mexico, Japan and South Africa.

The management of FMC is highly regarded, and their accomplishments are reflected in increased sales and profits, widening profit margins and profitable acquisitions over the years. In this vein the company has reopened discussions with American Viscose Corp. to acquire a portion of Viscose's business. Since FMC has large cash reserves, it is therefore in a favorable position to finance this or other potential acquisitions.

Concerning expansion of research, a division of the company, Niagara Chemical, announced it would more than double the size of its Middleport, New York, research and development laboratory at a cost of more than $1,000,000 with completion expected by late 1963.

It is believed that growth of the company will be maintained. Earnings have increased from $1.13 per share in 1955 to an estimated $1.85 per share for 1962. For the latest nine month period ending Sept. 30, the company earned $1.47 versus $1.30 a year ago. The growth rate approximates 9% per year compounded for the last five years. Earnings this year are running 13% over last year. The common stock, now at 37 with a range for 1961-62 of 46¾ to 29, is selling at about 20 times estimated 1962 earnings and provides a yield of 2.2% on the 80 cent annual dividend. Dividends have been paid since 1935, and in the five years through 1961 averaged 43% of earnings, and have been raised in each year since 1957. It should be noted that 157 financial institutions hold 1,143,000 shares which is approximately 8% of total common stock outstanding.

In conclusion it would appear that sales in 1963 will continue their uptrend, aided by increased government orders and the backlog of machinery products. Volume of chlor-alkali and soda ash should also be strong. Margins on commercial sales should benefit from a more favorable product mix. Continued development and research on new food machinery as well as expanded chemical product sales is expected to contribute to future growth. Therefore, FMC common is recommended to investors interested in long-term capital appreciation.

KEITH WENZ
Vice-President in Charge of Research, Hooker & Fay, Inc., San Francisco, Calif.

The Mosler Safe Company

When clients ask for a "safe" investment, I can't help but think of Mosler Safe, the world's largest builder of safes, bank vault equipment, and mechanical and electronic security systems. Not only is the stock safe, but it is one of the most reasonably-priced growth equities available today. Until recently, Mosler was a privately-held company, and therefore relatively unknown to the public. Because of this, the stock is currently selling at a very modest 10 times its estimated 1962 earnings. However, as investors become better acquainted with the company, as they have with its principal competitor, Diebold, I would expect Mosler's stock to sell at a considerably higher price-earnings multiple.

Established in 1848, the company has had a long and profitable record of earnings. Recently, however, earnings have risen sharply, as indicated by the 100% rise in 1961 results ($0.93 a share) over those of 1960. This trend continued into 1962, and for the nine months ended Sept. 30, earnings were $0.93 a share, as compared with $0.60 in any corresponding period last year. Full-year results are expected to reach an all-time high of around $1.30 a share. Future earnings should reflect the rapid growth in branch banking and the strong demand for the company's various types of security equipment.

Until recent years, Mosler was rather conservatively managed, and although it grew with the economy and kept abreast with technical developments in its industry, it was not what the investment community considered a dynamic company. However, in 1959 several management changes took place, which brought younger people to the head of the company. Knowing the potential of Mosler, this management, with its byword of "controlled impatience," embarked on a program to foster growth and to capitalize on expanding markets for sophisticated security systems and office equipment. From 1957 to 1960, the company spent large sums of money in training personnel for new sales offices and expanded service organizations to market new products. In addition, Mosler brought in outside management consultants to examine existing facilities and find ways of improving production methods. While expenses during these years resulted in lower earnings, the decisions made then have resulted in substantially improved earnings.

Besides security systems and blast-resistant shelters, Mosler manufacturers office equipment, including record storage and data retrieval equipment for use by commercial savings banks, savings and loan associations, insurance companies, retail stores, public utilities, educational institutions, and general commercial and professional customers, as well as government agencies. A number of these customers have been doing business with Mosler for more than half a century. Among some of the important installations of the company are the United States gold-storage vaults at Fort Knox, Ky., vaults in the new Chase Manhattan Bank in New York, and one of the world's

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

Taking an Optimistic View Of Tomorrow's Stock Market

By Lawrence R. Kahn, Senior Vice-President, National Securities & Research Corp. and Member of Pace College Faculty, New York City*

Prediction of a rising stock market developing late Spring of 1963 is based on confident expectation of substantial upturn in the economy in the latter part of next year. The new market, however, is depicted as being devoid of emotionalism as selective buying and analysis based on "dynamic fundamentals" takes over. Mr. Kahn discusses the role of emotion in the last market upswing and does not ignore the fact that bullish predictions will bring it back. Today's market is said to not be out of line with its prospects. He warns that the market will shift back and forth until it forges ahead and that it will not provide an automatic gravy train to anyone.

To discuss the stock market in a period of economic uncertainty and acute international unrest, one must be either an optimist or a fool. Some, of course, feel there is little difference between the two. Nonetheless, I am an optimist.

Lawrence R. Kahn

I was first asked to prepare this paper a couple of months ago. I would also like to point out that the market has risen between 80 and 90 points on the Dow Jones since that time, which unfortunately, takes a bit of the near-term wind out of my sails.

On the other hand, it appears to me that the market now, notwithstanding its rise, is in a decidedly more healthy condition that it was during the greater part of 1961 and the early months of 1962. While one can never eliminate emotions from the market place because human beings make the decisions, one can draw a distinction between analytically directed and to a degree, controlled markets and publicly inspired emotional ones. Last year, the latter was very much in the driver's seat, to mix a metaphor. In the recovery this year, we have seen some restoration of what I like to call dynamic fundamentals applied to the selection of securities and values rather than vague hopes applied in the choosing of them.

While the appraisal of the future must always be our primary object of evaluation in the purchase or retention of securities, and one should never have last year's stocks for next year's market, the fact that the past can be the prologue for the future justifies a brief glance at what has recently transpired.

Re-Examines the Market Break

While great publicity and much emotional strain, as well as monetary loss, accompanied the May-June crash, it is pertinent to point out that the market actually had been sliding off ever since the beginning of the year. The peak of the market, on the basis of Standard & Poor's 500 Stock Index, actually was realized on Dec. 12, 1961, a good six months before the so-called "crash date." At that time, let us remember, the Standard & Poor's 500 Stock Index, as good a broad based indicator of the market as we have, was selling at a price-earnings ratio of 20.13 times the 1961 earnings and granted a munificent yield of 2.86%.

Whatever the factors that have been attributed to the cause of the May-June break, and they were undoubtedly multiple, the detached observer, and one should be as detached as possible in handling investment funds, would have to conclude that the market had just been too damn high. In addition, and not measured by the Standard & Poor's 500, a high speculative fever had infected part of the populace in regard to "new issues," "hot issues" and unseasoned securities. In other words, the "silly season" had been well under way.

One of the prices of the privilege of a free market, and I humbly believe it is a very cheap price for the privilege, is that emotional factors will cause the swings to be far wider than the facts call for. The highs go too high and the lows go too low. There is little question in my mind that panic was clearly visible during parts of the May-June break. Nonetheless, the effects, even if over-done, were salutary. At its low at around June 30, the 500 Stock Index was selling at a price-earnings ratio of 15.65 times and yield had risen to 3.97%. Not only was the P/E ratio substantially below the December peak but it was actually below the average for the years 1960, 1959 and 1958. The yields, too, were better than realized in 1960 or 1959.

Market's Prospects

Interim fluctuations notwithstanding, we have now witnessed considerable recovery from the

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OBSERVATIONS...

BY A. WILFRED MAY

WHEN CHEATING PAYS

The Internal Revenue Service's troubles with expense account deductions, with mitigation of the proposed rules-tightening together with a future "freeze" thereon as revealed by Commissioner Caplin on Sunday (Dec. 2) on the Meet the Press TV-Radio program and Tuesday (Dec. 4) at a public hearing, have broad implications.

Clearly indicated, as with the statutory loop-holes of the stock option and the oil depletion allowance, is the partial responsibility of our high tax rates for expense account transgressions. In fact, both categories of loop-holes, both those legislatively permitted and the ones outside the law, are thus widely rationalized.

Significantly, cited at Commissioner Mortimer M. Caplin's Meet the Press session, was his conviction published before his pre-government service in the Virginia Law Review holding that high tax rates promote cheating, and should be reduced.

In any event, ethical considerations should bar the circumvention of the tax burden in lieu of attacking the abuse at its source.

* * *

IMPORTANCE OF CASH FLOW

The over-emphasis of corporate cash-flow (that is, the net earnings plus the depreciation and other charges) as a speculative stock market gadget has been frequently cited in this space. On the other hand, it has an important role corporate-wise in facilitating financing as is sensationally shown in Bethlehem Steel's just announced gigantic expansion program. Chairman Homer has explained that at least two-thirds of Bessie's huge over-all $750 million program will be handled without recourse to external sources, but from existing reserves and internal cash generation.

Mr. Homer, in a news conference, also gave a nod to the new depreciation rules and to the tax credit for capital spending—with his appraisal of the former as the more important.

* * *

CLUB CORRESPONDENCE

The following two communications refer to our column of November 22 on the behavior of the Investment Clubs during both bear and bull markets. We cited their quite surprisingly constructive record of long-term intentions during and after, as well as before, the April-June market Break; in lieu of ebbing and flowing of their interest in correlation with the public's state of market excitement.

Both letters significantly touch on important questions far transcending the Investment Club area.

THE INDUSTRY SPEAKS

The writer of the following letter is top official of the National Association of Investment Clubs, a nonprofit organization owned and governed by its member clubs which aggregate 8,000, or 20% of the nation's total of 32,000 Clubs. The directorate of this group, as confirmed by its literature, has made extraordinary efforts to encourage long-term investing attitudes.

Dear Mr. May:

I enjoyed very much your account of the growth of the National Association of Investment Clubs in your Thursday, Nov. 22 column.

You did say something about us which hurt a little bit, in that you called our member clubs "market playing clubs." While we know we are not 100% successful, we try our best in the Association, to train our members in the principles of long-term investing. We hope our members will confine their market playing to their personal accounts.

Seriously, we have a very strong belief that the long-term growth of the investment club movement and the way our membership reacts to breaks in the market is due very much to the long-term investment policy adopted by the great majority of our members.

THOMAS E. O'HARA
CHAIRMAN, BOARD OF TRUSTEES, NAT'L ASS'N OF INVESTMENT CLUBS, DETROIT, MICH.

In view of the Association's feeling of "hurt," in line with the extreme sensitivity (guilt feelings?) constantly exhibited by the Stock Exchange concerning the characterization of *speculation*, we would be glad to change the description of Club (along with mutual fund) activity to market *beating* from the "dirty word" market *playing*.

Surely the concentration of attention on capital gains in lieu of income yield is speculative, even if done with a modicum of care and intelligence. Along with the major assumption when making a commitment that someone will be around to take it off your hands at a higher price is the concentration of the test of investing knowledge and ability through your stock's market performance.

This, of course, is not to deny that the Club's usefulness to the small investor who cannot afford the use of the large established investing media; as the diversified bank common funds with their minima of $50,000 principal or $250 annual fee.

Particularly in the Club's predominant areas outside the Association, where the membership motivation may include "having a little fun," is it difficult to get practical observance of our old principle "your stocks will behave themselves if only you will behave yourself."

* * *

AN EX-MEMBER SPEAKS

Striking evidence of members' great pressure for market timing and other speculative routine, is manifested in the following articulate communication from an apparently intelligent interior decorator in other directions.

Dear Mr. May:

I read with a great deal of interest your comments in the "Chronicle" on investment clubs. I am moved to write you at this particular time because I have just completed my experience as investment club member by resigning from my club after three years of membership.

Being a member of an investment club was an interesting and an educational experience. Before I joined my club, I knew nothing about annual reports, financial statements, or earning records. The financial pages of the "Times," the "Wall Street Journal," and "Chronicle" were as unintelligible to me as Greek or Sanskrit. The only thing I knew about stocks were tips that they were going to go up (whether they came from a broker, a manicurist, or someone in the delicatessen, I reacted to them all with orders to buy), and the minus figures in the subsequent quotations. I never had occasion to learn what a dividend was, because none of the stocks that I was tipped to had any.

The Education PLUS

Three years in an investment club cured all this. I can not only read, but understand, what you, Burton Crane, and Donald Rogers write about. I can read an annual report and figure out just who is taking the stockholders and for how much. I even can figure out whether or not to exercise stock rights. And I know now that earnings have some significance in the business of buying and selling stocks. In fact, I can even recognize a dividend now, since in the last three years I have bought stocks which give them.

The Market-Profit MINUS

I am more knowledgeable—I don't like to say sophisticated and careful about the stocks that I buy. But I can't say that making informed judgments such as this produce any better results in getting gains than the old tipster way that I used to follow.

Interestingly enough, in the three years that I belonged to an investment club, our club securities investments were not successful in getting us gains. Since we had a rule that we would only authorize sales or purchases of stocks after a careful research study by a committee of two members which would then have its recommendations acted on by the membership, a conclusion that we ought to buy or sell something rarely got acted on until a month or so after the making of the judgment—and by that time the market conditions often had changed from what they were when we reached the conclusion. And we were never able to take advantage of "market breaks," since no purchase or sale could be effected except by a majority vote at a monthly meeting.

The Adrenal System

Being informed and being able to read your column, and feel that you are writing just what I think, has lots of psychological satisfaction and gives me a feeling of being a superior person. But it doesn't change the results. I did just as well when I played out my adrenal reactions to those tips from Minnie the Manicurist (after all, her other customers were all married to big wheels in the Street), and I didn't have to put in all that time on research.

Like Las Vegas, systems in Wall Street just don't work. The real profits come out of the breaks and the luck, whether designed or not, that come out of these sleepers. Nothing that you learn in an investment club can tell you how to come upon them

I like the way that you fight against the gimmicks and the tricks that seem to show up in the Street. Maybe **some day** stocks will be bought and sold on the basis of their intrinsic values, and when they do it will be a real tribute to you and what you have been fighting for.

MARGUERITE SAMET
MARGUERITE SAMET ASSOCIATES, A. I. D., NEW YORK CITY

Miss Samet, along with the balance of the investing world, must realize that no amount or kind of education can supply the magic key to short-term trading profits.

Electric Power Costs In Common Market

Even though industrial electric power costs charged in the six Common Market countries appear to be highest in Germany and lowest in France, according to an EEC study, there are indications that the data can be misleading. The comparison showed in cents per kilowatt hour:

	Industrial Enterprises Small	Medium	Large
Germany	3.15	1.84	1.28
France	1.88	1.54	1.03
Belgium	2.48	1.58	1.26
Italy	2.50	1.54	1.27
Luxembourg	2.64	1.71	---
Netherlands	2.32	1.51	1.13

The experts analyzing the data available were handicapped by three factors: (1) the various national cost systems are not directly comparable; (2) no information could be obtained on very large users and (3) averages can be misleading. For instance, there is evidence that large industrial electric power users in some areas of Germany as in others throughout the Common Market pay less than indicated. As a matter of fact, the study commission concluded that electric power costs average about 2%-3% of the cost of a product wherever manufactured in the Common Market. The percentage is higher of course in the electro-metallurgical and electro-chemical industries. Generally, however, the analysis indicated that transportation and cost factors other than electric power are more decisive in choosing an industrial site within the Common Market. Nevertheless, under present conditions power costs can vary up to 70%-80 in border areas as for instance on the French-German border.

The difference in German and French power costs is largely attributed to the greater availability of water power in France and smaller financial burdens placed on French utilities which are state-operated. In Germany, most utilities include some private investments.

In their study of nonindustrial power costs, the EEC experts determined even greater differences among the countries but the variations can often be greater yet within a nation.

Garibaldi Descendant Honored

Men and officers of the Italian cruiser, *Giuseppe Garibaldi* — the first Italian man-of-war ever to enter an American port—honored Tony G. Ziluca, a leading financier and direct descendant of the Italian patriot, at a special banquet aboard ship at Pier 84, North River.

Mr. Ziluca, a partner in Bache & Co., is a member of the New York Stock Exchange.

The Security I Like Best

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largest safes built for the National Archives Building in Washington, D. C., to house the Declaration of Independence, the Constitution of the United States, and the Bill of Rights.

In the field of information retrieval, rotary files which permit ready access to file material are manufactured under such trade names as "Revo-File" and "Selectronic." These rotary filing systems enable the operator to obtain a file card from among a large number of such records in an average time of less than three seconds. The Revo-File, on which the company has patents, is designed to accommodate filing requirements of from 1,500 to 20,000 units, whereas the Selectronic is for more-voluminous records, and a single machine will accommodate as many as 385,000 individual records.

While new products and product development have been strongly emphasized, management has not neglected its sales and service force. Mosler has built up a nation-wide sales organization consisting of 36 sales offices and 150 sales engineers and salesmen. In addition, another 260 persons are employed by the customers' service division operating out of 55 service locations around the country. It is this aggressive sales force which is helping to make the business community more aware of the significant cost reductions attainable through the use of Mosler's equipment.

As of Sept. 30, 1962, Mosler had a sound financial position with current assets of $16,709,000, as compared with total current liabilities of $6,826,000. Planned capital expenditures should be met with internally-generated funds, and therefore no public financing is expected in the foreseeable future. There are presently 1,626,376 common shares outstanding. The indicated annual dividend of 30 cents a share provides only a modest yield; however, because of rising earnings, I would expect some kind of a dividend increase in the near future.

At the present time, there is only one major competitor with a product line similar to Mosler's and this is Diebold. Diebold, with its fine record of earnings over the years, is presently selling around 19 times estimated 1962 earnings. Therefore, it only seems reasonable that an old-line company like Mosler, with its enviable growth potential, should be selling in the area of at least 15 times current earnings.

In view of the above, and the company's outstanding future prospects, I believe the common stock, which is traded over the counter, is one of the greatest values available to investors today.

Foster Brothers, Weber Admit

TOLEDO, Ohio—Foster Bros., Weber & Co., 241 Superior Street, members of the New York and Midwest Stock Exchanges, will admit to partnership Frederick W. Hibbert, John W. Foster and Lawrence T. Foster.

Are Preferred Stocks Neither Fish nor Fowl?

By John H. Webster, III,* *Trust Investment Officer, Provident Tradesmen's Bank & Trust Co., Philadelphia, Pa.*

Revealing analysis of high-grade, non-callable preferred stocks' better performance to comparable quality bonds is made by Philadelphia trust officer. Mr. Webster commends the inclusion of such issues in fixed-dollar endowment portfolios; notes this is not the most favorable time in stressing the importance of timing; provides a point-by-point explanation for favorable record; and advises that even during the current narrowing spread advantage selective purchases can be made at present prices.

John H. Webster, III

Preferred stocks are often described as neither fish nor fowl. No doubt this phrase is used because the form of investment is neither a creditor obligation nor a common equity. It is, if you will, a hybrid among securities, a senior equity. Are preferred stocks therefore unsuited for investment of Charitable endowment funds or do they nevertheless hold more than nominal interest to investors in the field?

Charitable institutions have always sought additional funds to increase their activities or improve the quality of their services. During these times of rising costs, which for the typical endowed institution are outrunning by a wide margin the familiar and persistently rising consumers price index, managers can ill afford not to explore every reasonable avenue to increased income from investments.

Remembering that every dollar of added income is equivalent to a permanent endowment gift of $25, managing trustees of hospitals, colleges, and all other philanthropic groups, are naturally interested in the general subject.

Record of Preferred Stocks Versus Bonds

For long periods of time, dividend income from preferred stocks has exceeded bond interest by about 1%. Perhaps less well known are the facts supporting the statement that "in the area of the maintenance of principal values, high grade preferred stocks can be superior to bonds." So far as we know, no satisfactory studies have been widely circulated on this relationship with bonds. We have made a study of some interesting figures from our own experience in an endeavor to show how well an investor in preferred stocks would have fared in relation to bonds if it were assumed that a group of seven high grade non-callable preferred stocks[1] and a group of seven good bonds[2] were successively purchased at every year-end from 1947 to 1961. In order to have comparable figures over 15 years we selected issues outstanding over the entire period. It was found that:

(1) There has been a net principal and income advantage over bonds from these preferred stocks in every year since 1947 with one exception (1948 which was small).

(2) In the 15 years since 1947, the stocks show a 17.4% accumulated yield advantage.

(3) There was also a 4.5% accumulated price advantage for the same period comparing year-end figures for each year (except July 13, 1962).

(4) Therefore, in a combination of yield and price stability, this list of good non-callable preferred stocks outperformed a similar list of first quality bonds by the wide margin of 21.9%.

Standard and Poor's tables on this subject show similar results using in their statistics 45 high grade bonds and 14 non-callable high grade stock issues.[3] As an illustration, in the most recent 10-year span preferred stocks declined 11½% whereas the bond average declined 17%.

One specific example—while National Lead 6% Preferred declined from 136 to 134, Union Electric Co. 1st 3⅜% bonds of 1971 depreciated 12½ points from 106 to 93½.

Characteristics of Preferred Stocks Versus Bonds

It is natural to ask what has caused this performance record so favorable to preferred stocks and it is likely to be continued. There are perhaps two main reasons for the relatively good record of high grade senior equity issues:

(1) First, there has been a marked recline in both the sale of new issues of preferred stock and in the amount outstanding in relation to the other major long-term sources of capital. Internal financing has led in providing funds for the postwar expansion of productive capacity of American corporations. This has been followed in importance by debt financing and since 1954 an increase in common equity financing.[4]

From a dollars and cents interest-cost standpoint it has been and still clearly is to a corporation's advantage to raise capital by the sale of bonds rather than preferred stock. Interest charges on the former are deductible for income tax purposes while dividens on stock are not. 5% bond money costs a corporation 2.40% as compared with 5½% or 6% for a "straight" preferred issue.

(2) Secondly, preferred stocks are of particular advantage to corporate investors if not corporate issuers. This is due to the tax laws.[5] Dividends received by corporations are deductible from their income to the extent of 85%. For example, a 5% stock yields to a corporate investor net after taxes 4.61% as contrasted to a "take home" return only of 2.40% from a 5% bond.

While a case can be made for a corporation raising more of its capital via the preferred route there seems little likelihood the supply of high quality issues will expand. Indeed, a diminishing supply is in prospect. For one thing, there has been an absolute decline in the number of preferred issues listed in the New York Stock Exchange from 461 in 1954 to 402 in 1961[6] and national statistics show that preferred stocks account only for 2% of all personal trust assets. Furthermore, the ratio has been declining for several years.[7] The tax advantage to corporations receiving dividend income which has been a strong prop under the market, of course, could be modified or lost through tax revisions. However, unless or until this happens, there should be a steady to increasing demand acting against a limited and shrinking supply.

It follows then that as long as good quality preferred stocks yield appreciably more than good bonds, investors could do worse than purchase and hold a fair representation of such issues in the fixed income departments of their portfolios. Timing, of course, is as always important. Historically, the yield spread is narrow at present and this is therefore not the most ideal time to expand holdings in the field.

The Importance of Quality in Preferred Stocks

The preferred stock investor assumes his share of well known hazards in return for the additional income. He, therefore, is particularly concerned with investment quality of the issues he buys. The cliche "neither fish nor fowl" arises as much from a contemplation of the anomalous characteristics of preferred stocks, as from a misunderstanding of their record. The holder of a preferred stock not being in a creditor position should be satisfied only with conservative capitalization ratios and his dividend protection should be many times more than adequate. But of even more importance than these obvious safeguards, the buyer must be completely satisfied with the general economic health of the corporation and its industry. At this point I would like to quote my colleague, Richard Willis, who put it so well when he said the preferred stock field is "a source of extra income for quality buyers and a graveyard for bargain hunters."[8]

Summary

We favor those issues of unquestioned investment quality, preferably non-callable and in most cases outstanding for many years, believing the best values are in those stocks whose strength is out of all proportion to their slightly lower yield advantage over bonds.

Because at this time the yield spread advantage over bonds is narrowing, we suggest that preferred stocks be considered more of a **standby** source of purchases. However, those who highly value a fixed rate of return through the years ahead may wish to secure this with current selective purchases of non-callable and deep discount issues even at present prices.

Finally, we commend as a long-term policy the purchase, with due regard to timing, and retention of high grade preferred stocks in your investment plans as one proper means of increasing your endowment income. We believe you can follow this policy with the assurance that market value performance will compare favorably with bonds.

*A talk by Mr. Webster at a conference on Foundation Investment Policy sponsored by the Provident Tradesmen's Bank & Trust Co., Philadelphia, Pa.

1 Seven preferred stocks used, American Can 7%, American Smelting & Refining 7%, American Tobacco 6%, International Harvester 7%, Liggett & Myers Tobacco 7%, National Lead 6% B, and U. S. Steel 7%.

2 Seven bonds used, Alabama Power 3½% '72, Chesapeake & Ohio 3½% '96, Union Electric 3⅜% '71, Southern Pacific Oregon Lines 4½% '77, American Telephone & Telegraph 2¾% '80, Standard Oil of New Jersey 2⅜% '71, Bethlehem Steel 2¾% '70.

3 Standard and Poor's Corporation, Security Price Index Record, 1962 edition, p. 111 and 192.

4 Santow, Leonard Jay, "Ultimate Demise of Preferred Stock as a Source of Corporate Capital," Financial Analysts Journal, May-June 1962, Vol. 18 No. 3, p. 49.

5 Section 243, The Internal Revenue Code.

6 Donaldson, Gordon, "In Defense of Preferred Stocks," Harvard Business Review, July-August, 1962, Vol. 40 No. 4, p. 124.

7 McLean, Gordon A., "Report of National Survey of Personal Trust Accounts."

8 Willis, Richard B., "Preferred Stocks —Separating the Sheep from the Goats," October 13-14, 1960, p. 9.

Walston-Cruttenden To Merge

Walston & Co., Inc., and Cruttenden, Podesta & Miller have reached "a handshake agreement" on merger of the two firms under the Walston name.

A joint announcement said that final details are now being worked out, and will be made public within the next two weeks. Subject to approval of the New York Stock Exchange and other Exchanges of which both firms are members, the formal merger will become effective Jan. 1, 1963. Thereafter, Walston will have a total of nearly 100 offices in 31 states, and a force of substantially more than 800 Account Executives.

Robert A. Podesta, Managing Partner of Cruttenden, Podesta & Miller, will become a Senior Vice-President and Director of Walston.

Earlier this month Walston disclosed its acquisition of several Cruttenden, Podesta & Miller offices in New Jersey and Florida.

Kearns Joins Stone & Webster

Richard T. Kearns has joined Stone & Webster Securities Corporation, 90 Broad Street, New York City, in its institutional sales department, E. K. Van Horne, President, has announced.

Mr. Kearns has been engaged in securities trading for over 30 years in association with underwriters and brokers. Prior to joining Stone & Webster he was, successively, the manager of the corporate trading department for Harriman Ripley & Co. Incorporated, and manager of the trading department of P. F. Fox & Co. Inc.

SBIC Shares At Discount

Eleven of the thirty-three largest publicly held small business investment companies are selling at substantial discounts from their estimated cash value per share, according to a statistical report published by Greene & Co., 37 Wall Street, New York City.

The 32-year-old New York-based Over-The-Counter brokerage firm also reveals that virtually all of the SBIC's covered in the study are selling at even sharper discounts from estimated asset value per share.

Those companies selling at discounts from cash value are: Water Industries Capital Cirp. (25%), Science Capital Corp. (24%), Southwestern Capital Corp. (21%), Sierra Capital Corp. (21%), Westland Capital Corp. (18%), Capital Southwest Corp. (15%), S. B. I. C. of New York (13%), California Growth Capital (4%), St. Louis Capital Corp. (4%), Gulf-Southwest Capital Corp. (4%), Marine Capital Corp. (3%).

Total assets of the 33 companies in this study are $325,000,000 with 36,361,000 shares outstanding.

Total assets, debt, shares outstanding, original issue price and current bid price are listed for each of the thirty-three companies in the Greene report. The tabulations also include cash as per cent of market price, estimated cash per share, per cent invested and estimated asset value per share.

Copies of the report are available for general distributiion.

Barten V.-P. of Lee Higginson

Lee Higginson Corporation, 20 Broad Street, New York City, members of the New York Stock Exchange, have announced the election of C. H. Alfred Barten as a Vice-President. He will be connected with the firm's Buying-New Business Department.

Mr. Barten joined Lee Higginson after 11 years' association with Lehman Brothers where he managed successively the firm's Industrial and New Business Departments.

Mr. Barten's Wall Street career began after his graduation from Columbia University in 1926. He served for 13 years with the Chase National Bank in investment analysis and later was a member of the Buying Department of Smith, Barney & Co.

While with Smith, Barney, Mr. Barten played a major role in the well known 1950 sale of Jergins Oil Company of California to a syndicate headed by Lehman Brothers.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The state and municipal bond market has apparently received less investor consideration and interest during the past week than during any weekly period since Labor Day. As a result the general level of prices eased moderately, setting the market back to the level of mid-October. The *Commercial and Financial Chronicle's* State and Municipal bond yield Index averages at 2.96% today against a 2.93% Index a week ago. Derived from averaging preselected actual offerings, this .03 increase in yield represents close to a half point sell-off for the 13 high grade 20-year bonds involved.

Demand Exists—But at the Right Price

The market reached close to this level in early May when the Index stood at 2.965% for two weeks. The market fell back from this point through the summer months due to many factors but primarily because of the pressures of record breaking new issue volume at peak price levels. Although the year's total of new issue financing will be close to $8.5 billion and a new record in annual volume, the present tempo of volume is at a much lesser rate that obtained during the first six months of 1962 and prices have backed off enough from the recent highs to stimulate and perhaps justify further investor interest.

There could be some further give in the general level of state and municipal bond prices and this would of course be a desirable market development but any substantial ease would seem likely to attract a considerable investment interest. This is discernible by the fact that bids are currently available for many of the unsold remnants of recent new issues within 10 or 15 basis points of the original offering.

Monetary Policy Dictated by Political Considerations

Although business activity seems to be improving, as evidenced by the headlines recently made by apparent strides in both the steel and automotive industries, and personal income has increased thus spurring retail trade and consumer spending, the extent of this expansiveness has by no means begun to exert pressures on the money market. Nor is further betterment in the business picture likely to seriously depress the bond market as the weaponry of the Federal Reserve has been developed to study and to compensate for inordinate actions within the money market.

It is apparent that political considerations have been definitely dictating a relatively easy monetary policy. Congressman Patman, the new Chairman of the House Committee on Banking and Currency, will constitute a continuing vocal force in this direction. His emphasis on housing and construction as requiring cheap money in order to implement a dynamic resurgence pretty well sums up the Administration's pat attitude on the subject.

While short rates may be deftly shifted to accommodate the delicate foreign imbalances, it seems likely that the long-term rate situation may be as deferentially controlled in order that the capital market may be completely receptive to all sorts of developmental borrowing. It seems quite logical that the Treasury will not seriously disturb the long-term market in view of the circumstances. For the present, at least, the short market needs all the pressure that bill borrowing can exert upon it.

Inventories Growing

State and municipal bond inventory continues to be heavy by all traditional standards. Dealers continue to buy more than they can immediately dispose of but seemingly without dire concern. This week's dealer lists show more new items than last week's and this is easily understood in that only one of the past week's new issues has been an enthusiastic sell-out. In fact, very few of these issues, and several will be subsequently discussed, have been as well as half sold.

The *Blue List* offerings have been slowly but consistently increasing and currently they total $557,626,837. The total in itself is not monstrous in any sense of the word but let's face the fact that bond buyers think that it's a lot of offerings. Only price adjustments can change their minds until the dealers convince them that they just like to carry a greater volume of tax exempts.

Light Calendar Prevails

The new issue calendar continues to total only a moderate amount. Late December is normally light in scheduled new issues due to the holiday aspect of things, but usually there is a large negotiated issue to enliven the activity and swell the coffers for the dealers at year's end. Last year it was the highly successful Florida Turnpike 4¾% issue that closed the year happily. This year there is no such expectancy.

At present the sealed bid calendar through the year end totals less than $300,000,000. About $150,000,000 is scheduled for sale after Jan. 1, which does not include $194,200,000 Memphis, Tennessee, TVA lease rental revenue and electric distribution system revenue bonds to be negotiated sometime in January, if not before.

Recent Awards

During the past week there was only a modest $90,185,000 of various new issues offered for public bidding but as is almost always the case there were a half-dozen issues of general market importance which invite comment. While general levels were about ten basis points more liberal in yield than they would have been a week or two ago competition continued to be keen and there were several close bids for each issue.

Thursday and Friday (Nov. 27-28) were void of any important sales but on Monday (Dec. 3), which is generally a light new issue day, there were three loans of importance offered for public bidding. The Gary, Indiana Sanitary District awarded $9,900,000 general obligation (1965 - 1994) bonds to the account headed jointly by *Halsey, Stuart & Co., Inc.* and *Glore, Forgan & Co.* at a net interest cost of 3.3602%. The runner-up bid, a 3.41% net interest cost, came from the group headed jointly by Northern Trust Co. and the Continental Illinois National Bank & Trust Co.

Other major members of the winning account include Goldman, Sachs & Co., Paine, Webber, Jackson & Curtis, City Securities Corp., W. H. Morton & Co., L. F. Rothschild & Co., Bacon, Stevenson & Co., First of Michigan Corp., R. S. Dickson & Co., Inc., National State Bank, Newark, New Jersey, Fidelity Philadelphia National Bank and Bramhall, Falion & Co., Inc. Scaled to yield from 1.90% in 1965 to 3.65% in 1992, initial demand has been fair with the majority of bonds sold through 1974. The present balance in account is $4,600,000. The 1993 and 1994 maturities carried a one-quarter of 1% coupon and were priced at a 4.20% yield.

The Florida Development Commission awarded $9,000,000 Broward County (Fort Lauderdale) Road and Bridge revenue (1964-1985) bonds to the group headed jointly by *Smith, Barney & Co.* and *Blyth & Co.* at a net interest cost of 3.361%. This bid compared very favorably with the second bid, a 3.369% net interest cost, which came from the syndicate headed by Lehman Brothers and Halsey, Stuart & Co., Inc. In addition there were three other bids ranging in interest cost from 3.39% to 3.52% for this popular yield bond.

Other major members of the winning group include Harriman Ripley & Co., Inc., Goldman, Sachs & Co., Kidder, Peabody & Co., Phelps, Fenn & Co., Equitable Securities Corp., R. W. Pressprich & Co., F. S. Smithers & Co., Alex. Brown & Sons, Pierce, Carrison, Wulbern, Inc., Hemphill, Noyes & Co., First of Michigan Corp. and W. E. Hutton & Co. The bonds were offered to yield from 2.00% in 1964 to 2.60% in 1969 and from 3.25% in 1977 to 3.50% in 1985. The present bal-

Continued on page 38

MARKET ON REPRESENTATIVE SERIAL ISSUES

ED. NOTE: The following data reflects the market status of the various issues as of Nov. 28, 1952, on which date the yield index was 2.9307%. Based on the level of prices as of Dec. 5, 1962, the composite yield is 2.96%.

	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.

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)			
Maricopa County SD. No. 210, Ariz.	2,400,000	1967-1977	11:00 a.m.
New York (State of), Albany	30,000,000	1964-1983	Noon
Victoria Indep. Sch. Dist., Texas	1,400,000	1963-1983	2:00 p.m.
December 11 (Tuesday)			
Bloomington, Minn.	1,100,000	1966-1993	7:30 p.m.
El Monte Sch. Dist., Calif.	2,880,000	1965-1983	9:00 a.m.
Franklin County, Va.	1,000,000	1963-1982	Noon
Marlborough, Mass.	1,785,000	1964-1983	Noon
St. Paul Port Authority, Minn.	2,500,000	1965-1992	Noon
Somerset County, N. J.	1,142,000	1963-1982	11:00 a.m.
Stillwater, Okla.	1,400,000	1965-1978	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	--------	--------
Hastings Ind. S. D. No. 200, Minn.	1,945,000	1967-1987	1:00 p.m.
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	1:00 p.m.
Livingston Township S. D., N. J.	2,313,000	1963-1982	8:00 p.m.
Tucson, Ariz.	6,000,000	1976-1992	10:00 a.m.
Tulsa County, Okla.	2,000,000	1965-1988	10:00 a.m.
December 18 (Tuesday)			
Charleston, W. Va.	4,000,000	1963-1992	11:00 a.m.
Davidson County, Tenn.	5,000,000	1964-1988	Noon
Enfield, Conn.	1,255,000	1964-1983	11:30 a.m.
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.
Maryland National Capital Park & Planning Commission, Md.	5,600,000	1963-1992	Noon
Mountain View Sch. Dist., Calif.	1,340,000	1964-1983	9:00 a.m.
New York, N. Y. (Limited Profit Housing G. O. Bonds)	21,820,000	1963-2013	11:00 a.m.
Piscataway Township, N. J.	2,590,000	1963-1994	8:00 p.m.
Southwestern City S. D., Ohio	2,750,000	1964-1985	Noon
December 19 (Wednesday)			
Cherry Hill Township S. D., N. J.	2,340,000	1964-1982	8:00 p.m.
Islip Union Free S. D. No. 9, N. Y.	1,150,000	1963-1983	2:00 p.m.
Richmond, Va.	11,300,000	1964-1983	Noon
San Juan Unified S. D., Calif.	2,315,000	1965-1988	10:00 a.m.
West Homes Local Sch. Dist., Ohio	1,500,000	1964-1985	Noon
December 20 (Thursday)			
Arizona State College, Ariz.	1,000,000	1965-2002	10:00 a.m.
Celina City Sch. Dist., Ohio	1,698,000	1964-1986	Noon
Chattanooga, Tenn.	2,000,000	1964-1982	11:00 a.m.
December 27 (Thursday)			
Elgin, Ill.	2,600,000	1964-1985	--------
Hammond Sanitary District, Ind.	2,900,000	1965-1989	2:00 p.m.
January 4 (Friday)			
Sylvania City Sch. Dist., Ohio	1,400,000	--------	--------
January 7 (Monday)			
Cinnaminson Township S. D., N. J.	1,215,000	1964-1983	8:00 p.m.
January 8 (Tuesday)			
Oklahoma City, Okla.	15,350,000	1965-1988	--------
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 17 (Thursday)			
Metropolitan Seattle, Wash.	15,000,000	1966-2002	--------
January 21 (Monday)			
Pomona, Calif.	1,100,000	--------	--------
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.

SCM Corporation

By Dr. Ira U. Cobleigh, Economist

A short report on a progressive company that, through effective manufacturing, marketing, mergers, and management, has reached new highs in sales and earnings.

In many ways, 1962 has been a milestone year for the company that has, until this week, been known as Smith-Corona Marchant, Inc. The new corporate title, SCM Corporation, is more compact, easier to say, and the letters, SCM, compose the new symbol under which the company's stock is now traded on the New York Stock Exchange. Further, in fiscal 1962 (year ends June 30) SCM recorded new highs in sales, crossing the $100 million mark for the first time; and in net earnings, ($2,591,833). The year also marked the introduction of several new models of advanced design business machines—the world's fastest rotary calculator, the CMF Figuremaster, the Model 33 Electrostatic Copier (a desk top unit) and the Model 311 Electronic Teleprinter.

Typewriters

Typewriters loom large in the Corporate image at SCM. Starting in 1903, with the first L. C. Smith model, the company has been a major factor in this field and now ranks as the number one American producer of portables, and number two in the business typewriter field. In portables, 60% are bought for use by those eighteen and younger, and 85% are bought as gifts. The company's Smith-Corona portables are world-famous, and its Corsair Model is the only existing electric one. Electric typewriters have, since 1960, outsold manuals, both in number of units and in dollar volume. SCM makes a full-featured electric typewriter, the SCM "400" Deluxe, highly competitive in the $450 price range; and the "200" compact, fully automatic electric, selling at $249.50.

Typewriters, the traditional product of SCM still provide about 40% of total corporate revenues, but, as we shall observe, an effective diversification program, in recent years, has broadened the base, and enlarged the horizons of its earning power.

Kleinschmidt Division

In 1956, SCM acquired Kleinschmidt Laboratories, a company with an impressive background in research, engineering and manufacturing of telecommunication receiving equipment. This merger proved most effective, providing entry into the electronics field and skills useful in producing office equipment systems. Even more importantly, the merger brought in a gifted management team, including Mr. Emerson E. Mead, President of SCM since 1960, and a corporate executive of proven competence. While the Kleinschmidt Division sells its telecommunications equipment primarily to the U. S. Government, it is expanding its commercial volume and has provided commercial communication installations for Safeway Stores, Greyhound Lines, and the C & O Railroad. Its latest product, the Model 311 fully transistorized unit, has the technical capability of up to 10,000 words per minute.

Marchant

In 1958, the company acquired Marchant Calculators, Inc., and now calculators provide about 20% of total sales volume. This division specializes in rotary calculators for which the Marchant name is renowned; and its new ultra-rapid Figuremaster is being well received. Further, in conjunction with Diehl Mfg. Co of Germany, SCM now distributes the Diehl rotary calculator and, in 1963, will introduce the Diehl Printing Calculator. SCM is also distributor of a line of electric adding machines.

Photocopy

SCM Corporation is also an aggressive factor in the surging $300 million photocopy bisiness. Its rising sales in conventional photocopy equipment (Vivicopy) and supplies have been supplemented by the newer Model 33 Electrostatic Copier, a most faithful reproducer of all kinds of documents, inks and colors, and regarded as competitive with other higher priced, high fidelity, photocopy machines. SCM management believes that sales of its efficient models, repeat business in the related supplies, solicited by an expanded sales force, will make steadily rising contributions to corporate earning power.

Data Processing

SCM is moving forward in data-processing. Its Typetronic 2215 and 6615 are billing typewriters capable of doing price calculations. These machines are fully electronic, and directed by either direct input (2215) or a set of easily changed program cards (6615).

This capsuled account of SCM products indicates the broadening line and the policy of the company to expand its sales in three major directions: (1) office products, (2) consumer products, and (3) data processing. Centralized marketing operations have streamlined the sales effort, and solidified coverage by having as many as four men calling on major accounts.

A broad modernization program was instituted when Mr. Elwin J. Graf, became Vice-President in charge of manufacturing in July, 1961. At Kleinschmidt, conveyorization, interchangeability of parts and new timing cycles were introduced. These steps substantially reduced production costs and permitted employment of less skilled labor in many operations. A brand new calculator manufacturing facility is now a building at Orangeburg, South Carolina.

Much of the recent corporate progress in the introduction of new models, and in data processing, is the result of an effective Research and Development division, now spending around 3½% of annual sales to improve processes and products, and to ideate new ones.

Financial

For investors, the securities of SCM Corporation have considerable attraction. The 1,918,138 common shares are now trading at around 14, against a 1962 high of 28⅜. Per share net for fiscal 1962 was $1.35 and should expand to above $1.70 this year. On that basis, SCM common sells below 10 times earnings—an attractive ratio for a mature business machine equity. Other investor fare includes the $50, 5½% preferred (convertible into common at 17) now selling at 50, and the Smith-Corona Marchant 5¼% debentures of 1979, selling at 102. These are convertible into common at 23.

Considering the growth of SCM Corporation, outlined swiftly above, the energetic character of its management, and the rising trend in its net earnings, a constructive viewpoint about the securities of SCM seems logical at this time.

To Be Partner In Drysdale Co.

As of Jan. 1, Albert C. Sullivan will become a partner in Drysdale & Co., 61 Broadway, New York City, member of the New York Stock Exchange.

Moore, Leonard To Admit Partner

PITTSBURGH, Pa.—On Jan. 1, Norbert H. Sickle, manager of the firm's statistical department, will be admitted to partnership in Moore, Leonard & Lynch, Union Trust Building, members of the New York and Pittsburgh Stock Exchanges.

Phila. Inv. Group Receives Slate

PHILADELPHIA, Pa. — Harry J. Kirby, Jr. of Blyth & Co., Inc., has been nominated for President of The Investment Association of Philadelphia.

Harry J. Kirby, Jr.

Mr. Kirby, who was formerly Vice-President of the Association, will succeed John J. F. Sherrerd of Drexel & Co. whose term is expiring.

The annual meeting and Christmas Party of the Association will be held on Tuesday evening, Dec. 11 at the Mask & Whig Club in Philadelphia.

Other officers nominated were: Robert J. Caulfield of Equitable Securities Corp., Vice-President; Samuel R. Roberts of Schmidt, Roberts & Parke, Secretary and Arthur Judson of C. C. Collings and Co., Inc., Treasurer.

Nominated for election to the Executive Board of the Association are Mr. Kirby and Mr. Caulfield and Joseph L. Pyle, Jr. of Kidder, Peabody & Co. and William Rebmann of Laird, Bissell & Meeds.

The Nominating Committee consisted of five past presidents of the Association. They are: Harry K. Hiestand of Reynolds & Co.; Robert T. Arnold of White, Weld & Co.; H. Gates Lloyd, 3rd. of Drexel & Co.; Herbert S. Bengtson of Schmidt, Roberts & Parke and John J. F. Sherrered of Drexel & Company.

Stillman, Maynard Admit McClintock

On Jan. 1, Harvey C. McClintock will become a partner in Stillman, Maynard & Co., 61 Broadway, New York City, members of the New York Stock Exchange.

Williston & Beane To Admit Partner

On Dec. 13, Robert Kaufman will become a partner in J. R. Williston & Beane, 2 Broadway, New York City, members of the New York Stock Exchange.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aerospace Stocks—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a review of 10 top quality **Investment** issues, suggested **Portfolios** for various objectives, and a report on **Eversharp Inc.**

Bank and Insurance Stocks—Analysis—A. C. Allyn & Co., 122 South La Salle Street Chicago, Ill. Also available are analyses of **American Can Company, International Harvester Company, Duffy Mott Company Inc.** and **Standard Oil Company of New Jersey.**

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

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

Canadian Stocks — December "Blue Book" featuring review of 13 industrial, 16 base metals and 21 oil and gas issues — Draper Dobie and Company Ltd., 28 Adelaide Street, West, Toronto, Ont., Canada. Also available are reviews of **Opemiska Copper Mines, Campbell Chibougamau Mines,** and **Willroy Mines** and a memorandum on **Canadian Listed Stock Warrants.**

Canadian Stocks For 1963—Bulletin on 12 companies — Southern Brokerage & Holding Co., Inc., 238 Adelaide Street West, Toronto, Ont., Canada.

Chase Manhattan Bank—Report—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Chemicals—Memorandum — Sullivan & Co., 63 Wall Street, New York 5, N. Y.

Chemicals — Review with particular reference to **Allied Chemical, FMC Corp., W. R. Grace, Hercules Powder** and **Internatonal Minerals & Chemical** — Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Construction Industry—Discussion of prospects — David L. Babson and Company Incoporated, 89 Broad Street, Boston 10, Mass.

Farm Machinery Industry—Analysis in current issue of "Investornews"—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also in the same issue are reports on **Continental Insurance, Harris Intertype, Rohm & Haas, Arkansas Louisiana Gas, United Artists** and **Dover Corp.**

Hydro Utility Companies of Quebec—Report—Greenshields Incorporated, 507 Place d'Armes, Montreal, Que., Canada.

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

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is a review of the **Japanese Synthetic Fiber Industry** and analysis of **Tokyo Electric Power Co., Ltd.**

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

Life Insurance Stocks—Report—Ralph B. Leonard & Sons, Inc., 25 Broad Street, New York 4, N. Y.

Natural Gas Utility Companies—Comparative figures—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Mosler Safe Company.**

New England — Bulletin on business conditions — First National Bank of Boston, Boston, Mass.

Oil Company Earnings—Bulletin —Carl H. Pforzheimer & Co., 25 Broad Street, New York 4, N. Y.

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

Paper Stocks — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y. Also available is an analysis of **Aileen Inc.**

Rail Bonds with Appreciation Potential—Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

16 Candidates for Stock Splits or Large Stock Dividends — List in current issue of "Pocket Guide"—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are selected portfolios in various categories and a report on **Louisiana Land & Exploration Co.**

Small Business Investment Companies — Comparative analysis — Greene and Company, 37 Wall Street, New York 5, N. Y.

Small Business Investment Companies—Report—New York Hanseatic Corporation, 60 Broad St., New York 4, N. Y. Also available is an analysis of **Tokyo Shibaura Electric Co.** and a study of **Grolier Inc.**

Steel Industry—Analysis—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y.

Tax Switches—Bulletin—Hooker & Fay, Inc, 221 Montgomery St., San Francisco 4, Calif.

Utility Growth Stocks—Study of ten smaller issues—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y.

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Aeroquip—Memorandum—White, Weld & Co., 20 Broad Street, New York 5, N. Y.

Air Reduction — Memorandum — Chas. W. Scranton & Co., 209 Church Street, New Haven 7, Conn. Also available are memoranda on **Georgia Pacific, Procter & Gamble** and **Ingersoll Rand.**

Aluminium Limited—Comments in current issue of "Investment Letter" — Carreau & Company, 115 Broadway, New York 6, N. Y. In the same issue are also comments on **Eastern Air Lines, General Tire & Rubber, Sperry Rand, Standard Packaging,** and **American South African Investment Co., Ltd.**

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

American Cyanamid Company—Bulletin — Mitchum, Jones & Templeton, Incorporated, 650 So. Spring St., Los Angeles 14, Calif.

Armstrong Cork—Report—Colby & Company, Inc., 85 State Street, Boston 9, Mass. Also available are comments on **Genung's, Grumman Aircraft** and **United States Freight.** (In requesting copies, firm asks inclusion of stamped self addressed envelope).

Becton, Dickinson & Co.—Memorandum—Alessandrini & Co., Inc., 11 Broadway, New York 4, N. Y. Also available is a memorandum on **Atmos-Pak.**

Belco Petroleum Corp.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Bethlehem Steel Corp.—Bulletin —Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y. Also available are comments on **FMC Corp., Massey Ferguson Ltd.** and **National Biscuit Co.**

Boeing Co. — Chart Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Boise Cascade — Memorandum — Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a memorandum on **Realty Equities Corp. of New York.**

Borg Warner Corporation—Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Celanese Corporation of America —Analysis—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y. Also available are analyses of **May Department Stores** and **J. C. Penney Company.**

Certified Industries — Analysis—Edward F. Henderson & Co., Inc., 15 William Street, New York 5, N.Y.

Cincinnati Milling Machine—Memorandum — F. P. Ristine & Co., 67 Broad Street, New York 4, N. Y. Also available are memoranda on **Ingersoll Rand, Link Belt** and **Warner & Swasey.**

Coastal States Gas Producing—Memorandum—Citizens Securities Company, Adams at Cherry St., Green Bay, Wis.

Collins & Aikman—Comment—Bregman, Cummings & Co., 4 Albany Street, New York 6, N. Y. Also available are comments on **Grumman Aircraft.**

Collins & Aikman—Memorandum —Divine & Fishman, Inc., 134 So. La Salle Street, Chicago 3, Ill.

Consolidated Oil & Gas Inc.—Memorandum — Peters, Writer & Christensen Inc., 724 Seventeenth Street, Denver 2, Colo.

Consultants & Designers, Inc.—Report—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Consumers Acceptances — Memorandum—Michael Investment Co., 111 Westminster Street, Providence, R. I.

Controls Company of America—**Analysis** — Schrijver & Co., 37 Wall Street, New York 5, N. Y.

Copymation Inc.—Report—Irving Weis and Company, 505 Park Ave., New York 22, N. Y.

Corn Products Company—Report —Jas. H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Crocker Anglo National Bank—Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

Crompton & Knowles Corp.—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available is a report on **United Biscuit Co.**

Cummins Engine Company—Analysis— A. G. Becker & Co. Incorporated, 60 Broad St., New York 4, N. Y. Also available is a bulletin on **Gas, Telephone & Water Utility Stocks.**

Cummins Engine Co. — Memorandum—J. J. B. Hilliard & Son, 419 West Jefferson Street, Louisville 2, Ky.

Deere & Company — Report—Evans & Co., Incorporated, 300 Park Avenue, New York 22, N. Y.

Dentists Supply Co. of New York —Analysis — Parrish & Co., 40 Wall Street, New York 5, N. Y.

Dominion Stores Limited—Analysis — Watt & Watt Limited, 6 Jordan Street, Toronto Ont., Canada.

Drackett Company — Analysis—Stewart-Eubanks-Meyerson & Co., 216 Montgomery Street, San Francisco 4, Calif.

Electro Instruments — Memorandum—N. C. Roberts & Co., Inc., 625 Broadway, San Diego 1, Calif.

Executive House Inc.—Analysis—Straus, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill.

FMC Corp.—Memorandum—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Fifth Avenue Coach Lines—Report—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y.

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Chase Bank Names Nolan

Joseph T. Nolan has been named Vice-President, public relations of the Chase Manhattan Bank, it has been announced.

Mr. Nolan has over-all responsibility for press relations, editorial services, community relations, public affairs and special events.

Before joining Chase Manhattan last February as director of public relations, Mr. Nolan had been manager of editorial and publication services for the Radio Corporation of America. He had served previously as an editor in the Sunday Department of The New York *Times*, a Washington correspondent for United Press International, and a reporter for The Worcester (Mass.) *Gazette*.

Drake Installs Teletype Network For Municipals

Drake & Company, 111 Broadway, New York City, brokers in tax-exempt securities, have announced the installation of a private teletype network to help promote a more rapidly functioning secondary market for tax exempt securities between the firm and over 90 active municipal bond dealers and dealer banks in the New York City area.

J. B. Hanauer Admits Tecott

NEWARK, N. J.—Richard Tecott has been admitted to partnership in J. B. Hanauer & Co., 9 Clinton Street, dealers in municipal bonds specializing in New Jersey issues. Mr. Tecott has been associated with the firm in the Trading Department.

Hanauer, Stern Formed in Newark

NEWARK, N. J. — Hanauer, Stern & Co., dealers in municipal bonds, has been formed with offices at 1180 Raymond Boulevard. Principals of the firm are William Hanauer, Jr., Irving Stern, Eugene L. Stern, and Eugene R. Angiulli.

IBA Announces 1963 Convention

The Investment Bankers Association of America will again hold its annual convention at the Hollywood Beach Hotel, Hollywood, Fla., in 1963. The IBA will convene from Dec. 1 to Dec. 6.

Synthetic Grows Up

Synthetic rubber is expected to account for 73% of U. S. rubber consumption in 1962, according to Dr. A. J. Ashe, Director of business research for The B. F. Goodrich Company. Synthetic production, which totaled only 24,000 tons in 1942, should surpass 1,200,000 tons this year, Dr. Ashe forecasts.

The Outlook for Profits in The Petroleum Industry

By Winfield H. Perdun,* *Faulkner, Dawkins & Sullivan, New York City*

New York securities analyst warns the petroleum industry to reduce its costs if it expects to improve profits in the years ahead. Mr. Perdun points out that the industry must expect to depend almost exclusively on its domestic sales — since exports have dropped to about 1½% of total export and domestic demand — in expressing reservations as to the industry's prospects to stimulate domestic demand for its products over and above the growth rate for energy as a whole. He doubts profits can be increased from rising prices and submits that crude oil prices are already high in relation to product prices. Individual companies, he adds, should individually, on their own initiative, discourage new investment by reducing production outlay spending to a lower level.

Profits of the domestic petroleum industry are today derived almost entirely from sales of petroleum and products in the United States. Export demand is now only about 1½% of total domestic and export demand. The consistent dwindling of export demand for many years has been a limiting influence on total demand upon the United States industry and has restricted year to year percentage gains to a lesser figure than has been the case for domestic demand alone. The practically nominal contribution of exports to current total demand and the expectancy that exports will not rise suggests the bulk of the drag exerted by receding exports is behind us and that future changes in total demand will, for all practical purposes, be the change in domestic demand.

Winfield H. Perdun

The recent changes in domestic demand have been:

	Thousand Barrels Daily	% Change
1957-1962	+1,382,000	+15.7
1952-1957	+1,538,000	+21.1
1947-1952	+1,827,000	+33.5

Recently Monroe E. Spaght, President, Shell Oil Company, addressing a New York group of financial analysis said that the current forecast of his Company was for an annual increment of 21.7% in domestic demand throughout the 1960's. Using this rate, projected 1967 domestic demand increases by 14.2% from 1962 to a level of 11,648,000 bbl daily. The increment in barrels is about the average of the last two 5-year periods. The percentage gain is slightly less than that of the past 5 years.

A First Time Possible Prospect

Any growth curve tends to lower percentage gains over an extended given period. This is an economic fact-of-life. The basic facts which confront the domestic petroleum industry with regard to future demand stem from the comparatively mature status of the United States as a consumer of energy, the probability that per-capita energy usage in coming years will increase but very little, and the competitive forces at work in the energy market which most likely may tend to restrict the gain rate for petroleum to less than that for energy as a whole. If the latter statement proves correct, the petroleum industry will be facing this fact for the first time in its history.

New conditions inevitably produce, over a period, new methods of meeting them. Serious doubts must be expressed concerning the ability of the industry to greatly stimulate domestic demand for its products over and above that growth dictated by the fundamental energy market factors. If these doubts are correct, then any ability to increase profits at any greater rate than that at which demand is likely to grow must arise from either increasing the price level for petroleum products or reducing the costs of doing business.

Before discussing these factors I should like to submit some figures (Table 1) which I consider of material importance. The industry statistical work conducted by the Petroleum Department of the Chase Manhattan Bank under the able direction of Fred Coqueron provides an invaluable tool in recording historical profits and operating data on a reliable and continuous basis and I, as well as the industry, acknowledge our debt to them.

Column 1 of Table 1 records for the past 15 years (1947-1961) the domestic earnings (derived from domestic and export business) of the Chase Manhattan petroleum group. Domestic earnings hit new all-time highs in both 1960 and 1961 although the "new-high" margin was small. Perhaps what many regard as a squeeze on profits is partly attributable to having an over-optimistic expectancy of the oil industry's profit-making ability, like the industrial executive whom I once called on who kept telling me business was "way below normal" when I knew the industry in general was really doing well. I finally learned his definition of "normal" was the best year he ever had. In any event, in the aggregate, 1961 can be considered as normal by using that definition. The figures in Col. 1 show sharp declines in earnings which occurred in 1949 from 1948 and in 1958 from 1957. These declines occurred almost immediately after prices had been raised sharply. Neither 1958 nor 1949 were good general business years, which suggests that perhaps oil prices are one of the last to rise in boom times. Domestic and export total demand receded slightly from the year previous in each instance.

Column 2, Table 1, shows total domestic and export daily average demand. Throughout the years the close correlation is self-evident; i.e., the level of demand does affect profits. The third step is to divide profits by demand and you emerge with what I have, for simplicity, called "annual earnings per barrel of demand" (Col. 3).

Except for the peak in 1948 and the above-average decline in 1958 there is a clear-cut and close correlation. The bad years (1949 and 1958) came after the product price booms which did not stick; but, look how well the industry came back in 1961 so that it almost equalled its 1956-1957 showing.

If we now go one step further we can see the influence of the price level. We do this by deflating the annual earnings per barrel of daily average demand by the IPAA weighted average wholesale value of products in 9 refinery markets (Col. 4). The resultant figure I express as "Earnings per Barrel per Dollar of Average Product Price." Here again is revealed the boom year of 1948. The 1947-1951 period was the best one. Excluding 1948 it averaged $57.1. The next 5 years averaged $50.9 and the last 5 years averaged $47.7. If the bad year of 1958 is thrown out, the average for this period was $49.7 or not much different than in the 5 years preceding.

I will grant there has been a squeeze since 1947-1951, but frankly I don't see much of a one since 1952-1956. The industry has had to run very, very hard to stand still in earnings related to both price and demand. Since the demand outlook is, as already mentioned, not an altogether bright one when compared with the past, it would appear that prices or costs are the answer.

Price Rise—Prospect

Viewing the problem from the stance of an outside observer I am unable to foresee any great improvement in prices. Experience inclines me to the belief that with surplus capacity the order of the day, and likely to prevail for some years, industry average prices are not likely to rise much. Putting it another way, it is possible the IPAA average might recover to around $4 per bbl which would be about halfway between the $3.87 of last year and the $4.24 of 1957. As a statistical exercise, if allowance is made for demand gains and the other factors, the domestic earnings of the Chase Manhattan Bank group in 1967 might be around $2,422 million or about 20% above those of 1961. Actually, the possible dollar

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TABLE I

	Domestic Earnings Chase Manhattan Series Millions	Daily Average Domestic & Export Demand Thousands of Bbl.	Annual Earns. Per Barrel of Demand	Average Product Price FromBarrel of Crude (IPAA)	Annual Earns. Per Barrel Per Dollar of Average Product Price
1961	$2,003	9,945	$201	$3.87	$51.9
1960	1,947	9,863	197	3.84	51.3
1959	1,794	9,662	186	3.87	48.0
1958	1,437	9,359	154	3.89	39.6
1957	1,897	9,386	202	4.24	47.6
1956	1,864	9,209	202	3.96	51.0
1955	1,686	8,827	191	3.81	50.1
1954	1,468	8,115	181	3.73	48.5
1953	1,589	8,005	199	3.76	52.9
1952	1,451	7,712	188	3.62	51.9
1951	1,546	7,463	207	3.69	56.1
1950	1,346	6,812	198	3.48	56.9
1949	1,143	6,130	186	3.34	55.7
1948	1,598	6,143	260	3.70	70.3
1947	1,026	5,902	174	2.91	59.8

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

BANK STOCK PRICES—

The Dow-Jones Industrial Index of 30 stocks declined 26.2% from its high in the early part of 1962 to its low in the summer. From the low to the present level the recovery approximates 35%.

Looking at bank stocks prices from the high to the low points in the market one can easily ascertain that the declines were generally greater for these stocks and also the recovery has been not as great. It is necessary to note that the change in Regulation Q was announced in December of 1961 with a resulting drop in bank stock prices. The rest of the securities' market had its initial decline after the first of the year; therefore, if one were to measure the decline in bank stock prices from that date, it would have been even greater.

Historically bank shares have been considered as yield vehicles; however, there is little opportunity for high yield at the present time with the exception of Philadelphia banks. On an earnings basis, however, bank shares are still selling at realistic prices.

As to the outlook for bank earnings over the long run, they seem to be considerably enhanced for several reasons. The latest Federal deficit estimates are running higher than $8 billion for 1963. The record peacetime deficit was $12.4 billion in 1959 but has never approached the current estimate of more than $8 billion except for that one year. In view of the fact that 1963 is now half completed estimates are being made for fiscal 1964. Some financial writers indicate that $15 billion is not out of line. This not only means more money in the banking system, but also a greater national debt and a higher interest paid on this debt. All of these compounding factors are suggestive of higher rates.

Also of importance to the banking system is the Presidential report on banking which should bring about some distinct changes in both branching and banking regulation. Although any immediate changes in legislation permitting extension of banking may be costly the long run should produce favorable earnings results.

Although bank stock prices seem modest and further recovery may occur, in any general market decline these stocks are vulnerable. However, this vulnerability seems to be limited in view of the character of the holder. Most bank shares are held by banks, insurance companies, trust companies, and mutual funds. The institutional holder seldom liquidates large blocks of more defensive stocks in a declining market, therefore it appears that the price vulnerability of bank shares is somewhat more limited than the vulnerability of many other groups of stocks.

	Current Price	% Decline From High to Low in 1962	% Rise From Low Price in 1962
Bankers Trust	$53	38.6%	23.0%
Chase Manhattan	75	35.2	23.0
Chemical Bank N. Y. Trust	83	34.0	25.8
First National City	89	32.7	20.2
Irving Trust	45	34.0	21.6
Manufacturers Hanover	53	39.6	29.2
Morgan Guaranty	122	30.5	17.3
Bank of America	56	35.4	33.4
Continental Illinois	140	38.5	21.6
Crocker-Anglo Nat'l Bank	49	41.1	48.5
First Nat'l Bank Boston	85	32.4	23.2
First Nat'l Bank Chicago	73	34.5	21.6
First Pennsylvania	30	32.4	20.0
Mellon Nat'l Bk. & Trust	63	34.1	12.5
National Bank of Detroit	62	34.2	24.0
Republic National	61	43.3	19.6
Seattle-First National	58	38.5	26.4
Security-First National	72	35.0	14.9
Wells-Fargo Bank	58	41.5	28.9

CORRECTION ON PREVIOUS COLUMN

The Column in our Nov. 22 issue, captioned "The Outlook for New York City Banks" included a table showing various statistics pertaining to a group of New York banks and three utility companies. Due to an error, the "Price/Earnings Ratio" heading erroneously carried the symbol † and the applicable footnote read "Ex-dividend." Also, the average p/e ratio for the six banks used in the analysis should have been 15.4, not 17.1.

The State of TRADE and INDUSTRY

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

The fact that business has been improving rather than declining as heretofore predicted supplies a healthier undertone to the economy's complexion.

This week's monthly *Economic Letter* published by the First National City Bank of New York discusses possible near-term developments including capital spending, industrial production and retail sales.

The Bank notes that: "November has come and gone without confirming what was so widely feared during the stock market break six months ago—that the end of the year would show the nation sliding off into another recession. On the contrary, business reports received during November indicated that activity was being well sustained. The decisive way the Cuban crisis was handled lifted national morale and may have tipped the scales toward somewhat greater willingness of people to go ahead with new projects. The broadening of public support for the Administration's tax program has improved the prospects for tax cuts and is leading to tentative upward adjustments in business projections.

"The stock market—variously motivated by signs of improving business, possible tax cuts and the inflationary potential of Federal spending plans—has responded with a rise that carried the Dow-Jones industrial average on Nov. 29 to 653, a recovery of more than half the loss between last December's high and the June low.

"In general, business expectations have improved as the fall season has progressed. Even the most bearish have been impressed by the extremely favorable reception of the '63 model autos. Other encouraging reports for October included a 3% rise in new orders for durable goods, new records in personal income and retail sales, and a rebound in housing starts. Industrial production, construction activity, and employment continued at high levels in October.

"Clearly, these reports of records and near-records show that the economy is not in the recession that many had expected before the end of the year. Moreover, most of those who have been anticipating a dip in 1963 are now talking in terms of a shallower decline than they were before, and an increasing number are venturing the thought that we may get through 1963 with no recession at all.

"The Department of Commerce calculates the gross national product for the third quarter at an annual rate of $555.3 billion; a rate of $560-565 billion in the fourth quarter, now rather widely expected, would bring GNP for the year to $554 billion, a gain of 7% over 1961's $519 billion. The Administration's forecast for 1962 of $570 billion (later revised to $567 billion) would have required an increase near 10%. But private forecasters have tended to regard $570 billion as a bit on the high side even for next year. Yet, with policies oriented toward sound encouragement of a growing economy, we should be able to improve upon that figure.

Capital Expenditure Plans

"Business plans for expenditures on new plant and equipment, as reported in the McGraw-Hill fall survey, indicate a modest increase to $38.2 billion in 1963, compared with $37.2 billion scheduled for 1962 and the previous record of $37.0 billion in 1957. The 1963 figure is about on a par with the rate of plant and equipment expenditures anticipated for the current quarter.

"Manufacturers, according to the survey, expect to increase capital spending only 1% in 1963 over 1962. At this rate, outlays would fall short of the 1956 and 1957 totals. In manufacturing as a whole, operations were only 83% of capacity in September, compared with a preferred operating rate of 90%, according to McGraw-Hill. Slack capacity, evident in many industries, has led to competitive pressures on prices which have squeezed profit margins and rates of return on investment. In such circumstances, it might seem remarkable that manufacturers are planning to invest $14.8 billion for still more plant and equipment next year. Yet the investment necessary for modernization, cost cutting, and bringing new products to market is critically important if the economy is to go ahead.

"Construction expenditures of all types are expected to advance 3% to $63.3 billion in 1963 from $61.2 billion in 1962, according to forecasts by the Department of Commerce. This estimate embraces a continued moderate gain in private housing starts, from 1,304,000 units in 1961 to an estimated 1,425,000 in 1962 and a projected level of 1,450,000 in 1963. The Department also anticipates increased spending on commercial and industrial buildings and on public works.

High-Level Output

"Since midyear, industrial production has flattened out after a 16% rise from the low point in January 1961. Now on a revised base of 1957-59=100, the seasonally adjusted Federal Reserve index fluctuated narrowly between 119 and 120 from July through October. November output may show some improvement as a result of increased defense ordering, continued high automobile assembly schedules, and a contraseasonal rise in steel production. Steel demand appears at last to be free of the drag of excess of steel stocks, acquired early this year, and the industry is looking for increased orders more closely in line with metalworking activity.

"The automobile industry has repeatedly boosted assembly schedules this fall in response to a sustained high level of sales. The latest schedules call for an unprecedented fourth quarter production of 2,069,000 cars, swelling the calendar 1962 total to just shy of seven million. Only in 1955, when 7,942,000 cars were turned out was this output mark exceeded.

"October and November sales ran higher than in the corresponding months of last year or the record year of 1955. In the 30 days ended Nov. 20, sales averaged 26,750 per selling day, one of the best 30-day periods in recent years.

"Hopes are that, despite some seasonal decline in December, domestic car sales in calendar 1962 may total nearly 6.8 million. If imported models are included, the total may go over 7.1 million, up nearly 1.2 million from 1961. In the unparalleled year 1955, dealer sales reached 7.4 million for domestic autos and 58,000 for imports.

"The rapid pace of auto deliveries in October pushed total retail sales, seasonally adjusted, past the $20 billion mark for the first time. Department store reports show improvement in November; sales for the four weeks ended November 24 were 3% ahead of 1961. The National Retail Merchants Association anticipates that Christmas sales volume will run about 4% above last year's record."

Bank Clearings Increased 8.4% Above 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, Dec. 1, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 8.4% above those of the corresponding week last year. Our preliminary totals stand at $33,457,378,668

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Stiffened British Attitude Towards Common Market

By Paul Einzig

Braking pressures slowing down Britain's entry speed into the ECM are said to come from: (1) opposition to the idea splitting even the Conservative Party; (2) President de Gaulle's recent victory and unencouraging stance held; and (3) the easing of the Berlin-crisis. Dr. Einzig blames the ups and downs of the outlook for joining the "Big Six" for the unsatisfactory business conditions in Britain which, he adds, is not helped by the Government's growing unpopularity with the middle class. The latter, he finds, has evolved from the Government's refusal to moderate labor demands and to exact from labor a "quid pro quo" to hold back wage demands whenever granting concessions to organized labor.

LONDON, Eng.—A few weeks ago it looked as if the British Government had definitely decided to join the Common Market on any terms that were to be obtainable. Although the British representatives at the Brussels talks continued to go through the gestures of hard bargaining, their position was difficult because the representatives of the six E.E.C. countries, being aware of that decision, saw no reason for making concessions. It was expected that in a matter of months, Britain would sign anyhow on the dotted line.

Largely as a result of the outcome of some recent Parliamentary by-elections, at which the Government lost much ground, the British attitude is now believed to have stiffened perceptibly. It is becoming increasingly evident that the idea of joining the Common Market is not nearly as popular in the country as the British Government had supposed it to be. The revival of the Liberal Party, which was such a prominent development in British politics until recently, seems to have become reversed, because the Liberals are also in favor of joining the Common Market. On the other hand, the Socialists have been gaining ground precisely because they alone among the three Parties are opposed to joining the Common Market.

Misled by Own Propaganda

As is very often the case, the Government appears to have allowed itself to be misled by its own propaganda and also by that of a relatively small but very vocal minority agitating in favor of joining the Common Market. The enthusiasm of that minority for the European idea has proved to be, however, far from infectious in the country. It is true there are many supporters even among the ranks of the Socialists. But very few of pro-Common Market Socialists feel sufficiently strongly about it to vote Conservative because their own Party is opposed to joining. On the other hand, a very large number of Conservatives feel so strongly against joining the Common Market that they express their disapproval of their Government's policy by abstaining from registering their votes. In many instances they even go so far as to vote for the Socialist candidate, feeling as they do that even the advent of a Labour Government would be a smaller evil than joining the Common Market.

Other Factors

Admittedly, the decline in the Conservative vote in the country cannot be attributed exclusively to the decision to join the Common Market. To a very large extent it was due to the Government's inability to take a strong line to organized labor. There has been lately an endless succession of unilateral concessions—measures to stimulate business revival, relaxation of wage restraint, etc.—without doing anything about ensuring that the community received something in return for such major concessions. The result is that the middle class voters are beginning to feel that, since the Conservative Government is pursuing a Socialist policy, there is nothing to choose between the two parties. Little do they realize that the Labour Party, once in office, would have to outbid the Conservative Government in pampering the working classes.

It remains to be seen whether the Government will heed the lessons taught by the recent by-election results and modify its attitude towards the working classes. There is a growing trade union pressure in favor of large public capital expenditure in order to reduce unemployment. This would be an ideal opportunity for the Government to make the adoption of such measures conditional upon acceptance of a wage policy in order to bring to an end the present system under which there is a constant process of "leap-frogging" of wage increases granted to various unions. But it seems highly doubtful whether the Government will take advantage of the opportunity. On the contrary, wage increases are now viewed with favor in official circles, because it is hoped that an inflation of purchasing power would go a long way towards solving the unemployment problem. In several recent instances the Government itself granted 6% pay increases. This gave rise to some criticism of the new Chancellor of the Exchequer, Dr. Maudling, on the ground that he is trying to reduce a 2% unemployment with the aid of a 6% inflation. His predecessor, Mr. Selwyn Lloyd, who scrupulously abstained from criticising the Government until now, has now come out openly with outspoken criticism of the abandonment of the pay restraint policy.

Berlin and deGaulle

As the Government is obviously not prepared to try to regain middle class support by taking a firmer line towards the working classes, it is inevitably drifting towards meeting pressure on the part of its anti-Common Market supporters. It seems, therefore, probable that the British negotiators in Brussels will hold out for better terms. In view of President deGaulle's victory at the election, it seems probable, however, that the French attitude will now be more uncompromising than ever.

In the circumstances it is advisable to envisage the possibility of a breakdown of the Brussels discussions, or at any rate its indefinite prolongation. It is now by no means certain that 1963 would see the conclusion of an agreement.

Another influence working in the opposite direction is the relaxation of the international political tension. An acute crisis over Berlin might have induced France to waive opposition to Britain's entry into the Common Market for the sake of ensuring a united front. Now that such an acute crisis does not appear to be imminent, the French Government may feel it could afford to bar Britain's entry. The worst of it is that the ups and downs of the outlook for an agreement create a feeling of utter uncertainty which must be largely responsible for the unsatisfactory business conditions in Britain.

Philip Sporn Creates Student Loan Funds

Establishment of "The Philip and Sadie Sporn Loan Fund" at two leading engineering schools, those of Columbia University and Cornell University, was announced Dec. 3 by Philip Sporn, Chairman of the System Development Committee of the American Electric Power Company and its retired President.

Philip Sporn

The two student loan funds of $50,000 each were made possible by the gift of $100,000 to the newly created Philip Sporn Educational Trust by almost 9,000 employees of the AEP System, and by the company itself, on occasion of Sporn's retirement as President one year ago.

Mr. Sporn also disclosed that he is hopeful of establishing a third such loan fund at an engineering school in the seven-state operating territory of the AEP System, pointing out that the initial amount of $100,000 had now grown to $104,000.

In his announcement, Mr. Sporn said that he had given "a great deal of thought" to ways of putting the fund to use most beneficially and consistent with the aims of its contributors. He said that the loan program was designed to promote two ideas: (1) the conviction that any boy or girl ought to have the privilege of receiving a higher education to the fullest extent possible regardless of financial ability, and (2) the need to encourage among young people who are helped in their education their acceptance of social responsibility to the generations that will follow them.

To Be V.-Ps. of Barret, Fitch

KANSAS CITY, Mo.—On Dec. 14 George B. Ashby and Fred C. Van Bebber will become Vice-Presidents of Barret, Fitch, North & Co. Incorporated, 111 West 10th Street, members of the New York and Midwest Stock Exchanges. On the same date, Elaine Patterson will be named Secretary of the firm.

COMMENTARY...

BY *M. R. LEFKOE*

In recent weeks, the cry of government censorship has been echoing from one end of our nation to the other.

During the Cuban crisis, our government put a tight lid on its activities and through a slip of the tongue, finally admitted that it had been deliberately distorting its press releases in order to use newspapers as a "weapon" in its foreign policy. Our nation's press, realizing that its very existence was at stake, responded immediately. Editorials and columnists led the attack by pointing out the implications and consequences of government censorship, while news and feature articles provided support in the form of documented stories of the actual facts.

Grounds for Skepticism

The furor subsided almost as quickly as it began. The press virtually abandoned its slashing attacks on government censorship last week following an announcement that the State Department had suspended its regulations requiring all officials in the department to report on their contacts and discussions with newsmen. Since the more radical Pentagon directive regarding news-control is still in force, some members of the press still are not completely convinced that the government intends to provide them with accurate and complete news releases in the future. Nevertheless, most people already have begun to forget the issue, secure in the knowledge that the Constitution guarantees that "Congress shall make no law . . . abridging the freedom of speech, or of the press."

What most Americans have not yet come to realize is that, despite the apparent protection afforded them by the Constitution, freedom of speech and freedom of the press exist no longer in this country.

While America still preserves the outward appearance of a country in which free speech and a free press are inalienable rights, beneath the surface our government has been undermining these rights in much the same manner as it has undermined and effectively destroyed private property.

Problems of the TV and Radio Industry

Owners of radio and television stations are allowed to operate their stations only at the sufferance of the Federal Communications Commission; books deemed to be "offensive," either by law or edict, regularly are banned in many cities and states; movies which offend the sensibilities of small censorship committees are banned as a matter of course in many communities. The Federal Government's decision that it should be the sole judge of what the public should or should not know and its program to withhold and distort news on a national level are only the culmination of a long chain of events which already have destroyed a free press in America.

Look at the Record

Consider carefully the following excerpts from newspaper articles and court decisions, and remember that the events described are taking place in the United States, the people involved are American citizens—individuals like yourself:

Business Week, Aug. 4, 1962: "In ordering a Kingstree (S. C.) radio broadcaster to 'wind up his affairs' by Sept. 25, the commission [FCC] claimed the right to lift a license when it finds that program content fails to serve the public interest."

Variety, Dec. 8, 1961: "NBC's Robert Sarnoff and CBS's Frank Stanton challenge 'interference' by government in programming content."

Los Angeles *Herald-Examiner*, March 16, 1962: "Found guilty of selling 'Tropic of Cancer,' in violation of the state's obscenity laws, Hollywood (Calif.) bookseller Bradley Reed Smith, 32, today was sentenced to 30 days in the City Jail as part of one year's probation."

Los Angeles *Times*, Dec. 25, 1961: "The Chicago postmaster tells a reputable publisher his book on birth control cannot be mailed. . . . The law [which justifies this mailing ban] places family planning in the same category as filthy postcards."

New York *Herald Tribune*, Oct. 17, 1961: "Several hundred copies of Henry Miller's controversial novel, 'Tropic of Cancer,' were confiscated from local [Newark, N. J.] stands Saturday as Newark joined the growing crackdown on the book."

Variety, Dec. 28, 1961: "Chicago passes new, tough picture censorship law designed to bypass court rulings."

Los Angeles *Herald-Examiner*, May 27, 1962: "The State Department has told Senate investigators it cut the word 'victory' from a general's speech because it implies an 'all-or-nothing approach leaving no room for accomodation' [with communism]. . . ."

Announcement by Arthur Sylvester, Asst. Secretary of Defense for Public Affairs, Oct. 30, 1962: "I can't think of a comparable situation, but in the kind of world we live in, the generation of news by actions taken by the government becomes one weapon in a strained situation. The results, in my opinion, justify the methods we use. . . . News generated by actions of the government as to content and timing are part of the [President's] arsenal of weaponry . . ."

New York *World Telegram*, Sept. 18, 1961, (one year before the Cuba crisis "justified" the distortion and withholding of news as a government "weapon"): "The restrictions on the release of information being enforced by the White House and the Department of Defense are starting to reach alarming proportions."

Look Magazine, Aug. 28, 1962: "The Federal Bureau of Investigation questioned six newsmen in connection with stories concerning policies of the Kennedy Administration."

Warren's Dissent

A dissenting opinion written by Chief Justice Warren in a case involving censorship of motion pictures (Times Film Corp. vs. City of Chicago), in which the Court ruled in favor of the censor, January, 1961: "The decision presents a real danger of eventual censorship for every form of communication, be it newspapers, journals, books, magazines, television, radio or public speeches. . . . I am aware of no constitutional principle which permits us to hold that the communication of ideas through one medium may be censored while other media are immune. . . . It is not permissible, as I read the Constitution, for government to release one movie and refuse to release another because of an official's concept of the prevailing need or the public good."

Last Chance

Regardless of what injustices a government perpetrates upon its citizens, as long as written and vocal dissent are possible there is still hope. But if a government is able to effectively silence the press and individual protests, it has become a dictatorship. If America is not to lose its last hope for freedom, the time to act is now. We won't have another chance.

New Sec. Rules For Inv. Cos.

The Securities and Exchange Commission has announced the amendment of Rules 31a-1 and 31a-2 and the adoption of a new Rule 31a-3 under the Investment Company Act (Release IC-3578), relating to records to be maintained and preserved by registered investment companies, certain majority-owned subsidiaries thereof, and other persons having transactions with registered investment companies. The amended and new rules will become effective Jan. 1, 1963.

Rule 31a-1 as now in effect prescribes in general terms the accounts, books and other documents required of every registered investment company and certain of the persons enumerated in Section 31(a) of the Act, as well as the required periods of time the various records shall be kept by them. Rule 31a-2 as now in effect prescribes, also in general terms, the record-keeping requirements of other persons enumerated in Section 31(a), together with the minimum periods of retention thereof.

As a result of its experience derived from inspections of investment companies, it appears to the Commission that its existing rules regarding the records to be maintained and preserved by registered investment companies, certain majority-owned subsidiaries thereof, and other persons having transactions with registered investment companies lack sufficient specificity and detail. Accordingly the Commission deems it to be in the public interest and in the interest of investors to amend the existing Rules 31a-1 and 31a-2 by prescribing, with greater specificity and detail, the records required to be kept of securities transactions and by prescribing the keeping of certain memoranda and documents not previously required. The Commission's new rule 31a-3 sets forth certain requirements in circumstances where the records which are required to be maintained and preserved pursuant to the provisions of Rules 31a-1 and 31a-2 are prepared or maintained by others on behalf of the persons required to maintain and preserve such records.

Washington Power Unit to Market $130 Million Issue

The Washington Public Power Supply System on Nov. 29 sold $1,000,000 Hanford Electric Project Revenue Notes, due Dec. 1, 1964 to Seattle Trust & Savings Bank, on a bid which set a net interest cost of 1.895%. The Seattle-First National Bank also submitted a bid.

Proceeds from the sale will be used to pay the cost of engineering studies and surveys, and other preliminary professional services, in the preparation of plans for the construction of an electric utility system based on the Hanford Electric Project.

The sale is the prelude to the largest financing project yet undertaken on a competitive bidding basis in the Pacific Northwest. According to J. Basil Ramsey, president of Wainwright & Ramsey, Inc., financial consultants to the Washington Public Power System, the Hanford Project will require an estimated $130,000,000 of revenue bond financing. It is expected that the issue will be offered for public sale around April 17, 1963.

Mr. Ramsey expects that at least two, and possibly three, syndicates will bid on the revenue bond issue.

Information meetings are planned to be held in New York on April 8, 1963 and in Chicago on April 9. The official statement may become available on April 3, he said.

The Washington Public Power System will sell approximately half of its power to private interests and the remainder to the Bonneville Power Project at Portland, Oregon.

Trayser Joins Auerbach, Pollak

NEW YORK CITY, N. Y.—Malcolm L. Trayser has joined the Institutional Research Department of Auerbach, Pollak & Richardson, 30 Broad Street, New York City, members of the New York Stock Exchange, it has been announced by Richard E. Jennison, Director of Institutional Research.

Previously, Mr. Trayser was Drug and Chemical Analyst for White, Weld & Co. Prior to that he was Market Analyst responsible for diversification and new-product analysis on petrochemicals for Atlantic Refining Company and before that he was with Interchemical Corporation as an Administrative Assistant for Production in the Textile Colors Division.

Outlook for the Canadian Steel Industry

By D. S. Holbrook,* *President, The Algoma Steel Corp., Ltd., Sault Ste. Marie, Canada*

Canadian steel head discusses the remarkable growth of the steel industry to where, in averaging 7% per annum growth in the past decade, it now exports more steel to U. S. A. than it buys, and its record high output of 7 million tons of ingots will be 10% above last year's. Mr. Holbrook is troubled by the faltering domestic consumption of steel; discusses various factors affecting the industry's near future; and offers an optimistic long-run appraisal of the industry's future.

This year of 1962 will have two distinct highlights for the Canadian steel industry.

It will be the first year when raw ingot steel production approaches or reaches 7,000,000 tons and the first year when steel exports will probably exceed imports.

A production of 7,000,000 tons of ingots will be 10% above last year, and about double that of 10 years ago. It represents an annual growth rate of about 7% during the last 10 years, and this growth has been sustained in the years since 1957, when there has been a buyers' market and offerings from all quarters.

The predominant reason for such growth has been the drive for self-sufficiency on the part of the Canadian steel industry. This has resulted from not only a considerable increase in the types of products made, but also the Canadian mills' ability to meet the quality, price and delivery offered by industry outside of Canada.

Since the mid 1950's when Canadian mills supplied an average of only 65% of Canada's steel needs, the industry has commenced the production of large diameter pipe for gas transmission, seamless pipe in a greatly expanded range, electrolytic tinplate, continuously galvanized sheets, silicon sheets for the electric industry, wide flange beams, and a whole range of flat rolled stainless steels. It has also increased the size range of plates, skelp, and hot and cold rolled sheets offered.

This has resulted in a much lower dependence on imports, and an increase in Canadian use of Canadian-made steels. This year almost 90% of Canadian steel used will be home-made and less than 600,000 tons imported.

This is remarkable indeed when it is considered that only five years ago, imports of rolled steel exceeded 2,000,000 tons, and accounted for more than 35% of all the steel used in the Dominion.

We have about reached the limit on replacement of imports, however, and Canadian growth from this source will slow down. I doubt if the remaining 10% is economically replaceable.

Changing Steel Trade With U.S.A.

A big contributory reason for high Canadian operations this year lies in the changing steel trade with the United States, which historically had been our big supplier. As late as five years ago, we imported 1,600,000 tons of steel from the United States and exported only 50,000 tons. This year we will export more steel to the United States than we buy.

Steel export business has been a prominent factor in the growth of our industry. Since 1960, and prospectively this year, 12% to 15% of all steel made has been exported. Exports are not as satisfying to the trade as displacement of imported steels, as their volume depends on world prices and demand, credits, politics and the value of the Canadian dollar. The combined effect of the industry's replacement of foreign steels and its export effort will be to improve Canada's 1962 international "balance of payments" for steel by over $250,000,000, when compared to the year 1957.

It would be comforting to be able to report that there is an increase in the overall use of steel in Canada, but this is not the case. There has been no discernible overall trend in the last five years, with some improvement in consumer steels being offset by decreases in construction.

Lack of Domestic Steel Consumption

Increased Canadian use of steel will depend heavily on stepping up the tempo of steel consuming secondary industries and construction.

The steel industry sells mostly to secondary industry and is heavily dependent on it. It can only indirectly increase steel use through providing better values to its customers, and this it has done. Values in this case are better price, delivery, quality and improved strength.

On the other hand, there is an increasing recognition of the value of manufacturing in the Canadian economy, and per capita consumption of steel should show an upward trend.

Demand for steel in Canadian commerce is currently stronger than the 10% gain from last year would indicate.

Exports of semi-finished steel will be considerably lower than last year and steel used in large pipe projects in 1962 will also be lower. On the other hand, the bellwether shipments to wholesalers and warehousers, automotive industries, building construction, machinery and tools, and the pressing and stamping industries will all be higher than last year by 15% to 20%, a solid gain.

The last quarter of 1962 promises generally to maintain the record pace of the year to date, but it is most difficult to evaluate 1963 gains or losses from this plateau. Order backlogs in the historic sense are almost nonexistent. In the mid-50's the industry would comfortably count on a 4- to 6-month backlog, and every man could be an authority on what lay ahead. A surplus of capacity, tight competition, and good delivery performance on the part of Canadian mills all have reduced backlogs for most products to less than four weeks, and this has been the case for the last several years.

There is some thinking that the Canadian Government's Austerity Program will cut steel orders for public works construction in the coming months, and that tight money and higher interest rates will cut capital investment for expansion and replacement. On the other hand, the growing demand for natural gas will be a stimulant to the steel business, and particularly due to the depressed Canadian dollar, export business will continue good in 1963. On balance, steel business in the first half of 1963 should be about equal to, but hardly higher than in 1962. This assumes that there will not be a pronounced drop in the overall Canadian economy in the first half of 1963.

Cost of coal and ore which is imported from the United States for Ontario industry has risen in 1962, due to the cheaper Canadian dollar, and labor costs continue to grow.

However, competition from other materials, off shore competition of foreign steels and surplus capacity in Canada in most steel lines will discourage compensating general price increases.

Optimistic About the Long Run

The long range outlook for steel cannot help but be favorably affected by the rapid advances being made by the technology of the industry.

The last six or eight years have seen very great progress in all divisions of steel manufacture, more so than in the previous 50.

In smelting of the ores, improvements accomplished by cleaning all metallurgical coal, concentrating, pelletizing and sintering of the iron ore burdens before smelting, and the introduction of gas or oil into blast furnaces as a supplementary fuel, have doubled the potential capacity of a blast furnace unit, and made it vastly more efficient.

In steel refining, the use of oxygen in the Open Hearth, and the introduction of the L-D Oxygen Process have revolutionized the steelmaking process, and steel furnace output has been increased three and four fold.

In steel rolling and processing, electronic controls have made possible the production of steel at higher speeds and with closer tolerance and better finish than was ever possible a few years ago.

Metallurgical research has given the trade better steels and the customer better values for his money. Structural steels available for bridges and steel framework today offer a third greater strength but with a price of only 3% higher than the standards of a few years ago, and in more efficient forms.

New developments are still to come. Partial reduction of iron ores outside the blast furnace will continue to improve the smelting process, continuous casting of steels will simplify their manufacture, new higher strength steels will promote more efficient construction and lighter transport. Corrosion resistance of many steels in critical locations will improve.

These developments, mostly born in a search for improved steelworks efficiency and broadened sales, will have a telling effect on steel industry outlook.

Iron and steelworks capacity is going to increase, incidental to the search for improved efficiency and is bound to keep ahead of Canadian demand.

The concept of obsolescence, up to a few years ago an academic factor in steel industry economics, is going to be increasingly realistic, and the industry must continue to invest heavily in plant.

This year, the industry will spend almost $150,000,000 on capital account, and in the last five years, the industry has added an average of almost 12% annually to its investment in property and equipment, a rate which is 40% higher than in the United States.

Progress comes surely in the steel industry, but it comes expensively!

*An address by Mr. Holbrook before the National Industrial Conference Board's 425th Meeting, Montreal, Canada.

LETTER TO THE EDITOR:

Says Wharton Study Missed Singular Fund Contribution

Head of Life Insurance Investors, Inc., describes uniquely important contribution of the mutual fund industry generally overlooked in the heat of the debate of the Wharton School study.

Editor, Commercial and Financial Chronicle:

Like others who are a part of the investment company industry, I have closely followed publicity given the Wharton report.

Without debating the merits or demerits of the report, I am surprised that no one has pointed out a most pertinent fact.

Obviously, to grow to the size of the $20 billion fund industry—and to do so within a relatively few years—an industry must make a definite contribution to the economy as a whole.

While there are a large number of reasons why funds have so rapidly become a major industry, none is more important than the role these companies have played in educating the public to investment fundamentals as a means of achieving definite financial objectives.

For instance, how many elderly people today enjoy a comfortable standard of living, along with their self-respect, because 10, 15 or 20 years ago they were shown the advantages of investing in a regulated, professionally managed fund? How many children are being educated, how many mortgages paid off through funds accumulated through the same medium? How many have more dollars today than they originally invested as an offset to inflation, how many have regularly received substantial returns on their investment as a means of meeting current living costs or other financial objectives? How many more will enjoy these advantages in the future because investment companies have patiently, persistently educated the public to systematic investment as a means of achieving ultimate financial objectives?

Along with contributing to better public understanding of investment fundamentals as a means of saving for the future, investment companies provide a convenient, practical means whereby the "little fellow" can acquire a growing stake in our expanding national economy—at the same time, through the aggregate savings of these small investors, channeling some $20 billion to date into the constructive expansion of our economy.

Add to these benefits the advantages of professional management, a high sense of trusteeship, experienced analysis and selection, a degree of diversification which the average investor cannot achieve, daily supervision, liquidity and other services—all of which combine to improve the small investor's chances of attaining his ultimate financial objectives—and it is readily apparent that the investment fund industry is "Big Business" because it has made, and is making a definite and substantial contribution to the economy as a whole. Moreover, it has done, and is doing so at a cost which averages out about the same, or less, than the odd lot price differential the small investor would pay in the market acting on his own!

Our average citizen enjoys the highest standard of living in the world. The investment fund industry, in rendering a constructive service to the public, has contributed to that high standard of living as well as to future well-being of the individual. These facts do much to explain why these companies have so rapidly become a major industry. Would it not have been a definite service in the public interest had there been some mention of these facts in the Wharton report?

Sincerely yours,
RAYMOND T. SMITH
President

Life Insurance Investors, Inc.
10 South La Salle Street
Chicago 3, Ill.

$105 Billion Spent for Oil In Past Decade

Capital and exploration expenditures by the free world's petroleum industry during the last ten years amounted to $105 billion, according to a survey of that industry released recently by the Chase Manhattan Bank.

"In this period, the industry carried on a broad program for developing new sources of crude oil, replacing worn-out equipment and expanding facilities," said the survey entitled Capital Investments by World Petroleum Industry.

"Approximately $60 billion or 57% of the outlay was made in the United States and $45 billion in other areas," the survey said.

"Capital expenditures for the ten-year period, amounting to $95 billion, were distributed by departments as follows: production 57%, transportation 14%, refineries and chemical plants 16%, marketing and other facilities 13%."

According to the report's statistical tables, a trend developed over the 1952-1961 period whereby a growing share of capital expenditures and exploration funds have been allocated to areas outside the U. S. In 1961, 50% of these funds were allocated outside the U. S. as compared with 34% in 1952.

The survey said that "of the total investment of $51 billion in fixed assets located outside of the United States, American oil companies contributed over $18 billion or 36%. Their participation in the various areas was as follows: Canada 16%, Venezuela 65%, Western Europe 23%, Middle East and other countries 30%."

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Security Salesmanship As A Career

This is the second in a series of articles dealing with the profession of security salesmanship. Other articles pertaining to this subject will follow.

Keep An Open Mind But Have A Mind Of Your Own

A security salesman is always the buffer between those who wish to distribute securities and his customers. He is the "moderator" through which all the "wheat and the chaff" must be evaluated and separated. In an open and free economy, under regulations imposed by government as well as the responsible members of his industry, there are (despite regulations) many variations of securities that are offered to the public. Some of these "offerings" run the gamut all the way from the most speculative and hazardous ventures to the soundest of conservative investment offerings. No salesman can learn too much about security values, the proper "timing" of his client's purchases, and the rules and regulations that surround his activities. A competent investment salesman must be a man of high character who would never willingly sell an unsound security to anyone. It is a big order.

Not only is it important to understand that there are often clever promoters who wish to dispose of overvalued securities in the "new issue" markets and seasoned securities as well, but in a volatile economy, such as ours, the public itself also causes much of its own undoing. The emotional traps that may engulf you, and the wide swings of widespread optimism and pessimism also create opportunities for profit and loss that are found in few other lines of endeavor. Just look back a few months and remember May twenty-ninth and the panic and chagrin that surrounded investors and speculators alike. The front page of your newspaper carried the story of the "market" and in a matter of hours the nation was concerning itself with depressions to come, a stock market "crash," and the doomsday that might lie ahead. Yet here we are in December, only a few months later, and the stock market is now recovering so rapidly that technicians, chartists, and expert analysts are befuddled and confused.

Have A Mind Of Your Oown

In the investment business we learn something almost every day. Just think of all the new industries that are constantly being born, and the competition that arises and takes its relentless toll of many an established business. Think of the legislation and its effects that is passed by each incoming new state and federal legislature. There is also foreign competition in some lines of business, and a new tariff policy (now created by executive decree and most probably unpredictable) can change the outlook for many a business. Then come the shifts in monetary policy, international upheavals, and the sudden swings in public attitudes that are the result. We also have increases in purchasing power created by government spending, and directed largesse to particular groups of our citizens that distort public buying power. There are plans for decreasing taxes, court reversals of long standing procedures in business and industry, labor legislation that can have an impact upon the profits of a business that cannot be predicted. Then add to this the "fad buying" of many products and securities, that has been accelerated by our vastly improved communication system (T.V., Radio, Magazines, and all branches of the Press, some financial services etc.), and you have a very generalized and still limited coverage of the analytical considerations that must be evaluated. In addition there are also the particular financial and human aspects concerning any business which you must consider before you entrust your client's capital to the vicissitudes, and the risks of investment, in these days and times.

It is no wonder that all investors make mistakes. Even when life was less complicated this was so. But it is more important today that you are aware of the factors that influence earnings, and the phase of the market in which you are working. I remember how easy it was to become "brainwashed" just a year and a half ago when the "fad" for electronic stocks was at its peak. Special market letters made their appearance recommending the stocks of small companies that had moved from a few dollars a share in market value to fifty, one hundred and more. I remember underwritings that made their appearance at prices that were astronomical when compared with even the wildest sort of "potential" for the future. Yet people grabbed them like pancakes in a lumber camp on a winter morning.

I looked at all this and wondered why I was so stupid. I couldn't stir myself to recommend or run after that kind of paper. Finally, I began to wonder if I was crazy. Possibly I was an old fogy who didn't belong in this modern age of miracles, electrons, and stocks selling at one hundred to two hundred times miniscule earnings. All the while I was being subjected to the pleas and implications of other investment men to recommend this stock and that stock, and I stood by and watched some of them make large profits for themselves and their customers.

Many of us went through this who have had long experience in this business. We saw the same thing in the thirties when prohibition was repealed and there was a fad for what was grandiloquently termed the "beverage stocks," and the Lord only knows how many more such "fads" in stocks and industries have happened before and since.

Try And Keep Calm And Objective

None of us can be 100% perfect in our recommendations. We all are human. I too recommended an electronic stock to many of my clients and they have large paper losses in it today. I finally made the mistake of locating a good small company with excellent, honest management, that had, and still has, a bright future. I compared it with other electronics and because this stock was only selling at fifty times earnings while many others were selling at much higher ratios, with no greater annual growth potential, I finally went in for a bundle. My customers still have it—I have it too. Yet, the other day I visited the company, spent an hour and a half with top management, and I obtained some very favorable information and I am convinced that at current levels anyone who buys it should eventually make a substantial profit, providing they are willing to wait from one year to possibly three or five years. Rome wasn't built in a day. Stock prices go up fast in a wild bull market, but they also come down a lot faster than they go up when the steam is out of the boiler. Then it takes years for a recovery.

Your Best Asset

But in conclusion, let us remember one thing when we review the complicated forces which we are attempting to evaluate in our daily work as security salesmen. Our customers are our bread and butter. Their capital, next to their health, is their most precious material possession. They cannot be expected to protect themselves from their own emotional weaknesses; their fears and their hopes, that often run to extremes. They cannot know when some group of promoters are motivating the press, the security firms, and the security salesmen, no matter how honest and well intentioned most of us may be. They cannot simplify the fundamentals that tell us what we should know by virtue of our experience, and our constant application to our job every day.

These people are our "resources." They provide our firms with a market, and American industry with the "risk capital" that creates economic progress. For this reason, it is our challenge as security salesmen to represent honorable firms that also appreciate their public responsibility. And also, we must constantly learn more each day so that we can intelligently guide our clients into investments that are suitable for them, selected with care, priced at levels that are realistic, and last but most important of all —we must remember our own mistakes so that we won't make them again—IF POSSIBLE.

To sum up: "Keep An Open Mind But Have A MIND OF YOUR OWN."

IBA Municipal Conference in '63

George B. Wendt, Chairman of the Investment Bankers Association of America Municipal Securities Committee and Russell M. Ergood, Jr., Chairman of the Subcommittee on the I.B.A. Municipal Conference, announced that the 1963 Municipal Conference will be held in Chicago at the Pick Congress Hotel on June 19 through 21. Details regarding program and registration will be furnished at a later date.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The demand for short and intermediate maturities of Governments evidently appears to be growing, since buyers of these securities are not only putting new money into them but they are also using the proceeds from the sale of other obligations to make commitments into these issues. There are indications that selected maturities of Government notes and short Government bonds are being bought in increasing volume by institutions that are not afraid to go out somewhat in maturity in order to get a higher rate of return.

The demand for short-term Governments is still very large and, if it were not for the increasing supply of the most liquid Treasury issues coming into the market for new money raising purposes, the yield on these securities would continue to decline. There is still enough uncertainty in both the domestic and international situation to keep the demand for the most liquid Government issues at a very high level.

Short Rates May Go Lower

The short-term investor is still very much interested in the most liquid Government issues even though a substantial amount of these funds are now finding an outlet in the intermediate term obligations. The 91-day Treasury bill is now giving way to the longest bill which is or was a 12 month issue in good sized volume, according to reports that are now making the rounds of the money market. In line with this modest lengthening of short-term maturities come indications that the certificates of indebtedness and selected Treasury notes are also being used in larger volume by those investors who in the past were inclined to remain very much within limits of the shortest maturities that were available.

The reason for this limited extension in maturity schedules is evidently due to the opinions that short-term interest rates are not going to advance very much if any from the current levels. In addition, the prospects are not considered to be unfavorable for a reduction in near-term rates in the not distant future.

British Bank Rate Cut A Possibility

It is believed by some money market specialists that economic conditions in other free world nations are such that a stimulant to business in those countries would not be an undesirable development.

One of the ways in which this could be attempted would be through the use of lower interest rates sponsored by actions of the Central Banks. Accordingly, a reduction in the British bank rate in the not too distant future would not be a surprise to many followers of the money market. If and when such a reduction in the English Central Bank rate should come about, some of the pressure would be taken off short term rates here, so that a decrease in our near-term rates would most likely be in the making.

It is for the maintenance of the necessary yield differential between short-term rates here and in London that the monetary authorities have been issuing large amounts of Treasury bills for new money raising purposes. When the yield spread is too narrow between New York and London the readily moveable funds will go from here to there and in this way aggravate our balance of payments problem.

New 3½s of 1965 in Demand

The newly created refunding issue, the 3½% note due Nov. 15, 1965, appears to be one of the well liked issues as far as those investors are concerned who have been inclined to make somewhat larger commitments than the longest Treasury bill. In addition, there are indications that funds are being put to work in this obligation that were made available through the sale of tax-exempt issues.

There appears to be as much liking for the 3% bond due in 1995 as ever, with indications that public pension funds continue to be the principal buyers of this obligation. There are other Government bonds that give a better yield to maturity than the long-term 3s, and those bonds are also being bought by invesors, but the 1995 bond maturity of the Treasury still has its own secure place in the spotlight as far as many long term investors are concerned.

Various 4% Issues Well Regarded

The 4% Government bonds coming due in 1969, 1971 and 1972 continue to find more purchasers, especially from those institutional buyers who are not interested in a long maturity in either the corporate or the tax-exempt bonds. This is an area which some bond specialists believe the Government could use to advantage for new money raising purposes when they believe conditions are right for it.

The Outlook for Housing In a Changing Environment

By Dale M. Thompson,* President, Mortgage Bankers Association of America and President, City Bond and Mortgage Company, Kansas City, Mo.

Mr. Thompson finds little to substantiate the prospect of a significant change between 1962 and 1963 in either the general economy or in housing. He predicts private, non-farm housing starts will increase from 1,350,000 to a high of 1,450,000 units in 1963 and, assuming no sharp increase in the demand for capital, that there will be sufficient credit at somewhat easier terms for increased housing starts. The mortgage banker analyzes the changing factors determining the housing volume; comments on the declining trend of FHA mortgages and the pressure for low-equity conventional loans; explains the growth of multi-family construction and rentals; and notes other imponderables such as anti-bias laws which may or may not influence residential construction.

It now appears likely that the economic recovery that began in February 1961, will continue through the remainder of this year. However, the economy has been moving sideways for some months — the recovery is losing steam. Nevertheless, the economy's performance during 1962 is discouraging only from the perspective of the wishful-thinking forcasts that emanated from Washington early this year. The Gross National Product in 1962 will be about $555 billion, 3% short of the projected $570 billion, but still a 7% increase over 1961. Similarly, private non-farm housing starts for the year will be below the earlier projection of 1.5 million units by more than 6%, but 10% above 1961. (Table I). Thus, the general economy and the housing segment can look back on 1962 as a good year.

Dale M. Thompson

Nevertheless, this is a difficult time for crystal ball gazing, as there are no clear-cut signs that the economy is about to move sharply in either direction. There has been a marked absence of the usual excesses during the recovery that tend to generate a subsequent slowdown in business activity. Inventories are not running sharply ahead of sales. Borrowing by business and consumers has not strained their financial resources. Wage and price increases have been moderate. Even the $6 billion Federal deficit for fiscal 1962 did not revive the inflation of earlier postwar recoveries.

On the other hand, there has been no apparent accumulation of unsatisfied demands on the part of the business or consumer segments of the economy. Consumer incomes and expenditures remain high. As indications of their approach to 1963, consumers have expressed more than passing interest in the 1963 model cars and, according to a mid-1962 survey future plans to buy houses were above the 1961 levels. Business investment is also high, but below peak levels that have marked significant expansion. Profits continue to be uninspiring.

Thus, the economy seems to be coasting in neutral, but at a high speed. Moreover, it has a full tank of fuel. Monetary and debt management policies have prepared the financial basis for further expansion by generating a high degree of liquidity. Savings are at high levels and free reserves of the banking system are at levels reminiscent of recession rather than recovery periods. (Table 2). The recent reduction in reserves requirements suggests a monetary policy of continued ease and more active pursuit of mortgages by commercial banks. Thus, the stage is set for further increases in business activity in 1963, if consumers and business choose to become more active. Some acceleration in their activities should follow from a Federal deficit in fiscal 1963 in an estimated range of $8 billion and the promised tax cut through reform legislation.

It appears, therefore, that any decline in business activity in 1963 should be shallow and short-lived. On the other hand, there is no evidence presently available to suggest a sharp recovery. Tax benefits to consumers will probably increase expenditures, but benefits to business will have a moderate influence on investment. The stimulus of recurring inflation has receded and a large portion of the nation's existing productive capacity remains unused. This suggests that a sharp recovery will be delayed until the nation's consumption volume has grown up to its capacity to produce, or a completely unheralded growth element enters the picture. I doubt that either event will occur next year, but still anticipate an overall improvement that should bring the Gross National Product above $580 billion.

Portent for Residential Construction

What does all this mean for residential construction in 1963? First, it appears that there will be an ample supply of credit available, probably at somewhat easier terms. The "floor" being maintained in short-term rates to avoid further gold losses and the level of interest rates being paid to attract savings will probably forestall any significant decline in mortgage rates. It is not likely that competition for long - term funds by nonmortgage users will materially influence yields or the availability of credit for mortgage borrowers.

For nearly 12 years after the end of World War II, a forecast of readily available credit would have been sufficient information to predict that residential construction activity would reach record levels, certainly in excess of the 1.5 million private nonfarm units started in 1959. However, the relative importance of the forces that determine the volume of residential construction and mortgage finance has changed. In this new environment, credit availability, though vital, is no longer the sole determining factor. In 1963 and at least for several years beyond, we will have to take greater cognizance of the demand side of the housing picture.

The simplified device of forecasting according to credit availability was useful so long as we could count upon a large backlog of unsatisfied demand to sop up the available credit supply. This, I am certain, is not new to mortgage bankers. Housing economists have warned us for several years that the stimulus of the low-production years prior to 1945 was disappearing. But credit availability seemed to continue its pervading influence as the stimulus of the prewar backlog was replaced by upgrading, migration, and new family formation. Mortgage terms were successively eased as we dipped into the lower income levels to augment the demand for housing. But these forces have also showed signs of weakening and, as a result, the demand for housing, rather than credit availability, is likely to be the limiting factor in housing and mortgage credit activity in 1963.

Alternatively, it can be argued that residential construction did respond to credit availability in 1962. In sharp contrast to previous recovery periods when credit restraint and rigid rates on FHA and VA mortgages choked off the supply of mortgage credit, residential construction has risen throughout the recovery that began in February 1961. However, the impact of ample credit was not fully reflected in the volume of residential construction. Many lenders seeking mortgages have been hard-pressed to produce them, particularly FHA and VA mortgages. To the extent that we can depend on qualitative opinions, some lenders had to seek investments elsewhere and some lowered their quality standards to obtain mortgages. Even then, the volume of activity generated fell behind 1959 and failed to match the earlier peak attained in 1955. Despite a significant volume of funds seeking mortgages and relatively little competition from other long-term users, the demand for housing failed to push production much above the level attained 7 years ago—not a very satisfactory rate of growth.

This should not be surprising. The prewar backlog is no longer in the picture. Upgrading has become increasingly difficult as smaller down payments and less inflation make it difficult to build enough equity in presently-owned housing to finance a new purchase. The rate of migration has slowed in response to industry's reduced rate of expenditure for new plants. Finally, family formation is under the influence of the low birth rate during the prewar years. Thus, one facet of the changing environment that I hope will elicit some discussion is the emergence of the demand for housing as a determining factor in the level of residential construction activity.

Declining Trend of FHA Mortgage

In addition, I would like to comment on some factors that are likely to influence the composition as well as the level of the demand for housing in 1963 and later. One such aspect of the changing environment is the relatively larger gains in savings liabilities of institutions that typically favor the conventional mortgage in contrast to institutions that have supported the FHA and VA programs. At the end of March 1962, mutual savings banks and life insurance companies held 64% of the total volume of FHA mortgages held by the four main types of financial institutions that make up the residential mortgage market, including commercial banks and savings and loan associations. However, in the first half of 1962, only 19% of the net increase in savings liabilities at all four types of institutions took place at mutual savings banks and life insurance companies, and their share of the total volume of savings held by financial institutions continued to decline. (Table 3). This savings pattern will tend to accentuate the downward trend in the relative importance of the FHA mortgage that has been evident for more than a decade. From 37% of the private nonfarm housing market in 1949, the FHA share declined to 19% in 1961, falling slightly lower in the first seven months of 1962. (Table 1). The shifting savings and investment pattern is, if course, only one of the reasons behind the long-run decline of the FHA mortgage, but I would prefer to discuss possible effects here rather than causes.

The decline in the FHA share of the mortgage market, in addition to the phasing out of the VA program, can be of significant importance in the direction of mortgage financing and the volume of housing construction over the next few years. The combination of merchant builder, mortgage banker, and long - distance lender has produced a large portion of the postwar housing output, largely through government underwritten mortgages. They have brought lender competition into local markets. New market arrangements can, of course, be worked out around a conventional mortgage, but this would require time-consuming statutory changes to permit lenders other than savings and loan associations to ac-

TABLE 1

NEW HOUSING UNITS STARTED, PRIVATE NONFARM
1946-1963

YEAR	PRIVATE NONFARM Total	Single Family	2-Family or More	FHA[a] Homes	Project	Percent of Total Starts
			(thousands of units)			
1946	662.5	590.0	72.5	67.1	1.9	10.4%
1947	845.6	740.2	105.4	178.3	50.8	27.1
1948	913.5	763.2	150.3	216.4	77.6	32.2
1949	988.8	792.4	196.4	252.6	111.2	36.8
1950	1,352.2	1,150.7	201.5	328.2	158.4	36.0
1951	1,020.1	892.2	127.9	186.9	76.6	25.8
1952	1,068.5	939.1	129.4	229.1	50.8	26.2
1953	1,068.3	932.8	135.5	216.5	35.5	23.6
1954	1,201.7	1,077.3	124.4	250.9	25.4	23.0
1955	1,309.5	1,190.0	119.5	268.7	8.0	21.1
1956	1,093.9	980.7	113.2	183.4	6.0	17.3
1957	992.8	840.2	152.6	150.1	18.3	17.0
1958	1,141.5	932.5	209.0	270.3	25.1	25.9
1959	1,342.8	1,078.5	264.3	307.0	25.4	22.2
New Series						
1959	1,494.6	1,211.7	282.9	307.0	25.4	22.2
1960	1,230.1	972.3	257.8	225.7	35.2	21.2
1961	1,275.5	937.5	338.0	198.8	45.5	19.2
1962[b]	1,400.0	985.0	415.0	200.0	65.0	18.9
1963[c]	1,350.0	950.0	400.0	--	--	--
	1,450.0	1,025.0	425.0			

[a] Excludes units under Sec. 232 reported in terms of beds
[b] Partly estimated by MBA
[c] Projected by MBA, higher range assumes significant tax reduction for consumers.

SOURCE: Housing and Home Finance Agency, Housing Statistics

TABLE 2

RESERVES AND BORROWINGS OF MEMBER BANKS

PERIOD	EXCESS RESERVES	BORROWINGS AT FEDERAL RESERVE BANKS	FREE RESERVES
	(millions of dollars)		
December 1950	$1,027	$ 142	$885
December 1951	826	657	169
December 1952	723	1,593	-870
December 1953	693	441	252
December 1954	703	246	457
December 1955	594	839	-245
December 1956	652	688	- 36
December 1957	577	710	-133
December 1958	516	557	- 41
December 1959	482	906	-424
December 1960	756	87	669
June 1961	612	63	549
December 1961	568	149	419
January 1962	616	70	546
February 1962	502	68	434
March 1962	470	91	379
April 1962	510	69	441
May 1962	497	63	434
June 1962	471	100	371
July 1962	532	89	443
August 1962P	565	127	438

P Preliminary

SOURCE: Board of Governors of the Federal Reserve System cept larger loan-to-value ratios on conventional mortgages.

Low-Equity Conventional Mortgages

One result we can expect, therefore, is continued pressure along the lines exemplified by the current ABA proposal. Without arguing the merits or demerits of low-equity conventional loans, continuation of the decline in investor interest in FHA mortgages will tend to reduce competition in local areas and push the segment of home buyers that have typically relied on FHA and VA financing towards the rental market. An exception will exist only in areas where savings and loan associations are actively making 90% conventional mortgages and can fully satisfy local demands.

Thus, any favorable or unfavorable changes in statute or investor practices affecting the FHA mortgage will have a parallel impact on the demand for housing and the quality of mortgage investment over the next few years. The FHA low-down payment mortgage will become increasingly important in sustaining housing demand as the composition of the nation's population changes and the impact of new family formation overshadows upgrading and migration as determinants of the demand for housing. Population projections indicate that the rate of growth in the years when upgrading is most likely (from 35 to 60 years of age) will decline during the sixties. On the other hand, little change is anticipated in the rate of growth in the number of persons reaching 18 years of age between 1962 and 1965, but a sharp increase is anticipated thereafter. (Table 4.)

Satisfying the demand for housing by new families will be difficult enough in view of the postwar increases in construction costs, but if high loan-to-value loans are not available through FHA, the demands for housing coming from new families will be felt primarily in the multi-family area, or delayed for several years until savings can be accumulated. Of course, an alternative exists in a revised conventional mortgage, but I doubt that the necessary changes in statute and lender acceptance can be achieved in time to afford significant assistance.

TABLE 3

SAVINGS AND MORTGAGE INVESTMENT PATTERNS AMONG MAJOR INSTITUTIONAL MORTGAGE LENDERS

Savings & Mortgage Investments	Major Financial Institutions: Total	Commercial Banks	Mutual Savings Banks	Savings & Loan Assns.	Life Insurance Companies
Savings Balances[a] End of:					
December 1959	100.0%	26.7%	14.1%	22.1%	37.1%
December 1960	100.0	26.9	13.7	23.4	36.0
December 1961	100.0	28.1	13.2	24.3	34.4
March 1962	100.0	29.1	13.0	24.1	33.8
June 1962[p]	100.0	29.5	12.8	24.4	33.3
August 1962[pe]	100.0	29.7	12.8	24.3	33.2
Mortgage Debt Outstanding, Held by Financial Institutions End of:					
December 1959	100.0%	19.4%	17.2%	36.5%	26.9%
December 1960	100.0	18.3	17.1	38.1	26.5
December 1961	100.0	17.6	16.9	39.9	25.6
March 1962	100.0	17.5	16.9	40.2	25.4
FHA Mortgages Outstanding, Held by Financial Institutions End of:					
December 1959	100.0%	25.9%	26.5%	12.7%	34.9%
December 1960	100.0	23.0	27.8	13.8	35.4
December 1961	100.0	21.4	28.9	15.0	34.7
March 1962	100.0	21.1	29.4	15.0	34.5
Nonfarm Mortgage Recordings by Financial Institutions					
1959	69.0%	18.0%	5.6%	40.7%	4.7%
1960	66.9	15.4	5.5	41.6	4.4
1961	69.1	16.0	5.4	43.9	3.8
1962, first 7 months	70.3	17.2	5.2	44.3	3.6

[a] Time deposits at banks, other than interbank deposits and Treasurer's open account; share accounts at savings and loan associations; and legal reserves of life insurance companies plus dividends left to accumulate, minus premium notes and policy loans.

[p] Preliminary

[pe] Partly estimated

SOURCES: Federal Reserve System, Federal Home Loan Bank Board, Federal Housing Administration, National Association of Mutual Savings Banks, and Life Insurance Institute

TABLE 4

PROJECTIONS OF MALE POPULATION[a]
1960-1980

AGE	1960	1965	1970	1975	1980
Reaching Age 18 (thousands)	1,475	3,870	5,223	6,017	6,425
Average Annual Rate of Increase	0.9%	1.4%	1.7%	1.8%	1.8%
Total in Age Group from 35 years to 60 years (thousands)	25,969	27,126	27,502	27,807	29,053
Average Annual Rate of Increase	1.2%	0.9%	0.3%	0.2%	0.9%

[a] Series II, assuming that 1955 fertility level continues to 1980

SOURCE: U. S. Department of Commerce, Bureau of the Census

Increased Apartment Housing Foreseen

The changing composition of demand is already evident in the relative growth in multi-family construction to the point where it accounted for more than 30% of new starts in 1962. On the basis of further growth in the relative importance of new families in determining the demand for housing, I would expect multi-family housing to remain important through much of the sixties. Although vacancy rates may discourage plans for new multi-family construction in the months immediately ahead, the momentum of plans already underway will probably sustain a high level of new starts in 1963.

As to a forecast for 1963, there are two imponderables that may or may not influence residential construction activity. Should the increased heat in the cold war result in an outbreak of hostilities on a large scale, all bets are off. The effect of the much-heralded Executive Order is equally difficult to evaluate. Depending upon its scope and its administration, the effect of the Executive Order can vary from a ripple in housing activity to a sharp curtailment as the market adjusts to the new, as yet undefined conditions. My own fears of the outcome have nothing to do with the stated objective of such an order, but are concerned with its scope. If it applies only to FHA and VA mortgages, these programs that have contributed so much to the nation's growth areas will bear the brunt of the Executive Order's impact and probably decline still further. Regions that depend upon external sources of mortgage funds and borrowers that require the smaller down payments available under Federal programs will, in effect, be discriminated against. On the other hand, if the Order is applied across-the-board by drawing its authority from the Federal programs that provide for insurance of bank deposits and share accounts, it will establish an undesirable precedent for other types of regualtion of conventional mortgage lending by administrative decree.

Short Run Outlook

Turning to somewhat more predictable forces, one is hard-pressed to find any reason to assume a significant change between 1962 and 1963, either in the general economy or in housing. Anticipating no sharp increases in the demand for long-term funds, I believe that credit for housing will be available to support a new record volume of starts, even if the rate of deposit-type savings declines. However, I doubt that the demand for housing will support a sharp increase in activity. Foreclosures and vacancies have already caused some builders to exercise caution and reduce their inventories of houses built for sale. I am inclined to balance these negative factors with expectations that the momentum built up in 1962 will not be fully worked out in the early months of the new year and that tax reductions will encourage the entrance of prospective buyers. The push and pull of these forces should generate a volume of private nonfarm starts from 1,350,000 to 1,450,000 units in 1963. The higher figure should prevail if consumers actually receive significant tax reductions relatively early in the year.

*An address by Mr. Thompson at the 1962 meeting of the Committee on Advancing Residential Construction of the Chamber of Commerce of the U. S., Key Biscayne, Fla., Nov. 1, 1962.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

With Congress returning in a few weeks, some of the newly elected are showing up in Washington trying to get their bearings. Most of them have to be led by the hand. They don't become members until Jan. 3 except those who were elected to fill unexpired terms. The latter become members and go on the payroll immediately. Also, they have the advantage over the other newly elected members in seniority which means committee memberships and offices.

Having previously served in Congress, or as a State official, also figures in one's seniority prospects.

If he does not have any of these advantages, a new member of Congress is apt to feel that he is the lowest thing in the world, if not the lowest thing in Congress. He is not even sworn in individually but in groups of 10 or 12. More ceremony surrounds a Senator. He is sworn in individually, and escorted to the Vice-President's desk by another Senator, usually the Senior Senator from his state.

Those who expect the Congress to be more liberal than the last are likely to be disappointed. The Senate will probably be, but the House will be a shade more conservative. Medicare did not figure very much in the campaign despite the fact that the Democrats tried to put steam under it. The nationwide movement to organize the oldsters seemed not to have become very effective. Urban affairs is another measure that some dopesters are saying will have a better chance next session but it was not even heard from during the campaign. Congressmen running as new frontiersmen were inclined to let it go with the statement that they supported President Kennedy without mentioning particular measures.

Despite the furore aroused against youngsters receiving Federal assistance in their education taking an anti-Communist oath, members of Congress take one. Senators have from 10 to 15 clerks while members of the House have about six. They are given so much money to spend on clerks and they can divide it up as they see fit.

If they are committee chairmen they have five or six additional clerks at their command, the larger committees even more. Salaries on these committee jobs run up to $19,000 a year and when there has been an unusual turnover of members there is a great demand for staff jobs. One newly elected Congressman, although he has room for only about five on his staff, has applications from 206. They may have to extend the job retraining program to displaced members of Congressional staffs.

Those who are counting on a quick tax cut at the next session had better not count their savings too soon. An awful fight is to be made against a tax cut by influential members, against a cut without a corresponding cut in expenditures and there isn't going to be any appreciable reduction in expenditures. It will be an amazing spectacle to see Congress refusing to pass a tax cut when one is offered by the Administration but the spectacle may occur. At this time I wouldn't lay a penny on the possibility of a cut. The Republicans will probably make no-tax reduction an issue. They have the flair for sponsoring the unpopular side regardless of how worthy their position may be.

Elkins, Morris Admit Partners

PHILADELPHIA, Pa. — Elkins, Morris, Stokes & Co., Land Title Building, members of the New York Stock Exchange and other

J. Donald Goodwin William B. Haines

leading exchanges, announce the consolidation of Joseph D. Goodman & Co. with their firm, effective Dec. 1, 1962.

They also announced the admission as general partners, effective Dec. 1, 1962, of J. Donald Goodwin and William B. Haines and the association with them as registered representatives of Edward C. Fay, Jr., C. John Birkmann, Jr. and T. William Bond.

Mr. Goodwin has been active in the investment securities industry for the past 16 years except during World War II when he served in the Ordnance branch of the United States Army. He left service in June, 1946, with rank of Second Lieutenant.

Mr. Haines has been associated with Elkins, Morris, Stokes & Co. since August, 1961. For 27 years prior to that he was associated with the certified public accountant firm of Mathieson Aitken & Company, the last 10 years as a partner.

Aluminum Mark

Aluminum production in the U. S. in the first 10 months of this year surged to 1,756,000 tons, a record for the priod and almost 12% ahead of the 1961 10-month total of 1,572,000 tons.

NEWS ABOUT BANKS AND BANKERS

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

Four members of the official staff of the **Chase Manhattan Bank, New York**, have been promoted to Assistant Vice-President, the bank announced Nov. 28.

They are Ronald G. Ancker of the central operations group; Edward J. Schwenk of the investments and financial planning department; and George J. Bitz and Howard A. Scribner, Jr., both of the trust department.

In addition the bank announced the appointment of three new officers in the trust department. Otto Freuer was appointed an Assistant Treasurer and Albert J. Anton, Jr., and Dennis Porterfield were named Investment Officers.

Joseph P. Nolan has also been appointed a Vice-President. He has been Director of public relations since last February.

* * *

Historic Kips Bay is the site of newest **First National City Bank, New York**, branch opened Nov. 29 at Second Avenue and 32nd Street. This is the bank's 103rd New York metropolitan area branch.

Heading First National City's newest branch is Frank C. Okola, Manager. Assistant Manager of the branch is Erik L Rosengren.

* * *

Huntington M. Turner has been appointed regional Vice-President of **Chemical Bank New York Trust Company, New York**, it was announced Dec. 3 by Chairman Harold H. Helm. Effective Jan. 1, he will succeed Wandell M. Mooney who retires in early 1963.

Mr. Turner, who has been a Vice-President in charge of the bank's offices at 20 Pine Street and 67 Broad Street, will now head 21 offices in Lower Manhattan and Staten Island.

* * *

Bankers Trust Co., New York, on Dec. 3 opened for business a second headquarters office building at 280 Park Avenue.

A closed circuit television system, however, will enable management and staff of the new office to hold face-to-face conferences with their colleagues in the downtown headquarters on Wall Street, without leaving the building.

The bank's top management will maintain offices in both the Wall Street and Park Avenue buildings.

* * *

William H. Moore, Chairman of the Board of **Bankers Trust Company, New York**, and Ernest Hackwitz, President of the **First National Bank of Farmingdale, Long Island**, have announced that an understanding has been reached toward joining forces. Under the proposed plan, the First National Bank of Farmingdale will be acquired by a bank holding company, the stock of which, in turn, will be held in trust for the stockholders of Bankers Trust Company. The stockholders of the First National Bank of Farmingdale will receive 12 shares of Bankers Trust Company stock for each share of stock of the First National Bank of Farmingdale.

The plan is, of course, subject to the approval of State and Federal bank supervisory agencies.

After completion of the transaction, the First National Bank of Farmingdale will continue to operate under its present name and management, with Ernest Hackwitz, President, remaining as Chief Executive Officer.

* * *

Irving Trust Company, New York, announces the promotion of Robert W. Barker and Ernest D. Shaw from Assistant Vice-President to Vice-President.

Mr. Barker, who joined the Irving in 1954, is associated with the Wall Street Division where he is engaged in lending and business development activities.

Mr. Shaw, after broad experience in operations and letters of credit, has been named head of the Asia District of the International Division where he will be responsible for the bank's business in the Far East.

At the same time, Arthur Bardenhagen and William F. Ryan, International Division, and James A. Norton, Comptroller's Division, were elected Assistant Vice-Presidents.

* * *

The election of James M. Kelly and Edward Sala as Vice-Presidents of **The Marine Midland Trust Company of New York** has been announced.

Elected Trust Officers, from Assistant Secretaries were William P. Allman and Charles E. Hoos.

Advanced to Assistant Treasurer was Peter D. Falcon.

* * *

The **Royal State Bank of New York, New York, N. Y.** converted from a State bank to a National bank with the title of the **Royal National Bank**. The Comptroller of the Currency has issued a certificate of authority to the National bank to commence business effective at the close of business Nov. 29.

* * *

The Board of Directors of **Royal National Bank of New York** unanimously adopted a motion to acquire **The Gotham Bank, New York**, by merger.

Mr. Laurence Marchini, President of The Gotham Bank and Mr. David Berg, the Chairman of its Board of Directors announced that at a meeting of the Board of Directors of The Gotham Bank, held Nov. 30, it unanimously agreed to merge into the Royal National Bank of New York.

Under the terms of the merger agreement, the shareholders of The Gotham Bank will receive 2½ shares of the Royal National Bank of New York in exchange for each share of The Gotham Bank.

The merger will become effective after the Comptroller of the Currency has issued formal consent thereto and the stockholders of both banks have voted to approve.

The combined resources of both banks exceed $150,000,000.

* * *

William E. Hill has been elected to the Board of Trustees of **Emigrant Industrial Savings Bank, New York.**

* * *

The Bank of Nova Scotia, Toronto, Canada, announces the appointment of Trevor W. Pilley as an Agent at New York. Mr. Pilley has held a number of posts in various parts of Canada and immediately prior to his present appointment was Manager of Scotiabank's main branch in Lethbridge, Alberta.

* * *

At the annual meeting of the 25 Year Club of the **Roosevelt Savings Bank, Brooklyn, N. Y.** the members elected Mr. Robert J. Berkin as President for the ensuing year and Miss Lillian Johnson as Vice-President, Secretary and Treasurer.

Bank President Adam Schneider Jr. presented 25 Year Pins to three new members who were inducted at the meeting. They were Miss Ruth Laier, Mr. Emil Schoeck and Mr. William Shannon.

* * *

Wilmot E. Fanning, Chairman of the **Bensonhurst National Bank of Brooklyn, N. Y.**, and its first President, died Nov. 25 at the age of 93.

Mr. Fanning was a founder of the Bensonhurst bank in 1927 and became its President. He was President until 1932 and Board Chairman from then until his death.

* * *

The Comptroller of the Currency James J. Saxon approved on Nov. 27 the application to merge **The Meadow Brook National Bank, Jamaica, N. Y.**, and **The Bank of Huntington, Huntington, N. Y.** effective Dec. 4.

* * *

The Annual Meeting of the Shareholders of **The First National Bank of Toms River, N. J.**, will be held on Jan. 8, at which time the shareholders will be asked to pass upon a resolution to amend the Articles of Association for the purpose of permitting the declaration and payment of a stock dividend as of Jan. 31, of 1/38th of a share for each share of common capital stock outstanding.

With the approval of the shareholders, it is planned to increase the common capital stock of the bank outstanding from $2,280,000 to $2,340,000 by payment of a stock dividend and simultaneously transfer $60,000 from Undivided Profits Account to the Capital Account and $200,000 from Undivided Profits Account to Surplus Account, increasing the Surplus Account from $3,600,000 to $3,800,000.

The plans for the stock dividend were unanimously approved by the members of the Board of Directors, and have been tentatively approved by the office of the Comptroller of the Currency.

* * *

The Comptroller of the Currency James J. Saxon approved on Nov. 27 the application to merge the **Salisbury National Bank, Salisbury, Md.** and the **First National Bank of Maryland, Baltimore, Md.**, under the charter and title of the latter effective Dec. 4.

* * *

John C. McHannan, aged 90, Honorary Chairman of the Board of **Central National Bank, Cleveland, Ohio**, died Nov. 29.

Mr. McHannan's career with CNB spanned 70 years. He joined the bank Oct. 1, 1892, and was then one of only nine employees, since CNB was only two years old at the time.

He rose through the ranks to become a Vice-President in 1919, and was elected Chairman of the Board in 1939.

In 1957, on the 65th anniversary of the day he joined the bank, "Uncle John" McHannan retired from the board chairmanship—and was promptly elected honorary Chairman.

* * *

Stockholders of **The Northern Trust Company, Chicago Ill.**, on Nov. 20 approved an increase in its Capital Stock from $15,000,000 consisting of 750,000 shares of $20 par value to $18,000,000 consisting of 900,000 of $20 par value and the issue of the 150,000 additional shares of stock as a 20% stock dividend. The stock dividend will be payable on Nov. 30, to stockholders of record at the close of business Nov. 20, on the basis of one share for each five shares held.

The Board of Directors also declared a regular quarterly cash dividend of 75 cents per share on the new total of 900,000 shares of Capital Stock to be outstanding; payable on Jan. 2, to stockholders of record at the close of business on Dec. 20.

* * *

The election of Frank A. Colombo, as a Director of **The Detroit Bank and Trust Company, Detroit, Mich.**, was announced Nov. 27.

* * *

Preliminary approval to organize a National Bank at 3644 E. Birchwood Avenue, Cudahy, Wis., was granted Nov. 27 by James J. Saxon, Comptroller of the Currency. It will be operated under the title of **First National Bank of Cudahy.**

The initial capital structure of the new bank will amount to $400,000—$200,000 capital, $100,000 surplus, and $100,000 undivided profits. Andrew P. Stefic of Palos Heights, Ill., has been proposed as President and a Director.

* * *

The appointment of Jefferson L. Miller, Vice-President of **First National Bank in St. Louis, Mo.**, as head of the newly created St. Louis metropolitan division of the bank's business development department, has been announced.

Eugene R. Wilhelm was also elected a Vice-President.

* * *

Lee P. Miller, Chairman of the Advisory Committee of the **Citizens Fidelity Bank and Trust Company, Louisville, Ky.**, and President of The American Bankers Association in 1958-59, died Nov. 25. Mr. Miller was 71 years of age.

Mr. Miller had been an active banker for 51 years, having joined the **Fidelity Trust Company in Louisville** in 1911. He was elected President of the bank, now the Citizens Fidelity Bank and Trust Company, in 1949. He served as Chairman of the Board from 1960 to January, 1962, when he became Chairman of the Advisory Committee.

* * *

Comptroller of the Currency James J. Saxon announced Nov. 29 that he has given preliminary approval to organize a National Bank in Maitland, Fla.

Initial capitalization of the new bank will amount to $600,000 and it will be operated under the title **The First National Bank of Maitland.**

* * *

Preliminary approval to organize a new National Bank at 1982 Fort Worth Avenue, Dallas, Texas, was announced Nov. 27 by Comptroller of the Currency James J. Saxon.

The new bank, to be known as **Trinity National Bank of Dallas**, will have an initial capitalization of $750,000 composed of $300,000 capital, $300,000 surplus, and $150,000 undivided profits. Griffiths C. Carnes of Dallas has been proposed as President and a Director of the proposed bank.

* * *

James J. Saxon, Comptroller of the Currency said Nov. 29 he has issued preliminary approval to organize a new National Bank at 107 East Wise Street in Bowie, Texas.

The bank will operate under the title **Bowie National Bank** and will have initial capitalization of $500,000.

* * *

Preliminary approval to organize the **Commercial National Bank of Victoria, Victoria, Texas**, was announced Nov. 29 by James J. Saxon, Comptroller of the Currency.

Capitalization of $500,000 will consist of $200,000 capital, $200,000 surplus, and $100,000 undivided profits.

* * *

The **First National Bank of Oregon, Portland, Ore.**, elected Francis P. Hill and Robert S. Miller Directors.

* * *

Comptroller of the Currency James J. Saxon announced Nov. 27 that he has issued preliminary approval to organize a new National Bank in Bethel-Danebo, an unincorporated area adjacent to Eugene, Ore.

The new bank will have an initial capital structure of $240,000 and will be operated under the title **Emerald National Bank.**

* * *

Election of four new Directors to the Board of the **Bank of Montreal, Montreal, Canada**, at its 145th annual meeting Dec. 3 has been announced.

The new Directors are: Samuel Bronfman, Gordon H. Allen, Eric Cook, and Roger Letourneau.

* * *

The **Toronto-Dominion Bank, Toronto, Canada** made A. E. Hall a Vice-President and a Director. S. T. Paton succeeds him as General Manager.

Rafkind & Co. To Be Formed

As of Jan. 1, Rafkind & Co., members of the New York Stock Exchange, will be formed with offices at 5 Hanover Square, New York City. Partners will be Stuart B. Rafkind, member of the Exchange, general partner, and Abraham Perlen, limited partner. Mr. Rafkind is a partner in Schweickart & Co.

Goldman, Sachs To Admit Partners

On Jan. 1, Goldman, Sachs & Co., 20 Broad Street, New York City, members of the New York Stock Exchange, will admit to partnership Robert S. Danfort, Richard J. Fay, H. Frederick Krimendahl II, William H. Montgomery, and John H. Rhodes.

The Market . . . And You

BY WALLACE STREETE

The stock market's big upsurge from the time of the Cuban crisis ran into some determined opposition this week, at least enough to stall further upside progress for a bit.

Some resistance was not at all unexpected since in a mere five weeks the industrial average had added the better part of a hundred points, which isn't the type of progress that can go on for long without a reaction.

The disappointment, as far as the industrial average was concerned, is that the first sign of temporary trouble showed up around 650 which was some 10 points below where the technicians had anticipated a roadblock.

Encouraging Economic Aspects

There was no dismay apparent in Wall Street since reactions after spirited advances are a way of life in the stock market. And, with the economic forecasts starting to come along and point out the bright spots in industry, plus the still vague but promised vision of tax reform early next year, the feeling in general was much brighter than it had been through much of troubled 1962.

Recession talk had dwindled to a mere whisper but those who were dubious over the chances of a tax reform measure getting through Congress were still holding out that there would be a minor downturn in 1963. The question is whether it would come early or late in the year. But such forecasts were definitely in the minority.

The more active debate was whether the market was high or not, and whether the talk was concerned with the averages or specific prices for individual issues.

The market analysts studying the broad spectrum of hundreds of individual stocks could come up at any given moment with issues that seem high, and match them off with as many that still appeared low.

Drug Item in Demand

Richardson Merrell in the drug section, the old Vick Chemical, was in enough demand to move back into the 60's after it had been available at half of its peak price when market disillusionment was at a peak although its basic business is good and profits are still tilted higher.

Fruehauf Trailer, which has been undergoing major changes under a new management, and is a giant in the trailer picture, at recent prices has been offering a yield of better than 6% despite its demonstrated progress in new trailers and the piggy-back and fishy-back fields.

Interesting Dental Issues

Another giant in its field is Dentists' Supply Co. which has over half of the domestic market and looms as the world's largest maker of artificial teeth. At recent prices its well-protected yield has run around 5%.

In recent years Dentists' Supply has been diversifying with new products. The company in 1958 brought out a new drill that helped profits jump that year until the market was satisfied, so there was a reaction later.

Two years later the process of an immediate success followed by a reaction was repeated with a new line of teeth. Currently the company is exploiting a new cleaning unit for dental use that could again give it another period of high profits. Basically, the company's position is enhanced by the larger proportion of the population in the higher age brackets, and by its expansion in foreign fields.

Diversified Auto Supplies Under-Valued

Borg Warner, in common with auto supply firms generally, has yet to reflect the current prosperity being enjoyed by the auto makers, hence its shares have been available at an above-average 5%. Actually, only one-third of its volume is derived from auto parts although these largely are original equipment. Its other lines are appliances and, in particular, coin-operated laundry and dry-cleaning units which have been enjoying continuing success with consumers. Despite the good yield, Borg Warner is still available well below its high even though it is widely considered as almost guaranteed to make a good earnings showing this year against results of last year.

The Chemicals—Dull and Bright Spots

The problems of over-supply and profit-pinch that have plagued the chemical industry have kept most of these shares from being too prominent as market leaders. Allied Chemical, for one, is still regarded as being one company that will not make any favorable profit comparison with last year.

In part, Allied's problem is heavy start-up expenses in expanding its product line. But students of the company expect a definite improvement in its results next year as these expenses end and some of the other new lines come into action, including its petrochemical expansion through acquisition of Union Texas Natural Gas.

In any event, the shares of Allied Chemical are near their low for several years, offering a return running into the 4% bracket, and participation in a blue chip operation that would seem about to make a turn in its fortunes.

W. R. Grace, which once was billed as a shipping and export-import firm in the uncertain Latin American field, has shifted to the chemical field domestically to where some of its champions now rate it as one of the top 10 of the industry. Its chemical operations last year came close to accounting for half of sales and were even more impressive, as the profit aspect of the company since the chemical operations accounted for more than two-thirds of operating earnings.

The impressive results of Grace's chemical operations are in contrast with the troubles the entire industry has had in recent years. So its chemcial progress has been no less than dramatic.

Entirely on its own, W. R. Grace has come close to doubling its chemical profits since 1958 without benefit of any acquisitions or mergers in that field. The achievement has been obscured to some extent by the continuing troubles in its Latin American operations, but with such activities now down to where they account for only a fifth of earnings, the point seems to have been reached where any new troubles would have little significant effect on the overall operations.

In addition to its chemical operations, Grace has also been expanding its oil activities, and its banking business has been on a solid footing. The prospect, consequently, is for a good improvement in profits over results shown last year, and for continued progress next year.

[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.]

As We See It

Continued from page 1

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. . . .

"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 restrictive monetary policy."

Further Evidence

If any further evidence were needed of the inner meaning of this somewhat discursive theoretical analysis, it can be readily enough found in other sections of this same document where the author has a good deal to say rather naively, so it seems to us, about the Keynesian notions of "the multiplier effect" and the "accelerator effect," and a number of related matters where ex cathedra exposition is employed in abundance. It is further clarified by his description of the present state of affairs in our industry and trade in which he concludes that "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." After asking a number of questions evidently intended chiefly as rhetorical in nature, Mr. Heller blithely asserts that the answers "may seem" to be implicit in the way that they are stated. They are indeed implicit in the way that they are stated—that is when they are not rather definitely answered in so many words as the author goes along. And the answer, whether implied or stated, is quite obvious that by fiscal and monetary means we must spur growth and convert the "soggy sixties" into something quite different within the next few years.

There is, too, unfortunately, a good deal else in this document which must arouse uneasiness in the mind of thoughtful people throughout the land. We find the author asking a great many questions about the "goals" that we must set up and the ways in which we can reach them. We are much afraid that if we persist we shall presently find ourselves where the originators of this sort of thing have lately been shown to be —goals not reached, operations unsatisfactory and much else as Comrade Khrushchev has just recently and probably with great reluctance had to admit. Should we squeeze wages to increase profits or profits to help wages and thus spread "purchasing power," or should we all work together to raise both wages and profits, so the queries run. We should suppose that all who have long been familiar with the writings of the major economists of other years and with the economic history of this and many other countries would be all too well aware that there is but one master of matters of this sort which can be depended upon to come up with the best answer attainable—the free market place.

Such, however, unfortunately does not appear to be the fact.

A Scholar, but—

We are certain that the Chairman of the President's Council of Economic Advisers is a scholar of attainments, and we find it hard to understand how he can seriously hold such ideas as he seems to have regarding such questions as these. There are many in public life, of course, who simply parrot what men with popular followings have to say, and who by reason of their limited knowledge both of the subject matter and of economic history can not very well be blamed for having been taken in—however unfortunate for the country. Somewhere, somehow, we must find or develop a greater realism among our intellectual leaders.

Carlisle Jacquelin To Admit Two

On Jan. 1, Raymond H. Kraebel, member of the New York Stock Exchange, and R. Michael Charters will be admitted to partnership in the New York Stock Exchange firm of Carlisle & Jacquelin, 2 Broadway, New York City.

F. S. Smithers to Admit Two

F. S. Smithers & Co., 45 Wall Street, New York City, members of the New York Stock Exchange, and other leading Exchanges, on Jan. 1, will admit William N. Beebe to general partnership, and William M. Bennett to limited partnership in the firm.

Priming the Economy's Powder for Full Growth

Continued from page 1

ment was expected to drop by 12% or a decline of $9 billion. The major portion of this decline would be represented by a shift from inventory accumulation to inventory liquidation. The increases totaled $17 billion, decreases $9 billion, representing a net increase in Gross National Product of from about $555 billion to $563 billion. The total increase of some $8 billion represents about a 1½% increase in Gross National Product for the year.

As a consequence of the Cuban crisis and the dangers of hand-to-mouth inventory and investment policies, I would not now expect inventory liquidation to take place, certainly not in the first half of 1963 as was expected. An increase on the order of magnitude of $4 billion would increase gross private domestic investment to $80 billion. But a shift from a $9 billion drop to a $4 billion increase represents a difference of $13 billion in Gross National Product. This alone would increase Gross National Product from the standard forecast of $565 billion to $578 billion.

If this turn-around in gross private domestic investment can be achieved, representing only a moderate increase, the stimulus to consumer spending need not be much at all to bring gross national product up to the $585 billion level. An increase in consumer spending from 3% to 4½% would raise consumer spending to $373 billion for 1963. It is my judgment, therefore, that the Cuban crisis forestalls hand-to-mouth inventory and investment activity, Gross National Product in the range of $580 to $585 billion for 1963 is strongly indicated.

But this forecast depends on the achievement of sufficient momentum in the economy to sustain investment spending. Although the more optimistic forecast is hazardous, it still does not represent an impressive achievement for the economy as a whole.

The Incomplete Recovery

The last column of Table I presents the Council of Economic Advisors' model of full employment for 1963, which was published Oct. 6, 1961, slightly over a year ago. Note that investment on my optimistic assumption of a $4 billion rise in 1963 over 1962 is over 20% short of the full employment model. Consumer spending shows less than a 5% deficiency.

It is interesting to note that CEA full employment model for 1963 has government spending at $126 billion compared with my forecast of $127 billion for 1963. This is the only segment of the economy that is up to the CEA full employment model.

The contrast between the full employment model and the optimistic forecast for 1963 raises some serious questions about the basic structure of the economy. What has been happening in the American economy to account for the inability to achieve a vigorous recovery? The situation is characterized by feeble recoveries, operation at chronic under-capacity, and retarded growth.

Business capital expenditures have barely returned to the levels attained in the 1955 to 1957 period. When measured by plant and equipment expenditures, business investment was approximately the same in 1962. When all forms of nonresidential construction as well as producers durable equipment are used as a measure of business capital expenditures, the figure for 1957 was $47.5 billion. For 1962 it will approximate $50 billion, representing a growth over a five-year period of less than $1 billion per year.

Business capital expenditures as a percentage of gross national product have declined from 10.5% during the 1955 to 1957 period to something less than 9% for 1963. This represents a decline in the ratio in the investment to gross national product of some 16%.

In addition, the latest McGraw-Hill survey of capital expenditure plans of business firms indicates that all manufacturing was operating at 83% of capacity at September, 1962. Their preferred rate of operation is something on the order of magnitude of 90%. And yet, they expected an increase in physical sales volume during 1963 of only 4%. Clearly the investment sector is in the doldrums.

Long-Run Trends in the Economy

To analyze significant aspects of long-term trends taking place in the American economy our attention will be focused on five leading factors. These are: (1) the increased pace of technological change; (2) the rising role of services; (3) the decline in production workers to overhead outlays; (4) the decline in the ratio of savings; (5) the rising portion of government spending in gross national product.

(1) *The pace of technological change.* Research and development expenditures which totaled only approximately $2 billion during the decade of the thirties totaled $68 billion during the decade of the fifties and are expected to total $276 billion during the decade of the sixties. Industries and firms find that from 70 to 80% of the products which they sell were not in existence 3 to 5 years previously. Some 70% of capital outlays are now made to produce new products or to reduce costs. This investment is autonomous in the sense of not being induced by an increased level of prospective sales.

Yet a high percentage of what are labeled R & D expenditures are outlays made directly on defense projects. The carry-over from advanced items on defense work to their commercial application has been relatively moderate. There is an inducement for firms to participate in defense work which acquaints them with defense technologies because the increased pace of technological change and the increased levels of R & D expenditures increase the risks of doing business. Businesses must increasingly protect their flanks against unanticipated technological change.

(2) *The increased role of services.* During the past 12 years, expenditures on services have risen from 32 to 40% of consumer spending. This has had a depressing influence on investment because the service industries are less investment-intensive than the goods industries. Furthermore, the pace of productivity improvement in the service industries is less vigorous. As a consequence, the relative rise in the share of services represents a depressant both for capital outlays and for improvements in productivity.

(3) *The ratio of nonproduction workers to total payroll.* In the 12-year period ending 1959 this ratio had risen from 16 to 24%. This has a double impact. On the one hand, it has changed the nature of skills and training required to be an employable worker. Second, it increased the fixed element in the cost structure of business firms. As a consequence, a given percentage change in sales results in a magnified change in profit. Hence, it increases the volatility of profit and thus increases business risks.

(4) *The savings ratio.* The ratio of savings in the American economy has declined according to the Kuznets' monumental study *Capital in the American Economy.* The ratio of total savings to GNP declined from a 16% level in 1929 to a 12.6% level in 1958. This is associated of course with a similar decline in the relative role of investment.

These trends are explained to a considerable extent by the increased participation of government in economic life.

(5) *The increased role of government.* By whatever measurement used, the role of government in the economy has substantially increased. Total government purchases of goods and services rose during the period 1956 to 1962 from approximately $80 billion to approximately $120 billion, an increase of $40 billion or a 50% rise. During the same period of time, gross national product rose from approximately $420 billion to $555 billion, a rise of 32%. This represents an increase of government purchases and services from 19% of gross national product to 21.6%.

While the percentage increase is small, paradoxically the negative influence arises from the fact that the higher proportion of increased government spending is on national defense. It is beyond the scope of this discussion to evaluate or to determine the proper level of defense expenditures. However, contrary to widely held views that the strength of our economy depends upon heavy outlays for national defense, the opposite is true.

The $50 billion a year spent on national defense may be vital for the nation's protection. However, despite the fact that a high portion of these outlays are for research, they are oriented very directly to military performance. While these may be a necessity of the nature of the international society in the 1960s, they have not contributed substantially to an increase in productivity in the private sector.

The spillover or fallout of R & D outlays in the military sector have been relatively modest in the nondefense sector. The primary reason is that the potential for savings from introduction of advanced technologies is relatively modest unless the entire production process is altered. What is most important in the nondefense sector is reliability of performance and noninterruption in the vast production lines. As a consequence, the introduction of advanced technologies into the industrial sector is likely to be slow unless entirely new industries are created. For example, computer control in process industries such as food and the chemical industries has been relatively slow in developing.

Trends in Corporate Profits

We may now turn from these factors in which increases have taken place to another segment where the growth figures are much less impressive. I refer to corporate profits. After tax profits in 1957 were $22.3 billion. In 1961 they were $23.3 billion. This represents an increase of $1 billion over a four-year period of time.

I did not choose a peak-year profit such as 1955 or 1956 as a base. If I had taken the peak year of 1956 when corporate profits after taxes were $23.5 billion, the story would be that corporate profits had actually declined over the last five- or six-year period of time.

But relating corporate profits to a more moderate base period, corporate profits as a percentage of national income were 6.1% in 1957 and 5.4% in 1961. This represents a decline of over 10%.

However, what is even more disturbing is that over the period 1957 to 1961 the increase of profits was only 1.6% of the increase in national income. Translated into percentage returns on net worth, using *Statistics of Income* data, while corporate profits were 7.1% of net worth in 1957, they were only a 6.1% return on net worth in 1961. The increase in profits related to the increase in net worth over this period of time was only 3%. Thus, the after tax marginal return on investment was only 3%. This is less than the percentage return that could have been earned on high grade bonds or on insured savings and loan accounts.

Remedies for Unfavorable Trends

With regard to specifying a remedy for the problem, we have a difficult circular problem. It is clear that an increase in the level of business activity brings about with it an increase in profits. On the other hand, an encouragement in the inducement to invest is required to stimulate the investment sector in the economy necessary in order to return the economy to a high level of operation.

What emerges with undeniable emphasis and with pristine clarity in this analysis is that the remedy is not an increase in government spending, particularly not an increase in defense spending. What I am emphasizing is that increases in nondefense spending should be related to national needs and not based on attempts to shore up a sluggish economy. Defense outlays should be determined on the basis of a broad set of strategic and international considerations.

My reasons for objecting to increased government spending as a remedy for our laggard economy are three-fold:

(1) Such outlays would make little contribution to increasing private or total productivity in the economy upon which noninflationary wage increases and increases in per capita real income are based.

(2) The areas to which government spending are likely to go are already areas in which the level of activity is high and would be likely to be inflationary in their impact. As a consequence, there would be a ratchet influence in an upward direction on prices.

(3) Increases in government spending not based on criteria of need, but rather for their stimulus are undesirable. They are too slow to be good anti-cyclical devices. Also, such increases tend to be irreversible, rather than cyclical.

Similarly, recommendations for solving the chronic unemployment problem by reducing the work week to 35 hours at this time are inappropriate. They are inappropriate because they do not get at the fundamental problem. In the first place, in reducing the work week to 35 hours and maintaining wages, as has been proposed, would represent something over a 12% increase in wage costs. This is certainly in excess of any conceivable annual productivity gain. Its immediate impact would be sharply inflationary from a cost push side. In addition, the inducement to investment would be further discouraged by such an undesirable shift in the level of wage costs.

The Case for Tax Reduction

The remedy in my judgment lies in tax reduction. We have here a strange paradox. As the economy begins to recover from a recession, as we go into an upswing, the economy tends to run a Federal budget surplus of some $10 to $12 billion. This drain on both consumer spending and corporate earning power slows down the pace of recovery and, as a consequence, an incipient surplus is turned into an actual deficit. The actual deficit, however, is not one that comes from planned government policy but from lagging economic growth.

Economic policy in the near-term future calls, therefore, for emphasis on three fronts: (1) emphasis on effective international division of labor; (2) tax reduction; and (3) restraint on wage increases to maintain our competitive situation in the international economy.

On Aug. 7, 1962, in an appearance before the Joint Economic Committee of the House of Representatives and the Senate, I urged a tax cut on the order of magnitude of $10 billion. I proposed that the personal income tax rates be cut by halving the first $2,000 bracket and leveling a tax 10% on the first $100,000. The initial cost would be on the order of magnitude of $8 billion. In addition, I proposed that the

Business Outlook for 1963

	1962	% Change, No Cuba, No Tax Cut	1963 No Cuba, No Tax Cut	% Change After Cuba	1963 After Cuba	C. E. A. Full Empl.
Consumer Spending	357	3%	368	4%	371	392
Investment	76	(12)	67	5	80	97
Government	118	6	125	8	127	126
Net Exports	4	--	4	(25)	3	5
	555	1.5%	564	4.7%	581	620

SOURCE: Department of Commerce and J. Fred Weston

30% normal corporate tax rate be lowered to 25%. This would cost on the order of magnitude of $2 billion.

I wish to emphasize, however, that the stimulus to economic growth that would be achieved by the tax cut would more than pay for itself in reduced deficits in the near-term future. We must remember that the substantial tax increases which were made during the Korean War were never fully reduced. Our tax levels were set to fight inflation. But prices have remained relatively stable during the past 3½ to 4 years. As a consequence, the effect of our anti-inflationary tax levels has been to depress consumer demand, business investment, and aggregate demand. As a consequence, tax revenues have faltered and deficits have been incurred.

Second, I would urge recognition of the greater importance of the free world division of labor for improving the rate of economic growth and our position in the competitive growth race against controlled economies of the Communist bloc. Here is an area where increased government attention and outlays can contribute to increased productivity by giving encouragement to and emphasis on the industries in which we have a relative advantage in the world division of labor. If our relatively efficient industries are encouraged and grow, then our economy as a whole will grow correspondingly.

And, finally, it becomes clear that since our major weakness is the failure of private investment to keep pace with the desired growth of the economy, great emphasis should be placed on resuscitating the inducements to invest. This will play a key role in a healthy growth in aggregate demand. Wage increases beyond productivity increases equal inflation and help no one. But in addition, they would add further impediments to the investment sector of the economy which is desperately in need of encouragement and improvement.

It seems to me abundantly clear that in view of the tremendous changes that have taken place in the economy, the increased pace of technological change, the increased role of services, and increased impact of overheads, all of these heighten and increase business risks. To contemplate a 3% after-tax return on incremental investment in the face of the increasing hazards of the environment makes it amply clear why business investment has faltered in the last five-year period of time. The 7% investment tax credit is minuscule in its impact compared to the tremendous increases in the risks of business investment environment. The modernization of Bulletin F cannot be regarded as a tax cut. In the face of the increased pace of technological change, the changes in Bulletin F simply redress a cultural lag which was long overdue.

Conclusion

And so we finally come to the conclusion that easy solutions for restoring the necessary dynamism to the American economy are not available. Easy massive solutions such as increased government spending, reducing the work week, or increasing wages to maintain purchasing power ignore the basic underlying causes of the changes that have been taking place. If the fundamental realities of our economic life are to be recognized, this requires an understanding of the way the economy operates.

It may come as a surprise to some that our economy still is a price and enterprise system. For a price and enterprise system to operate efficiently, effective inducements for entrepreneurial behavior must be preserved.

Profits continue to perform a strategic and critical role in the operation of an enterprise system. The nature, behavior, import, and significance of business profits as an energizing force in the economy are dramatized by the terrible lag in the investment sector. Inducements for the investment sector are the overriding need of the economy at this juncture of our economic development.

*An address by Dr. Weston before the 19th Annual Convention of the National League Insured Associations, San Francisco, Calif., Nov. 27, 1962.

Litton Industries Elects V.-P.

BEVERLY HILLS, Calif. — Election of George T. Scharffenberger as a Senior Vice-President of Litton Industries, Inc., has been announced by Charles B. Thornton, Chairman of the Board, following a meeting of Litton directors at the corporate office in Beverly Hills, Cal.


G. T. Scharffenberger

In this capacity, Mr. Scharffenberger will continue to head the Electronic Systems Group of Litton Industries which has plants throughout the United States and in Canada and Europe.

He joined Litton in June, 1959, as President of Litton's Westrex Company and in March, 1961, he was named Executive Vice-President of Litton Systems, Inc. He became a Vice-President of Litton Industries when he joined the company. Prior to joining Litton, Mr. Scharffenberger was associated with International Telephone and Telegraph Corp. for 16 years.

Baker, Simonds To Elect

DETROIT, Mich. — Effective Dec. 13, Robert K. Oddy will become a Vice-President, and Robert F. Taylor, Assistant Secretary of Baker, Simonds & Co., Inc., 151 West Congress Street, members of the New York and Detroit Stock Exchanges.

Mr. Oddy will manage the firm's new office at 113 East Liberty St., Ann Arbor. He was formerly with Smith, Hague & Co.

H. Hentz Co. To Admit Partners

H. Hentz & Co., 72 Wall Street, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Frank J. McCormack and Herbert M. Spooner to partnership. Mr. Spooner is manager of the firm's Boston office, 585 Boylston Street.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Happy New Year

Back around 1948, commercial television was only beginning to "pan in" on the American home and electronics, outside the military and laboratory, wasn't even part of the little investor's vocabulary.

A small group of keen investment leaders in September of that year launched a mutual fund, which they shrewdly labeled Television-Electronics Fund, Inc. In those early days the fund had 316,000 shares outstanding, each of which had a net asset value of $2.40. This Chicago-based fund enjoyed phenomenal success. An example: at the end of 1953, value per share was $3.40 and soared to $5.31 by the close of the next year. There was a sizable setback in 1957 when values slipped to $4.86 from $5.90 at the end of 1956. But share values came back stronger than ever: to $7.01 in 1958 and reaching $8.12 in 1959.

Now Television-Electronics is out with its comprehensive annual report and, of course, it reflects the sad tale of the glamour stocks acted out in the first nine months of this year. Since the fiscal year ends on Oct. 31, the report does not reflect the improvement registered in November, when stocks scored the largest gain for any month on the basis of at least one well-known combined average.

So President Chester D. Tripp had the solemn duty of informing his shareholders that net asset value per share was down to $6.59 at the end of the year, a tumble of 26% from the $8.92 of 12 months earlier. Total net assets of the fund, over the same span, skidded to $331 million from nearly $444 million.

Mr. Tripp told shareholders: "The long-run growth of your fund is still well-assured by the very great demands of the Space Age, and the very significant requirements for electronic devices and services for industrial, commercial and consumer applications. It is only natural and healthy for growth to pause before proceding further in its upward surge."

Mr. Tripp backed up that little message with the disclosure that the company continued throughout to be heavily invested in glamour issues. Said he:

"At the close of the 1962 fiscal year, your fund had 88% of its assets invested in common stocks and convertible securities in this broad field of industrial and scientific endeavor. Of this percentage, more than 75% of the portfolio was held in companies involved in the nation's aerospace program. This position compares with 89.2% in equities at the close of the last fiscal year, 92.6% at the end of the fiscal mid-year, and 90.9% at the end of the last quarter."

And while Mr. Tripp and his colleagues remain bullish, they have been making some major changes in the portfolio. During the final quarter of the fiscal year they dumped such stocks as Bell & Gossett, Burroughs, Champion Spark Plug, Cincinnati Milling Machine, Gabriel Co. and National Acme.

They sold 5,000 shares of American Telphone & Telegraph, although Television-Electronics continues to hold 150,000 shares of this premier investment issue. They also reduced holdings of such well-known stocks as Addressograph-Multigraph, Ampex, Babcock & Wilcox, Columbia Broadcasting System, Ford Motor Co., International Nickel, International Telephone & Telegraph, Litton, Lockheed, Magnavox, Minnesota Mining & Manufacturing, Motorola, National Cash Register, North American Aviation and Zenith.

The buying, which was somewhat less aggressive, resulted in the addition to the protfolio of Indiana General and Schlumberger. The company also was adding to holdings of du Pont, International Business Machines, Giannini Control and Hawaiian Telephone.

So, to Chester Tripp and his stockholders: a glamorous and Happy New Year.

The Funds Report

American Mutual Fund reports that on Oct. 31 net asset value per share was $7.78, down from $9.83 a year earlier. Total net assets declined to $158,272,252 from $170,126,118, at Oct. 31, 1961, end of the preceding fiscal year.

* * *

Boston Fund reports that at Oct. 31 shares were valued at $8.55, against $8.63 on July 31. The fund's largest holding: a 114,780-share investment in American Telephone & Telegraph.

* * *

Total net assets of **Bullock Fund, Ltd.** on Oct. 31 amounted to $64,415,449, against $66,057,039 on July 31. Net asset value a share on Oct. 31 was $11.31, compared with $11.70 on July 31 and $14.71 on Oct. 31, 1961.

* * *

Total net assets of **Canadian Fund, Inc.** on Oct. 31 were $32,924,859, or $15.78 a share. On July 31, assets amounted to $33,356,123, or $15.61 per share.

* * *

Delaware Fund announces it has acquired "a substantial block" of Occidental Petroleum common stock.

* * *

Consolidated net earnings of **Financial General Corp.** were $2,405,658, after preferred dividends, for the nine months ended Sept. 30. Net is equal to 85 cents a share of common stock, compared with 89 cents, or $2,516,426, in the like 1961 period. Net assets per share of common stock were equivalent to $15.36 at Sept. 30, compared with $14.80 at June 30 and $17.54 at Dec. 31, 1961.

* * *

Waddell & Reed, Inc. reports that for the fiscal year ended Aug. 31 net income was $1,292,263, or $1.37 per share, compared with $1,339,671, or $1.42 a share, a year ago.

* * *

Provident Fund for Income reports the net assets of the fund on the last business day of December, 1961, amounted to $6,018,155. The company said "investor confidence in Provident Fund" is reflected in increase in the net assets to $8,085,382 as of Sept 30, 1962. A net investment income dividend of six cents per share was paid in the third quarter, making a total of 17 cents so far in 1962.

PUBLIC UTILITY SECURITIES BY OWEN ELY

Connecticut Light & Power Company

Connecticut Light & Power, one of the more important utilities whose common stock is traded in the over-counter market, has enjoyed excellent sales growth in the past decade. Revenues doubled from $50 million to around $100 million, although some the gains were due to acquisition of other properties (about two-thirds of the Housatonic Public Service properties were taken over in 1961, involving about $8 million in revenues).

The company is the largest electric-gas utility in Connecticut and its gas operation, involving some $15 million revenues, is the second largest in New England. The company serves nearly three-quarters of the area of Connecticut and nearly half the population. Electric sales provide about 83% of revenues and gas 17%. The company serves electricity to the cities of Danbury, Waterbury, New Britain, Norwalk, Bristol and Meriden, and the area also includes substantial fast-growing suburban areas.

Electric revenues are about 46% residential and rural, 20% commercial, 23% industrial and 11% wholesale and miscellaneous. Gas revenues are about two-thirds residential. Among the manufacturing industries served by the company are copper and brass products, machinery, transportation equipment and rubber products. There are also about 100 research laboratories in the state.

Population in the service area increased nearly 34% in the decade ended 1961, compared with 23% in the balance of the state; and the increase in the number of electric meters was 41% vs. 21%. Per capita income in Connecticut is the highest in New England and ranks fourth in the United States. Continued growth is favored by new highway construction, which contributes to industrial development and makes recreational facilities more accessible. The company is doing considerable area development work, and along with other agencies and companies is planning a large Research Center. Much is being done to aid industries to finance new plants or additions.

Some of the "name" companies which the company's experts have helped to locate or expand in the state are: American Standard, Kimberly-Clark, Kayman Aircraft, Chesebrough-Pond's, Sperry Rand, United Aircraft, Hallmark Cards, Eagle Pencil, Bostitch, Olin Mathieson, Scovill, Combustion Engineering, etc. Acquisition of Housatonic Public Service in 1961 has opened up a new potential for growth in the greater Danbury area, where nearly 100 new firms have begun operations within the past six years.

In its residential service, Connecticut Light & Power is promoting electric heating for new stores, office buildings, motels, restaurants, churches and schools. Rates for electric heating among commercial customers have been reduced twice. Reductions have also been made in residential heating rates, saving customers about $1.5 million a year. In order to develop all-electric new homes, the company is working with over 2,000 appliance dealers, home builders, contractors, etc. A rather unique promotional device is to offer dealers bonus payments in the form of one share of C L & P common stock for every six sales of ranges or water heaters. The company now has about 1,000 electrically heated homes and apartment units on its lines and expects to have 10,000 total-electric Gold Medallion homes by 1968.

Generating capacity is about 1,042,000 kw compared with the 1961 peak demand of 818,000 kw indicating a generous reserve margin of 26%, the highest in the past decade. The second 150,000 kw unit at the Norwalk Harbor Station will be completed next year; its capacity and output will be shared with the other two major electric utilities in Connecticut, under a pooling arrangement adopted in 1957. Pool benefits will be increased when a strong network of transmission lines is completed, connecting New England utilities with the ultra-high voltage systems in New York and through them with systems in other states.

Capital expenditures for 1962 are estimated at $26 million compared with $19 million in 1961. To finance the construction program through 1966, President Knapp has estimated that the company will require about $23 million from outside sources, but this will not include the sale of any common stock. Sale of senior securities seems unlikely before mid-1963.

Connecticut Light & Power has assumed the leadership of a group of ten New England utility companies which hopes to build a 450,000 kw atomic plant in Connecticut, and the company would have a 25% interest. The group has received data from several manufacturers on various types of reactors and will decide shortly on the type to be adopted. A pumped storage plant might later be tied in with the atomic power plant.

The table below shows the company's financial record. Share earnings in 1963 have been estimated by President Knapp at around $1.70 which will include a higher interest credit as well as a larger tax credit, both resulting from the completion of the new generating unit. This year's earnings, estimated at $1.60, were aided by completion of plant acquisition writeoffs in 1961. The company uses "flow through" of tax swings resulting from the adoption of liberalized depreciation.

At the recent price around 31½ the stock yields 4.2% based on the current dividend rate of $1.32. The price-earnings ratio is 19.7 based on the estimated $1.60 earnings.

Year	Revenues (Mill.)	Common Stock Record: Earnings	Dividends	Approximate Range
1962†	$100	$1.60	$1.32*	32 - 29
1961	97	1.41	1.20	34 - 26
1960	89	1.51	1.13	26 - 22
1959	85	1.38	1.10	26 - 22
1958	79	1.41	1.03	24 - 18
1957	76	1.21	1.00	20 - 17
1956	72	1.28	.94	21 - 18
1955	65	1.10	.92	20 - 18
1954	61	1.12	.94	20 - 15
1953	55	1.03	.88	16 - 15
1952	50	.96	.88	16 - 15

† Estimated. * Current indicated rate.

Steady Economic Gains Forecast for Far Western and Southwestern States

Undramatic transformation of the areas is foreseen in regional study conducted by the National Planning Association. That region is expected to grow significantly in the next 15 years.

A slow but perceptible redistribution of economic activity toward the Far Western and Southwestern states has been projected for the next 15 years in the 1962 edition of the Regional Economic Projections Series of the National Planning Association.

Population, income, and employment are expected to increase—substantially in most states; moderately in a few states—over the next decade and a half, according to the Regional Series report on "State Employment Trends to 1976."

Specific population and employment trends, according to the study, include:

An increasing share of the national population in Connecticut, New Jersey, Delaware, Maryland, Georgia, Florida, Louisiana, Minnesota, Texas, Arizona, New Mexico, Colorado, Washington, Oregon, California, and Nevada, and declining or constant shares in the rest of the states.

An increasing share of national employment in New Jersey, Delaware, Maryland, Georgia, Florida, Louisiana, Texas, Arizona, New Mexico, Colorado, California, and Nevada, with declining or constant shares in the other states.

In each state, a continuation of the relative increase of the young and aged members of the population, as well as the urban population.

Increasing Growth States

States with increasing shares of the nation's personal income are projected to be New Jersey, Delaware, Maryland, Wisconsin, Virginia, Kentucky, Tennessee, Georgia, Florida, Louisiana, Minnesota, Texas, Arizona, New Mexico, Colorado, California, and Nevada. States projected to show the greatest increase in their shares of national personal income tend to be located in the Far West and Southwest.

Per capita income is projected to increase faster than the national average in the Southeast and Southwest, now at relatively low per capita income levels. Despite this increase, most states in the New England, Middle Atlantic, Great Lakes, and Far West regions will continue to have per capita incomes substantially higher than other states.

The report notes that the dominant characteristic of industry employment trends in this century has been the decline in resource (agriculture and mining) employment and the growth in manufacturing and noncommodity activities (such as services).

"Increasing noncommodity employment opportunities have provided the major source of new jobs in all regions and states. . . . The projected growth in noncommodity employment is expected to offset the absolute decline in resource employment and the relative decline in manufacturing employment in most states," according to the report.

Industry Dispersal

Employment in mining and agriculture is expected to become more concentrated geographically, while manufacturing and noncommodity employment is likely to become more dispersed.

The Regional Economic Projections Series, a subscription service for executives, economists, and market analysts in business, industry, labor, agriculture, government, and research, is published on a continuing basis by the non-profit, non-partisan National Planning Association, established in 1934 and a pioneer in the field of economic projections since 1945.

Designed to complement the Association's National Economic Projections Series, the Regional Series analyzes long-range state and regional economic projections in such areas as population, employment, income and output.

Its projections are based on such assumptions as: the avoidance of nuclear war and severe inflation, and the achievement and maintenance of reasonably full employment, with an average national employment rate of 96% in 1976.

According to Dr. Sidney Sonenblum, Director of Research for the Series:

"Over the long run, population tends to follow the most favorable job opportunities, and industry tends to move where it has ready access to population centers or to areas where it can attract a suitable work force."

Dr. Sonenblum said that the Regional Economic Projections Series aids business by sharpening analyses of market potential, plant location decisions, and availability of labor and resources.

"The projections are also helpful to local planning and development agencies concerned with such problems as providing public services, attracting industry, and encouraging overall development, as well as to state and local government agencies in allocating revenues for facilities and services," he said.

The Regional Economic Projections Series is conducted under the general supervision of Dr. Gerhard Colm, Chief Economist for the National Planning Association.

Hydinger & Co. In Birmingham

BIRMINGHAM, Ala.—Hydinger & Co., Inc., has been formed with offices in the Bank for Savings Building, to engage in a securities business. Officers are Elbridge S. Hydinger, President and Treasurer, and Elbridge T. Hydinger, V.-P. and Secretary. Both were formerly with Carlson & Co., Inc., of which Elbridge S. Hydinger was an officer.

Elbridge S. Hydinger

Inter-American Bank to Market $75 Million Bonds

The following announcement was issued in New York on Nov. 28 by Lazard Freres & Co., Lehman Brothers and Blyth & Co., Inc.:

"The Inter-Mountain Development Bank proposes to make an offering of $75,000,000 principal amount of 20-year Bonds, Felipe Herrera, President, has announced. It is presently anticipated that the proposed offering will be made during the week beginning Dec. 10 through a nationwide syndicate of commercial banks and investment banking firm under the joint management of Lazard Freres & Co., Lehman Brothers and Blyth & Co., Inc.

"The Bank is an international institution established to further the economic development of its member countries. Its membership consists of the United States and 19 other American Republics.

"The proposed issue will represent the Bank's first financing in the United States market. The net proceeds therefrom will be used in the Bank's ordinary operations.

"The Bank's ordinary capital resources include capital stock subscribed by member countries totaling the equivalent of $813,160,000. Of this amount, $381,580,000 has been fully paid in and $431,580,000 is subject to call by the Bank if required to meet its borrowings."

Moseley to Admit Two

F. S. Moseley & Co., 120 Broadway, New York City, members of the New York and Boston Stock Exchanges, on Jan. 1, will admit Gerald W. Brewster and R. Peters Burr to partnership. Mr. Brewster is manager of the firm's Municipal department in New York.

IBA Announces Govs. Meetings

The Board of Governors of the Investment Bankers Association will hold its Spring meeting at the Greenbrier, White Sulphur Springs, West Virginia, May 8th through 11th.

The Fall meeting will be held at the Del Monte Lodge, Pebble Beach, Calif.

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:

	Date	Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON & STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Dec. 1	1,876,000	1,844,000	1,778,000	2,073,000
Index of production based on average weekly production for 1957-1959	Dec. 1	100.7	99.0	95.4	111.3
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Dec. 1	64.0	63.0	61.0	71.0
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 23	7,378,210	7,360,710	7,341,260	7,186,960
Crude runs to stills—daily average (bbls.)	Nov. 23	8,178,000	8,295,000	8,227,000	8,303,000
Gasoline output (bbls.)	Nov. 23	30,087,000	30,041,000	30,146,000	29,543,000
Kerosene output (bbls.)	Nov. 23	3,543,000	3,182,000	3,425,000	3,138,000
Distillate fuel oil output (bbls.)	Nov. 23	13,187,000	13,365,000	13,881,000	13,747,000
Residual fuel oil output (bbls.)	Nov. 23	5,517,000	5,552,000	4,887,000	6,352,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	Nov. 23	178,383,000	*177,990,000	177,149,000	171,620,000
Kerosene (bbls.) at	Nov. 23	36,142,000	36,032,000	38,168,000	36,630,000
Distillate fuel oil (bbls.) at	Nov. 23	174,733,000	175,912,000	180,830,000	177,543,000
Residual fuel oil (bbls.) at	Nov. 23	52,240,000	53,173,000	54,790,000	48,732,000
Unfinished Oils (bbls.) at	Nov. 23	85,323,000	85,447,000	84,706,000	84,587,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Nov. 24	484,257	571,401	614,632	495,666
Revenue freight received from connections (no. of cars)	Nov. 24	491,737	509,072	512,580	494,004
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 29	$391,100,000	$444,900,000	$414,000,000	$449,800,000
Private construction	Nov. 29	194,900,000	218,400,000	192,700,000	226,700,000
Public construction	Nov. 29	196,200,000	226,500,000	221,300,000	223,100,000
State and municipal	Nov. 29	151,200,000	199,300,000	134,600,000	192,400,000
Federal	Nov. 29	45,000,000	27,200,000	86,700,000	30,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Nov. 24	7,325,000	*8,645,000	8,690,000	7,622,000
Pennsylvania anthracite (tons)	Nov. 24	328,000	408,000	350,000	307,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Nov. 24	136	136	116	134
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Dec. 1	16,699,000	16,109,000	16,247,000	15,954,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 29	322	253	320	356
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 26	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 26	$63.43	$63.43	$66.33	$66.44
Scrap steel (per gross ton)	Nov. 26	$23.83	$23.50	$23.50	$32.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Nov. 28	30.600c	30.600c	30.600c	30.600c
Export refinery at	Nov. 28	28.500c	28.550c	28.500c	27.975c
Lead (New York) at	Nov. 28	10.000c	10.000c	9.500c	10.250c
Lead (St. Louis) at	Nov. 28	9.800c	9.800c	9.300c	10.050c
‡Zinc (delivered) at	Nov. 28	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	Nov. 28	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	Nov. 28	24.000c	24.000c	24.000c	24.000c
Straits tin (New York) at	Nov. 28	110.625c	111.250c	110.125c	122.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Dec. 4	89.77	90.04	90.17	86.21
Average corporate	Dec. 4	88.40	88.27	87.99	86.24
Aaa	Dec. 4	92.35	92.50	92.20	90.34
Aa	Dec. 4	90.34	90.34	90.20	88.27
A	Dec. 4	88.13	87.72	87.32	85.59
Baa	Dec. 4	83.15	82.90	82.52	81.05
Railroad Group	Dec. 4	85.07	84.68	83.91	83.66
Public Utilities Group	Dec. 4	89.92	89.92	89.78	87.18
Industrials Group	Dec. 4	90.20	90.34	90.20	87.72
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Dec. 4	3.74	3.71	3.69	4.09
Average corporate	Dec. 4	4.53	4.54	4.56	4.69
Aaa	Dec. 4	4.25	4.24	4.26	4.39
Aa	Dec. 4	4.39	4.39	4.40	4.54
A	Dec. 4	4.55	4.58	4.61	4.74
Baa	Dec. 4	4.93	4.95	4.98	5.10
Railroad Group	Dec. 4	4.78	4.81	4.87	4.89
Public Utilities Group	Dec. 4	4.42	4.42	4.43	4.62
Industrials Group	Dec. 4	4.40	4.39	4.40	4.58
MOODY'S COMMODITY INDEX	Dec. 4	368.7	365.2	363.8	371.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Nov. 24	306,950	346,835	350,817	292,355
Production (tons)	Nov. 24	331,113	340,565	360,702	332,276
Percentage of activity	Nov. 24	89	94	97	93
Unfilled orders (tons) at end of period	Nov. 24	436,409	461,802	453,263	473,385
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Nov. 30	119.19	118.68	116.73	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. 9	2,555,620	3,020,950	1,530,570	3,005,010
Short sales	Nov. 9	622,830	887,740	337,970	626,270
Other sales	Nov. 9	1,824,080	2,307,330	1,209,950	2,504,960
Total sales	Nov. 9	2,446,910	3,195,070	1,547,920	3,131,230
Other transactions initiated off the floor—					
Total purchases	Nov. 9	592,450	710,750	352,200	404,010
Short sales	Nov. 9	79,900	148,100	48,200	29,100
Other sales	Nov. 9	485,120	515,700	289,010	395,530
Total sales	Nov. 9	565,020	663,800	337,210	424,630
Other transactions initiated on the floor—					
Total purchases	Nov. 9	1,109,080	1,025,767	576,543	988,888
Short sales	Nov. 9	173,910	260,667	112,942	77,840
Other sales	Nov. 9	906,215	844,985	518,638	812,064
Total sales	Nov. 9	1,080,125	1,105,692	631,580	889,904
Total round-lot transactions for account of members—					
Total purchases	Nov. 9	4,257,150	4,757,467	2,459,313	4,397,908
Short sales	Nov. 9	876,640	1,296,507	499,112	733,210
Other sales	Nov. 9	3,215,415	3,668,015	2,017,598	3,712,554
Total sales	Nov. 9	4,092,055	4,964,522	2,516,710	4,445,764
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. 9	1,223,550	1,414,777	1,000,188	2,005,709
Dollar value	Nov. 9	$55,631,395	$68,402,469	$45,526,094	$113,069,723
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Nov. 9	1,474,457	1,547,715	1,148,194	1,991,740
Customers' short sales	Nov. 9	41,674	88,960	56,038	10,220
Customers' other sales	Nov. 9	1,432,783	1,458,755	1,092,156	1,981,520
Dollar value	Nov. 9	$65,138,558	$74,446,046	$52,275,401	$102,228,751
Round-lot sales by dealers—					
Number of shares—Total sales	Nov. 9	546,410	548,760	411,050	580,010
Short sales	Nov. 9				
Other sales	Nov. 9	546,410	548,760	411,050	580,010
Round-lot purchases by dealers—Number of shares	Nov. 9	303,870	457,590	259,830	594,300
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. 9	1,412,420	2,406,650	1,029,020	895,950
Other sales	Nov. 9	16,665,090	18,419,910	11,223,050	18,978,910
Total sales	Nov. 9	18,077,510	20,826,560	12,252,070	19,874,860
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Nov. 27	100.4	100.5	100.7	(a)
Farm products	Nov. 27	97.5	98.3	98.1	(a)
Processed foods	Nov. 27	100.8	101.0	101.9	(a)
Meats	Nov. 27	98.9	99.0	99.9	(a)
All commodities other than farm and foods	Nov. 27	100.7	100.7	100.7	(a)

*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. a Not available.

	Latest Month	Previous Month	Year Ago
AMERICAN TRUCKING ASSOCIATION, INC.— Month of September:			
Intercity general freight transport by 367 carriers (in tons)	6,159,736	6,683,379	6,059,794
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of October	15,330	12,777	15,492
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of September (Millions of dollars):			
Manufacturing	$57,130	*$56,970	$54,440
Wholesale	13,860	13,880	13,480
Retail	27,190	*27,050	26,340
Total	$98,180	$97,900	$94,260
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS — U. S. DEPT. OF COMMERCE—Month of October (000's omitted)	$1,026,500	$2,137,900	$987,400
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD — Month of November (000's omitted):			
Total U. S. construction	$2,144,000	$1,608,000	$2,071,000
Private construction	1,111,000	720,000	1,091,000
Public construction	1,033,000	888,000	980,000
State and municipal	831,000	628,000	838,000
Federal	202,000	260,000	142,000
COTTON AND LINTERS—DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed, month of October	823,270	660,594	715,758
In consuming establishments as of Oct. 28	1,256,661	1,171,074	1,583,035
In public storage as of Oct. 28	11,736,787	8,712,678	8,554,613
Linters—Consumed month of October	125,363	100,767	111,609
Stocks—Oct. 28	614,147	538,769	428,944
Cotton spindles active as of Nov. 3	16,495,000	16,543,000	17,313,000
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Nov. 3	19,609,000	19,504,000	19,635,000
Spinning spindles active on Nov. 3	16,495,000	16,543,000	17,313,000
Active spindle hours (000's omitted) Nov. 3	10,134,000	8,034,000	8,782,000
Active spindle hours for spindles in place Nov. 3	405.4	401.7	439.1
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1957-59 Average=100—Month of October:			
Sales (average daily) unadjusted	120	120	121
Sales (average daily) seasonally adjusted	112	120	113
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of September (000's omitted)	66,715,117	67,067,099	62,953,390
Revenue from ultimate customers—Month of September	$1,123,021	$1,120,596	$1,060,762
Number of ultimate customers at Sept. 30	60,906,163	60,775,493	59,661,358
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of October:			
All manufacturing (production workers)	12,666,000	12,748,000	12,379,000
Durable goods	7,043,000	7,039,000	6,771,000
Nondurable goods	5,623,000	5,709,000	5,608,000
Payroll indexes (1957-59 average=100)—			
All manufacturing	115.9	*117.4	108.5
Estimated number of employees in manufacturing industries—			
All manufacturing	17,040,000	17,118,000	16,607,000
Durable goods	9,580,000	9,572,000	9,201,000
Nondurable goods	7,460,000	7,546,000	7,406,000
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of October:			
Contracts closed (tonnage)—estimated	301,369	326,177	303 208
Shipments (tonnage)—estimated	357,183	314,385	354,480
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of September (000's omitted):			
Ordinary	$4,116	$4,505	$4,206
Industrial	572	554	573
Group	1,269	1,214	1,145
Total	$5,957	$6,273	$5,924
METAL OUTPUT (BUREAU OF MINES)—Month of September:			
Mine production of recoverable metals in the United States—			
Gold (in fine ounces)	131,899	*153,465	147,110
Silver (in fine ounces)	2,977,213	*3,040,140	2,742,175
Copper (in short tons)	90,105	*93,774	97,834
Lead (in short tons)	14,462	*16,646	20,523
Zinc (in short tons)	42,538	*44,458	37,516
MONEY IN CIRCULATION—TREASURY DEPT. As of Sept. 30 (000's omitted)	$33,900,000	$33,900,000	$32,700,000
NEW YORK STOCK EXCHANGE— As of Oct. 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers net debit balances	$3,889,000	*$3,914,000	$4,072,000
Credit extended to customers	25,000	27,000	44,000
Cash on hand and in banks in U. S.	397,000	380,000	429,000
Total of customers free credit balances	1,026,000	1,091,000	1,214,000
Market value of listed bonds	111,690,720	111,374,841	100,034,597
Market value of listed shares	309,225,978	308,440,299	371,991,242
Member borrowings of U. S. Govt. issues	766,000	907,000	642,000
Member borrowings on other collateral	2,739,000	*2,781,000	2,982,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of October (in billions):			
Total personal income	$445.6	*$443.5	$423.6
Wage and salary receipts, total	298.6	*298.0	283.6
Commodity producing industries	117.9	*117.9	113.1
Manufacturing only	94.0	*94.0	89.4
Distributing industries	76.9	*76.7	73.6
Service industries	47.1	47.0	43.9
Government	56.7	56.4	53.0
Other labor income	12.5	12.4	11.5
Business and professional	37.1	*37.0	35.6
Farm	13.1	*12.9	13.5
Rental income of persons	12.9	12.9	12.4
Dividends	16.3	*16.0	15.3
Personal interest income	30.4	30.2	27.9
Transfer payments	35.2	*34.5	33.5
Less employees contribution for social insurance	10.5	10.4	9.8
Total nonagricultural incomes	428.3	*426.4	405.9
PORTLAND CEMENT (BUREAU OF MINES)— Month of September:			
Production (barrels)	33,669,000	36,132,000	31,474,000
Shipments from mills (barrels)	32,898,000	40,396,000	33,204,000
Stocks at end of month (barrels)	32,513,000	*31,964,000	31,785,000
Capacity used (per cent)	90	93	87
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of October:			
Net sales	$23,259,000		
Net purchases		$325,513,500	$36,797,000
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of September (000's omitted):			
Exports	$1,761,200	$1,682,500	$1,631,000
Imports	1,342,300	1,358,800	1,197,100

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. **Offering**—Indefinite.

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. (12/24-28)
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 Gas Co. (12/17-21)
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.
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., New York. **Offering**—Expected in January.

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.
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. **Offering**—Imminent.

Ascot Publishing Co., Inc.
Jan. 29, 1962 ("Reg. A") 103,000 common. **Price**—$2. **Business**—Publishing of a bowling magazine. **Proceeds**—For general corporate purposes. **Office**—14 W. 55th St., N. Y. **Underwriter**—Dana Securities Co., Inc., 80 Wall St., N. Y. **Note**—This letter will be withdrawn.

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

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

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

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

Barker Bros. Corp.
March 15, 1962 filed 200,000 common. **Price**—By amendment (approx. $12). **Business**—Merchandising of home, commercial and institutional furnishings. **Proceeds**—For expansion and debt repayment. **Office**—818 W. Seventh St., Los Angeles. **Underwriter**—William R. Staats & Co., Los Angeles. **Note**—This registration will be withdrawn.

Basic Properties, Inc.
June 29, 1962 filed 400,000 class A common. **Price**—By amendment (max. $12). **Business**—Real estate investment. **Proceeds**—For debt repayment, acquisition of a building and other corporate purposes. **Office**—521 Fifth Ave., N. Y. **Underwriter**—Hornblower & Weeks, N. Y.

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.

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.

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.

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

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

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

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

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

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

Cambridge Fund of California, Inc.
Sept. 28, 1961 filed 280,000 common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—Debt repayment and working capital. **Office**—324 E. Bixby Rd., Long Beach, Calif. **Underwriter**—To be named.

Cambridge Mills Inc.
July 27, 1962 filed 110,000 common. **Price**—$3.50. **Business**—Design and manufacture of infants' nylon "stretch" wear. **Proceeds**—For debt repayment, working capital and general corporate purposes. **Office**—725 Broadway, N. Y. **Underwriter**—Alskor Securities Co., N. Y.

Cameo Lingerie, Inc.
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.
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., New York. **Offering**—Imminent.

● **Career Academy, Inc. (12/24-28)**
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.

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. (1/2/63)**
Nov. 29, 1961 filed 300,000 class A common, of which 225,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7.50. **Business**—Design and manufacture of women's, misses' and junior sportswear, coordinates, and dresses. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2025 McKinley St., Hollywood, Fla. **Underwriter** — Clayton Securities Corp., Boston, Mass.

Child Guidance Toys, Inc.
May 23, 1962 filed 100,000 common, of which 70,000 are to be offered by company and 30,000 by stockholders. **Price**—By amendment (max. $12.50). **Business**—Design, manufacture and sale of plastic educational toys. **Proceeds**—For working capital. **Office**—1125 Close Ave., Bronx, N. Y. **Underwriter**—J. R. Williston & Beane, New York.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified management investment company. **Proceeds**—For investment. **Office**—501 Bailey Ave., Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth.

Clark Semiconductor Corp.
Aug. 22, 1962 filed $153,045 of 5% subord. debentures due 1967 and 166,500 common shares to be offered in units of $170.05 of debentures and 185 shares. **Price**—$220 per unit **Business**—Production of very high frequency power transistors. **Proceeds**—For debt repayment and other corporate purposes. **Office** — Walnut Ave., Clark, N. J. **Underwriter**—None.

Coastal Chemical Corp.
Sept. 24, 1962 filed 40,000 class A, 39,239 outstanding class C, and 20,000 class D shares. **Price**—$35. **Business**—Manufacture of anhydrous ammonia and other fertilizer materials and components. **Proceeds**—For working capital. Mississippi Chemical Corp., parent, will receive the proceeds from the sale of the class C stock. **Address**—Yazoo City, Miss. **Underwriter**—Mississippi Chemical Corp., Yazoo City, Miss., will act as underwriter for the stock.

Collins Radio Co.
Sept. 21, 1962 filed 557,515 common shares to be offered for subscription by common stockholders on the basis of one new share for each four held. **Price**—By amendment (max. $26). **Business**—Design, development and manufacture of specialized radio communication equipment and aircraft and flight control devices. **Proceeds**—To reduce bank loans. **Office**—5225 "C" Ave., N. E., Cedar Rapids, Iowa. **Underwriters**—Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc., N. Y. **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 Gas System, Inc. (1/3/63)
Nov. 27, 1962 filed $25,000,000 of debentures, due 1988. **Proceeds**—To redeem outstanding 5⅝% 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.

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.**
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. **Offering**—Imminent.

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. **Offering**—Expected in February.

● **Conso Products, Inc.**
Sept. 27, 1962 filed 125,000 common. **Price**—By amendment (max. $10). **Business**—Manufacture of home furnishing trimmings and accessories. **Proceeds**—For machinery and working capital. **Office**—27 W. 23d St., N. Y. **Underwriter**—H. Hentz & Co., N. Y. **Offering**—Jan.

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 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.

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. (12/17-21)**
May 26, 1962 filed $1,250,000 of 6% convertible subordinated debentures due 1977. **Price**—At par. **Business**—The manufacture and distribution of phonograph records. **Proceeds** — For the repayment of debt, and working capital. **Office**—315 W. 47th St., N. Y. Under-

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writer—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. **Offering**—Expected in January.

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

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

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

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

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

Dixie Lime & Stone Co.
Sept. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $6.75). **Business**—Mining and processing of crushed granite, lime rock, and agricultural limestone. **Proceeds**—For loan repayment, and working capital. **Office**—11 N. Main St., Ocala, Fla. **Underwriter**—Courts & Co., Atlanta, Ga. **Offering**—Expected in January.

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

● **Donmoor-Isaacson, Inc. (12/17)**
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., New York.

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

Dynapower Systems Corp.
Sept. 28, 1962 filed 750,000 common. **Price**—$1. **Business**—Manufacture of electro-mechanical vehicles and electronic devices for medical and marine purposes. **Proceeds**—For working capital, equipment and debt repayment. **Office**—2222 S. Centinela Ave., Los Angeles. **Underwriter**—None.

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

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

● **Econo-Car International, Inc. (12/10-14)**
July 27, 1962 filed 66,667 class A common. **Price** — $6. **Business**—Rental of automobiles, station wagons, and trucks. **Proceeds**—For equipment, new franchises, and working capital. **Office**—520 Westfield Ave., Elizabeth, N. J. **Underwriters**—Crosse & Co., Inc., and Street & Co., Inc., New York.

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. (12/10)**
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.

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. (12/17)**
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 40,000 common. **Price**—$10. **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**—Charles Plohn & Co., New York.

● **Forst (Alex) & Sons, Inc. (12/17)**
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. **Note**—This registration was withdrawn.

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. (1/2-4)**
Sept. 28, 1962 filed 60,000 class A common, of which 50,000 are to be offered by company and 10,000 by stock-

holders. **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.

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.**
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. **Offering**—Indefinite.

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.

Hallicrafters Co.
Nov. 27, 1962 filed 108,144 capital shares. **Price**—By amendment (max. $15). **Business**—Manufacture of short-wave 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.

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.

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NEW ISSUE CALENDAR

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 Educational Life Insurance Co. ... **Com.**
(Standard American Securities, Inc.) $450,000

Econo-Car International, Inc. .... **Class A**
(Crosse & Co., Inc. and Street & Co., Inc.) $400,002

Electro-Temp Systems, Inc. .... **Common**
(S. C. Burns & Co., Inc.) $160,000

Instron Engineering Corp. .... **Common**
(No underwriting) 120,000 shares

Inter-American Development Bank .... **Bonds**
(Lazard Freres & Co.; Lehman Brothers; and Blyth & Co., Inc.) $75,000,000

Kaiser-Nelson Corp. .... **Units**
(Robert I. Ferman & Co., Inc.) $855,000

Keene Packaging Associates .... **Common**
(Hardy & Co. and Kleiner, Bell & Co.) $600,000

Livestock Financial Corp. .... **Common**
(Shearson, Hammill & Co.) $1,300,000

Norfolk & Western RR .... **Equip. Trust Ctfs.**
(Bids 12 noon EST) $5,250,000

Standard Security Life Insurance Co. of New York .... **Common**
(Ira Haupt & Co.) 230,000 shares

Traileurop, Inc. .... **Common**
(Kordan & Co., Inc.) $750,000

December 11 (Tuesday)

Grace Line Inc. .... **Bonds**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $28,000,000

Missouri Pacific RR .... **Equip. Trust Ctfs.**
(Bids 12 noon CST) $3,150,000

Southern New England Telephone Co. ... **Debentures**
(Bids 11 a.m. EST) $45,000,000

December 12 (Wednesday)

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 17 (Monday)

American Gas Co. .... **Common**
(Cruttenden, Podesta & Miller) 275,000 shares

American Gas Co. .... **Debentures**
(Cruttenden, Podesta & Miller) $1,685,000

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

Cosnat Corp. .... **Debentures**
(Van Alstyne, Noel & Co.) $1,250,000

Donmoor-Isaacson, Inc. .... **Common**
(Goodbody & Co.) 150,000 shares

Electro-Nucleonics, Inc. .... **Common**
(Richard Bruce & Co., Inc.) $147,625

First Connecticut Small Business Investment Co. .... **Common**
(P. W. Brooks & Co.) 200,000 shares

Forst (Alex.) & Sons, Inc. .... **Common**
(McDonnell & Co.) 125,000 shares

Hallandale Rock & Sand Co. .... **Units**
(Mutch, Khanbegian, Flynn & Green, Inc.) $450,000)

International Systems Research Corp. .... **Units**
(Leib, Skloot & Co., Inc.) $440,000

Lewis (Tillie) Foods, Inc. .... **Debentures**
(Van Alstyne, Noel & Co.) $2,250,000

Livestock Financial Corp .... **Common**
(Shearson, Hammill & Co.) $1,300,000

Optech, Inc. .... **Common**
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $300,000

Red-O-Lier Corp. .... **Common**
(Crosse & Co., Inc.) $325,000

Rona Lee Corp. .... **Common**
(Winslow, Cohu & Stetson Inc.) $500,000

Sperti Products, Inc. .... **Common**
(Blair & Co.) $230,000 shares

Wellington Electronics, Inc. .... **Common**
(Hemphill, Noyes & Co.) $500,000

White Photo Offset, Inc. .... **Common**
(K-Pac Securities Corp.) $350,000

December 18 (Tuesday)

Northern Pacific Ry. .... **Equip. Trust Ctfs.**
(Bids 12 noon EST) $6,500,000

December 19 (Wednesday)

First American Israel Mutual Fund .... **Ben. Int.**
(Paine, Webber, Jackson & Curtis) 2,750,000 shares

Honda Motor Co., Ltd. .... **ADR's**
(Goldman, Sachs & Co. and Nikko Securities Co., Ltd.) 450,000 ADR's

December 24 (Monday)

American Bolt & Screw Mfg. Corp. .... **Units**
(S. D. Fuller & Co.) $900,000

Career Academy, Inc. .... **Common**
(Divine & Fishman) 100,000 shares

Logos Options, Ltd. .... **Capital Stock**
(Filor, Bullard & Smyth) 250,000 shares

January 2, 1963 (Wednesday)

Chestnut Hill Industries, Inc. .... **Common**
(Clayton Securities Corp.) $2,250,000

Geigher Pipe Supply Inc. .... **Class A**
(Midland Securities Co., Inc.) $570,000

Hunsaker Corp. .... **Common**
(Bateman, Eichler & Co.) 250,000 shares

Hunsaker Corp. .... **Debentures**
(Bateman, Eichler & Co.) $1,600,000

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 14, 1963 (Monday)

Circle K Food Stores, Inc. .... **Common**
(Eppler, Guerin & Turner, Inc.) 96,000 shares

January 15, 1963 (Tuesday)

Illinois Power Co. .... **Bonds**
(Bids 10 a.m. CST) $35,000,000

Tabach Industries, Inc. .... **Common**
(Costello, Russotto & Co.) $250,000

January 22 (Tuesday)

Chesapeake & Potomac Telephone Co. of Md. **Debs.**
(Bids to be received) $50,000,000

January 23, 1963 (Wednesday)

Texas Eastern Transmission Corp. ... **Debentures**
(Dillon, Read & Co., Inc.) $25,000,000

February 5, 1963 (Tuesday)

Bell Telephone Co. of Pennsylvania ... **Debentures**
(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

March 5, 1963 (Tuesday)

Northwestern Bell Telephone Co. ... **Debentures**
(Bids to be received) $40,000,000

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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. (1/2-4/63)**
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. **Note**—This registration was withdrawn.

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

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.

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. (12/10-14)**
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, electro-mechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—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 E. 62nd 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. **Offering**—Indefinite.

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**—Imminent.

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. **Offering**—Imminent.

● **Jamoco Air Conditioning Corp.**
Feb. 28, 1962 ("Reg. A") 40,000 common. **Price** — $3. **Business**—Design, installation and maintenance of heating, plumbing and air conditioning systems. **Proceeds**—For inventory, equipment and other corporate purposes. **Office** — 954 Jamaica Ave., Brooklyn, N. Y. **Underwriter**—Martin-Warren Co., Ltd., N. Y. **Offering**—Imminent.

● **Kaiser-Nelson Corp. (12/10-14)**
March 29, 1962 filed $750,000 of 6¾% convertible subordinated debentures due Nov. 30, 1974 and 26,250 common to be offered in units of one $200 debenture and seven shares. **Price**—$228. **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. **Note**—This registration was withdrawn.

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 (12/10-15)**
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. **Underwriters**—Hardy & Co., N. Y., and Kleiner, Bell & Co., Beverly Hills, Calif.

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.

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.

Kraft (John) Sesame Corp.
May 24, 1962 filed $225,000 of 6% conv. subord. debentures, due 1972, and 150,000 common to be offered in units consisting of a $300 debenture and 200 shares. **Price**—$900 per unit. **Business**—Processing and distribution of sesame seed. **Proceeds**—For accounts receivable, inventories, plant expansion and working capital. **Office**—2301 N. Main St., Paris, Texas. **Underwriters**—John A. Dawson & Co., and Leason & Co., Inc., Chicago.

Kreedman Realty & Construction Corp.
April 19, 1962 filed $5,000,000 of conv. subord. debentures due 1982 and 200,000 common shares to be offered in units consisting of $25 of debentures and one common share. **Price**—By amendment (max. $27). **Business**—Construction and operation of office buildings. **Proceeds**—For debt repayment. **Office**—9350 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Indefinitely postponed.

Kwik-Kold, Inc.
March 29, 1962 ("Reg. A") 100,000 common of which 65,000 will be sold for company and 35,000 for stockholders. **Price** — $3. **Business** — Manufacture of certain patented cooling packages. **Proceeds**—For debt repayment and working capital. **Office**—Jennings Bldg., P. O. Box 638, Moberly, Mo. **Underwriter**—John W. Flynn & Co., Santa Barbara, Calif. **Note**—This letter will be withdrawn.

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

Lee-Norse Co.
May 25, 1962 filed 272,000 common. **Price**—By amendment (max. $20). **Business**—Production of a coal mining machine. **Proceeds**—For selling stockholders. **Office**—751 Lincoln Ave., Charleroi, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh. **Offering** — Temporarily postponed.

● **Lewis (Tillie) Foods, Inc. (12/17-21)**
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. (12/17-21)
Feb. 23, 1962 filed 130,000 common. **Price**—$10. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

• Logos Options, Ltd. (12/24-28)
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**—To be named. **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). **Note** — This registration was withdrawn.

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.
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. **Offering**—Indefinite.

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

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.
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. **Offering**—Indefinite.

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.

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. **Offering**—Indefinite.

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., 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.

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.

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.

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

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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 was 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.
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. **Offering**—Expected in January.

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. **Offering**—Indefinite.

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

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

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

Powell Petroleum, Inc.
Sept. 28, 1962 filed 100,000 common. **Price**—$5. **Proceeds**—To drill for and operate oil wells. **Office**—418 Market St., Shreveport, La. **Underwriter**—None.

Prescott-Lancaster Corp.
March 30, 1962 filed 150,000 common. **Price**—$5. **Business**—Real estate. **Proceeds**—For purchase of mortgages, and working capital. **Office**—18 Lancaster Rd., Union, N. J. **Underwriter**—To be named.

Prince Georges Country Club, Inc.
Oct. 15, 1962 filed 500 common to be offered for subscription by stockholders on the basis of one new share for each share held of record Feb. 18, 1962. **Price**—$1,000. **Proceeds**—For debt repayment, construction of a swimming pool, and other improvements. **Address**—Landover, Prince Georges County, Md. **Underwriter**—None.

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

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

Putnam Management Co., Inc.
Aug. 22, 1962 filed 150,000 common (non-voting). **Price**—By amendment (max. $14). **Business**—An investment adviser and distributor of mutual funds. **Proceeds**—For selling stockholders. **Office**—60 Congress St., Boston. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, and Kidder, Peabody & Co., Inc., N. Y. **Offering**—Indefinite.

Quick-N-Clean Corp. of Minnesota, Inc.
Oct. 1, 1962 ("Reg. A") 205,000 common. **Price**—$1.15. **Business**—Company plans to open a chain of coin operated dry cleaning stores. **Proceeds**—Advertising, expansion and working capital. **Office**—712 Fir St., Brainerd, Minn. **Underwriter**—Northwest Securities, Inc., Detroit Lakes, Minn.

R. E. D. M. Corp.
June 29, 1962 filed 125,000 common, of which 50,000 will be offered for the company and 75,000 for certain stockholders. **Price**—By amendment (max. $6). **Business**—Engaged in manufacturing, engineering and research under Defense Department contracts; also manufactures ball point pens, points, mechanical pencils and desk sets. **Proceeds**—For equipment and working capital. **Office**—Litle Falls, Passaic County, N. J. **Underwriter**—To be named.

Radar Relay, Inc.
Oct. 1, 1962 filed 100,000 common, of which 75,000 will be sold by company and 25,000 by a stockholder. **Price**—By amendment (max. $10). **Business**—Design and manufacture of electronic monitoring and warning systems, and integrally lighted switches. **Proceeds** — For product improvement and development, working capital, and other corporate purposes. **Office**—1631 10th St., Santa Monica, Calif. **Underwriter**—White, Weld & Co. Inc., New York. **Offering**—Indefinite.

Real Properties Corp. of America
April 27, 1962 filed 300,000 class A shares. **Price**—By amendment (max. $16). **Business**—Company owns certain real estate, general insurance agency and a mortgage servicing company. **Proceeds**—For debt repayment. **Office** — 745 Fifth Ave., N. Y. **Underwriter** — Stanley Heller & Co., N. Y. **Note**—This registration will be withdrawn and then refiled.

• Red-O-Lier Corp. (12/17)
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.

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.

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.

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

Richard Gray & Co., Inc.
June 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business** — A securities broker-dealer. **Proceeds** — For working capital and other corporate purposes. **Office**—237 W. 51st St., N. Y. **Underwriter**—Richard Gray Co., New York. **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. **Note**—This registration was withdrawn.

• San Diego Imperial Corp.
Oct. 1, 1962 filed 124,552 common. **Price**—By amendment (max. $14). **Business**—A holding company for 15 savings and loan associations. **Proceeds** — For selling stockholders. **Office**—1400 Fifth Ave., San Diego. **Underwriters**—White, Weld & Co., N. Y., and J. A. Hogle & Co., Salt Lake City. **Offering**—Imminent.

San Francisco Capital Corp.
April 23, 1962 filed 60,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—400 Montgomery St., San Francisco. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

• Schaevitz Engineering
March 13, 1962 filed 150,000 common, of which 100,000 are to be offered by company and 50,000 by a selling stockholder. **Price**—By amendment (max. $10). **Business**—Design and manufacture of measuring, indicating, recording, testing and controlling devices used in aircraft and missile systems. **Proceeds** — For expansion. **Address** — U. S. Route 130, Pennsauken, N. J. **Under-**

writer—Bear, Stearns & Co., N. Y. Note—This registration was withdrawn.

Scripps-Howard Broadcasting Co.
March 20, 1962 filed 375,000 common. **Price**—By amendment (max. $20). **Business**—Company owns and operates TV, radio and FM broadcasting stations. **Proceeds**—For selling stockholders. **Office**—1121 Union Central Bldg., Cincinnati. **Underwriter**—First Boston Corp., N. Y. **Offering**—Indefinitely postponed.

Seaboard Land Co.
July 25, 1962 filed 200,000 class A common. **Price**—By amendment (max. $2.50). **Business**—Ownership and development of real estate. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter** — North American Seaboard Securities Corp., (same address).

Seaboard Life Insurance Co. of America
June 29, 1962 filed 256,097 common being offered for subscription by stockholders on the basis of one new share for each 5 held of record Oct. 1, with rights to expire Dec. 31 (period may be extended). **Price**—$9.25. **Business**—Writing of life, accident and health insurance. **Proceeds**—For purchase of a building, debt repayment, reserves, and other corporate purposes. **Office**—1451 N. Bayshore Dr., Miami. **Underwriter**—None.

Security Aluminum Corp.
Jan. 26, 1962 filed 165,000 common. **Price**—$6. **Business**—Manufacture of aluminum sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter** — Vickers, MacPherson & Warwick, Inc., New York. **Offering**—Expected in January.

Selective Financial Corp.
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public, $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds** — For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

Sentinel Life Insurance Co.
Sept. 10, 1962 filed 250,000 capital shares. **Price** — $5. **Business**—Company plans to sell life and disability insurance. **Proceeds**—For organizational expenses and other corporate purposes. **Office**—225 Bush St., San Francisco, Calif. **Underwriter**—None.

Sentinel Properties Corp.
May 1, 1962 filed 200,000 class A common. **Price**—$10. **Business**—Real estate investment. **Proceeds**—For construction of a building. **Office**—565 Fifth Ave., N. Y. **Underwriter**—None.

● **Servotronics, Inc.**
March 30, 1962 filed 125,000 capital shares. **Price** — $3. **Business**—Design, development and manufacture of precision control components and associated products. **Proceeds** — For debt repayment, equipment and working capital. **Office** — 190 Gruner Rd., Cheektowaga, N. Y. **Underwriter**—General Securities Co., Inc., N. Y. **Offering**—Expected in January.

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 (12/10)**
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. **Offering**—Indefinite.

● **Tabach Industries, Inc. (1/15/63)**
March 29, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter** — Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif.

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

Teaching Systems, Inc.
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y.

● **Telephone Employees Life Insurance Co.**
Nov. 9, 1962 filed 110,292 capital shares, being offered for subscription by stockholders of Telephone Employees Insurance Co., affiliate, on a 1-for-4 basis. Record date for the offering is Dec. 5 and the rights expiration date Dec. 20. **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. **Offering**—Imminent.

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.

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.

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

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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.

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. (12/17)**
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

★ **Circle K Food Stores, Inc. (1/14-18)**
Nov. 28, 1962 filed 96,000 common, of which 64,000 are to be offered by company and 32,000 by stockholders. **Price**—By amendment (max. $6.25). **Business**—Operation of retail drive-in grocery stores. **Proceeds**—For expansion and other corporate purposes. **Office**—904 Magoffin Ave., El Paso. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

★ **Cold Hollow Corp.**
Nov. 8, 1962 ("Reg. A") 30,000 common. (Offering includes a bonus of one share of Cold Hollow Estates, Inc. with each 10 shares). **Price**—$10. **Business**—The corporation plans to develop and operate a ski resort, and recreation area. **Proceeds**—For debt repayment and construction. **Address**—Montpelier, Vt. **Underwriter**—None.

★ **Commercial Life Insurance Co. of Missouri**
Nov. 26, 1962 ("Reg. A") 46,000 common to be offered for subscription by stockholders on the basis of one share for each 3.36 common shares held. **Price**—At-the-market. **Business**—Sale of health, accident, life and hospital insurance. **Proceeds**—For working capital. **Office**—3570 Lindell Blvd., St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis.

★ **Electrol, Inc.**
Nov. 26, 1962 ("Reg. A") 50,000 common. **Price**—$3.45. **Business**—Manufacture and development of electronic devices such as regulators and battery chargers. **Proceeds**—For equipment, inventory and working capital. **Office**—442 Belgrade Ave., North Mankato, Minn. **Underwriter**—None.

★ **First Union Realty**
Nov. 29, 1962 filed 880,000 shares of beneficial interest. **Price**—By amendment (max. $14). **Business**—A real estate investment trust. **Proceeds**—To acquire a building in downtown Cleveland. **Office**—Room 1840, Union Commerce Bldg., Cleveland. **Underwriters**—Harriman Ripley & Co., Inc., New York and Hayden, Miller & Co., Cleveland.

★ **Gotham Educational Equipment Co. Inc.**
Dec. 4, 1962 filed 75,000 common. **Price**—By amendment (max. $6). **Business**—Design, manufacture, and marketing of items used in educational institutions such as chalk boards, exhibit cases, etc. **Proceeds**—For general corporate purposes. **Office** — 91 Weyman Ave., New Rochelle, N. Y. **Underwriter**—Federman, Stonehill & Co., New York.

★ **Hillsboro Associates, Inc.**
Nov. 27, 1962 filed $1,000,000 of 4% cum. income debentures due 1982 and 15,000 capital shares to be offered in units consisting of 10 shares or one $500 debenture and five shares. **Price**—$1,000 per unit. **Business**—Company plans to purchase the Hillsboro Club, a social and recreational organization. **Proceeds**—For working capital, debt repayment, and property improvement. **Office**—1776 E. Sunrise Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

★ **McAleer (E. J.) & Co., Inc.**
Nov. 19, 1962 ("Reg. A") $50,000 of 5% and 7% unsecured series C debentures due June 30, 1972. **Price**—$100 each. **Business**—Processing and selling at wholesale frozen seafood and other frozen foods. **Proceeds**—For working capital. **Office**—5830 Henry Ave., Philadelphia. **Underwriter**—None.

★ **Manchester Insurance Management & Investment Corp.**
Nov. 28, 1962 filed 272,941 common. **Price**—$3.50. **Business**—Writing of casualty insurance, adjustment of claims, financing of insurance premiums, and the making of investments. **Proceeds**—For expansion, loan repayment and other corporate purposes. **Office**—9929 Manchester Rd., St. Louis. **Underwriter**—Troster, Singer & Co., N. Y.

★ **Master Artists Corp.**
Nov. 26, 1962 ("Reg. A") 65,000 capital shares. **Price**—$1. **Business**—Production and distribution of recorded radio shows. **Proceeds**—For debt repayment, inventory, working capital and other corporate purposes. **Office**—9641 Heather Rd., Beverly Hills, Calif. **Underwriter**—Keon & Co., Los Angeles.

★ **National Fence Manufacturing Co., Inc.**
Nov. 29, 1962 filed 100,000 common. **Price**—$8.75. **Business** — Manufacture of galvanized chain link fence, welded concrete reinforcing fabric, gates and related products. **Proceeds**—For construction of a plant in Ireland, and working capital. **Office**—4301 46th St., Bladensburg, Md. **Underwriter**—Netherlands Securities Co., Inc., N. Y. **Offering**—Expected in February.

★ **New Jackpot Properties, Inc.**
Nov. 28, 1962 ("Reg. A") 240,000 shares of 8% class A preferred (par $1) and 60,000 class B common (par $1) to be offered in units of 20 class A preferred and five class B shares. **Price**—$25 per unit. **Business**—Acquisition of property to be used for tourism and gambling. **Proceeds** — For debt repayment and working capital. **Office** — 300 S. Virginia St., Reno, Nev. **Underwriter**—None.

★ **Ravens-Metal Products, Inc.**
Nov. 7, 1962 ("Reg. A") 75,000 class A common to be offered for subscription by stockholders on the basis of one share for each 10 shares held on Oct. 31, 1961 and Oct. 31, 1962. **Price**—$4. **Business**—Fabrication of aluminum and consumer products. **Proceeds**—For working capital. **Office**—1300 Market St., Parkersburg, W. Va. **Underwriter**—None.

★ **Resort Corp. of Missouri**
Nov. 27, 1962 filed 125,000 class A common and three-year warrants to purchase 1,250 class A shares to be offered in units consisting of four shares and one warrant. **Price** — $32 per unit. **Business** — Company will erect and operate a luxury hotel and resort facilities, and sell 80 acres of land for home sites. **Proceeds**—For construction. **Office**—3615 Olive St., St. Louis. **Underwriter**—R. L. Warren Co., St. Louis.

★ **Sarart Mining Corp.**
Nov. 26, 1962 ("Reg. A") 150,000 common. **Price**—$1. **Business**—Mining and milling of all types of mineral ores. **Proceeds**—For general corporate purposes. **Office**—4764 Sierra St., Riverside, Calif. **Underwriter**—None.

★ **Simco Chemicals, Inc.**
Nov. 29, 1962 ("Reg. A") 95 common. **Price**—$1,000. **Business**—Manufacture, production and sale of Pliotraz, a new resilient flooring material. **Proceeds**—For equipment and working capital. **Office**—132 Greenpoint Ave., Brooklyn. **Underwriter**—None.

★ **Sovereign Life Insurance of California**
Nov. 28, 1962 filed 800 capital shares. **Price**—$2,500. **Business**—Company plans to engage in writing life and disability insurance in California. **Proceeds**—For capital and surplus. **Office**—510 S. Spring St., Los Angeles. **Underwriter**—McDonnell & Co., Inc., New York.

★ **Ultrasonic Laboratories, Inc.**
Nov. 29, 1962 filed 67,200 common. **Price**—$3.50. **Business**—Design, engineering and manufacture of specialized products primarily in the field of contamination control. Company also acts as sales agents and distributors of allied equipment in the fields of contamination control and ultrasonics. **Proceeds**—For debt repayment, equipment, advertising and other corporate purposes. **Office**—1695 Elizabeth Ave., Rahway, N. J. **Underwriter**—None.

★ **United Camera Exchange, Inc.**
Nov. 29, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of retail stores selling and trading cameras, films and other photographic equipment. Company also sells radios, tape recorders, dictating and photocopying machines, and provides a film developing and printing service. **Proceeds**—For new stores and camera concessions. **Office**—25 W. 43rd St., N. Y. **Underwriter**—Ingram, Lambert & Stephen, Inc., N. Y.

Effective Registrations

The following registration statements were declared effective this week by the SEC. Offering details, where available, will be carried in the Monday issue of the "Chronicle."

American Flag & Banner Co. of New Jersey
100,000 common shares at $3.25 per share by K-Pac Securities Corp., New York.

Columbia Realty Trust
320,000 class A shares of beneficial interest offered at $10 per share by Norman Bernstein Securities, Inc., 1415 K St., N. W., Washington, D. C.

Consolidated Edison Co. of New York, Inc.
$60,000,000 of 4⅜% first and refunding mortgage bonds, series X, due Dec. 1, 1992, offered at 100.75, to yield 4.33%, by Halsey, Stuart & Co. Inc., New York.

General Motors Corp.
1,581,692 common shares offered at $55.375 per share by Morgan Stanley & Co., New York.

Gilfillan Corp.
142,680 common shares offered at $7.50 per share by Blyth & Co., Inc., Los Angeles.

Industrial Development Bank of Israel Ltd.
1,000,000 of 6% preference CC shares and 1,500 ordinary AA shares, offered in units of one AA share for 345 CC shares, at $10.50 per unit, by Brager & Co., New York.

Jewel (J. D.), Inc.
60,000 common shares offered at $9 per share by Pistell, Inc., and Crow, Brourman & Chatkin, Inc., New York.

Metropolitan Edison Co.
$15,000,000 of 4¾% first mortgage bonds, due Dec. 1, 1992, offered at 101.937% and accrued interest, to yield 4.26%, by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

New England Power Co.
100,000 shares of 4.56% cumulative preferred stock offered at $102.25 per share plus accrued dividends from Dec. 4, by First Boston Corp., New York.

New England Power Co.
$12,000,000 of 4⅜% first mortgage bonds, series J, due Dec. 1, 1992, offered at 101.426% and accrued interest, to yield 4.29%, by Lehman Brothers, New York, and Equitable Securities Corp., Nashville.

San Diego Imperial Corp.
124,552 common shares offered at $10.75 per share by White, Weld & Co., New York, and J. A. Hogle & Co., Salt Lake City.

Telephone Employees Life Insurance Co.
110,292 capital shares offered for subscription by stockholders of Telephone Employees Insurance Co., affiliate,

at $25 per share on the basis of one new share for each 4 affiliate shares held of record Dec. 5. Rights will expire Dec. 20, Eastman Dillon, Union Securities & Co., Baltimore, is the principal underwriter.

Prospective Offerings

★ Bell Telephone Co. of Pennsylvania (2/5/63)
Dec. 3, 1962 it was reported that this A. T. & T., subsidiary plans to sell $50,000,000 of debentures in February. **Office**—1835 Arch St., Philadelphia. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Feb. 5, 1963 at 195 Broadway, New York.

★ Bethlehem Steel Co.
Dec. 3, 1962, Arthur B. Homer, Chairman, announced that the company will embark on a $750,000,000 capital improvements program to be completed over the next three years. He said that approximately two-thirds of the financing for the program will be generated internally and the balance secured externally. Mr. Homer added that this would not be required in the immediate future. **Office**—25 Broadway, New York. **Underwriters**—To be named. The last public sale of securities in May, 1955, was handled by Kuhn, Loeb & Co., and Smith, Barney & Co., New York.

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 Alleghany Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

★ General American Transportation Corp.
Dec. 4, 1962 it was reported that this company plans to sell $35,000,000 of equipment trust certificates due 1983. **Business**—The supplying of railroad freight cars to railroads and shippers for their use. **Office**—380 Madison Ave., N. Y. **Underwriter**—Kuhn, Loeb & Co., Inc., New York. **Offering**—Expected in January.

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.
Dec. 3, 1962 stockholders authorized the company to create 300,000 new convertible preferred shares. Company plans to sell 185,000 shares of the preferred publicly to raise $18,500,000. **Business**—Manufacture of various types of shoes and apparel. **Proceeds**—To repay long-term notes of subsidiaries, and increase working capital. **Office**—111 Seventh Ave., North, Nashville, Tenn. **Underwriter**—To be named. The last sale of securities was handled by Blyth & Co., Inc., New York.

★ Grace Line Inc. (12/11-14)
Dec. 3, 1962 it was reported that the company will issue $28,000,000 of U. S. Government Insured Merchant Marine Bonds due Dec. 1, 1987. **Price**—At par and accrued interest. **Business**—A subsidiary of W. R. Grace & Co., operating a regularly scheduled liner service between U. S. and South America. **Proceeds**—To help finance the construction of four combination passenger/cargo-container vessels. **Address**—3 Hanover Square, New York. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Paine, Webber, Jackson & Curtis, 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.

★ Inter-American Development Bank (12/10-14)
Dec. 3, 1962 it was reported that this bank plans to sell $75,000,000 of bonds due 1982. **Business**—An international institution, whose members include the U. S. and 19 other American republics, established to further the economic development of its member countries. **Proceeds**—For general corporate purposes. **Address**—Washington, D. C. **Underwriters**—Lazard Freres & Co., Lehman Brothers and Blyth & Co., Inc., 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).

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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 $3,150,000 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.

★ Northwestern Bell Telephone Co. (3/5/63)
Dec. 3, 1962 it was reported that this A. T. & T., subsidiary plans to sell $40,000,000 of debentures to mature not later than 40 years after date of issuance. **Office**—100 So. 19th St., Omaha, Neb. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp.-Eastman Dillon, Union Securities & Co. **Bids**—Expected March 5, 1963 at 195 Broadway, New York.

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 in Feb. or March, 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.

★ Texas Eastern Transmission Corp. (1/23/63)
Dec. 4, 1962 it was reported that this firm plans to sell $25,000,000 of debentures in January. **Business**—Company owns and operates pipeline systems for the transportation of natural gas and clean petroleum products. It is also active in exploration for and production of oil and natural gas and, through a subsidiary, operates a refinery and natural gas processing plants. **Proceeds**—For construction. **Address**—Texas Eastern Bldg., Houston 1, Texas. **Underwriter** — Dillon, Read & Co., Inc., New York.

★ Union Bank (Los Angeles)
Dec. 5, 1962 it was reported that the bank is offering stockholders the right to subscribe for an additional 162,368 capital shares on the basis of one new share for each 15 held of record Nov. 30, with rights to expire Dec. 17. **Price**—$67.50. **Proceeds**—To increase capital funds. **Office**—Eighth and Hill Sts., Los Angeles. **Underwriter**—Blyth & Co., Inc., New York.

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.

Japanese Capital Eyes Investments in Mexico

Huge Japanese proposed loan to Mexico of nine figures is designed to meet Mexican communication, power and oil industry needs.

MEXICO CITY — The proposed $104,900,000 loan by a Japanese syndicate for industrial development in Mexico will not affect Mexico's trade ties with the U. S., according to a high Mexican Government official.

"Our trade relations with the U. S.," he said, "are of such importance that they could not be impaired by a deal with Japan or any other country."

Annual trade between the U. S. and Mexico currently amounts to around $700 million. U. S. investment in Mexico, not counting Government loans, is estimated at some $800 million.

Details of the unprecedented Japanese loan were spelled out in a formal presentation to President Adolfo Lopez Mateos when he visited Japan during his recent tour of the Far East.

Loan — Allocation

Designed to increase Mexico's industrial and export capacity, the $104,900,000 would be allocated in the form of credits to the following projects:

(1) $6,300,000 for two 18,000-ton tankers for Petroleos Mexicanos, the Mexican Government oil organization.

(2) 10,800,000 to build four freighters for Transportacion Maritima Mexicana, the Government's cargo-shipping company.

(3) $40,000,000 to supply electric power plants and equipment for Federal Power Commission installations in the interior of Mexico.

(4) $36,000,000 for the construction of new port facilities in Matamoros across the border from Brownsville, Texas.

(5) $7,500,000 for steel pipe to be used in new water systems.

(6) $1,000,000 for general purposes still to be determined.

Heading the syndicate that would underwrite the credit is the firm of C. Itoh & Co., one of the "Big Four" industrial groups of Japan. An additional credit of $4,000,000 has been offered by Nippon Electric Co. which has been active in Mexico for some time and is planning to manufacture microwave equipment in partnership with Mexican investors and with technicians who will be trained at a school to be established in Mexico by Nippon Electric.

According to Mexico's Minister of Industry and Commerce, Raul Salinas Lozano, who accompanied President Lopez Mateos on the Far East trip, this is the first time that private Japanese industry has ever offered to make a substantial loan to a foreign government.

Mr. Salinas Lozano added that Mexico's main interest in the credit was the opportunity it offered to secure much needed equipment for the communications, power, and oil industries.

Secondary areas for potential development are the automotive and shipping industries.

Ultimately, Mexico would use the projected Japanese-finance installations to step-up manufacture of all types of products, particularly those in heavy demand by the Latin American Common Market.

For Japan, the proposed credit would help balance its export trade to Mexico. This presently runs five to one in Mexico's favor because of cotton exports to Japan amounting to $120 million annually.

The Outlook for Profits in The Petroleum Industry

Continued from page 10

gain is greater than that recorded between 1956 and 1961, about equal to the rather excellent one from 1952 to 1957, and to that between 1947-1952. So, the industry is not really as badly off in prospects as it might think it is.

Quite frequently we tend to get carried away by the human weakness for accretion—accumulation. It's a very pleasant euphoria because we all like to be successful and happy. When we are called up to face the facts of economic existence we don't always like it, and usually we reminisce about "the good old days." Justice Holmes in one of his most famous decisions once said "The desires of man are for security and repose, but security is at best an uncertainty and repose is not the lot of man." I think that even in its advancing years the domestic petroleum industry will find that it must paddle harder than ever before and cannot look forward to any era of repose.

Advises Cost Reduction to Restore Profits

Neither substantial product price improvement nor extraordinary demand characteristics appear likely to restore industry profit trends to their earlier youth and vigor. The elimination of these factors inevitably requires reductions in costs if profits are to be improved.

Such reductions are paramount if industry returns on investment are to be bettered. The recent history of returns on borrowed and invested capital on operation in the United States by the Chase Manhattan Bank group of companies has been:

1961	8.6
1960	8.8
1959	8.5
1958	7.2
1957	10.1
1956	10.5
1955	10.2
1954	11.8
1953	9.8

The figures reveal that in the last few years return on investment from domestic operations has averaged close to 20% below that prevailing for the previous 4-year period. Since earnings were slightly higher it follows that investment rose faster than earnings.

One immediately recognizes that among the contributing factors have possibly been: the rising price level for goods and services purchased by the industry, higher capitalized labor costs, and like factors swelling the cost of what it buys and builds. Higher sales totals assumedly require greater inventories, increased receivables and the like. The demand projections used herein indicate that oil is going to have to be able to meet a demand in 1967 of another 1,400,000 bbl per day more than it is now supplying. Undoubtedly decline curves are going to require the industry to find and develop much more than that amount of new oil productivity. However, the industry currently has a considerable amount of room in its breeches and perhaps if it were to slow down land acquisition, exploration, and development a bit, not only would the current situation tighten up and thus enable a better return on past investments but improve future prospective return as well.

Crude Oil Price Too High

Many will say you can't do this because such actions bespeak "self-liquidation" since a firm may be relinquishing an opportunity to someone else. That is "me-too-ism" and it is highly prevalent in the oil business all the way from leases and wells to service stations, including petrochemicals to a significant degree. Every integrated company I know of is out trying to increase its share of an almost stagnant market. The total of bonuses racked up in the Louisiana offshore land sales of recent history staggers the imagination of holders of oil shares who continually read of industry surpluses. I doubt that these projects would look as attractive if the crude-oil price were cut 50 cents a barrel. Personally I believe the price of crude oil is too high in terms of the price of products. Refineries are touch-and-go on profits; but they are an integral part of the overall business. My experience tells me that, historically, oil men in general have grown up in an atmosphere which conditions them to think that production alone is the place to really make money, that oil is mining, and profits come from converting cow pastures to oil fields. That still holds true but to a far lesser degree than ever before, and those in the production phase of the business must ultimately recognize that crude as such without pipelines, refineries, and marketing outlets just isn't what it used to be. Integrated company interdepartmental accounting has always leaned heavily on "locking-up" profits in crude and hoping that somehow the other operations might muddle through. To accomplish this the industry has created a crude-oil price structure which has been and is unrealistic as compared to products prices, and to attendant refinery and marketing investments, etc. I think it is open to serious question whether reducing crude prices under current and prospective competitive conditions in manufacturing and marketing would do more than to temporarily transfer profits from production to these other divisions since there is no assurance that refinery-marketing margins thus restored would not continue to erode.

Accordingly, to preserve return on investment by discouraging new investment appears more likely to be accomplished by spending at a lower level. No real deflation has as yet occurred in production outlays.

Exploration and Development Costs

Again referring to the Chase Manhattan Bank data, they have for a number of years calculated exploration and development costs in the United States and the resulting figures I have combined herein with lifting-cost data as follows:

	Chase Group — Millions — Capitalized Production Outlays	Dry Holes	Exploration Expenses	Total	Dollars Per Net Barrel Produced	My Esti. Net Lifting Cost Per Bbl.	Total Per Bbl.
1961	$1,758	$334	$445	$2,537	$1.80	$0.81	$2.62
1960	1,692	322	448	2,452	1.77	0.78	2.55
1959	1,674	345	461	2,480	1.80	0.75	2.55
1958	1,478	330	463	2,271	1.75	0.73	2.48
1957	1,741	446	511	2,698	1.91	0.71	2.62
1956	1,749	399	493	2,641	1.90	0.68	2.58
1955	1,636	337	440	2,413	1.83	0.65	2.48

If we divide the foregoing into "cost" and "capital" items and relate the data to average crude-oil prices, the figures emerge as:

	Per Barrel — Capital Items	Operating Items — Lifting	Exploration	*Total	IPAA Weighted Crude Price	Crude Price Less Operat'g Items
1961	$1.25	$0.81	$0.56	$1.37	$3.00	$1.63
1960	1.22	0.78	0.55	1.33	3.00	1.67
1959	1.22	0.75	0.58	1.33	3.03	1.70
1958	1.13	0.73	0.62	1.35	3.12	1.77
1957	1.23	0.71	0.58	1.29	3.16	1.83
1956	1.26	0.68	0.54	1.32	2.84	1.52
1955	1.24	0.65	0.59	1.24	2.82	1.58

* Does not include severance taxes, workovers, proportionate general overhead, etc.

Cost of New Reserves

The year-to-year changes in the U. S. reserve total plus the oil produced during the year equals the amount of total oil found in any year. I recognize this includes new fields, revisions of earlier estimates, extensions, etc. If this figure is divided by the total wells drilled the gross additions are equated to a per-well basis. Because of year-to-year fluctuations particularly in calculating reserves, the following has been placed on a 5-year moving average:

Gross Reserves Found Per Well Drilled

Five-Year Moving Average Year Ending—

1961	56,500
1960	55,200
1959	54,800
1958	51,300
1957	54,000
1956	57,000
1955	66,000
1954	68,700
1953	75,100
1952	81,700
1951	86,500
1950	84,200

What do these figures mean to the outside observer?

At first glance they indicate that more wells must be drilled to find and develop a given quantity of reserves. What would cause this? An early assumption is that reservoirs which are found having equal area are yielding less ultimate reserves so that under historical well-spacing practices equal surface area requires equal wells yielding less reserves; or, in effect, less reserves per acre. Why should this be true? Assuredly the industry has first found and developed the obvious structures. In the process of dismantling a hay stack to find the needles hidden in it, naturally one comes upon the larger needles first. But, these are needles of larger area, why are they necessarily of greater density? In California and on the Louisiana Gulf Coast reserves per acre run very high and certainly in the latter area the structures are much smaller in surface area. Every once in a while a Spraberry comes along to keep the average low. Are there any other factors? The industry may know the answers better than I.

Now, if it were possible to organize drilling unit spacing to encompass greater acreage per well, would this not have the effect of reducing the number of wells required to be drilled to prove and develop the same amount of reserves? If so, this would result in turning upward the average of reserves found per well drilled.

If fewer wells were drilled the capital investment in production outlays would be reduced. I might not be reduced proportionately because we might still be digging all of the expensive deep wells which yield us large reserves on the Louisiana Gulf Coast. But there the reserve total per well is far above the national average anyway.

What has the industry obtained on its dollars? In other words, how have the barrels of reserves found stacked up against outlays for production equipment, lease acquisition costs, and all dry holes? Once again the Chase Manhattan Bank comes to our aid through its annual calculation of industry expenditures in the United States covering these items. The figures obtained by dividing the above outlays by gross oil found yield the following expenditure per barrel, also on a 5-year moving average:

Production Capital Expenditures Per Barrel Found

Five-Year Moving Average Year Ending—

1961	$1.34
1960	1.39
1959	1.38
1958	1.45
1957	1.39
1956	1.27
1955	1.05
1954	.95
1953	.82
1952	.72
1951	.64
1950	.63

These figures are far more striking in trend than those on oil found per well drilled. The smaller reserves per well have an influence on these figures, but the paramount influence is that of dollars. Dollars reflect your higher costs for steel, cement, labor, and all that enters into fixed capital assets. The measure of current profit expressed as returns on investment has rapidly declined and it has done so because investment has risen more rapidly than production.

It has been pointed out that production capital outlays have not materially increased when related to current production. These figures illuminate the matter since they point out that it is capital costs of **reproduction** which have risen substantially. These costs do not reflect themselves in operating profits before depreciation and depletion such as we have cited. They have a major influence on the future trend of these items, causing them to increase, and thus exerting downward pressure on net operating income after capital extinguishments.

Recent Trends

Once again to an outside observer certain trends are evident which reflect these fundamentals; they are:

(1) The mass exodus from the country of larger units in the domestic industry seeking new and lower-cost reserves outside our borders.

(2) The liquidation or merger of such companies as American Republics, Houston Oil, Honolulu Oil, Monterey Oil, Plymouth Oil TXL Oil, Union Texas, an Woodley. Without question the careful weighing of reproduction costs and their effect on capital investment as against the values realizable in the existing market (and these values have in the past substantially exceeded share prices) have led to the conclusion that the economic future of independent operations was far from assured from a return-on-investment viewpoint.

I am quite sure that the facts as revealed by this public information are most representative of what has transpired in many producing operations. If production were rising—something most difficult to accomplish in the United States—the larger divisor might help to reduce certain unit costs along the lines of the incremental refining barrel; but unless and until crude-oil prices, which I consider to be already high in relation to product realizations, can be moved upward reflecting a strong products market, then the only answer to improving return on investment is continued watchfulness on the industry's part with regard to every item of current expenditure both of an operating and capital nature. The control of spending is in the oil industry's hands.

*From a talk by Mr. Perdun before the Production Session of the 42nd Annual Meeting of the American Petroleum Institute, Chicago, Ill., Nov. 13, 1962.

To Make Study of Venezuela Inv.

Ebasco Services Incorporated has been retained by the U. S. Agency for International Development (AID) to conduct an economic study of investment opportunities in Venezuela, it has been announced by Harold H. Scaff, vice-president of the management consulting, engineering and construction firm.

The evaluation is part of a program undertaken by AID to further the growth of industry in Venezuela, an "Alliance for Progress" partner nation.

The study will involve specific site developments in five regions of northern Venezuela. Its purpose is to identify new industrial production needs and opportunities and to develop the data into well-defined investment proposals. These proposals will serve as a basis for a vigorous promotion program to encourage early investment by both domestic and foreign investors as a means of creating additional employment, greater income and higher living standards for the Venezuelan people.

The study will include the evaluation of four specific existing industries in Venezuela, metal working and fabrication, wood, food and leather; and the study of all essential economic factors in each of the five geographical areas.

Ebasco will work through the Venezuelan Development Corporation, an organization of the host country's government under a $209,906 contract. Half of the dollar cost is being reimbursed by AID. The study is expected to be completed by November 1963.

Draper, Sears Will Admit

BOSTON, Mass.—Effective Jan. 1, Draper, Sears & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges, will admit Warren Ackerman, Jr., to partnership.

Taking an Optimistic View Of Tomorrow's Stock Market

Continued from page 3

low points. As of the close of Nov. 27, the Standard & Poor's 500 was 61.73 and on the basis of the estimated earnings of $3.53 for the Index, the market was selling at 17.5 times this year's indicated earnings and yielding 3.56%. On this basis, the market, on a medium term outlook, no longer has the extra appeal that it had at the lows but by the same token, it does not appear to be out of line with its prospects.

In passing, it is well to note here that the market has now recovered approximately 46.5% of the erosion that took place between Dec. 12 and June 26. Not that I think there is any particular connection or similarity between the two periods but I might mention that the recovery by April of 1930 from the November, 1929 collapse amounted to 45.4%. In other words, the extent of the recovery does not mean by itself that one is automatically "riding the gravy train" again.

So much for the past, and we know where we stand now, stock-market-wise. Where do we stand business-wise, and what can we look forward to, and how can this be translated into security prices?

Sideways Economy's Posture

Again, attempting to look at the business picture as dispassionately as possible—in other words, exemotion—I think it is safe to say that not only is our economy at its all-time peak level, but a composite of the indicators would lead us to conclude that it is probably going to stay there, plus or minus a little bit, for at least the next six to nine months. Why do I say this?

In the first place, the disappointments concerning the economy in 1962 were not so much with its trend, but with the fact that the accomplishments were far less than called for by the overly optimistic forecasts made toward the end of 1961 and the beginning of 1962. Looking at this objectively, we realize that we encountered two sets of figures at the end of last year. The first were the flowing predictions that emanated from Washington. Any one who looked at them could have, and did, come to the conclusion that these were 60%-80% political and 20%-40% economic. These forecasts got a lot of newspaper space and a lot of naive followers, and some expressions of extreme disbelief in Congress. The second group of figures, which were considerably more restrained, but still, in many instances, far higher than actual realization, came from the professional economists and market analysts. These estimates tended to extrapolate the trend that was under way without however, being able to clearly develop the forces that were going to continue that trend.

Inventory Factor

What actually happened was that we moved ahead, reached a new all-time peak, and began to level out. The reasons for this are not too difficult to understand. The bulk of our recoveries and downturns in the postwar period have been engendered largely by inventory moves. Inventories accumulate and the business picture moves up rapidly. Inventory becomes adequate for demand, which is growing at a rather slow rate, inventory accumulation is no longer undertaken, and the uptrend peters out. Inventories are regarded as somewhat too high for demand and begin to be liquidated, and we have a decline.

Furthermore, and of the greatest importance, is the fact that with more than adequate capacity in many industries and with more rapid communication and transportation facilities, the amount of inventory that has to be carried, in relation to sales, compared with the past, has shrunk. There is no worry about getting new materials. Furthermore, with the improvement in inventory controls, particularly in larger companies that can now do this on a computer, the actual amount of inventory needed per dollar of sales is also lower. As a result, the impetus from this factor becomes smaller and our growth as a consequence of this former major influence is reduced.

Actually, we have been kicking along at a peak level, with a slight upward bias, for the past five months. Under normal circumstances, I would have expected that this trend, moving downward only slightly because no important excesses had been built up, would be with us for the greater part of 1963. At this point, however, the extraordinarily good demand for automobiles, one of our largest industries, speaks well of the consumers' demand for merchandise and consequently, I now feel that we will probably continue to move along at our peak levels, rather than show any particular decline.

Let me emphasize that there is nothing wrong with a sidewise movement! Particularly at an all-time peak. This trend in itself would be a consolidation and, in my opinion, would be laying the ground work for the next major move. Unlike the last number of recoveries, which have been largely inventory inspired, I feel that this one will have a considerably stronger underpinning.

Forthcoming Family Formations

Family formations in an affluent society, and this latter part is of basic importance because population *per se*, or the formation of new families, means nothing to the economy when the where-with-all to buy does not exist, are the key to the new demand for the large quantity of goods that spur society to economic peaks. For the last couple of years, family formations have been tending downward. Actually, family formations, after building up through 1956, declined in 1957 and 1958, showed a modest rally in 1959, but not up to the 1957 level, another increase in 1960, but this is highly distorted by Census Bureau changes, then dropped down sharply in the last two years. They will probably continue down for the greater portion of next year, but as the baby crops that sprung up sharply in 1942 and 1943 reach the marriageable age, and this age, of course, is a number of years earlier than it was a few generations ago, an upturn in family formations can be expected late in 1963 and should run, with possibly a dip or two, at an accelerating rate through the balance of the '60s. It is here, in the needs of the newly formed family, that we will find that extra plus that should prove so helpful to our economy. Furthermore, this improvement, particularly because it will be prolonged and because it is fundamental rather than arising out of self-correcting business shifts, should give a far greater impact to the economy than we have witnessed during the past decade. If, by any chance, this is coupled with an intelligent tax reduction program, the economy may really get under way for a sustaining gain.

How about the stock market under these circumstances? Inasmuch as this basic upturn will probably take place during the latter months of the coming year and as the stock market, in its upward leg generally anticipates business by as much as six months, I would expect that a rising market could develop in the late spring of the coming year. In the interim, we should have considerable shifting back and forth, laying the ground work for this improvement. The new market, however, will probably continue to be an extremely selective one as security buying continues to be more professionally directed. Furthermore, the greatest gains will undoubtedly lie in those areas that will be most affected by the new slant of the economy. Professional analysis based on dynamic fundamentals, will probably play an ever increasing role in making the selections.

This is my prediction, ex emotion. On the other hand, I am sure such a prediction may very well promote substantial emotions on other people's part.

*An address by Mr. Kahn at the Banking and Finance Assembly sponsored by New York University School of Commerce, Washington Square Campus, New York City, Dec. 1, 1962.

Ball, Burge to Admit Partners

CLEVELAND, Ohio—Ball, Burge & Kraus, Union Commerce Bldg., members of the New York and Midwest Stock Exchanges, on Jan. 1 will admit to partnership Hal A. Fausnaugh, David M. Ussher, Jr., and William P. Zahler. Mr. Zahler and Mr. Fausnaugh are Managers of the firm's government bond department.

Ebasco Names Cahal to New Post

R. R. Cahal, Jr. has been named Manager of Utility Marketing Services for Ebasco Services Incorporated, it has been announced by Harold H. Scaff, Vice-President of the management consulting, engineering and construction firm.

He succeeds W. L. Byrne who recently resigned from Ebasco to become Director of Marketing for Kansas Gas and Electric Company, Wichita, Kan.

Mr. Cahal has been with Ebasco since 1954, and has directed major sales and marketing consulting assignments for the firm's utility clients. Previously, he was with the sales department of New Orleans Public Service, Inc.

The State of TRADE and INDUSTRY

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against $30,853,200,109 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Dec. 1—	(000s Omitted) 1962	1961	%
New York	$18,581,661	$17,019,429	+ 9.2
Chicago	1,429,961	1,394,775	+ 2.5
Philadelphia	1,190,000	1,248,000	— 4.6
Boston	936,346	898,966	+ 4.2
Kansas City	560,865	513,039	+ 9.3

Steel Output Up 1.7% From Week Ago and Down 9.5% From Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Dec. 1, 1962, was 1,876,000 tons (*100.7%), as against 1,844,000 tons (*99.0%) in the week ending Nov. 24.

Data for the latest week ended Dec. 1, 1962, shows a production decline of 9.5% compared to last year's week output of 2,073,000 tons (*111.3%).

Production this year through Dec. 1 amounted to 90,865,000 tons (*101.6%), or 2.1% above the Jan. 1-Dec. 2, 1961, period.

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

District—	*Index of Ingot Production for Week Ended Dec. 1 1962	Nov. 24 1962
North East Coast	91	89
Buffalo	92	94
Pittsburgh	90	87
Youngstown	85	83
Cleveland	121	118
Detroit	152	156
Chicago	114	111
Cincinnati	112	112
St. Louis	110	100
Southern	92	89
Western	80	88
Total Industry	100.7	99.0

Impressive Steel Demand Across The Board

Steel business is accelerating across the board—in all markets and in almost all products, *Steel* magazine reported.

Prospects for December can't be called bullish, but they are better than most steelmakers expected a month ago.

Although sheets continue to get most of the play, demand for semifinished steel, structurals, wide plates, and certain types of bars is also perking up.

For the first time since March, the auto industry's steel buying is fully geared to its consumption. General Motors Corp. has completed inventory adjustments at most of its plants. Ford Motor Co. and Chrysler Corp. stopped liquidating surplus stock several weeks ago.

Most nonautomotive steel users have also stopped liquidating. Over 70% of respondents to *Steel's* quarterly survey of mill product inventories will keep stocks at current levels, while 12% will add to them.

Automakers are continuing to give the steel market stronger support than any other customers because of excellent sales. New car sales in the middle third of November were 22% ahead of year earlier figures and a record for the period.

Prospects for the machine tool industry, an important steel consumer, seem to be improving. New orders for metal cutting tools spurted 16% in October.

No less encouraging is the government's prediction that 1963 will be a banner year for construction—second only to the automotive industry as a steel customer.

The steel industry is also helping itself through research. By beefing up steel's strength through alloying and processing, steelmakers have found they can make a pound of the material go farther and do more work.

In 1949, for example, the recognized point at which these construction steels would permanently deform was 33,000 psi (pounds per square inch). Today, designers can specify 100,000 psi.

The strength of these alloy steels can be pushed even higher (above 300,000 psi) with heat treatment. And researchers are pursuing the knowledge needed to build strengths approaching the binding force between iron atoms (more than four million psi).

Steel said there are more than 40 producers of high strength steels.

Weekly Output Edges Upward

Steelmakers this week are expected to turn out more than the 1,855,000 ingot tons which *Steel* estimated the industry poured last week. Operations are at 60.5% of estimated 160 million tons annual capacity—the highest rate since late April.

The downtrend in the scrap market was reversed last week. *Steel's* price composite on the key steelmaking grade, No. 1 heavy melting, was up 66 cents to $24.33 a gross ton.

Big news in the nonferrous industries this week is that primary aluminum output is heading for a record. *Steel* estimated the 1962 total will reach about 2.1 million tons *vs.* the previous high of 2,014,498 tons in 1960. The industry also anticipates shipments (ingots and mill products) will hit a new high of around 2.8 million tons this year.

Steel Uptrend Seen for December

The year will end on an uptrend in the steel market, *The Iron Age* reported. This is in contrast to forecasts of two months ago. Then, all signs pointed to a seasonal easing in December and possibly a severe drop in the first quarter of 1963.

The reversal in sentiment is based to a large extent on soaring auto sales. Automakers have had to revise their fourth quarter production rates upward several times in recent weeks to meet demand. And, at this time, there is no easing in the demand for new cars.

There is no question the market needs support from other sectors in the economy. This week, there are some signs that orders are increasing from a broad range of steel users.

The Iron Age summed up the market this way: Inventories are down; confidence is up. In this situation, the steel market has to show a broader base of strength. Steel stocks are lower than they were at this time last year, and consumption is up.

However, the new strength is still concentrated too heavily in the automotive steel market to wipe out all reservations. And there is still the possibility of a downturn in the entire economy in the first half of next year.

But as a counteracting force, some steel users are already talking about building inventories in advance of labor negotiations in 1963. (The contract between the steel industry and the United Steelworkers of America can be reopened for negotiations on wages and some other economic issues.) Some automakers, for example, have indicated they will start a buildup possibly in April, but will block out their needs well in advance.

To show the force of the steel demand, these mill figures are cited. For a week or so, one mill's orders averaged 80% of capacity. Another sheet mill reported orders running at 100% of capacity for a brief period.

To bolster the December outlook, some producers expect a rush of late buying this month. The general belief is that inventories held by many users are out of balance and rush buying will be needed to sustain a good level of manufacturing expected through December.

It should be pointed out that this new strength is relative. It is true that automotive, appliances, and some other industries are not going into expected seasonal declines. But this is a long way from a boom market.

With the exception of sheets and other flat-rolled products, no product is showing the broad increases that will be necessary to sustain a real market upturn. On the other hand, new business already in hand indicates a downturn has at least been postponed.

Auto Production This Week At 34 Month High

Ward's Automotive Reports stated that U. S. auto industry built approximately 170,916 cars in the week ending Dec. 1. This figure constitutes a 28.5% increase over the 132,922 cars built the prior week, and comes close to reaching the record high of Jan. 30, 1960 when the industry produced 173,231 cars. However, last week's output only exceeds the year-earlier week by 3.6% when 164,834 cars were built.

Scheduled output denotes a total of about 690,000 cars for the month of November. This compares with the record high for that month in 1955 when 748,559 automobiles were built. In November of last year 646,015 cars were assembled. The rapid pace of auto production is expected to continue again this week, according to automobile manufacturers reports obtained by *Ward's*.

Rail Loadings Declined 2.3% Below Last Year's Week

Loading of revenue freight in the week ended Nov. 24 totaled 484,257 cars, the Association of American Railroads announced. This was a decrease of 87,144 cars or 15.2% below the preceding non-holiday week.

The loadings represented a decrease of 11,409 cars or 2.3% below the corresponding week in 1961, but an increase of 12,906 cars or 2.7% above the corresponding week in 1960. The Thanksgiving Day holiday fell in each of these weeks.

There were 14,561 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Nov. 17, 1962 (which were included in that week's over-all total). This was an increase of 1,906 cars or 15.1% above the corresponding week of 1961 and 3,387 cars or 30.3% above the 1960 week.

Cumulative piggyback loadings for the first 46 weeks of 1962 totaled 628,959 cars or an increase of 105,302 cars or 20.1% above the corresponding period of 1961, and 133,196 cars or 26.9% above the corresponding period in 1960. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 54 in the corresponding week in 1960.

Truck Tonnage Falls a Bit Below Last Year's

Intercity truck tonnage in the week ended Nov. 24 was 0.7% below the volume in the corresponding week of 1961, the American Trucking Associations announced Nov. 30. Truck tonnage was 15.1% below that of the previous week of this year.

While the weekly survey indicates truck tonnage is trailing volume of a year earlier, the year-to-year decrease is colored by the unusually strong upturn in traffic in the Fall of 1961. The week-to-week decrease is attributable in large measure to the Thanksgiving Day holiday during the week reported, and is consistent with that experienced during comparable periods in past years.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 15 localities, with 19 points reflecting decreases from the 1961 level. Truck terminals at four centers reflected tonnage gains in excess of 12%, while two points registered decreases of more than 10% from that of a year ago.

Compared with the immediately preceding week, 33 metropolitan areas reflected decreased tonnage. One center, Denver, showed no change from the earlier week.

Lumber Output Increased 15.5% Above 1961 Rate

Lumber production in the United States in the week ended Nov. 24, totaled 206,789,000 board feet compared with 228,878,000 in the prior week, according to reports from regional associations. A year ago the figure was 174,596,000 board feet.

Compared with 1961 levels, output rose 15.5%, shipments rose 15.3% and new orders rose 23.7%.

Following are the figures in thousands of board feet for the weeks indicated:

	Nov. 24, 1962	Nov. 17, 1962	Nov. 25, 1961
Production	206,789	228,878	174,596
Shipments	200,429	221,600	173,805
New orders	188,173	210,568	152,037

Electric Output Up 4.7% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Dec. 1, was estimated at 16,699,000,000 kwh., according to the Edison Electric Institute. Output was 590,000,000 kwh below that of the previous week's total of 16,109,000,000 kwh., and 745,000,000 kwh., or 4.7% above the total output of the comparable 1961 week.

Rebound in Business Failures After Holiday Downturn

Commercial and industrial failures rebounded to 322 in the week ended Nov. 29 after their decline to 253 in Thanksgiving week, reported Dun & Bradstreet, Inc. While casualties climbed the highest since mid-October, they fell short of the comparable year-ago level of 356. However, they exceeded the 1960 toll of 290 in the similar week and the pre-war toll of 264 in 1939.

There was a steep upswing in failures with liabilities of $100,000 or more which jumped to 57 from 23 in the preceding week and 46 last year. Only once so far in 1962 did more concerns fail in this size group, in the week ended March 15. Casualties with losses under $100,000 increased more moderately, rising to 265 from 230 a week ago but remaining below their 1961 level of 310.

All industry and trade groups except wholesaling suffered higher tolls during the week. Manufacturing casualties climbed to 51 from 34, retailing to 161 from 131, construction to 53 from 38, and commercial service to 37 from 22. The contrasting decline in wholesale trade dropped its toll to 20 from 28. Despite the many week-to-week increases, fewer businesses succumbed than last year in all lines except service.

Seven of the nine major geographic regions reported an upturn in business failures from the holiday week. The toll in the Pacific States climbed sharply to 74 from 52, in the South Atlantic to 32 from 21. Casualties held even in the West South Central and Mountain States, on the other hand. Trends from last year were mixed; five regions had fewer casualties while four suffered heavier mortality than in the comparable week of 1961.

Canadian failures edged up to 44 from 41 a week ago and 35 in the similar week last year.

Wholesale Commodity Price Index Turns Up From '62 Low Of Prior Week

Lifted by appreciably higher quotations for steel scrap, silver, wool and oats, the general wholesale commodity price level turned up to 268.66 this Monday from the 1962 low of 267.74 registered a week ago, reported Dun & Bradstreet, Inc. Although the index edged up the most since Nov. 9, it remained appreciably below both the previous month's and last year's levels for the comparable date.

The Daily Wholesale Commodity Price Index advanced to 268.66 (1930-32=100) on Monday, Dec. 3, from 267.74 a week earlier. However, it continued well below the 270.11 a month ago and the 272.55 a year ago.

Wholesale Food Price Index Inches Up for Second Week

Continuing to edge fractionally higher, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., moved up to $6.02 on Dec. 4. With this 0.5% increase from $5.99 in the preceding week, the index reached the highest level since Sept. 4 when the high for the year of $6.11 was posted. While exceeding the comparable year-ago level of $5.95, the current index remained appreciably below the $6.18 registered on the similar day of 1960.

Lard and bellies were quoted substantially higher at wholesale markets this week, and gains also were noted for wheat, rye, oats, sugar, cottonseed oil, cocoa and peanuts. On the other hand, ten foodstuffs moved lower in wholesale cost—corn, beef, hams, butter, milk, coffee, eggs, potatoes, hogs and lambs. But their dips were not strong enough to offset the price advances.

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.

Slow Start in Christmas Buying

Retail sales failed to gather much steam in the week ended Wednesday, Nov. 28, continuing moderately above the 1961 level for the same period. Post-Thanksgiving traffic was heavy but most stores reported more looking than buying. Furthermore, shopping bogged down in snow in the West North Central Region and in rainy gales in the Far Northwest. Apparel activity was uneven — purchases of men's wear slowed yet women's accessories, lingerie and children's clothing staged appreciable gains as gift purchases. It was a generally good week for home furnishings, hardware and autos, although some customers for the latter were balking at long delivery delays.

The total dollar volume of retail trade in the week ended for the reported ranged from 1 to 5% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: West North Central —3 to +1; Mountain and Pacific —2 to +2; New England and East South Central 0 to +4; Middle Atlantic and West South Central +1 to +5; East North +2 to +6; South Atlantic +4 to +8.

Nationwide Department Store Sales Rise 1.0% 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 1.0% for the week ended Nov. 24, compared with the like period in 1961. In the four-week period ended Nov. 24, 1962, sales advanced 3% over the corresponding period in 1961.

According to the Federal Reserve System, department store sales in New York City for the week ended Nov. 24, were 2% above the same period in 1961.

NSTA NOTES

KANSAS CITY SECURITY TRADERS ASSOCIATION

The Kansas City Security Traders Association has elected the following officers for 1963:


Francis D. Bertrand


Myron D. Mesler


Robert L. Goss


Robert G. Maher

President: Francis D. Bertrand, H. O. Peet & Co.

Vice-President: Myron D. Mesler, George K. Baum & Co.

Secretary: Robert L. Goss, Barret, Fitch, North & Co., Inc.

Treasurer: Robert G. Maher, Parker, Eisen, Waeckerle, Adams & Purcell, Inc.

KANSAS CITY SECURITY TRADERS ASSOCIATION

The Kansas City Security Traders Association will hold their mid-winter party Thursday, January 24, 1963, starting at 5 p.m. on the Roof Garden of the Hotel Continental.

Reservations and requests for rooms should be made through Myron D. Mesler, c/o George K. Baum & Company, 1016 Baltimore, Kansas City 5, Mo.

TWIN CITY SECURITY TRADERS ASSOCIATION INC.


Robert Davis

At the Annual Meeting of the Twin City Security Traders Association the following new officers were elected for the 1962-63 year:

President: Robert Davis, Piper, Jaffray & Hopwood.

Vice-President: Jerry Ets Hokin, J. M. Dain & Co., Inc.

Secretary: Richard Grant, E. J. Prescott & Co.

Treasurer: John Coulter, First National Bank of Minneapolis.

BOND CLUB OF LOUISVILLE

The Bond Club of Louisville will hold its annual Christmas party on Dec. 13, at 5 p.m. at the Essex House. Tariff is $5 for members and $7.50 for guests.

Reservations should be made by Dec. 11 with Mrs. Catherine Moise of the Bankers Bond Co.

Tax-Exempt Bond Market

Continued from page 6

ance in account is $4,595,000. The bonds due 1970 to 1976 were committed pre-sale and were not publicly offered.

Infrequent Borrower

Also on Monday, Dallas County, Texas, an infrequent borrower, awarded $8,000,000 Permanent Improvement (1964-1993) bonds to the account headed by the *First National City Bank* at a net interest cost of 3.2046%. The second bid of a 3.246% net interest cost came from Halsey, Stuart & Co., Inc. and associates and there were ten additional bids made for this issue.

Associated with the First National City Bank as major underwriters are Merrill Lynch, Pierce, Fenner & Smith Inc., R. W. Pressprich & Co., Wertheim & Co., First Southwest Co., Republic National Bank of Dallas, Braun, Bosworth & Co., Inc., First of Michigan Corp., Roosevelt & Cross, Fidelity Union Trust Co., Newark, New Jersey, James A. Andrews & Co., Inc. and Robert Winthrop & Co. Scaled to yield from 1.90% to 3.60%, initial investor demand has been good with the present balance in account $4,535,000.

The syndicate managed jointly by *Butcher & Sherrerd* and *Dolphin & Co.* purchased, through negotiation, $9,620,000 Bristol Township School District Authority, Pennsylvania, revenue (1963-1984) bonds at a 3.59% net interest cost. Other major members of this syndicate include Drexel & Co., Halsey, Stuart & Co., Inc., Harriman Ripley & Co., Inc., Smith, Barney & Co. Blyth & Co., Eastman Dillon, Union Securities & Co., Goldman, Sachs & Co., Ira Haupt & Co., Hornblower & Weeks, Merrill Lynch, Pierce, Fenner & Smith Inc., B. J. Van Ingen & Co., Inc., White, Weld & Co., Arthurs, Lestrange & Co. and Blair & Co., Inc. Scaled to yield from 2.00% to 3.70%, investor demand was widespread with all of the bonds sold and the account marked closed.

On Tuesday evening, $8,000,000 Nashville, Tennessee Electric Power revenue (1966-1993) bonds were sold to the account headed by *Halsey, Stuart & Co., Inc.* at a 3.078% net interest cost. Second best bid for the bonds, offering a 3.08% net interest cost, came from Blyth & Co. and associates.

Other major members of the winning account include Phelps, Fenn & Co., C. J. Devine & Co., Stone & Webster Securities Corp., R. W. Pressprich & Co., A. C. Allyn & Co., Inc., W. H. Morton & Co., Inc. and A. G. Becker & Co., Inc. The securities are offered to yield from 1.90% in 1966 to 3.30% in 1990 and after today's initial order period the balance in account is $3,466,000. The 1991 to 1993 maturities carried a one-tenth of 1% coupon and were sold at a 4.35% yield.

Wednesday's only sale of note consisted of $4,080,000 Cranston, Rhode Island School and Public Improvement (1963-1983) bonds which were won by the *First Boston Corp.* group at a 3.317% net interest cost. The runner-up bid of a 3.33% net interest cost came from Halsey, Stuart & Co., Inc. and associates.

Other major members of the successful group include Harris Trust & Savings Bank, The Northern Trust Co., G. H. Walker & Co., Tucker, Anthony & R. L. Day Co., Reynolds & Co., W. H. Morton & Co., Inc. and Townsend, Dabney & Tyson. Scaled to yield from 1.75% to 3.50% for all 3.40s, the present balance is $2,855,000.

Toll Issues Erratic

The markets for long-term revenue bond issues were easier early this week but as we near press time there has been some firming of prices. Currently our revenue bond average is a 3.609% yield; a week ago it was 3.61%. This stand off in price average would have been quite different if sampled last Monday. On that day and early in Tuesday's session yields would have averaged close to 3.65%. Investor interest has again focussed on the high coupon dollar quoted bonds. Illinois Toll Road 4¾s, Florida Turnpike 4¾s, New York State Power Authority 4⅜s, Oklahoma Turnpike 4¾s and other issues have shown gains over the week.

New Texas Turnpike?

Another toll highway may come to pass should a study now under way prove feasibility. The Texas Turnpike Authority has retained two engineering firms to study a proposed 11-mile toll express highway connecting north Dallas areas with the city's center. The plan envisages a six lane expressway and a 10 cent toll. An existent railroad right of way would be followed. This would be a project in itself, although sponsored by the Texas Turnpike Authority which presently operates the 30-mile Dallas-Ft. Worth. Turnpike.

Dealer-Broker Literature

Continued from page 8

Freuhauf Trailer Co.—Comment—Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available are comments on **U. S. Plywood.**

General American Transportation—Memorandum — Sincere and Company, 208 South La Salle St., Chicago 4, Ill. Also available is a memorandum on **Crescent Petroleum.**

General Battery and Ceramic Corporation—Analysis—Gude, Winmill & Co., 1 Wall St., New York 5, N. Y.

General Electric Co.—Analysis—Paine, Webber Jackson & Curtis, 25 Broad Street, New York 5, N. Y.

Giannini Scientific—Memorandum—Draper, Sears & Co., 50 Congress Street, Boston 2, Mass.

Hidden Splendor — Report—Nathan, Blechman & Co., 42 Broadway, New York 4, N. Y.

International Minerals & Chemical Corp.—Analysis—Royal Securities Corporation, 244 St. James Street, West, Montreal 1, Que., Canada. Also available is an analysis of **New Brunswick Telephone Co., Ltd.**

Ipco Hospital Supply Corp.—Bulletin—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N.Y.

Macke Vending Company—Analysis — Ferris & Company, 611 Fifteenth St., N. W., Washington 5, D. C.

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

New York, Chicago & St. Louis—Comment in current "Investment Letter" — Hayden, Stone & Co. Incorporated, 25 Broad St., New York 4, N. Y. Also in the same issue are comments on **Seaboard Air Line** and **Pennsylvania Railroad.**

Newport News Shipbuilding & Drydock — Analysis—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is an analysis of **Anheuser Busch.**

Northgate Exploration Limited—Review — Ross, Knowles & Co., Ltd., 105 Adelaide Street, West, Toronto 1, Ont., Canada.

P-G Products Manufacturing—Analysis — Meller & Company, 1 Chase Manhattan Plaza, New York 5, N. Y.

Paxton Lumber Company—Analysis—Stern Brothers & Co., 1009 Baltimore Avenue, Kansas City 5, Missouri.

Radio Corporation of America—Memorandum — Shields & Company, 44 Wall Street, New York 5, N. Y.

Radio Corporation of America—Analytical study — Edwards and Hanly, 100 North Franklin Street, Hempstead, N. Y.

Radio Corporation of America—Review — Droulia & Co., 120 Broadway, New York 5, N. Y.

Reynolds Metals Company—Bulletin—Uhlmann & Co., Inc., Board of Trade Building, Kansas City 5, Missouri.

Ronson Corp.—Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue are comments on **New Listings on the New York Stock Exchange, Walter E. Heller & Co., International Business Machines, Dover Corp., Ex-Cell-O, Whirlpool Corp., Xerox Corp.,** and **F. A. O. Schwarz.**

Simplicity Manufacturing Company—Analysis—Walston & Co., Inc., 201 South La Salle Street, Chicago 4, Ill.

Southeastern Public Service Company — Analysis — Bioren & Co., 1424 Walnut Street, Philadelphia 2, Pa.

Southwestern Public Service Co.—Brochure for security analysts—Southwestern Public Service Company, Dallas, Texas.

Stanley Warner Corporation—Analysis — Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Textron—Analysis—Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

Transcontinental Bus System—Analysis — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available are memoranda on **John Rogers Co., General Steel Industries** and **Seaboard Air Line Railroad.**

United Investors—Memorandum—Paul L. Forchheimer & Co., 52 Broadway, New York 4, N. Y.

United States Finance Company Inc.—Analytical Brochure—D. A. Campbell Company, 45 East End Avenue, New York 28, N. Y.

United States Plywood Corporation — Report — Brand, Grumet & Seigel Inc., 67 Broad Street, New York 4, N. Y.

Businessman's BOOKSHELF

Apparel Outlook — Report by Credit Clearing House Division—Dun & Bradstreet, Inc., 99 Church Street, New York 8, N. Y. (paper).

Bank and Its Publics—Robert Lindquist—Harper & Row, New York City (also available in Japanese language edition).

Can Your Records Go to Washington?—Report on records retention schedule to provide documentation reflecting intent to comply with existing legal and governmental requirements — Naremco Services, Inc., 555 Fifth Avenue, New York 17, N. Y. (paper), on request.

Cross Fire: The Eight Years With Eisenhower — Ezra Taft Benson—Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y. (cloth).

Economic Growth and Balance of Payments — Discussions by Hermann J. Abs, Gabriel S. Hauge, and Robert V. Roosa—American Bankers Association, 12 East 36th Street, New York, N. Y. (paper).

Effects of Federal Programs on Higher Education: A Study of 36 Universities and Colleges—Harold Orland—The Brookings Institution, 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (paper), $2.95; (cloth), $5.

Electric Power Survey — 32nd Semi-Annual Survey — Edison Electric Institute, 750 Third Avenue, New York 17, N. Y. (paper).

Essays on Commercial Banking—D. R. Cawthorne, Sam B. Chase, Jr., and Lyle E. Gramley—Research Department, Federal Reserve Bank of Kansas City, Kansas City, Mo. (paper).

Facts About Ontario's Trade Crusade—Department of Economics and Development, Province of Ontario, Canada House, 680 Fifth Avenue, New York 20, N. Y.

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Guides to Profitable Bond Selection: An analytical record of yields and yield spreads — An address given by Sidney Homer before the Financial Analysts Societies of St. Louis and Kansas City—Salomon Brothers & Hutzler, 60 Wall Street, New York 5, New York.

Handbook of Better Technical Writing—Dr. Dudley H. Rowland (U. S. Steel Corp.)—A reference manual for grammar as usage, and mechanics of sentence construction in writing technical reports, memoranda and letter—Business Reports, Inc., 1 West Avenue, Larchmont, N. Y. (cloth), $7.95.

Insull—Forrest MacDonald—The story of the House of Insull, how it was destroyed—University of Chicago Press, 5750 Ellis Avenue, Chicago 37, Ill. (cloth), $4.95.

Intercom: October Issue—Fourth annual program handbook reporting on new programs, books, techniques, visual aids, pamphlets, speakers, public opinion and sources of information — Foreign Policy Association, 345 East 46th Street, New York 17, N. Y., 75¢ per copy, $5 per year.

International Monetary Fund—Annual Report — International Monetary Fund, Washington 25, D. C. (paper).

Introduction to Economic Reasoning—Marshall A. Robinson, Herbert C. Morton and James D. Calderwood — Revised Edition — Doubleday & Company Incorporated, 575 Madison Avenue, New York 22, N. Y. (paper), $1.25.

Kiplinger Book on Investing for the Years Ahead—John W. Hazard and Lew G. Coit—A discussion of the problem of providing security through investing without falling into the common pitfalls of the stock market, and a method of selecting promising stocks in the light of today's special conditions — Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y.

Management Policies for Commercial Banks—Howard D. Crosse—A guide to commercial bank policy formation, covering each major area of commercial bank policy and relating each to the structure and function of the commercial banking system; presents practical techniques for controlling policy with necessary background information to keep policy in a proper perspective, and provides details of technical approaches to such areas as cost accounting — Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth).

Marvels of American Industry—Donald E. Cooke—Covering 80 industries, documented and fully indexed—C. S. Hammond & Co., Inc., $8.95 to Dec. 24, 1962, thereafter $9.95.

Measuring Employment and Unemployment—President's Committee to Appraise Employment and Unemployment Statistics — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $1.50.

Money Tells the Story—Rear Admiral O. H. Dodson (USN ret.)—History as portrayed on coins—Whitman Publishing Company, Racine, Wis., $1.

Mutual Savings Banks—Their benefits to the individual and community—National Association of Mutual Savings Banks, 60 East 42nd Street, New York 17, N. Y. (paper).

New Retirement and Tax Benefits for the Self Employed—Self-Employed Individuals Tax Retirement Act of 1962 with explanation and committee reports—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill. (paper), $1.50.

Profits and Profit Evaluation Sources—Robert G. Ferris and William H. Ferris, Jr.—A comprehensive bibliography — Econo Trends Publishing Company, 1029 Vermont Avenue, N. W., Washington 5, D. C., $4.75.

Recent Trends in International Monetary Policies — Pieter Lieftinck—International Finance Section, Department of Economics, Princeton University, Princeton, N. J. (paper), single copies on request (additional copies 25¢ each.)

Sales Planning Atlas—Individual state maps and indexes with timely information on income, retail sales and buying power — C. S. Hammond & Co., Inc., Maplewood, N. J. (paper), $3.95.

Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

NEW FIRMS

AUSTIN, Texas — **Investment Services & Associates,** 800 Lavaca Street. Partners are Harold E. Riley and William W. Blackburn.

BELLE HARBOR, N. Y.—**Walter Winfield Company,** 445 Beach 130th Street. Walter R. Winfield is proprietor. He was formerly with Wellington Hunter Associates and Eaton & Co., Inc.

BOSTON, Mass. — Florence A. Hinkle is now associated with **Moss, Roberts & Co.,** 11 Beacon Street. She was formerly with Richard Bruce & Co.

BOSTON, Mass.—Arnold T. Arnold has become affiliated with **Van Alstyne, Noel & Co.,** 50 State Street. He was previously with Harding Tulloch & Co.

BRIDGEPORT, Conn. — **Pension Investors Corporation of Connecticut,** 3085 Fairfeild Avenue, Officers are Bernard A. Gilhuly, Jr., President; Albert M. Gants, Secretary and Treasurer, and Robert A. Donaldson, Vice-President. Mr. Gants was formerly an officer of Pension Investors Corp. of New York; Mr. Donaldson was with Hincks Bros. & Co.

BROOKLYN, N. Y.—**Marvin Findling,** 125 Lenox Road.

CHARLOTTE, N. C.—John D. Edmond has become associated with **Bache & Co.,** 210 South Tryon St. He was formerly for many years with Thomson & McKinnon.

CINCINNATI, Ohio — Philip E. Lahman has become connected with **G. H. Musekamp & Co.** Carew Tower, members of the Cincinnati and Midwest Stock Exchanges.

CLEVELAND, Ohio — Joseph W. McCormick has joined the staff of **L. A. Caunter & Co.,** Park Building. He was formerly with J. N. Russell & Co., Inc.

CLEVELAND, Ohio—McCormick R. Covington is now with **McDonald & Company,** Union Commerce Building, members of the New York and Midwest Stock Exchanges.

COLUMBUS, Ohio — Jeffrey G. Nacht is now with **Dempsey-Tegeler & Co. Inc.,** 20 North High Street.

DALLAS, Texas — **Texas Associated Industries Corp.,** 4308 No. Central Expressway. Officers are Lester I. Reeves, President; Perry G. Alevras, Vice-President and Treasurer; and Wanda Sheffield, Secretary. Mr. Reeves was formerly with Fund Management Corp. and B. C. Morton & Co.

DENVER, Colo.—Charles O. Van Meter has been added to the staff of **Peters, Writer & Christensen, Inc.,** 724 Seventeenth Street. He was formerly with Coughlin & Co., Inc.

DURHAM, N. C.—Milton A. Barber III has joined the staff of **First Securities Corporation,** 111 Corcoran Street.

FT. WORTH, Texas — **Leo A. Luebbehusen & Associates,** 108 Westchester House. Leo A. Luebbehusen is sole proprietor.

FT. WORTH, Tex. — **Institutional Investment Company of America,** 617 Texas Avenue. Partners are Harold E. Taft, Jr. and Robert D. Taft.

LOS ANGELES, Calif.—**Thornton & Co., Inc.,** 2600 Wilshire Boulevard. Officers are William J. Thornton, President and Treasurer; Malcolm C. Todd, Vice-President and Assistant Secretary; and K. B. La Cour, Secretary. Mr. Thornton was formerly with Dempsey-Tegeler & Co., Inc.

MIAMI, Fla. — **Investors Option Fund, Inc.,** Ingraham Building. Officers are Alfred W. Douglass, President; Donald B. Hutchinson, Vice-President; Frank C. Gardner, Secretary and Marius A. Robinson, Treasurer.

MILWAUKEE, Wis. — **Edward J. Samp and Associates, Inc.,** 3882 North Teutonia Avenue. Edward J. Samp is principal.

NEW YORK CITY—**Eve Rothenberg,** 235 East 57th Street.

NEWARK, N. J.—**H. L. Stevens Securities Co.,** 9 Clinton Street. Harold L. Stevens is a principal of the firm.

ODESSA, Texas—**Odessa Mutual Fund Agency,** 310 West 5th Street. Benjamin F. Barnes is proprietor.

PORTLAND, Ore. — Willie Ray Cox has joined the staff of **Financial Security Corp.,** 3376 Northeast Sandy Blvd.

SAN DIEGO, Calif. — **"Investors" Advisory Services,** Bank of America Building. Officers are William Hillyer, President; Richard Crake, Vice-President; Oscar F. Irwin, Secretary, and Andrew M. Collins Treasurer.

NEW BRANCHES

LANSING, Mich. — **Manley, Bennett, McDonald & Co.,** Prudden Building. Walter J. Posey is registered representative in charge.

PARAMUS, N. J.—**Winslow, Cohu & Stetson Incorporated,** Garden State Plaza. Paul H. Halladin is Manager.

RED BANK, N. J.—**Fahnestock & Co.,** 30 Linden Place, Robert D. Viscount is local Manager. Mr. Viscount was formerly local Manager for Cruttenden, Podesta & Miller.

PERSONNEL

CHICAGO, Ill.—**Straus, Blosser & McDowell,** 39 South La Salle St., members of the New York Stock Exchange, announced that David P. Schwartz and Beril Bohrer have become associated with the company as registered representatives.

MIAMI, Fla.—Bernard D. Kaplan has been named resident manager of **H. Hentz & Co.,** newly relocated office at 10 Northeast First Ave.

NEW YORK CITY—**Auchincloss, Parker & Redpath** have announced that George C. Walsh, Jr. has been transferred from the 42nd Street office to the main office at 2 Broadway.

NEW YORK CITY—**W. C. Langley & Co.,** 115 Broadway investment bankers and members of the New York Stock Exchange, announced that Winchester Hotchkiss has joined their organization as a registered representative.

Mr. Hotchkiss has been active in the securities business for a number of years.

NEW YORK CITY—Arnold Green has been named Manager of the **Bache & Co.** office at Lexington Avenue and 60th. Prior to his new appointment Mr. Green headed the Branch Personnel Department

Mr. Green joined Bache & Co. in 1933 upon his graduation from the Wharton School of the University of Pennsylvania.

NEW YORK CITY — John R. Cisternino has become an Assistant Vice-President of **Walston & Co., Inc.**

NEWPORT BEACH, Calif.—Francis J. Mitchell is now sole proprietor of **Francis J. Mitchell & Co.,** Administration Building.

PHILADELPHIA, Pa.—Arthur J. Blyden is now associated with **Gerstley, Sunstein & Co.,** 211 So. Broad Street, members of the New York and Philadelphia-Baltimore-Washington Stock Exchanges.

PHILADELPHIA, Pa. — **Elkins, Morris, Stokes & Co.,** Land Title Bldg., members of the New York Stock Exchange and other leading exchanges, announce that J. Howard Brosius is now associated with them as a registered representative.

Women Are Heavy Investors in Britain

LONDON, Eng. — Women constitute 45% of the nearly 3,750,000 small investors who have a stake in Britain's free enterprise industries, reports the Wider Share Ownership Council, whose Chairman is Mr. Maurice Macmillan, M.P., son of the Prime Minister.

Ordinary shares of investment stock held by British women totaled £3,812 million ($10,673,-600,000) and those hld by men £3,780 million ($10,584,000,000), according to a recent survey of the Council.

The Council, one of whose objectives is to fight taxation anomalies and encourage the small investor, says that many industrial firms are helping the growth of man-in-the-street share-holding. Such famous British firms as I. C. I., Courtaulds, A. E. I., Tate & Lyle, Ltd., the sugar refiners, the Rugby Portland Cement company and others have programs which enable their employees to buy shares of stock in their concerns.

Baker, Weeks Co. To Admit Partner

Baker, Weeks & Co., 1 Wall St., New York City, members of the New York Stock Exchange, on Jan. 1 will admit Dillard P. Spriggs to partnership.

Customers Brokers To Hold Meeting

The Association of Customers Brokers will hold an educational meeting on December 10 at 15 William St. The subject of the meeting will be "Stocks to Buy Now." Speakers will be Lucien O. Hooper, W. E. Hutton & Co., Alan K. Gage, Parrish & Co.; and Dr. William La Tourette, Shearson, Hammill & Co.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—No one knows how big an impact President Kennedy's executive order to prevent discrimination in Federally-assisted housing is going to have on the home building industry.

Although there is a great deal of apprehension, it may not be as great as first thought in industry circles.

The order so far covers only the assistance granted under the laws of the Federal Housing Administration and the Veterans Administration. The two agencies combined back loans on "from 23 to 25%" of the housing units in this country. The remainder is financed through conventional loans of banks, building and loan associations, etc.

A few days ago the Federal Housing Administration and the Veterans Administration jointly held a big, hour-long press conference to outline their proposed pressure programs which they labeled as "persuasion" efforts to get the people of this country to comply with the order.

The White House order pertaining to the Federal guarantee of funds involves future housing units built under FHA and VA. It does not apply to currently financed housing units.

Although Neal J. Hardy, commissioner of the Federal Housing Administration, described Mr. Kennedy's order as a mild mandate, he outlined some of the enforcement provisions it provides for blacklisting of both lenders and builders. It also provides for civil suits against builders of, and lenders to, housing units suspected of being biased by refusing, for example, to allow a Negro family to move into a so-called all-white housing project.

Mr. Hardy, who presided over the press conference, said the burden of enforcement is going to lie within the 76 field offices of the FHA in all parts of the country. The lenders of money for VA and FHA housing can be placed on a blacklist, as well as builders.

On the other hand those placed on the blacklist will have the right of appeal.

Impact on the South

At the press conference some one asked Commissioner Hardy if the order would not place a big barrier on housing in the Southland. He said he thought it could have an impact in the South. However, he went on to say that he was convinced that the order would have a long-range fine effect on the whole home building industry.

The FHA and VA may very well find that the so-called "nondiscrimination" order will have a greater impact in some other parts of the country than the South.

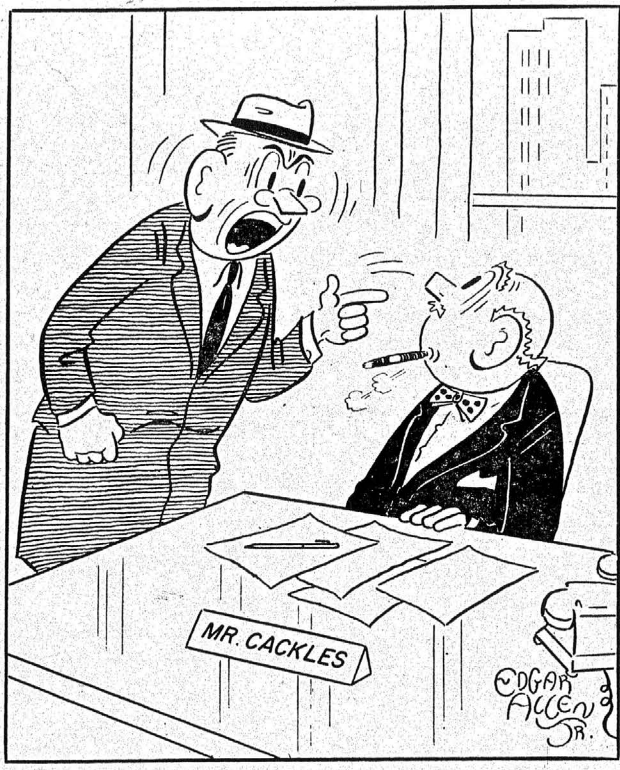
A good many of the questions directed at Mr. Hardy and Philip N. Brownstein, Chief Benefits Director of the Veterans Administration, could not be answered for the simple reason that those bridges have not been crossed.

What Next?

If the FHA and VA anti-bias provisions work out satisfactorily, the question is: Where does the Kennedy Administration move next?

Speculation in Washington is that one day there will be an order issued that will cover both those banks covered by the Federal Deposit Insurance Corporation, and the building and loan, and savings and loan associations that are covered by the Federal Savings and Loan Corporation.

However, there is nothing officially pending to indicate that this will be done any time soon. However, qualified Washington sources say Administrator Robert C. Weaver of the Housing and Finance Agency made a determined, but unsuccessful effort to have banks and the building and loan associations covered.



"That Blue Chip you talked me into buying is turning GREEN!"

Federal Housing Administration is a constituency agency of the Housing and Home Finance Agency. The other constituency agencies of the Housing and Home Finance Agency like Community Facilities Administration, Urban Renewal Administration, and Public Housing Administration, are drawing up regulations and before long will issue their anti-discrimination regulations.

There are no plans to cover individual home sales. What the future holds in that area is a matter of conjecture.

The executive order is another example of that what takes place in Washington affects every man, woman and child in their daily lives.

Lawsuits Inevitable

Although the FHA-VA regulatory order covers only 25% of the financial home building assistance in this country, it is apparent there are going to be many new lawsuits in the future over the question of bias, and whether an applicant is a good credit risk.

The regulations cover both large and small builders, and both large and small lenders. The regulations being drafted will be subject to review by the White House Committee on Equal Opportunity.

Members of Congress in every section of the country apparently are receiving letters of inquiry about the order. Some of the letter writers are quite disturbed. One large builder wrote that the Presidential order is "further evidence that the peoples of the Soviet Republic are not the only ones that have their way of living controlled."

1963 Construction Prospects

While there is some uneasiness by some builders and some lenders, the Department of Commerce is forecasting a new high in 1963 for the second consecutive year in private and public construction expenditures.

The Commerce Department predicts that total construction will approach $63.3 billion or an increase of $2.1 billion and a 3.3% increase over 1962. Private construction expenditures are expected to account for about 70% of total construction expenditures.

Meantime, the Bureau of the Census has come up with some interesting and significant facts concerning the housing of the nonwhite population in this country. The facts were gathered from the big census taken in 1960 and were recently digested by the Federal Housing Administration.

Less than two-fifths of nonwhites are homeowners, compared with nearly two-thirds of whites. In 1920 nonwhites in the United States made up 10% of the total population. In 1960 the total was 11%.

The median value of homes owned by nonwhites was $6,700 as compared with the median value of $12,230 for white-owned houses. The gross rent of nonwhite owners was $58 a month as compared with $75 paid by white renters.

More than two-fifths of all nonwhites in the United States live outside the South. In contrast with the whites, who increasingly tend to live outside central cities, more than half of all nonwhites and 70% of urban nonwhites live in central cities.

[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.]

COMING EVENTS

IN INVESTMENT FIELD

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.