

# The COMMERCIAL and FINANCIAL CHRONICLE

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## EDITORIAL

### As We See It

It was not very long ago that Russia's big boss let it be known that communism would bury the free world—and had quickly to explain that he meant merely that this "highest form of social organization" in his country would so outproduce any and all countries that adhere to the decadent capitalistic system that there could no longer be any question in any one's mind which system was best for us all. More recent reports from that land of milk and honey hardly give much support to what Mr. Khrushchev had to say. Now the prophecy is that so charming will the communist system come to be that the people (presumably the proletariat) of this country will rise up and install that system here without any force or interference on the part of the Kremlin. The overhauling that the party in Russia has recently had to effect in its economic organization and the like hardly support this idea. As a matter of fact, it was not long ago that the Russian boss had prepared and disseminated a long discourse on the task of "building communism" in which it was plainly said that a great number of years would have to elapse before the Mother country itself could hope to install the system.

These and other facts that could be cited reveal much of what is said in Russia about its economic system as arrant bosh. It likewise seems to show rather convincingly that the sort of danger to us that many have been troubled about is small if not non-existent. At the same time President Kennedy is quite right in saying that these are dangerous times for us simply by reason of the fact that the Kremlin is bent upon world domination at the time that nuclear armament has come into being on so large a scale. For the time (Continued on page 10)

## Why Foreign Aid Today Requires An Entirely Different Approach

By George Champion,\* Chairman, The Chase Manhattan Bank, New York City

New York banker proposes the creation of a multinational World Aid Organization staffed by businessmen. Concerned about the poor results and inefficiency of our foreign aid, Mr. Champion would replace bilateral with multilateral aid; extend low cost loans in place of grants; finance only those activities which would contribute most to growth on a free enterprise basis; and coordinate all foreign aid through such an organization as the OECD to maximize effectiveness.

I want to discuss a problem that has been troubling many Americans to an increasing degree over the past several years: namely, our foreign aid program. The growth of foreign aid in many respects is one of the most remarkable developments of the postwar period. It would have been hard to imagine a generation ago that within a few short years the people of the United States would be affording massive help to nations stretching around the globe. Yet that is what we have been doing. Last year alone, the people of this country through our government provided about \$3½ billion in grants and loans to lesser-developed lands. And over the entire postwar span our foreign economic aid, including that under the Marshall Plan has added up to the astounding total of \$60 billion—an amount equal to twice the yearly national income of a great modern state



George Champion

like India. Yet there has been a growing questioning of this foreign aid among our people. Each year the request for new appropriations encounters greater difficulty, and there is much honest soul-searching within the Congress. This questioning, I am convinced, does not reflect a sudden unwillingness on the part of Americans to bear the burden of helping their less fortunate neighbors. A few years ago Sir Winston Churchill said of the United States: "There is no other case of a nation arriving at the summit of world power, seeking no territorial gain, but resolved to use her strength and wealth in the cause of progress and freedom." That resolution is no less strong today than it was a decade ago, at the time of the Marshall Plan. Indeed, there is a growing recognition that we live in a highly inter-dependent world—one in which our own well-being is directly linked to the health, vitality and stability of other peoples.

No—the trouble with foreign aid is much more complex and deep-rooted. It springs from an uncomfortable feeling that the aid program, as now constituted, simply isn't working. Those of you who travel to under-developed countries see for yourselves examples of waste and misallocated resources—great dams that are built to produce electricity in quantities not needed for a generation; steel mills in areas where steel cannot be economically produced; costly stadiums and air facilities in countries where people need more food and farmers need more fertilizer to grow it. Numerous Congressional Committees have turned up countless illustrations, including cases of sheer waste and downright fraud.

True, there are also worthwhile projects, and some record of accomplishment. But too often the accomplishments appear (Continued on page 18)

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LLOYD M. MAYER

Investment Research Dept., Barret, Fitch, North & Co., Kansas City, Mo.

Russell Stover Candies, Inc.

Seldom are we fortunate enough to recommend a company that keeps setting new sales and earnings records and is not selling at the customary high P/E ratio of most growth stocks. However, Russell Stover Candies seems to meet the requirements of a growth stock without the high risk involved with most of the glamour issues.

Since 1951, Russell Stover's sales have more than tripled and net earnings have nearly quadrupled, yet the stock is selling around 14 times last year's \$1.86 per share earnings and around 12 times the estimate of \$2.05-\$2.15 per share for 1963. Stocks of many of Stover's competitors are selling for 15 to 20 times earnings.

Russell Stover Candies is one of the largest manufacturers and distributors of fine candies in the United States. The company manufactures more than 50 different Candy items, most of which are chocolate coated, and substantially all of which are sold in boxed or package form. The Company has always been known to produce a fine quality product.

Russell Stover has factories located in Kansas City, Missouri, Lincoln, Nebraska and Denver, Col. In addition, the Company maintains seven principal distribution centers located in Lincoln, Nebraska, Loring, Kansas, Denver, Colorado, Atlanta, Georgia, Allentown, Pennsylvania, Sacramento, California and Dallas, Texas. Finished candies are shipped from both plants and distribution centers to the various purchasers. Chocolate, the main ingredient, is purchased on 18-month and two-year contracts, thus assuring a good supply at the current low cocoa bean prices; cocoa beans being the raw material for chocolate.

Russell Stover distributes its products by three principal marketing methods: retail stores, agency accounts and quantity orders. To date there are 76 Russell Stover retail stores located in 46 cities in 25 states and the District Columbia. The Company has approximately 2,900 wholesale accounts located in all 50 states and the District of Columbia. Approximately 2,620 of these are with drug stores and about 280 are with department stores. Forty-two of these department stores maintain separate Russell Stover Candies Departments. Quantity orders are made to business firms who distribute candy to employees and customers and to various organizations who re-sell candy as part of their fund raising activities.

A vast untapped market for Russell Stover Candies exists in the Western States as the Company has not penetrated this area to the extent it has the rest of the United States.

For the year ended Aug. 31, 1962, approximately 25% of sales were made by retail establishments, 65% to wholesale accounts

and 10% by the quantity order method.

During the last 11 years—1951 through August, 1962 — Russell Stover's sales have increased from \$7,500,000 to \$22,931,000, an increase of over 200%. Earnings during this same period rose nearly 400% from \$400,000 to \$1,581,000. Since May, 1960, when the present controlling interests purchased the partnership, 17 new retail establishments were opened and five low-volume retail units closed. The number of separate candy departments operated by department stores has been increased from 15 to 42, and the number of wholesale accounts from 2,200 to approximately 2,900. During this three year period, sales increased from \$19,185,000 to last year's \$22,931,000, an increase of 17%. Net earnings, however, soared from \$758,000 to last year's \$1,581,000, an increase of over 100%. The 1962 profit margin was 6.9% versus 3.8% in 1960. The combination of increased sales, lower cocoa bean prices and aggressive management brought about this rise in earnings.

During the past year 250,000 shares of stock were sold to the public by three institutions through a group of underwriters. The institutions obtained their stock as the result of conversion of \$2,500,000 principal amount of Subordinated Convertible Notes. Of this stock, 130,000 shares were sold in January and 120,000 in October. This reduction of debt by conversion and a prepayment of \$1,400,000 the first of the year reduced the long-term debt to \$1,600,000. In 1960 the debt was \$4,500,000. Management has indicated this remaining debt will be retired January 1, 1963. This leaves a capital structure of 850,000 shares of common stock and 50,000 warrants which are held by institutions and are convertible one-for-one at \$10. The management group holds over 400,000 shares of the common stock. A dividend of \$0.65 is currently being paid.

Russell Stover Candies is a growing company that has set a goal of 10% to 15% increase in sales and earnings per year. If the Company's past record is an indication of the future, the outlook for Russell Stover Candies is very promising.

The stock is traded in the over-the-counter market and is currently being quoted 24 bid, 25 asked.

ROBIN L. WINKLER

Partner, Bernard, Winkler & Co., New York City

**Sperry Rand Corporation**

The common stock of Sperry Rand Corporation, a neglected giant of the space age industry, has long been passed over by the investing public. As a result of major management efforts to correct problems relating to its business machines division, I believe a dramatic rise in earnings will begin in mid-1963 and therefore Sperry Rand common stock is currently "the security I like best."

Sperry Rand Corporation represents the merged organizations

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

Russell Stover Candies, Inc.—Lloyd M. Mayer, Investment Research Dept. Barret, Fitch, North & Co., Kansas City, Mo. (Page 2)

Sperry Rand Corp.—Robin L. Winkler, Partner, Bernard, Winkler & Co., New York City. (Page 2)

of the Sperry Corporation and Remington Rand. Historically each has been a leader in its industry, but since the consolidation in 1955, the corporation has had a series of problems which resulted in a general decline in net earnings. An analysis of this decline provides one with a clue to the future operations of the company and it is thought that a marked reversal in the earnings trend is not too far away.

Despite the steadily increasing volume of business, Sperry Rand's net earnings have shown a decline of 12% in the past five years, yet operating income during the same period rose by 40%. The company's charge to depreciation and amortization has grown from \$25.7 million in 1957 to \$46.1 million in 1961, an increase of almost 80%. These expenditures have gone into the creation of some of the most sophisticated equipment used in the field of guided missiles, flight control, radar, navigation, and data processing, all of which represent areas of dynamic growth in future years.

An outstanding producer of business machines and data processing equipment, Sperry Rand is also a major factor in the design and manufacture of instrumentation and control systems. It is a rare week that does not go by without a contract being awarded to Sperry Rand. During the month of October, 1962, \$20 million in new contracts were signed; in November more than \$43 million and in the first ten days of December more than \$42 million were given to Sperry Rand. Over the past five years sales have increased some 36%, an average annual rate that is more than twice the growth rate of the whole American economy. The data processing division which has been a losing operation for some years will probably be in the black in fiscal 1963-64, and result in a marked improvement over the anticipated earnings of \$0.65 per share for the year ending in March, 1963.

The capitalization of the company consists of \$212,925,734 in long term debt; 102,267 shares of \$4.50 cumulative preferred stock, redeemable at \$100.00; 30,756,029 shares of common stock; warrants for the purchase of 2,288,000 shares of common stock on the basis of \$25 for 1.08 shares through Sept. 16, 1963, then \$28 through Sept. 15, 1967. Finances are adequate with current assets of \$593 million and current liabilities of not quite \$308 million, providing a net working capital of approximately \$285 million.

The current price of Sperry Rand common stock appears to discount the poor showing expected for this fiscal year. At 13, more than 60% below the high made in 1961, the stock is selling at approximately book value and at less than eight times its average earnings during the last five years. Sperry Rand truly merits the attention of investors seeking long term capital appreciation.

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# Answers to Four Questions On International Economics

By Hon. Robert V. Roosa,\* Under Secretary of the Treasury for Monetary Affairs, Treasury Department, Washington, D. C.

Dr. Roosa cuts to the quick peddlers of pipe-dreams, flights of fancy and adult nostalgia to be a child again as the way to solve today's hard economic realities and international responsibilities. The Under Secretary does not hesitate to point out that our overuse of an otherwise profitable "borrowing short and investing long arrangement" has contributed to our balance of payments difficulties. Nor, for that matter, does he spare our allies for their contribution to our international payments-imbalance by not sharing economic-military burdens more fully. He exposes the fallacy of fluctuating exchange rates and of creating international liquidity at will; explains the four-fold temporary stop-gap cooperative facilities to strengthen world monetary arrangements; and praises financial measures for significantly cutting balance of payments deficit despite rising imports. Dr. Roosa denies, and shows to the contrary, that balance of payments has been choking economic growth at home; and agrees that claims on our balance of payments will forcibly inject balance of payments consideration into the formulation of an appropriate policy mix for the domestic economy even if we abandoned our role as a banker for the world.

The Subcommittee on International Exchange and Payments is making an impressive contribution to the analysis of this country's international economic problems. My colleagues and I in the Treasury Department appreciate this opportunity to review with the Subcommittee some of the challenging issues that have been given new emphasis and focus in several studies recently published by the Subcommittee and in the Chairman's statements concerning them. We look forward to continuing examination of many of these problems, both through public hearings and through our working collaboration with the Subcommittee, for many months, and on some of them for many years, ahead. I will only try in this prepared statement to comment on some aspects of four of the principal questions that have been raised—emphasizing particularly aspects that have thus far received relatively less attention than some others:



Robert V. Roosa

(1) Has recent financial policy for meeting our balance of payments problem caused domestic economic stagnation and high interest rates?

(2) Would flexible exchange rates be preferable to the present system of fixed exchange rates?

(3) Should the United States, because of the high costs involved, abandon its role as a banker for the world?

(4) Would a substantial increase in "international liquidity" free programs of domestic expansion from the constraints of the balance of payments?

Since all of these questions are interrelated, it would not be surprising that my own one-word answer to each is the same—no. But in making that clear from the beginning, I do not deny that there is great value in a searching discussion of these issues. They test the underpinnings of our current financial program at home and of the present financial structure of the Western World. It would be unseemingly, at the least, for those of us who have been trying to carry through some mildly revolutionary financial changes on both fronts—that is, both domestically and internationally—to imply that experience and criticism should not have much more to teach.

### Domestic Growth Unhindered By Balance of Payments Gap

In highlighting the first question, the Subcommittee is constructively calling attention to a charge that has frequently been made—that the effort to close the gap in our balance of payments is at the same time choking growth at home. But I am frankly puzzled as to what basis there can be for making that charge, so far as the financial policy of the United States over the past two years is concerned. For never in modern history has an industrialized country with a balance of payments deficit of such size and persistence been able to keep domestic credit so freely available and interest rates so low. The general level of interest rates for business credit, consumer credit, or housing credit, for example, is now, and has been since the latter part of 1960, below, and in most cases far below, the rates for similar kinds of credit in any other advanced capitalist country regardless of the state of its balance of payments—with the partial exception of Switzerland and the Netherlands. Moreover, long-term rates have not appre-

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\*Column not available this week.

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## OBSERVATIONS . . .

BY A. WILFRED MAY

## THE TREASURY AND THE INVESTOR IN THE AUCTION MARKET

Announcement of the provisions (excepting the interest rate) of the Treasury's forthcoming \$250 million 25-year issue — the first under competitive bidding—highlights the auction system's potential impact on the "bond consumer." (The offering provides that the successful bidder shall re-offer all of the bonds to the investing public). To what extent will the winning bidder protect the public investor?

## The Redemption Factor

An important feature concerning which the bond buyer requires protection is the Call privilege. In corporate financing, the common privilege enjoyed by the issuer but not the buyer, to abrogate the contract anytime during the interval shortly following the offering, and usually not fully compensated for in the "winning" auction price, essentially constitutes a one-way "heads you win-tails I lose" arrangement.

The "grace period," that is the post-issuance interval of freedom from the borrower's redemption privilege in recent issues, follows:

Consolidated Edison 4 3/8% dated Dec. 1, 1962, maturing 1992—are redeemable anytime on 30-60 days notice.\*

Pacific Gas and Electric 4 1/4% due 1995, offered Nov. 28, 1962, due 1995—redeemable on the first day of any month on 30 days notice.

Pacific Power & Light 4 1/2%, offered Dec. 1, 1962, due 1992—redeemable at anytime on 30 days notice.

Similar unrestricted redemption option is given to the borrower in the recently issued Southern Electric Generating Company 4 3/8%, due 1992; Metropolitan Edison 4 3/8%, due 1992 and the Montana-Dakota Utilities 4 1/2% due 1992.

The Treasury, in its earlier contemplation of its new offering via competitive bidding, had been leaning toward a Call provision with a 10-year after-offering grace period, a compromise with corporate practice, according to Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, as stated at the Public Meeting on the Treasury's Plan to sell long-term bonds through competitive bidding, held at the New York Federal Reserve Bank on Oct. 17. Mr. Roosa, questioned by this writer, while stressing the absence of a commitment to a corporate-type short grace period call feature, indicated his "slight leaning" toward paying "a basis point or two or perhaps more for it . . . and at the same time gaining more from the slightly higher yield than we would lose through the unattractiveness of the Call feature."

## Call Period Delayed

But subsequently the decision was made regarding the pending issue to postpone the first Call date until 1988, the 25th year of the life of the Bond, and as with 12 other Treasuries, only five years before the maturity date.

This change back to the ex-

\* No bonds of these issues may be redeemed in anticipation of any refunding operation involving the incurring of debt having an interest rate or cost to the company of less than 4 3/8%.

tended "grace period" is explained by high Treasury officials on the grounds that 90% of the market community's comment was against its shortening; and that it would be unwise to surround the first auction issue with any further avoidable complications.

In providing for the five-year before maturity call exercisability, and being thus similarly joined with the 12 outstanding Treasury Bonds, the legitimate and constructive need is being met to give the borrowing Treasury flexibility in arranging to meet the due date. This presents a welcome contrast, for the benefit of the bond-holder, to the usual practice for the above-cited early call privileges in corporate bond contracts (but of course highlights with them the great advantage of U. S. Savings Bonds in exclusively giving the redemption right to the holder.)

With the Call provisions of the new competitive-bid bond and the outstanding issues practically identical, the latter provide a yard-stick for determining whether the auction routine raises the initial offering price.

## REVEALING A HUMAN EX-PRESIDENT

One of the most interesting developments on the American scene is, at long last, the decisive emergence of former President Hoover from unpopularity stemming from "goat-ship" for "1929" and the ensuing Great Depression ("that great engineer who ditched the country").

The renaissance of Mr. Hoover's public image has occurred through wittiness and wisdom exhibited in his public talks, while we have been reminded, with the fullest documentation, of his tremendous world wide achievements going back to World War I, through the best-selling book "Men and Decisions," by Lewis Strauss, his star protege.

And now we are up-dated on the kindness and simple wisdom of the former President through the publication of his correspondence with children extending over half a century. (ON GROWING UP: LETTERS TO AMERICAN BOYS AND GIRLS INCLUDING "THE UNCOMMON MAN" AND OTHER SELECTIONS, BY HERBERT HOOVER. Edited by William Nichols. New York: William Morrow & Co., 160 pp. \$3.50. Also published by the Hall Syndicate.)

The volume contains 150 letters with his answers as charming as they are wise; and ranging from queries on how to become President to the domiciling of a special dog, part terrier and part dachshund. The answers inimitably reveal the "cold" President as a former boy who grew up on sandlot baseball, swimming and fishing with worms.

Here are some samples. (Reprinted by permission of the publisher; the selections have been made by Robert Dennis May, age 10).

## HOW TO BECOME PRESIDENT

Dear Mr. Hoover,

I am a boy 10 years old and who would like to become President like you were when I grow up. I

thought that if I wrote to you that you can give me some information how you got to be a President. I wish you would send me an autograph. I would like that very much.

Your friend,  
Martin \_\_\_\_\_

Dear Martin:

I am in favor of your ambition to be President. As to your request on the rules as to "how to get to be President," I suggest that:

The first rule is just to be a boy getting all the constructive joy out of life;

The second rule is that no one should win the Presidency without honesty and sportsmanship and consideration for others in his character—together with religious faith;

The third rule is that he should be a man of education.

If you follow these rules, you will be a man of standing in your community even if you do not make the White House. And who can tell? Maybe that also.

## A SPECIAL DOG

Dear Mr. Hoover:

I am ten years old. I am in fifth grade.

I have an older brother and sister. I have a pet dog named Duchess. She is part Terrier and part dachshund. My mother and father like the idea of having a pet in the house so my mother would have company when she cleans the house.

Sincerely,

Debi \_\_\_\_\_

My dear Debi:

I was greatly interested to hear about that part terrier and part dachshund. That combination surely makes "Duchess" a great pet and a help to mother.

Also, I like mothers and fathers who have girls and boys who are in favor of dogs.

## WHO WAS YOUR IDOL?

Dear Mr. Hoover:

As an ardent admirer of yours, I beg a few moments of your valuable time. I am fifteen years old, and ever since I can remember, you have been my idol. When you were my age, did you also have an idol? If so who was he, and why was he your idol? If you would just answer this question, you will make me your servant forever. I wish you long life, good health, and happiness.

Most respectfully yours,

Lester \_\_\_\_\_

Dear Lester:

Yes—I had an idol. He was Abraham Lincoln.

## ADVICE

Dear Mr. Hoover:

Our 8th grade class would like to have you answer the question in the following paragraph.

How can young people of America help to keep peace in the world?

Sincerely,

David \_\_\_\_\_

Dear David:

As you say you are in the eighth grade, my advice is:

1. Work hard in school hours to get some indestructible things stored in your head.
2. Play every chance you get—including fishing.
3. Keep the rules of sport.
4. Don't begin to worry about international affairs until after you go to college. There is nothing you can do about them at this time of your life.

First Boston Corporation  
Names Three Executives

Carl F. Cooke has been elected a director of The First Boston Corporation, 20 Exchange Place, New York City, and Douglas Campbell, Jr. and Thomas L. Cassidy have been elected Vice-Presidents of the corporation, it has been announced.



Carl F. Cooke



Douglas Campbell, Jr.



Thomas L. Cassidy

Mr. Cooke joined the Philadelphia office of the corporation in 1943 and was appointed an Assistant Vice-President in 1954. In 1958, he was transferred to the New York office and, in 1959 was elected a Vice-President. On April 3, 1962, he was appointed head of First Boston's Government Bond Department.

Mr. Campbell joined the corporation in 1954 and was appointed an Assistant Vice-President in 1960. He is a member of the Buying Division of the Underwriting Department of the New York office.

Mr. Cassidy, who joined First Boston in 1955, was appointed an Assistant Vice-President in 1960. He is also a member of the Buying Division of the Underwriting Department of the New York office.

## No Need to Change Gold Price, Says Marcus Nadler

Manufacturers Hanover Trust's consulting economist and well known N. Y. U. Professor bluntly warns gold's monetary advantage lies in its mint price stability. To raise its price every time illiquidity supposedly threatens, he adds, would cause gold to lose its monetary quality, weaken its disciplinary effect, and in time, help renew the forces of inflation.

There is no valid economic basis for changing the price of gold, Dr. Marcus Nadler, consulting economist of Manufacturers Hanover Trust, stated recently.

In a report, "The Gold Crisis Re-examined," released by Manufacturers Hanover, Dr. Nadler explains that an increase in the price of gold would undermine the key currency system, which is based largely on the U. S. dollar and the pound sterling.

"Those governments and central banks holding dollars as a major part of their liquid assets would rightfully argue," Dr. Nadler says, "that the key currency system has not served them well and they would be better off to hold gold instead of income-producing U. S. dollar claims."

## International Liquidity

"They could also reason that with the growth of population and economic activity throughout the world, it would not be long before it would again be claimed that a lack of international liquidity necessitated another increase in the price of gold."

Principal beneficiaries of a gold price rise would be South Africa and the Soviet Union, along with gold hoarders and speculators, Dr. Nadler says, warning:

"The general public could be the losers. A substantial increase in liquidity could lead to easy credit policies and weakening of the discipline imposed by the international money market. In time this could renew the forces of inflation."

## Mint Fixity and Monetary Quality

Gold itself might be the ultimate loser, Dr. Nadler adds, point-

ing out that "one of the prime advantages of gold as a monetary metal is its stability in terms of the leading currencies of the world. But if the official price of gold were raised whenever it was considered that there was insufficient international liquidity, gold could easily lose this monetary quality."

Even if the supply of free gold is increased, Dr. Nadler says, "it would still be imperative to pursue vigorously the policy of striving to eliminate the balance of payments deficit and to maintain short-term interest rates in line with those prevailing in the leading financial centers abroad, notably London. Abandonment of such a policy would lead not only to larger balance of payments deficits but to a massive outflow of funds and gold which could set in motion a flight of capital from this country."

"Rectification of the U. S. balance of payments deficit and abatement of international tensions would end the gold problem. It would indeed be a sad commentary on the leadership of the free world if they were to make the rate of growth of their economies dependent upon the production or the price of gold."

## Carter, Berlind To Admit

Carter, Berlind & Weill, 60 Broad Street, New York City, members of the New York Stock Exchange, on Jan. 3 will admit John W. Hamilton to partnership.

## Well Groomed Stocks

By Dr. Ira U. Cobleigh, *Enterprise Economist*

**A short dissertation on glamour, the youthful look, the quest for pulchritude, and on cosmetic companies that are making both people and earnings' statements more attractive.**

Ponce de Leon should be the patron saint of the cosmetic industry. He never did find the Fountain of Eternal Youth, but he started a lot of people thinking about it; and, today, the desire to look, and to keep looking, young and attractive is a major objective for the great majority of Americans. From the White House to the trailer camp, the accent is on the youthful look, and more people are spending more on it, every day.

### Good Looking Money

The cosmetic industry has become one of our fastest growing ones, for a variety of cogent reasons. First is the steady rise in per capita income. Millions who never before had extra money, now have it to spend on face and figure. Second, more women are working than ever before. About 37% of the adult women population is now in the labor force and, increasingly, female employment demands an attractive appearance. A factory or domestic worker doesn't have to worry about how she looks—but a stenographer, a sales clerk, a woman in the professions and service industries must look well groomed to keep her job.

Then too, women (as well as men) are living longer, and use cosmetics far later into life. Even at 75, women are still vitally concerned about not "looking old," and platinum blonde grandmas are as common as compact cars!

At the other end of the spectrum, girls start the cosmetic habit much younger today. Why, little girls of 10 or 11, who a decade ago would still be majoring in Ivory Soap or Lux, now hit the full circuit of lipstick, pancake makeup, eyebrow pencils and even hair tints. Girls now start "dating" right after hair ribbons. It is nothing at all startling for a girl to switch from a brunette to a blonde before she's even out of high school. Hair dye sales have increased over 700% in the last decade.

Men are not being left behind in this drive for good grooming. Shaving soaps, after shave lotions, deodorants, toiletry sets and hair tonics are all on a roaring upsurge of demand. We'd be astounded if we knew the number of men who dye their hair! Over \$75 million will be spent this year, in America, on men's hair tonics alone.

All these trends toward personal attractiveness are supplemented by the massive increase in our leisure time. This leisure dictates that everybody spends more time at social and sporting events, from bowling to buffets, cocktails, cotillions and clam-bakes. And, nobody these days, except the stray beatnik, wants to look like a slob when "out socially." So, the cosmetic business is being propelled to new annual magnitudes by powerful psychological, social and economic forces. And, America is setting standards of personal grooming that are having a pervasive influence throughout the world.

According to a summary by the Toilet Goods Association, the annual business in the cosmetic industry has enjoyed uninterrupted growth for 30 years. Total sales,

which were a paltry \$300 million for 1933, will gross \$2 billion this year, and probably reach \$4 billion in 1970. Growth in income, population, and prettification has made glamour a great industry, and fortunes for early investors in the right companies. What are some of these right companies, today?

### Helene Curtis

You'd have to include this company in any list of representative equities. Sales for the past decade have grown at the rate of about 20% annually, and mergers have been important in this growth. In a single year, 1956, Helene Curtis acquired "42" Products, Ltd., The "Kings Men" line of toiletries, "Lentheric," Jules Montener, Inc., and Hubbard Chemical, makers of the "Stoppette" deodorant. Other lines include "Spray Net" and "Suave" hair preparations. "Enden" dandruff treatment shampoo, and a line of plastic products, bandages, sealants, coatings and adhesives. In 1960, Studio Girl—Hollywood, Inc. was acquired, now grossing over \$6.6 million, in door to door merchandising in the United States, Puerto Rico and Canada. Helene Curtis is the largest supplier of equipment and supplies to professional beauty, salons, and this business provides roughly 30% of total sales.

For fiscal year ending Feb. 28, 1963, Helene Curtis will probably achieve \$75 million in total sales, and deliver \$1.70 in net profit per share. Common sells at 26½, pays \$.80 and is down from a 1962 high of 46. Earnings which plateaued this year should expand in 1963 as recent acquisitions become assimilated.

### Avon Products

This is the country's leader in cosmetics, accounting for, roughly 15% of total dollar volume, and achieving fabulous market coverage through 150,000 door to door representatives.

Avon has been cited as one of the brilliant growth stocks of the post-war era, achieving consistently above-average profit margins. Pre-tax profits are currently about 23% of sales. The stock should earn \$2.45 this year, up from \$2.17 in 1961. At 90, Avon is 16 points below its 1962 high of 106. Dividend of \$1.60 could be increased.

### Revlon

This company ranks just behind Avon, in the number two spot in the industry, but is rapidly expanding into other lines. Its Zunino-Altman division makes artificial flowers; Knomark (maker of "Esquire") ranks at the top of the shoe polish trade, and recent acquisition of Evan-Picone places the company in the women's apparel field. Thayer Laboratories is a sizable proprietary drug company.

In cosmetics, the Revlon line is as complete as it is famous—"Living" lipstick, powders, makeup, eyebrow pencils and shading, deodorants, hair sprays and skin cream and perfumes. For men, there's "That Man" cologne and "Top Brass" hair care preparations. Revlon also owns 27.6% of the equity of Schick, Inc.

For 1962, Revlon sales should reach \$168 million, and distill into net earnings of about \$2.45 per share on the 3,700,000 shares of common. Stock has ranged (1961-62) between 84 and 34. Currently selling at 41 and paying \$1.10, Revlon is a mature entry into the cosmetic industry and exudes the sweet smell of success. Imaginative and energetic management under Mr. Charles Revson, President, has kept this company moving constantly ahead.

### Lanvin-Parfums

This company is famous for perfumes and fragrances, and its "My Sin" and "Arpege" were high priority items on the Xmas shopping lists of millions of men. Retail outlets include some 40,000 department, drug and specialty stores.

For this year, Lanvin sales should cross \$20 million for the first time, and produce a net of \$1.15 per share on the 2,240,000 common shares outstanding. Lanvin stock sells at 22, pays 40 cents and is down from a high of 36. It has a certain attractiveness, both aromatically and statistically.

### Maradel Products, Inc.

This is a newer company whose shares were first publicly offered July 24, 1962, at \$13. Even in the ragged stock market at the time the shares were enthusiastically received, due to, no doubt, to the outstanding quality of management. The executive team, headed by Mr. Martin E. Revson, includes former top executives of Revlon, Richard Hudnut, American Home Products, Warner Lambert, Rayette, Coty and Helena Rubinstein.

Whereas Maradel is more speculative than the other issues touched upon, and pays no current dividend, it has quite exciting potentials. Sales of constituent companies have doubled in the past five years. For 1962, they

should be well above \$7 million, and produce above \$1 a share on the 666,000 outstanding shares of the common.

Possessing real talent for packaging, promotion, marketing and merging, Maradel would seem to deserve a special look by growth-minded investors. The stock trades OTC currently, at 19, and is getting special attention because of a new product, Redeema, a facial preparation to remove wrinkles.

Some of these shares described above may prove to be things of beauty in 1963.

## Exec. Changes at Stone & Webster

The board of directors of Stone & Webster Securities Corporation, 90 Broad Street, New York City, has elected Edward K. Van Horne



Edward K. Van Horne Orland K. Zeugner

Chairman of the Board and Chief Executive Officer and Orland K. Zeugner, President, both effective Jan. 1, 1963.

Mr. Van Horne has been President and Mr. Zeugner Executive Vice-President of the firm, which is a major subsidiary of Stone & Webster, Incorporated.

Mr. Van Horne joined Stone & Webster Securities Corporation in Chicago in 1921, becoming Vice-President in charge of the New

York office in 1934 and President in 1949.

Mr. Zeugner joined the securities corporation in 1929 in Chicago, becoming Vice-President in charge of national sales in 1949 and Executive Vice-President earlier this year.

## To Be Officers of A. G. Becker Co.

CHICAGO, Ill.—On January 15th, Kingman Douglass, Jr. will become a vice president and Warner A. Rosenthal an assistant vice president of A. G. Becker & Co. Incorporated, 120 South La Salle Street, members of the New York and Midwest Stock Exchanges.

## Arthur L. Wright To Join H. A. Riecke

PHILADELPHIA, Pa.—Arthur L. Wright on January 3rd will become associated with H. A. Riecke & Co., Inc., 1620 Chestnut Street, members of the New York and Philadelphia-Baltimore stock exchanges, as vice president. Mr. Wright is president of Arthur L. Wright & Co., of Philadelphia.

## Oscar Ryder to Join Rouse Brewer

WASHINGTON, D. C.—On January 3rd, Oscar P. Ryder will become associated with Rouse, Brewer, Becker & Bryant, Inc., Washington Building, members of the New York and Philadelphia-Baltimore-Washington Stock Exchanges. Mr. Ryder, a member of the Philadelphia-Baltimore-Washington Exchange, is a partner of Ryder & Co., Alexandria, Va.

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

NEW ISSUE

December 24, 1962

2200 Units

## THE KAISER-NELSON CORPORATION

Each unit consisting of

One \$200

6¾% Convertible Subordinated Debenture

due November 30, 1974

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Par Value 10¢ per share

Debentures are immediately convertible into Common Stock at \$7.50 per share; conversion prices increase by 6% every 24 months.

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# Tax-Exempt Bond Market

BY DONALD D. MACKEY

It has been our purpose in authoring this weekly monologue on the general subject of state and municipal securities to be briefly informative. We have tried to delineate the various market factors and to progressively express some opinion each week as to where the market might be headed. In possessing none of the profundity or wisdom of the professional economist, we have attempted to exercise mere common sense in considering most of the factors that in some way contribute to the making of municipal bond markets. Most of these considerations we believe to be primary and it takes but little reflection in generally sizing up the municipal bond market with what we hope to be a useful content of information and deduction.

## Prophecy and Reality

To our consternation, many bond market authorities flatly predicted lower bond prices for 1962 in making their prognostications at this season a year ago. It was then the general expectation that business demands upon the money market would develop an interest rate structure from 25 to 50 basis points higher than has obtained for long-term bonds during most of 1962.

Despite the fact that a record breaking volume of state and municipal bond issues have been floated this past year, the market showed a steady improvement into the month of May and, after a healthy price readjustment during the summer months, proceeded to new heights during the fall and early winter.

## Role of Federal Reserve

A year ago and even before that it seemed quite apparent to us that the Federal Reserve was ready to fulfill the monetary demands of the economy, no matter how strenuous the business resurgence might develop. As it was, during 1962 the Federal Reserve's credit resourcefulness was of course not seriously tested at any time.

We wrote on Jan. 4, 1962: "Monetary demands (during 1962) should be easily fulfilled with no more restraint of credit than has occurred during 1961 and at little change in cost. We believe availability of credit to be one of this Administration's immutable tenets and that the cost of same is of important political significance."

We continue to hold to the foregoing belief and refer generally to the President's recent remarks before the Economic Club to the effect that Federal monetary

policy for the present would be kept where it is.

## Price Rise Featured 1962 Municipal Market

The *Commercial and Financial Chronicle's* state and municipal bond yield Index averages out at 2.953% as the year ends. This Index represents the average yield on 13 representative high grade general obligation bond offerings. This average yield is little changed from last week's 2.957% Index.

To put the year's price spectrum in focus, it may be recalled that as we moved into 1962 the *Chronicle's* Index averaged 3.292%. In the course of the year the average yield was reduced by about 34 basis points. Translated to prices, this means that long-term high grade bonds improved an average of \$5 during 1962. We might not have suspected so substantial a price rise during this period but we did expect the positive trend.

## The Inventory Picture Is Not Forbidding

As we go into January, dealer inventories would seem to be little changed from the general level that has prevailed for most of the last quarter. Dealers have been carrying more bonds than was the norm a year or more ago but for obvious reasons. In a strong new issue market, bonds do not move out as readily as in less predictable market periods. In order to be competitive, dealers must carry bonds along in order to satisfy sales department requirements.

Moreover, tax-exempt income is as important a dealer consideration as it is an investor consideration, particularly during periods when the squeeze is put on dealer profit margins. We have seemed to develop an inventory average that is expressed in the *Blue List* total of state and municipal offerings at around \$500,000,000. Current total is \$523,780,000.

## Two Negotiated Underwritings Shaping Up

The new issue calendar continues to be lighter than is normal under any traditional consideration. Through January the total of scheduled and tentatively scheduled new issue sales is presently less than \$260,000,000. This figure does not include the large Memphis issue being readied for offering around Jan. 10 by a Lehman Brothers' syndicate. This negotiated offering will total \$194,200,000.

Another negotiated offering totaling \$25 to 30 million may come late in January. A syndicate

headed by John Nuveen & Co. and Stifel, Nicolaus & Co. is shaping up the Bi-State Development Agency Metropolitan District (St. Louis) Transit Revenue issue for near term offering.

## No Tax-Motivated Trading This Year

There were no notable new issue offerings during the past week and as a consequence the market has been quieter than during early December. Last year the market was enlivened by the offering of a large Florida State Turnpike issue and in previous years sizeable negotiated offerings were timed for late December flotation.

The selling and buying of tax-exempts for tax purposes was much less apparent this December than in previous years. The absence of this important source of business in 1962 seems to require no explanation.

## Dollar Issues Soften

In the absence of new issue business the long term toll road, toll bridge and public utility revenue issues were in for more investor attention than is usual, during the last week. A week ago these dollar quoted issues had averaged out at a yield of 3.52% which represented a market rise of close to a point during the week preceding. This was the largest weekly jump during 1962. As of Dec. 26, these long-term revenue issues average at a 3.54% yield which represents a quarter point drop for this week. This slight reaction appears in order:

Certain of the active key issues such as Florida Turnpike 4 $\frac{3}{4}$ s, Illinois Toll Highway 3 $\frac{3}{4}$ s, Indiana Toll Road 3 $\frac{1}{2}$ s, Kansas Turnpike 3 $\frac{3}{8}$ s, New York State Power 3.20s, Ohio Turnpike 3 $\frac{1}{4}$ s, Texas Turnpike 2 $\frac{7}{8}$ s, Tri Dam Project 3.05s and Port Authority 3.40s were off about  $\frac{1}{4}$  of a point from their previous highs. However, it may be confidently generalized that these issues have been acting superbly marketwise and are reflecting a remarkably improved intrinsic situation. On an average, these issues have made better than a 6 point gain during 1962.

## Higher Prices Forecast for 1963

As we start into 1963 we'll make a few predictions that seem easy enough for any of us to come by. With a heavy federal deficit ahead, it seems not difficult to predict a continuing policy of easy money. It appears likely that some tax cutting will be legislated but not enough to perform the miracle of generating the hoped for dynamic economy. Altogether these and other developments would seem to add up to a continuum of inflation that may test the ingenuity and the capacities of the Federal Reserve to a greater degree than we have witnessed.

However, it would seem that the still latent vigor of our economy may sustain the strains of inflation at least as far as we care to peer. At any rate, state and municipal bonds at present look higher even though it looks like another tough year for dealers.

## Riter to Admit

MORRISTOWN, N. J.—On Jan. 3, William D. Bruen will become a partner in the New York Stock Exchange firm of Riter & Co. He will make his headquarters in the Morristown office at 42 Park Place.

# 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 27 (Thursday)			
Elgin, Ill.	2,600,000	1964-1985	Noon
Hammond Sanitary District, Ind.	2,900,000	1965-1989	2:00 p.m.
So. Dakota Board of Regents, S.D.	1,175,000	1964-2001	2:00 p.m.
January 2 (Wednesday)			
Upper Darby Township, Pa.	1,000,000	1964-1983	8:00 p.m.
January 3 (Thursday)			
Port Arthur, Texas	3,250,000	1966-1994	11:00 a.m.
January 4 (Friday)			
Sylvania City Sch. Dist., Ohio	1,400,000	1964-1986	Noon
January 7 (Monday)			
Cinnaminson Township S. D., N. J.	1,215,000	1964-1983	8:00 p.m.
Coldwater Comm. Sch. Dist., Mich.	1,400,000	1964-1989	8:00 p.m.
January 8 (Tuesday)			
Caddo Par., Parish Wide S. D., La.	4,500,000	1964-1983	10:00 a.m.
Citrus Junior College Dist., Calif.	1,500,000	1965-1984	9:00 a.m.
Corpus Christi, Texas	2,000,000	1964-1983	11:00 a.m.
Freeport, N. Y.	1,075,000	1964-1977	2:00 p.m.
Mesa, Ariz.	1,630,000	1969-1989	4:00 p.m.
Mobile Co. Bd. of Sch Comm., Ala.	2,500,000	1964-1983	11:00 a.m.
Oklahoma City, Okla.	15,350,000	1965-1988	11:00 a.m.
Philadelphia School District, Pa.	15,000,000	1965-1988	11:00 a.m.
January 9 (Wednesday)			
Barron Co., Wis.	1,210,000	1964-1977	-----
Jackson Township Local SD, Ohio	1,075,000	1964-1983	Noon
Louisiana (Baton Rouge)	15,000,000	1964-1988	10:00 a.m.
Maynard, Mass.	1,690,000	1963-1982	11:00 a.m.
Pa. State Public School Building Authority, Pa.	19,000,000	1963-2002	Noon
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 10 (Thursday)			
Burlington, Vt.	3,260,000	1964-1984	2:00 p.m.
Huntington U. F. S. D. No. 1, N. Y.	3,540,000	1963-1990	11:00 a.m.
Memphis, Tenn.	194,200,000	-----	-----
[Expected to be underwritten by a syndicate managed by Lehman Brothers, Blyth & Co., Inc., Kuhn, Loeb & Co. and Equitable Securities Corp.]			
Oklahoma Lade Redevelopment Auth., Okla.	8,500,000	1965-2002	2:00 p.m.
January 14 (Monday)			
Burlington Township, N. J.	1,800,000	1964-1983	8:00 p.m.
Wayne Community S. Dist., Mich.	4,800,000	-----	-----
January 15 (Tuesday)			
Aldine Indep. Sch. Dist., Texas	1,700,000	-----	7:00 p.m.
Antelope Valley Joint Union High School District, Calif.	1,500,000	1964-1983	9:00 a.m.
Columbus City Sch. Dist., Ohio	7,850,000	1964-1986	Noon
Ewing Township Sch. Dist., N. J.	3,303,000	1964-1989	8:00 p.m.
Phoenix, Ariz.	2,000,000	-----	-----
Santa Barbara, Calif.	1,970,000	1964-1983	2:00 p.m.
Santa Monica, Calif.	1,000,000	1964-1973	10:00 a.m.
Suffolk County, Water Auth., N. Y.	5,500,000	1964-2001	-----
West St. Paul Ind. SD #197, Minn.	1,190,000	1966-1986	1:00 p.m.
January 16 (Wednesday)			
Johnstown City Sch. Dist., N. Y.	1,572,000	1964-1983	-----
St. Louis Sch. Dist., Mo.	10,740,000	-----	3:00 p.m.
January 17 (Thursday)			
Jefferson Par. Sewerage D. #8, La.	1,500,000	1964-1983	2:00 p.m.
Metropolitan Seattle, Wash.	15,000,000	1966-2002	-----
January 21 (Monday)			
Cleveland City Sch. Dist., Ohio	10,000,000	1964-1983	1:00 p.m.
Gallatin County S. D. No. 7, Mont.	2,348,680	1963-1973	8:00 p.m.
Pomona, Calif.	1,100,000	-----	-----
January 22 (Tuesday)			
Oregon (State of)	37,000,000	-----	-----
St. Petersburg, Fla.	5,000,000	-----	-----
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)			
Jefferson Parish Road District & Garbage District, La.	4,250,000	1964-1983	2:00 p.m.
Lafayette Parish, La.	1,500,000	1965-1988	2:00 p.m.
January 29 (Tuesday)			
Colorado River Municipal Water District, Texas	2,750,000	1964-1969	-----
Opelousas, La.	2,700,000	-----	10:00 a.m.
January 30 (Wednesday)			
Wickliffe City Sch. Dist., Ohio	1,800,000	-----	-----
February 1 (Friday)			
Calleguas Mun. Water Dist., Calif.	4,500,000	-----	-----
Miami, Fla.	3,125,000	-----	-----
New Canaan, Conn.	1,800,000	-----	-----
February 5 (Tuesday)			
Orange County, Moulton Niguel Water Imp. Dist. No. 1, Calif.	1,750,000	-----	-----
Orange Co., Co. San. D. #12, Calif.	1,810,000	-----	-----

## MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3 $\frac{1}{2}$ %	1982	3.25%	3.10%
Connecticut, State	3 $\frac{3}{4}$ %	1981-1982	3.05%	2.90%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.05%	2.90%
New York, State	3 $\frac{1}{4}$ %	1981-1982	3.00%	2.85%
Pennsylvania, State	3 $\frac{3}{8}$ %	1974-1975	2.70%	2.55%
Delaware, State	2.90%	1981-1982	3.00%	2.85%
New Housing Auth. (N. Y., N. Y.)	3 $\frac{1}{2}$ %	1981-1982	3.10%	2.95%
Los Angeles, California	3 $\frac{3}{4}$ %	1981-1982	3.30%	3.15%
Baltimore, Maryland	3 $\frac{1}{4}$ %	1981	3.05%	2.90%
*Cincinnati, Ohio (U.T.)	3 $\frac{1}{8}$ %	1981	3.10%	2.90%
Philadelphia, Pennsylvania	3 $\frac{1}{2}$ %	1981	3.25%	3.10%
*Chicago, Illinois	3 $\frac{1}{4}$ %	1981	3.25%	3.10%
New York, New York	3%	1980	3.20%	3.15%

Dec. 26, 1962, Index = 2.953%

\*No apparent availability.

# Dividend Yields vs. Future Investment Values

By Thomas P. Stovell,\* Assistant Vice-President, Provident Tradesmens Bank and Trust Co., Philadelphia, Pa.

Unique study is made of the comparative price trend performance of stocks grouped according to yield. Mr. Stovell lists the numerous characteristics found for high and low yielding stocks. Observations made include: (1) low yield in itself does not portend future price appreciation; (2) high yield stocks should be carefully scrutinized for risk; and (3) stocks whose yields are neither very low or very high tend to have a better price performance. Mr. Stovell notes the vulnerability of low yielding stocks when stocks are generally declining; and the supporting influence of good yields on stock prices.

"Avoid high yielding stocks because of the risk, and favor low yielding stocks for the expected increment in value through earnings plow-back." Is this right?

Our reasoning about high and low yields from common stocks roughly parallels today's discussion of price-earnings ratios. Usually, but not always, the higher yields come from stocks with low price-earnings; and lower yields usually come from stocks with high price-earnings ratios.

There are occasional reports of funds invested primarily for income having better price records than funds intended primarily for growth. We are not aware that much research has been done on price trends of stocks grouped according to yield, but we can report on a few comparisons we recently made which should be of interest.

### Compares Three Groups

(1) A list of 265 recommended investment stocks last March contained 39 with yields of 4% or more and 32 with yields of 1½% or less. We calculated that the higher yielding group averaged 17% depreciation from March 1962 to July 1962; and the low yield group averaged 29% depreciation during the same period.

(2) A comparison was made of two lists of recommendations submitted in March 1960, one of them with 15 suggested purchases for income (averaging 2.9% income), the income group appreciated 14% by Sept. 20, 1962. The growth group depreciated 3%, and during this period produced about 5% less income.

(3) We have a chart covering a little longer period, and we compared the price records from June 1958 to July 31, 1962 of 60 industrial stocks held in our Diversified Trust Fund four years ago with the following results:

No. of Stocks	Average Appreciation to July 1962
Under 3% ---- 10	10.1%
3% to 3½% ---- 11	4.1%
3½% to 4% ---- 17	34.5%
4% to 5% ---- 9	13.8%
Over 5% ---- 13	20.9%

The higher yielding groups naturally benefit by greater dividends paid over the four period. Of the 30 stocks with the lowest yields, 16 declined in price, compared with only 9 declines in the 30 stocks with the highest yields.

(4) A similar study was made of all the common stocks held by our Discretionary Common Trust Fund from November 1954 to August 1962 as follows:

No. of Stocks 8/23/62	Average Appreciation 11/9/54 to 8/23/62
Yields under 3½% -- 12	45%
Yields 3½% to 5% -- 36	85%
Yields over 5% ---- 33	55%

These studies of common trust fund holdings show that the stocks yielding less than 3½% in 1958 and 1954, respectively, did not outperform the stocks with higher yields; and they also show that the stocks in the middle groups had the best records.

### High Yielding Stocks

Certain characteristics of high yielding stocks as a group may be observed:

(1) Higher than average yields appear to have a stabilizing influence on prices when stocks generally are declining.

(2) Some high yield stocks tend to advance in price as a result of dividends being re-evaluated upward.

(3) Some high yield stocks appear to have unusual room for price improvement when earnings increased or when other favorable business developments occur.

(4) High yield stocks as a group are certain to include some which involve poor business risks and the losses from such stocks can affect unfavorably the average results from an entire group of high yield stocks. However, careful selection of purchases made in this group to some degree should minimize this risk.

(5) Apart from any price differentials which develop, an annual income differential of 2% or more over a period of years can be significant in appraising the relative advantages of high and low yield stocks. But, it is reasonable, that as a group the high yielding stocks will have fewer dividend increases than the low yielding category and in turn there might be an occasional dividend reduction.

Certain characteristics of low yielding stocks as a group may be observed:

### Low Yielding Stocks

(1) Low yields are a reason for instability of prices when stocks are generally declining.

(2) Some low yield stocks tend to decline simply because dividends have been over-evaluated.

(3) Some low yield stocks are particularly vulnerable to price declines if earnings go down or even if expected increases do not occur.

(4) Low yield stocks as a group are reasonably certain to include some with brilliant growth prospects. They may include some with poor prospects where recent dividend reductions have been the cause of low yields.

(5) Low yields stocks as a group are likely to have more numerous dividend increases but they are often small. The lack of adequate income makes it necessary to have relatively more price advances to

equal the overall record of higher yield stocks.

### Conclusion

This entire subject justifies more research as to the relationship of price performance to yield but our experience suggests that low yield in itself does not assure a future rise in stock price. The good qualities of companies with low yield stocks are often already reflected in stock prices.

High yield stocks should be

scrutinized carefully from a business risk standpoint and the odds probably favor better price performance from stocks with attractive yields in a middle range, in contrast with those having either very low or very high yields.

However, we emphasize that any judgments based on yields should be tempered by consideration of the many other analytical factors pertinent to each case. We believe

we are justified in having real respect for good yields as a supporting influence on stock prices.

\*An address by Mr. Stovell at a Conference on Foundation Investment Policy sponsored by the Provident Tradesmens Bank and Trust Co., Philadelphia, Pa.

### DIVIDEND NOTICES

#### WOODALL INDUSTRIES INC.

The regular quarterly dividend of 30¢ per share on the Common Stock has been declared payable January 15, 1963, to stockholders of record January 2, 1963.

M. E. GRIFFIN,  
Secretary-Treasurer

### CANADIAN PACIFIC RAILWAY COMPANY

#### Dividend Notice

—oO—

At a meeting of the Board of Directors held today a final dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1962, payable in Canadian funds on February 28, 1963, to shareholders of record at 3:30 p.m. on January 7, 1963.

By order of the Board.

T. F. Turner,  
Secretary

Toronto, December 10, 1962.

### BOSTON EDISON COMPANY

#### Preferred Dividend

A quarterly dividend of \$1.06 per share has been declared payable on the first day of February 1963 to stockholders of record at the close of business on January 10, 1963 of the Company's Cumulative Preferred Stock 4.25% Series.

#### Preferred Dividend

A quarterly dividend of \$1.19 per share has been declared payable on the first day of February 1963 to stockholders of record at the close of business on January 10, 1963 of the Company's Cumulative Preferred Stock 4.78% Series.

#### Common Dividend No. 295

A quarterly dividend of 33¢ per share on the Common Stock of the Company has been declared payable on the first day of February 1963 to stockholders of record at the close of business on January 10, 1963.

Checks will be mailed from Old Colony Trust Company, Boston.

ALBERT C. McMENIMEN  
Treasurer  
Boston, December 21, 1962

# Hawaii's Business Year Ending With Strength

Bank of Hawaii's annual review details evidence of resurging business strength and foresees normal, continuing business growth in that State during 1963. Review, prepared by its economist, James Shoemaker, also covers developments by islands.

In Hawaii, the business year is ending with strength, according to the Bank of Hawaii's annual review of the year. Retail sales are at an all-time high and total Christmas trade is estimated at approximately 6% above the record level of 1961. Sugar output (1,120,000 tons) is the second highest in history, and because prices this year have been better than average, the dollar value of Hawaii's crop reached a record high of \$157 million. Tourist arrivals showed an advance over 1961 of approximately 15%, and advance reservations indicate a good first quarter in 1963.

The high level of bid openings this year is beginning to show in a rising trend in construction. Although there may be some moderation in residential construction during 1963, high levels of public construction already projected indicate that a good construction year lies ahead. Business activity in other fields continues at high levels but with no major advances.

The Bank of Hawaii's report contains a special section on travel to and through Hawaii, designed to show that while Hawaii as a destination area is still advancing, Hawaii's role as a participant in the growing pattern of Pacific travel is advancing far more rapidly. This, together with the spread-out of tourism to the neighbor islands, changing relations with mainland travel markets, the declining length-of-stay, and the gradual change in the character of the visitors themselves, indicates the imperative need for more information to guide promotion and the planning of local facilities so as to achieve balanced growth during the new era of development which lies ahead. The most significant and the most rapidly developing growth factor is in the category of "visitor arrivals from the Pacific Far East" which increased from 11,693 in 1955 to an estimated 85,000 this year.

### Developments by Islands

The report also covers developments by islands. It emphasizes (1) the rapid expansion of Honolulu's business district in terms of high-rise buildings and the extension of "Downtown Honolulu" toward Waikiki, as well as the spread-out of residential areas, shopping centers, and industrial districts (with the assistance of new arterial highways) to other parts of Oahu; (2) the substantial increase in construction on the island of Hawaii (due largely to

the replacement and relocation of buildings damaged by the tidal wave of 1960); (3) the reorganization of the pineapple industry on Maui, as well as the prospective rapid development of the new Kaanapali tourist center; and (4) the continued expansion of tourism on Kauai, accompanied by a share increase in construction.

A special section on construction indicates that the offerings of residential housing, apartments, and office space have all become increasingly competitive throughout the current year. There are now over 1,200,000 square feet of office space, with an additional 300,000 sq. feet already planned for construction during 1963. There is also the prospect that when the new Capitol and the new Federal Building are completed, an estimated 400,000 to 450,000 additional square feet will become available for rent.

An analysis of the basic population changes indicates that the most rapidly growing age groups are in the categories of children under 14 and those of retirement age, thus increasing the ratio of the nonproductive to employed persons in the population.

### Disturbing Trend

The most disturbing population trend is an actual decline of civilian "young adults" due to out-migration.

The impact of mechanization on migration within the state is also analyzed as a primary cause of the continuing decline in the population of the neighbor islands.

The report notes a mild strengthening in mainland business conditions during the past month.

Bank of Hawaii's economist James Shoemaker forecasts a normal continuing business growth in Hawaii during 1963.

# GOODALL RUBBER COMPANY



### STOCK DIVIDEND

The Board of Directors has declared a stock dividend of one per cent on all voting Common and Class A Shares outstanding, payable solely in shares of Class A Common Stock on December 31, 1962 to stockholders of record at the close of business December 20, 1962. No fractional shares shall be issued, but all resulting fractions will be payable in cash on the published bid price of the Class A Common Stock at the close of business on the record date, December 20, 1962.

December 26, 1962.

H. G. DUSCH  
Vice President & Secretary

## DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

**Appliance Stocks**—Report with particular reference to **Sunbeam and Whirlpool Corp.**—Bache & Co., 36 Wall Street, New York 5, New York.

**Australian Oils**—Review—Dempsey-Tegeler & Co., Inc., American Building, Houston 2, Texas.

**California Industry**—Review—Hooker & Fay Inc., 221 Montgomery Street, San Francisco 4, Calif.

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

**Canadian Finance Industry**—Report—With particular reference to **Industrial Acceptance Corp.**—Ross, Knowles & Co., Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

**Chemicals**—Comprehensive Review with particular reference to **American Cyanamid, Celanese, Stauffer and Monsanto**—B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Mo.

**Common Stocks With Yield of 4.5% or more**—Bulletin—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available is an analysis of **Royal Dutch-Shell, Pennsalt Chemicals and Continental Can.**

**Commonwealth of Puerto Rico**—Progress Report—Office of the Commonwealth of Puerto Rico, 2210 R Street, N. W., Washington 8, D. C.

**Convertible Debentures**—Data on five which appear interesting—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a list of 102 **Depressed Stocks**, a bulletin on five issues attractive for income, and an analysis of **Savings and Loan Stocks**.

—Discussion in December-January issue of "American Investor"—The American Investors, American Stock Exchange Building, New York 6, N. Y., 25c per copy; \$2 per year. Also in the same issue are data on **Virginia Iron and Coke, Fischer & Porter, B.V.D. Company, Inc., Slick Corporation and Canadian Trade.**

**Japanese Market**—Review—Nomura Securities Co., Ltd., 61

Broadway, New York 6, N. Y. Also available is an analysis of **Mitsukoshi Ltd.**

**Japanese Market**—Review—Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are comments on **Nippon Musical Instruments Manufacturing Co.**

**Japanese Stocks**—Statistical circular on issues listed on the Tokyo Stock Exchange—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

**Mail Order Industry**—Review with particular reference to **Aldens, Inc., Montgomery Ward, J. C. Penney, Sears Roebuck and Spiegel**—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

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

**Publishing and Printing Stocks**—Statistical Comparison—Reynolds & Co., 120 Broadway, New York 5, N. Y.

**Railroad Stocks for Investment**—Bulletin—Illinois Company Incorporated, 231 South La Salle Street, Chicago 4, Ill.

**Steel Stocks**—Bulletin—Goodbody & Co., 2 Broadway, New York 4, New York.

**Stock Transfer Taxes**—Booklet giving current Federal and State Stock Original issue and transfer tax rates—Registrar and Transfer Company, 50 Church Street, New York 7, N. Y.

**Tax Exempt Bonds for Year End Investment**—Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **McKesson & Robbins, Inc.** and an analysis of **Abbott Laboratories.**

**Utility Stocks**—Report on 36 selected issues—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y.

\* \* \*

**A. & M. Instrument, Inc.**—Report

—National Market Relations, Inc., 342 Madison Avenue, New York 17, N. Y.

**Acme Steel Corporation**—Analysis—Bacon, Whipple & Co., 135 South La Salle Street, Chicago 3, Ill. Also available is a report on **Dresser Industries, Inc.**

**Aileen Inc.**—Analysis—Bell & Farrell Inc., 119 Monona Avenue, Madison 3, Wis.

**Alice Land Development Company**—Report—Johnson, Lane, Space and Co. Inc., 16 North Laura Street, Jacksonville 2, Fla. Also available are comments on **American Heritage Life Insurance Company, Florida Gas Company, Jackson's Minit Markets, Jim Walter Corp., and Lewis Business Forms.**

**American Home Products**—Memorandum—J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

**Armco**—Memorandum—Rittmaster, Voisin & Co., 40 Exchange Place, New York 5, N. Y. Also available are memoranda on **Cinerama and Revlon.**

**Arnav Industries**—Memorandum—V. S. Wickett and Co., Inc., 99 Wall Street, New York 5, N. Y.

**Bankers National Life Insurance Company**—Bulletin—Ralph B. Leonard & Sons, Inc., 25 Broad Street, New York 4, N. Y.

**Caribbean Cement Company, Ltd.**—Analysis—Annett & Company Limited, 220 Bay Street, Toronto 1, Ont., Canada.

**Carter Products**—Memorandum—Gerstley, Sunstein & Co., 211 South Broad Street, Philadelphia 7, Pennsylvania.

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

**Chrysler**—Memorandum—Coggeshall & Hicks, 111 Broadway, New York 6, N. Y.

**Cluett, Peabody & Co., Inc.**—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **St. Louis, San Francisco Railroad.**

**Coastal States Gas Producing Company**—Analytical Brochure—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

**Consolidated Freightways, Inc.**—Report—Walston & Co., Inc., 265 Montgomery Street, San Francisco 4, Calif.

**Cross Company**—Analysis—Murray Frumin & Company, Penobscot Building, Detroit 26, Mich.

**Crouse Hinds Company**—Review—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

**Curtiss Wright**—Comments—Stanley Heller & Co., 44 Wall Street, New York 5, N. Y. Also available are comments on **Aurora Plastics and Dynamics Corp. of America.**

**Distillers Corporation Seagrams Limited**—Analysis—Equitable Brokers Limited, 60 Yonge Street, Toronto 1, Ont., Canada. Also available is an analysis of **Canadian Celanese Limited.**

**Duriron Company**—Analysis—May & Gannon, Incorporated, 140 Federal Street, Boston 10, Mass.

**Erie Resistor Corporation**—Analysis—Fulton, Reid & Co., Inc., East Ohio Building, Cleveland 14, Ohio.

**Fischer & Porter**—Memorandum—Orvis Brothers & Co., 30 Broad Street, New York 4, N. Y. Also available are memoranda on **Lease Plan International and Southern Nitrogen.**

**Frito-Lay**—Memorandum—Parker, Ford and Company, Inc., Vaughn Building, Dallas 1, Texas.

**Georgia Pacific**—Memorandum—Chas. W. Scranton & Co., 209 Church Street, New Haven 7, Conn. Also available are memoranda on **Hallcrafters and Ipeco Hospital Supply.**

**Great America Corporation**—Analysis—Euler & Hart, 121 South Broad Street, Philadelphia 7, Pa. Also available is an analysis of **Gulf Life Insurance Company.**

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

**Inland Steel**—Survey—Colby & Company, Inc., 85 State Street, Boston 9, Mass. (company asks enclosure of stamped, self-addressed envelope in requesting copies). Also available are analyses of **Sinclair Oil and A. O. Smith Corp.**

**Kelly Girl Service Inc.**—Memorandum—Dean Witter & Co., 50 West Adams Street, Chicago 3, Ill.

**Marine Petroleum Trust**—Annual Report—Brown, Allen & Co., Texas Bank Building, Dallas 1, Texas.

**Mitsubishi Nippon Heavy Industries**—Memorandum—Daiwa Securities Co., 149 Broadway, New York 4, N. Y. Also available are memoranda on **Mitsui Mining & Smelting Co., Nippon Breweries Co., Nippon Oil Co. and Shiseido Ltd.**

**Montana Power Company**—Annual Report—The Montana Power Company, Butte, Mont.

**Munsingwear, Inc.**—Analysis—Brand, Grumet & Seigel, Inc., 67 Broad Street, New York 5, N. Y.

**New Jersey Natural Gas**—Memorandum—Elkins, Morris, Stokes & Co., Land Title Building Philadelphia 10, Pa. Also available are memoranda on **Sherwin Williams and Union Carbide.**

**Olin Mathieson**—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

**Chas. Pfizer & Co. Inc.**—Report—Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

**Products Research Company**—Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

**Schaevitz Engineering Company**—Analysis—Robinson & Co., Inc., 15th and Chestnut Streets, Philadelphia 2, Pa.

**Squire for Men, Inc.**—Bulletin for Dealers Only—Adams & Company, 5455 Wilshire Boulevard, Los Angeles 36, Calif. Also available are data for dealers only on **Trail-Aire, Inc. and Industrial Fasteners, Inc.**

**Texas Gas Producing Company**—Analysis—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

**Texas Industries, Inc.**—Detailed Study—Kidder, Peabody & Co., 20 Exchange Place, New York 5, New York.

**Times Mirror Co.**—Memorandum—E. F. Hutton & Company Incorporated, 1 Chase Manhattan Plaza, New York 5, N. Y.

**Von's Grocery**—Memorandum—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

**Xerox**—Comment—Investment Management, Inc., Bank of St. Louis Building, St. Louis 1, Mo.

## Duncan, Partner In R. D. White

The investment banking firm of R. D. White & Company, 120 Broadway, New York City, has announced that James V. Duncan, manager of its municipal bond department, has been admitted to general partnership.

Mr. Duncan began his career as a bond trader in 1958 with J. P. Morgan & Co. Incorporated and continued on after the merger of that bank with Guaranty Trust Company, moving over to R. D. White & Company about a year ago.

Season's Greetings

and

Best Wishes

to All

\* \* \*

Troster, Singer & Co.

# Meeting the Problem Of Local Unemployment

By Paul Einzig

**Intractable geographic pockets of unemployment and cockeyed schemes to solve them exist in Britain as well as here in our own country. Dr. Einzig's discussion of the causes, improper and proper solution proposals has pertinent relevancy to us. One of his observations deals with an obvious solution largely ignored — i.e., "the solution to a large extent lies in the hands of the workers and their unions."**

LONDON, Eng. — The situation, with which Americans have been only too familiar throughout the post-war period, that amidst general prosperity there are large derelict areas with high chronic unemployment, is threatening to develop also in Britain. On the one hand, there is unprecedented prosperity in the South and a reasonable degree of prosperity in the Midlands. On the other hand, there is growing depression in North of England, in Scotland and in Northern Ireland. The contrast between North and South is of a self-aggravating character. Prospects of better local markets attract firms to the South. Prospects of easier employment and of higher pay attract southward those employees who are in a position to uproot themselves. Business firms find it easier to get the specialists they need in the South than in the North, even though wages are lower in the North and labor is more plentiful, they prefer to expand in the South.

The problem is viewed with growing concern and so far the British authorities have not been any more successful in dealing with it than the American authorities have been in dealing with their problem of intractable local unemployment. There is of course, always a strong temptation to solve it by means of bringing about an inflationary boom. It would create such a strong persistent demand that once the firms in the South are fully occupied the orders would have to be allotted to the firms in the North because the latter would be in a better position to promise early delivery. But a degree of inflation which would produce such an effect would inevitably create over-full employment in the South with all its adverse effects on prices and industrial discipline. Many people would be quite willing to pay that cost for a revival in the North. But the government, with an eye on the balance of payments which surprisingly deteriorated in November, could ill afford to carry its expansionary policy to such a stage as to provide full employment in the North.

## Proposed Increase in Government Spending

The most popular suggestions are to the effect that public works should be allotted to the North and that special fiscal and other inducements should be offered to make it worth while for business firms to establish or expand factories in the North in preference to the South. The first solution is in keeping with the change in the general attitude towards increasing public expenditure. For a year or two there was growing resistance to it and it looked as if the opponents of

unlimited spending might be able at any rate to check the rate at which public spending was growing. All this is now a matter of the past. The increase of unemployment to slightly above 2% has encouraged the spenders and has discouraged their antagonists. It has come to be looked upon as being anti-social to resist the increase in expenditure.

Nevertheless, many people are not happy about the idea of trying to rescue the North by means of public spending. There is a limit to which the nation's resources could and should be devoted to essentially non-productive capital investment and those who are capable of seeing beyond the immediate future are worried about a sudden decline in employment once that limit is approached. For this reason the other solution, that of encouraging and even compelling private firms to go to the North, is much more popular.

To some extent the government has in fact resorted to compulsion by refusing to grant licences for new factories in a number of instances, unless they are located in the North. It is realized, however, that the result of a rigid application of this rule might well be that the firms would prefer to abstain altogether from putting up new factories rather than putting them up in the district where they do not expect to be able to work profitably. From this point of view the difference between trying to force firms to go to the North and trying to induce them to do so by means of fiscal concessions is merely one of degree. What is the use of a promise of lower taxation if the firms concerned expect that if they were to establish their factory in the North there would be no profits to tax.

## Solution Lies in Union's Hands

What does not seem to have occurred to anyone is that the solution lies to a large extent in the hands of the workers and their unions. During the debate in the House of Commons on the subject that took place on Nov. 17, not a single speaker pointed out that if only the workers in the North abandoned their post-War behavior and reverted to their pre-War behavior from the point of view of working harder and submitting to the necessary degree of industrial discipline, the evidence of such a difference in their attitude from that of the workers in the South would be sufficient to attract firms to the North. But the record of firms in the North for official and unofficial strikes and for costly restrictive practices is no better than the corresponding record for the South.

Although shipyards in the North are in danger of having to close down for lack of work,

borderline disputes between two unions and even three as to whose members should do certain types of jobs, are indeed very prevalent. The result is that in a great many instances agreements are reached under which the men of one union do the work but the employers are compelled to employ members of the other unions to watch it. In the course of the House of Commons debate the official Socialist spokesman, in an effort to find an excuse for the inexcusable, pleaded that it was only natural for these men to defend their jobs in order to avoid unemployment. This argument would be more convincing, at any rate socially if not economically, if it were not for the fact that borderline disputes were prevalent even during the years of over-full employment when the displaced workers could have easily found alternative jobs. In present conditions in the North the unsatisfactory solution of those disputes greatly increases the likelihood of the members of all rival unions losing their jobs as a result of the closing of shipyards. But the situation would have to grow much worse before this obvious fact comes to be realized.

## U. S. Investors Set Japan Stock Purchase Mark

American investors bought a record \$134,500,000 of new Japanese securities issued in the United States in 1962, it was announced by Itsuo Minami, Director of the Daiwa Securities Co., Ltd., who has just been appointed manager of his firm's New York office.

"The total is nearly three times the size of the \$48,150,000 of new Japanese securities sold in 1961," he said. "The upward trend marks one of the few bright spots in the American securities underwriting business in the current year. When final figures are in for all types of issuers, total underwritings in the United States are bound to be far below the total value in 1961."

One reason for the growing popularity of Japanese securities is the generally higher stock yields and interest rates in Japan, Mr. Minami indicated. "They are higher in most instances than in the United States and, for that matter, higher than in many other countries."

Japanese concerns are expected to continue to seek substantial financing in the American market as industries keep on expanding. The huge American capital market is one source they are counting on for part of the needed funds.

Daiwa Securities, which first opened an office in New York in 1959, is one of the "big four" Japanese securities firms which combined handle more than 70% of all securities transactions in Japan.

## Davis & Davis To Admit Partner

PROVIDENCE, R. I.—Davis & Davis, 70 Westminster Street, members of the New York and Boston Stock Exchanges, on January 3rd will admit to partnership G. Stanley Berge.

## D. B. Marron Names

Jacob H. Deutschmann has been elected vice president of D. B. Marron & Co., Inc., 63 Wall Street, New York City, members of the New York Stock Exchange.

## DON'T MISS IT!

The 1963

# "Annual Review & Outlook"

Issue of

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# As We See It Continued from page 1

being at least the march of communism by force seems to have ground to something approaching a halt, at the same time that Russia with all of its intrigue and deception has not anywhere in the world been able to build up any sort of record which could possibly suggest to any thoughtful person that anything is to be gained by adopting communism. It has meanwhile become crystal clear that the Kremlin is not much interested in promoting communism anywhere except under the tutelage and domination of Russia. In short, the sort of imperialism now found in Russia is at least as much the old, old Russian imperialism as it is Marxist-Leninist. Mr. Khrushchev would not be interested in the adoption of the communist system by us unless we bend the knee to him and the Kremlin.

Anyone who is at all familiar with the tactics and the nature of the so-called labor movement in this country knows well enough that the unions are not prepared to take dictation from any man or group of men. Presidents have found this out for themselves time and again, and if to suit the Kremlin the wage earner and the underprivileged for that matter must accept a foreign man or group of men as their master, then it is hardly likely that the Kremlin will get what it wants of us at any time in the foreseeable future. Of course, the disavowal in Moscow of any intention or desire to force communism—and hence rule by the Kremlin—upon any peoples of the world is buncombe pure and simple. It is now clear enough that the Russian bear is not as formidable as it has been trying to make the world believe and as some of us had believed, but it would be foolish to suppose that we are under no necessity to keep strong in the future.

### Danger Is Real

Our institutions and our welfare are, however, in very real danger. This hazard is from a different source or at least is of a different nature, however. Our population has crystallized into a number of components or organizations specifically designed to "get" something for themselves from the public at large, or as ordinarily stated from government. In a certain sense we have become fragmented and each fragment has

developed its organization techniques for bringing pressure to bear upon the politicians in the interests of its own self seeking programs. There are very few left who can—or at any rate do—take a detached view of the needs of the country as a whole. The active entrance of the labor unions into politics is a case in point. The farmers have for many years been playing this game, but only in relatively recent years have they joined hands, as it were, with the unions really to place legislators and other political leaders under pressure to open the public treasury to them. There are other groups of the same sort which work in the same way on a local scale.

This situation is, for the most part but not wholly, the work of Franklin Roosevelt and the New Deal. And it was and is the facile leaders of the New Deal, the Fair Deal and now the New Frontier that have given these groups ideas as to how they may make their own self-seeking claims appear to be public spirited patriotism. And whether it is recognized or not, it is and has been communism that has supplied the inspiration for all this sort of argument and rationalization. Communism would simply take what others have created and give it to those who in its infinite wisdom need it more. At bottom this is not very different from those in this country and elsewhere who would "redistribute" wealth and income. Both would take from those who have created wealth and give to those who for one reason or another have not been so productive, or possibly hardly productive at all.

### A Vast Difference

There is one difference, though, that should never be overlooked. That is this: In communist countries those who had accumulated wealth are usually "purged" or else consent to become slaves of the communist rulers; while in capitalist countries the producers are expected to continue to produce as they have in the past—and do so without the incentive of being able to keep what they produce. In the non-communist countries such as the United States the success of the plan depends entirely upon voluntary effort on the part of those who now find it impossible or at least very difficult to hold on to what they pro-

duce or the proceeds thereof. This question of incentive is one which is recognized by the professional reformers who, however, are busy seeking methods of providing it which are far from the natural, direct way of permitting producers to keep what they produce or the proceeds therefrom.

Their ways and means of providing this incentive are far from sound or effective, and by reason of unwise tax systems, the demands of dictatorial labor unions and the like, the normally large producer is often obliged to spend a very substantial part of his time finding a means for keeping what ought to be his in any event or in devising means of proceeding so that a minimum of what he produces will be taken away. In a very real sense, this state of affairs which threatens our economic position in the world is an indirect product of communism. Here, perhaps, is the greatest danger we face from communism today.

## Chicago Stk. Exch. Firms Elect

CHICAGO, Ill. — William M. Witter, senior partner of Dean Witter & Co., has been elected Chairman of the Chicago Association of Stock Exchange Firms. He succeeds John J. Markham, partner of Hornblower & Weeks.



William M. Witter

Other officers elected at the annual meeting are: Scott Davis, senior partner of Ralph W. Davis & Co., to Vice-Chairman and John A. Orb, Vice-President of Merrill Lynch, Pierce, Fenner & Smith Incorporated, to Treasurer.

Elected to three year terms on the Board of Governors were John F. Detmer, partner of Hemphill, Noyes & Co.; Wallace D. Johnson, partner of David A. Noyes & Co.; and Roger E. Williams, Jr., partner of Goodbody & Co. Scott Davis was re-elected to serve another three year term and William Witter to a two year term.

The Chicago Association of Stock Exchange Member Firms is a service organization which keeps its 80 Chicago brokerage house members informed on important developments in the securities industry at the state level.

## Richard J. Buck To Admit Two

Richard J. Buck & Co., 4 Albany Street, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Walter F. Purcell and John B. Patrick to partnership.

# PUBLIC UTILITY SECURITIES BY OWEN ELY

## New York State Electric & Gas Corporation

New York State Electric & Gas serves a population of about 1,550,000 in New York State, the service area covering large farm areas as well as important resort sections in the Catskills and Adirondacks. Some of the larger cities served are Binghamton, Elmira, Auburn, Ithaca, Lockport, Corning and Geneva. Revenues are about three-quarters electric and one-quarter gas. Due to the predominantly rural and small-city character of the area, revenues are about 50% residential, 21% commercial and only 18% industrial (with 10% miscellaneous). The gas business is 62% residential, including heating.

Of the 1961 industrial revenues, 23% were supplied by metal products, 11% by glass products, 9% by office machines, 6% by food products, and the balance by a variety of light industries. While the area is not one of rapid growth, electric revenues increased 34% and gas 72% during 1956-61.

Generating capability at the end of 1961 aggregated 848,000 kw compared with the peak load of 840,000 kw. However, the company has entered into long-range contracts with the Power Authority of New York for a substantial amount of power from the St. Lawrence and Niagara River developments. In 1961 it purchased 31% of its power requirements — 1,038,000 kwh from public agencies (principally the Authority) and 372,000 from investor-owned utilities. A small amount was obtained from the company's hydro plants.

Due to the contractual purchase of the large block of power from the Authority the company now has a substantial excess of electric capacity and construction of additional generating facilities will not be required for several years. However, during this period the company expects to spend larger amounts on transmission, distribution and other facilities so that total construction expenditures may remain about the same as the average over the past decade. The new transmission lines under construction will permit greater exchange of power with electric utilities in Pennsylvania.

Construction expenditures for this year are budgeted at \$31.5 million and are estimated at \$28.5 million in each of the two following years. Of the total \$88.5 million, \$56.5 million can be financed through internal cash flow, it is estimated. Hence, it seems unlikely that common stock will have to be sold over the next two years. The present equity ratio is around 37%, about the same as the average for the past decade.

A substantial amount of the power contracted for from the Authority is on a "firm" basis, and it was anticipated that all the firm power would be available around the end of 1962 and that an additional supply of peaking power would commence around the middle of 1963. In recognition of the excess capacity resulting from the supply from the Authority, the contract provided for a lower "capacity charge" until July 1, 1965 when the full amount of \$12 per kw per annum becomes effective. During 1961, 250,000 kw of steam generating facilities were placed in "cold standby reserve," to be reactivated in later years; and other base load units are also being operated at well below their full productivity. However, icy conditions on the Niagara River last January, which completely curtailed the Authority's power deliveries, required the temporary use of these standby facilities.

The company's largest steam generating plants — Goudey, Greenidge and Milliken—which last year provided nearly 90% of the company's total steam power production—are modern and efficient plants with an average heat rate of less than 10,000 btu per kw. The cost of coal is relatively low as compared with other New York and New England companies, averaging 31 cents per million btu. However, due to the fact that operations are spread over a large area, transmission costs may be relatively high. The average residential rate in 1961 was 2.80 cents per kw compared with 4.0 cents for Consolidated Edison, 3.03 cents for Rochester Gas & Electric, etc.

The company is now earning about 6.5% on year-end net plant as compared with 5.4% in 1952. Gas rates contain automatic adjustment provisions to compensate for increases or decreases in the cost of gas from pipeline suppliers.

During the past decade earnings per share have more than doubled as indicated in the accompanying table. The recent price around 40 compares with an approximate range of 45-29 in 1961 and 44-34 this year. The present dividend rate is \$1.40, affording a yield of 3.5%. The price-earnings ratio approximates 17.4 based on estimated earnings of \$2.30. This multiple seems reasonable considering the stable character of the area and the growth rate.

Year	Revenues (Mill.)	Common Stock Record		
		Earned	Dividends	Approximate Range
1962	\$122	\$2.30*	\$1.375	44 - 34
1961	117	2.13	1.275	45 - 29
1960	110	1.88	1.20	30 - 24
1959	105	1.80	1.095	29 - 24
1958	98	1.86	.95	27 - 18
1957	89	1.45	.95	19 - 15
1956	83	1.43	.95	19 - 16
1955	77	1.29	.95	22 - 18
1954	73	1.23	.93	21 - 17
1953	68	1.21	.905	18 - 15
1952	63	1.13	.86	17 - 14

\* Estimated.

# The Market . . . And You

BY WALLACE STREETE

The financial district is fearful that this week will defy historical comparison. Year-end rally? The list seems to have had that already.

Caught in the cross currents have been some of the favorite stocks of yesteryear. The favorites of 1961, for instance, have been noticeably immune to this latest rally phase.

While so-called "glamour" issues are definitely out of vogue, the brokerage fraternity is hopeful that some enthusiasm may be kindled in January-February. As last week's price trend showed, the market must cope with such unusual factors as a tax-switching movement which is the most comprehensive in years. A trend was definitely lacking in the past five or six trading sessions.

## "Mechanical" Factors Dominate

The "mechanical" market factors took over, even replacing the "technical" considerations which seem to have had so much to do with the recent market vagaries.

## Delayed Tax Selling

In other words even those stocks with a good story behind them (bright prospects, pleasingly plump profit statements) could do little. Too many smaller investors have been waiting until the last moment to take a loss for their income tax returns. The professionals, including some institutional-size investors, completed most of their tax-selling last summer and immediately re-invested the funds available. They played up shares of depressed blue chips, even some of the severely battered steels. Their cash must be put to work as part of their fiduciary responsibility.

## Rails Perk Up

Hidden by the dullness of the last few sessions were some better market performances. Railroads finally seem to be winning the sort of following that their dedicated boosters have been calling for.

Industry observers contend 1963 will be the year for some dramatic gain news for the rails. The Congressional climate (formed perhaps by much behind-the-scene activity) is now considered favorable for legislation to force the Interstate Commerce Commission into allowing the carriers to "adjust" or cut freight rates in meeting trucking competition.

But while rails are important to some, including chart readers, they still must take a backseat to the industrials (generally considered to be The Market).

The Dow Jones industrials have had much trouble in vaulting the 650 level. This was more or less expected by some critics who had contended that the "Cuban rally" of Oct. 23 through November, was too speedy to set the stage for a further gain to the 700 level. Most analysts had agreed that 650, possibly 675 on the upside, was the uppermost limit of this "bull rally in a bear market." There is no scientific reason why the market should have stalled at the 650 signpost.

But when the snowball starts rolling, there's little anyone can do to stop it—and that's the way market opinions often are formed in the financial district.

The big question right now is this: "Can this phase be considered the start of a new bull market?" Publicly most analysts will say that the bear leg has ended. They quote all sorts of encouraging business forecasts. Summed up, their reasoning goes like this: "After all, things aren't too bad now, are they?"

## Private Worrying

Privately their thinking takes a different track. Many are worried because the public has shown absolutely no willingness to get involved in the stock market after the bad beating of May. Odd-lot figures back this up since they're still heavily weighted toward the sell side.

Another intriguing statistic is the short-interest total. After setting a high in mid-November, the mid-December figure showed a decline of about 5%. This was more or less expected but still made discouraging reading for some.

True, it means that less people are pessimistic over the market outlook than a month ago. But it also means that the market can expect less buying pressure in the forthcoming weeks as "shorts" are forced to cover by buying back the stock they originally borrowed and sold.

This sort of artificial or mechanical market factor is the type of thing the market has been laboring with the past few sessions.

## Ineffective Optimism

It is doubtful that this week's flood of optimistic oratory on the economic outlook — from both politicians and business-minded brokers — will have much effect in swaying investor thinking. Too many small people were burned by the hot stocks of '61. Too many blue chips have been selling too far below their highs of the '50s.

## New Year Prediction

The safest New Year prediction would be to look for this:

Financial men, frustrated with finding no following for their favorite industrials, will no doubt emphasize investments in the only "safe" field they can think of, national defense.

Larger investors will become more interested in depressed industries which their advisors assure them are well behind the market and therefore are the surest beneficiaries of any future market surge. Rails fit into this category, too a much less extent, steels also.

Toward mid-'63 some farsighted types will start talking up the coming population boom or at least the shift in the population mix. Consumer goods, notably convenience foods, appliances, baby products, will be cited as the kinds of stocks that will climb on the big new business of increasing family formations.

The "fad" groups of '63 will cross all these lines and in typical style will change from quarter-to-quarter. It seems logical to conclude that what was once considered as "glamour" will be passe. Dullness is definitely back in style!

[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.]

# N.Y. Sec. Dealers Annual Dinner

The New York Security Dealers will hold their 37th Annual Dinner at the Waldorf-Astoria Hotel on



George A. Searight Elbridge H. Smith

Friday, March 29, 1963. Co-Chairmen are George A. Searight, Searight, Ahalt & O'Connor Inc., and Elbridge H. Smith, Stryker & Brown.

# Golkin, Divine & Fishman Formed

Divine & Fishman, Inc., has combined its operational facilities and staff with those of Golkin, Bombback & Co. of New York. The combined firm will be known as Golkin, Divine & Fishman, Inc. The consolidation became effective Dec. 26.

Golkin, Bombback & Co. and Divine & Fishman, Inc. are members of the New York Stock Exchange. Divine & Fishman is a member firm of the Midwest Stock Exchange and associate member of the American Stock Exchange.

Harold S. Divine is President of the combined company.

The consolidation gives Divine & Fishman substantially larger retail sales and trading departments. For the first time in its history the company will have its own complete clearing and accounting facilities for all customer transactions.

Other officers are: Seymour Fishman, Executive Vice-President in charge of the corporate finance department; Saul Golkin, Executive Vice-President in charge of the trading department; Milton J. Bombback, Executive Vice-President in charge of operations; George Colan, Vice-President in charge of research; Charles M. Newman, Vice-President and New York Stock Exchange Floor Specialist; and Arnold J. Adelberg, Vice-President and Floor Member.

The firm's Chicago office is located at 134 S. La Salle Street. Its New York office will be at 67 Broad Street.

# Brukenfeld Co. To Admit Partner

Brukenfeld & Company, 80 Pine Street, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Edward A. Hirsch to partnership.

# Coggeshall & Hicks To Admit Wolff

Coggeshall & Hicks, 111 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Theodore F. Wolff to partnership.

# MUTUAL FUNDS

BY JOSEPH C. POTTER

## Crystal Ball Time

This is the last column of 1962—a year that began with the Financial Community on a high plateau, only to sustain the worst plunge in a generation and then to stage a memorable comeback. No one who lived through it all will ever forget it.

Still, one aspect of Canyon life is not going to change although it was in a state of suspended animation for a time: the crystal balls, however clouded, remain intact. And this is the season of the year when they are dusted with extreme care for the gazers to peer and the public to pay attention.

A charter member of the Crystal Ball Fraternity who commands considerable respect and attention within the community is National Securities & Research Corp.'s Lawrence R. Kahn, Vice-Chairman of its policy committee and Chairman of the Investment Committee. That's only part of his credentials, for likable Larry Kahn before joining National (manager of the \$500 million National Securities Series of mutual funds) was Vice-President in charge of investment research at A. G. Becker and before that, Director of Research at E. F. Hutton. He also is Past President of the New York Society of Security Analysts.

Henry Simonson, Jr., Chairman and President of National, thrust Larry into the limelight one day last week at a downtown luncheon for newsmen. Ever since the end of World War II, the company has been engaged in an annual forecast, which is made available without charge through investment dealers. About a million copies are circulated and no professional should be without one. Unmerciful, professionally, the reporters wanted Larry to tell them what the stock market was going to do. Said he, flatly:

"I look for a broadening trading range over the next three, four months. It will lay the groundwork for the next upturn. I see quite a stock market in the latter part of 1963."

The bullish folk at National see large Federal budget deficits ahead: red ink will run to at least \$7.8 billion in the year ending June 30 next and "could conceivably run to \$15 billion in the following year.

They think the corporate profit picture is good. Their finding:

"In all, 1963 should, in our opinion, be a period of consolidation at peak levels, preparing the groundwork for the significant improvement that can be anticipated for the years ahead, particularly if tax reductions, aiding

consumer and corporate purchasing power, are put into effect."

Interestingly enough, their enthusiasm does not extend to the railroads. For the carriers, they see net income of around \$460 million in 1963, compared with approximately \$520 million by the Class I rails indicated for 1962.

This painstaking study contains more, much more and, to repeat, it is must reading.

Nearly everybody is hard on the man with the crystal ball. People being what they are, there is a propensity to delight in another fellow's miscalculation. Still, they are a much-needed breed, especially those members of the fraternity who base their thinking on exhaustive and calculated research. They are indispensable to a field that has more than \$21 billion of assets.

According to Miss Marjorie Cruthers, herself a longtime student of market and economic trends:

"I always pay close attention to anything Larry Kahn has to say about the stock market or the economy. He is a credit to his calling.

And since this the last column of the fading year, let us wish every good fortune to the folks who fondle crystal balls and to the rest of the people in the investment community. Happy New Year!

# The Funds Report

**Axe-Templeton Growth Fund of Canada, Ltd.** reports that at Oct. 31, marking first half of the fiscal year, net assets amounted to \$5,238,065 (Canadian). This compares with \$5,468,582 at the end of the previous quarter. Net asset value per share was \$8.83 (U. S.) on Oct. 31, against \$9.01 on July 31, 1962.

**Income Fund of Boston, Inc.** reports that at Oct. 31 net assets amounted to \$38,217,289, or \$7.16 per share. This compares with \$7.28 a share at the end of the preceding quarter. Fiscal year ends Jan. 31.

**Texas Fund** in its quarterly report puts total net assets at Nov. 30 at \$50,063,481, compared with \$46,091,796 on Aug. 31. Value per share rose from \$10.19 on Aug. 31 to \$10.63 on Nov. 30.

**The Putnam Growth Fund** in its annual report for the year ending Oct. 31 announces total net assets of \$217,999,300, equal to \$7.11 per share. This compares with assets of \$207,361,400, or \$9.78 per share at the close of the previous fiscal year.



## American Business Shares

*A Balanced Investment Fund*

The Company invests in a portfolio balanced between bonds and preferred stocks selected for stability, and common stocks selected for growth possibilities.

*Prospectus upon request*

### LORD, ABBETT & Co.

New York — Atlanta — Chicago — Los Angeles — San Francisco

# The State of TRADE and INDUSTRY

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

District—	*Index of Ingot Production for Week Ending	
	Dec. 22 1962	Dec. 15 1962
North East Coast	90	88
Buffalo	102	96
Pittsburgh	87	86
Youngstown	83	83
Cleveland	91	102
Detroit	160	143
Chicago	112	112
Cincinnati	124	111
St. Louis	108	105
Southern	90	86
Western	103	101
Total industry	100.6	88.3

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

According to a recent statement by Secretary of Commerce Luther H. Hodges, "the economy has displayed some additional momentum in the fall period and it is my expectation that the gains will carry through into next year.

"The GNP in the current quarter is expected to exceed \$560 billion; this will bring the year's total to \$554 billion, representing an increase over 1961 of 7%. Most of this advance has been in the physical volume of output, higher prices accounting for only a little more than 1% of the dollar rise. I would hazard the guess that in the quarters of next year we will have advances in GNP which will compare favorably with the rise this quarter.

"While the increase in economic activity is encouraging, the pace is not satisfactory. The major contributions to the advance stem from consumer and government demand.

"One of the favorable aspects in the current picture is the willingness of consumers to spend freely. Consumer buying is being backed up by an increase in the flow of income. Personal income in November, at an annual rate of \$447 billion, was nearly \$2 billion above October and 6% over November of last year. This high level of income practically insures a record Christmas business. If the past relation of income to sales prevails this year, I would expect retail sales in December to be around 5% above a year ago.

"I would expect that as 1963 progresses, we will see more evidence of the beneficial effects of the more liberal depreciation allowances provided by the Treasury and the tax credit on investment passed by Congress last October. However, these are not enough to produce the increase in investment which is necessary to move the economy ahead to a full-employment position and at a faster rate.

"We need to have business investment take a vigorous upturn. As I have stated on previous occasions, I believe that prompt governmental incentives through adequate tax cuts for businesses and individuals will be the very stimulant we need to accelerate the growth of both business and consumer demand."

## Another Viewpoint of Economic Outlook

In a discussion of current business conditions, *The Morgan Guaranty Survey* for December recently remarked that "sentiment is better than it was last summer, although fingers have not yet been completely uncrossed against the possibility of a downturn in early 1963."

A recent government survey indicating a slight dip next quarter in capital spending by business is cited by the Morgan Guaranty Trust Company of New York's publication as reflecting "lack of conviction about the near-term future." Weakness in industrial prices also is mentioned. The best statistical ground for optimism, the *Survey* stated, is found in re-

tail trade, especially automobile sales.

Expectation of a tax cut in 1963 also has buoyed business spirits, the bank publication observes, while noting also some Congressional reservations about reducing tax rates with a budget deficit already looming.

"What is needed in the circumstances," the Morgan Guaranty review suggested, "is to strike a reasonable balance between the desirability of stimulating the economy and the need to keep the budget deficit within bounds."

Among means that would help in attaining such a compromise, the *Survey* listed:

(1) A concerted tightening up on Federal expenditures, even within the spending lines already laid out by past legislation and appropriations;

(2) Restraint in making new approaches to the public purse during the coming session of Congress;

(3) A staging-out of tax reduction into two or more steps, as reportedly is under consideration by the Administration. By this method, the *Survey* states, "the budgetary effect would be blunted without too great a loss of the psychological lift" and the chances of Congressional acceptance would be enhanced.

## Bank Clearings Increased 7.7% 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. 22, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 7.7% above those of the corresponding week last year. Our preliminary totals stand at \$37,084,155,934 against \$34,435,595 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End.	(000s omitted)		%
Dec. 22—	1962	1961	
New York	\$22,533,638	\$19,312,048	+16.7
Chicago	1,544,567	1,535,744	+0.6
Philadelphia	1,237,000	1,318,000	-6.1
Boston	936,133	914,203	+2.4
Kansas City	606,996	634,353	-4.3

## Steel Output Increases 2.3% in Week to Week Change and is Down 11.9% From Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Dec. 22, 1962, was 1,874,000 tons (\*100.6%), as against 1,832,000 tons (\*98.3%) in the week ending Dec. 15. The week to week output had increased 2.3%.

Data for the latest week ended Dec. 22, 1962 shows a production decline of 11.0% compared to last year's week output of 2,106,000 tons (\*113.1%).

Production this year through Dec. 22 amounted to 96,429,000 tons (\*101.5%), or 0.9% above the Jan. 1-Dec. 23, 1961 period.

The Institute compares the Index of Ingot Production by Districts for the last two weeks as follows:

## December Steel Output May be Biggest of Any Month Since April

Although steelmakers will trim production this week and next because of the holidays, there is still a chance that December's output will be the largest of any month since April, *Steel* magazine said.

If production reaches 7.9 million tons, it will top November's output and boost this year's total to slightly more than last year's 98 million ingot tons.

This week's output will be a little less than the 1,820,000 ingot tons that *Steel* estimates the industry poured last week. *Steel's* price composite on a steelmaking raw material, No. 1 heavy melting scrap, stayed at \$26 a gross ton last week.

Once the holidays are over, steelmakers expect to book orders at a brisk rate. Most analysts foresee a stable or gradually rising market despite adverse seasonal trends in January—declining construction activity and limited canmaking.

There's bound to be some modest inventory building by users who have allowed their stocks to fall below levels needed to support consumption. Chicago mills expect strong support from automakers and better demand from farm equipment manufacturers, machine tool builders, and railroads. There won't be much hedging next month in anticipation of a midyear strike.

## Strong Auto Buying Continues

Automotive steel buying remains excellent and shows no signs of weakening. New car sales in early December set a record for the period—the seventh consecutive record they've scored since Oct. 1.

*Steel* said that if combined auto and truck production in the first half of 1963 is 4 million units (vs. 4.3 million in the first half of this year), automakers and their suppliers will need about 7.9 million tons of mill products. This, of course, would buoy the steel market.

U. S. steelmakers can expect the Japanese steel industry to become an even greater force in the world market than it is today, *Steel* predicted in a special report.

Now the world's fourth largest steel producer (after the U. S., Russia, and West Germany), Japan has capacity in excess of 30 million tons, and it plans to turn out more than 50 million tons by 1970. Japan is also in the fore on the adoption of modern production techniques and is beginning a product development push.

On the other hand, Japan's steel industry is an important customer for the U. S.

Americans are its biggest suppliers of equipment purchased from abroad (1961 U. S. sales totaled \$47.6 million); important suppliers of iron ore (1961 shipments to Japan were worth \$9.5 million); and of coking coal (1961 U. S. shipments totaled 5.8 million

# Lehman Brothers to Admit Four New Partners

Lehman Brothers, 1 William Street, New York City, members of the New York Stock Exchange, announce that Robert A. Bernhard, James W. Glanville, Frederick W. Hellman, and John R. Lehman will be admitted to the firm as general partners as of Jan. 1, 1963.



Robert A. Bernhard James W. Glanville F. W. Hellman John R. Lehman

Mr. Bernhard is a Director of the Lehman Corporation, and a trustee of several charitable foundations.

Mr. Glanville was with the Humble Oil and Refining Company prior to becoming associated with Lehman Brothers. He is Chairman of the Evaluation and Economics Committee of Society of Petroleum Engineers.

Mr. Hellman is a graduate of the Harvard Graduate School of Business Administration and the University of California.

Mr. Lehman, the son of the Honorable Herbert H. Lehman, has been associated with Lehman Brothers since 1949.

tons); and the largest suppliers of iron and steel scrap (1961 shipments to Japan were nearly 5.8 million tons).

## Stronger Steel Demand Buttressed By Pre-Steel Strike Precautionary Buying

A good upturn in January steel production is assured, *The Iron Age* stated. This is in spite of some soft spots that developed late in December and brought the month a notch below November.

Orders have come in for January that indicate continued improvement through the month. Further, automotive tonnage indicated for February points to a strong February, too.

After that, inventory accumulation will show up in orders from major steel users. This applies particularly to automakers. Despite public denials, a major auto producer will begin building protective stocks in March. Plans indicate a reserve cushion 40% above normal in advance of steel labor negotiations.

Dominance of the auto industry in the lift in the market continues to cast doubts on the depth of steel market strength. While there is some improvement from non-automotive steel users, it is irregular and does not yet give assurance of broad gains across product lines.

This is also reflected in some unevenness in demand noted by individual mills, and by location. Those with strong auto ties tend to be operating at higher levels and do not share in the late December dip to the same extent.

Further, a mill in the Detroit area, as well as sales offices there, report a better December than November. This is not the overall industry sentiment.

*The Iron Age* said the Kaiser wage-setting plan did nothing to ease the steel labor situation. In general, the industry resists any attempt to tie wages to productivity and is determined to oppose any union demands that will significantly increase labor costs.

(Under the Kaiser Plan, wages go up automatically as costs are reduced. Workers receive roughly

one-third of any savings in men, materials, or machines. This would place some of the toughest points of collective bargaining on an automatic basis.)

If anything, the Kaiser Plan announcement may have toughened the steel labor outlook. This is because it added a new element to probable bargaining. However, there is no hint from union sources when the rest of the industry will be confronted with a demand that involves sharing productivity gains. It won't necessarily come this year, although union chief David J. McDonald has hailed the plan as "a great step forward toward industrial peace."

## Week's Auto Output 10.3% Ahead Of Year Ago

Auto output in the U. S. last week ebbed 6.5% from the 7-year high it reached in the prior week, *Wards' Automotive Reports* reported.

The statistical agency said that in deference to the Christmas holiday, Saturday overtime in the industry was the exception rather than the rule. *Output declined to an estimated 164,721 units from 176,106 two weeks ago although daily volume through last week was still at its most intense rate since the same December weeks of record 1955.* U. S. car output a year ago was 149,285. This marks a year-to-year gain of 10.3% for the week.

During last week, *Ward's* noted, output of all makes remained above 32,000 units a day.

Few plants worked full shifts last Monday, and output this week and in the final week of the year is expected to show further decline.

Entire 1962, however, is certain to result in second-highest output for any year in industry history. By the close of operations December 22, more than 6,812,000 were estimated to have been produced since Jan. 1, exceeded only in entire 1955.

Meanwhile, production of '63 model cars—which began generally in September—is pacing all model years in history. About 2,442,000 cars have been made to

date in the current term, which will extend until August of 1963. Of last week's passenger car output, GM Corp. accounted for approximately 51.5%; Ford Motor Co. 27.3%; Chrysler Corp. 13.9%; American Motors 6.3%, and Studebaker Corp. 1.0%.

**Rail Data Unavailable**

**Editor's Note:** Rail freight tonnage data are unavailable this week because of the holiday.

**Truck Tonnage Down 1.9% From Last Year and 2.7% From Last Week**

Intercity truck tonnage in the week ended Dec. 15 was 1.9% below the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 2.7% less than that of the previous week of this year.

In recent weeks, the weekly survey has shown truck tonnage trailing volume of a year earlier. However, the year-to-year decrease is colored by the unusually strong upturn in traffic during the fourth quarter of 1961.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 16 localities, with 18 points reflecting decreases from the 1961 level. Truck terminals at three centers reflected tonnage gains in excess of 10%, while four points registered decreases of more than 10% from that of a year ago.

Compared with the immediately preceding week, 9 metropolitan areas registered increased tonnage, while 25 areas reported decreases. The week-to-week findings follow the pattern of generally declining tonnage which has been found at this season in previous years.

**Lumber Data Are Unavailable**

**Editor's Note:** The weekly and yearly changes in lumber production, shipments and new orders are unavailable this week.

**Electric Data Unavailable**

**Editor's Note:** Electric data are unavailable this week because of the holiday.

**Business Failures Data Unavailable This Week**

**Editor's Note:** Owing to a holiday-shortened work schedule and mail delays, we regret that it will be necessary to omit our regular Dun & Bradstreet report on Weekly Business Failures. However, the week's figures will be provided along with current data next week.

**Wholesale Food Price Index Holds Steady In Latest Week**

There was no change this week in the Wholesale Food Price Index compiled by Dun & Bradstreet, Inc., which remained at \$5.92. For the third consecutive week, the index continued lower than a year ago, falling 1.0 per cent short of the \$5.98 recorded on the similar day of 1961.

Foods quoted higher in wholesale cost this week were wheat, rye, oats, and hogs. Declines, on the other hand, occurred in only two items: cottonseed oil and cocoa.

The Dun & Bradstreet, Inc., Wholesale Food Price Index represents

the sum total of the price per pound of 31 raw foodstuffs and meat 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.

**Wholesale Commodity Data Unavailable**

**Editor's Note:** Dun & Bradstreet wholesale commodity data are unavailable this week because of the holiday.

**Christmas Buying Gained Zest**

Shoppers stepped up Yule purchases in the week ended this Wednesday, Dec. 19, although gains over a year ago were still pared by snow in some areas and strikes in others. A last-minute buying surge got underway in earnest on Saturday and picked up momentum early this week. Apparel accessories, both women's and men's, moved at a zesty pace, while children's outerwear proved very popular. The call for toys, especially high-priced items, remained strong. Furniture and major appliances showed seasonal lags, but purchases of entertainment goods and housewares forged ahead. Consumers continued to order new cars at a record-breaking pace.

The total dollar volume of retail trade in the week ended this Wednesday ranged from even to 4% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: New England —3 to +1; Mountain —2 to +2; East South Central and Pacific —1 to +3; Middle Atlantic, West North Central and South Atlantic 0 to +4; West South Central +2 to +6; East North Central +3 to +7.

**Nationwide Department Store Sales Gain 3% Over Year-Ago Week**

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall gain of 3% for the week ended Dec. 15, compared with the like period in 1961. In the four-week period ended Dec. 15, 1962, sales stayed unchanged over the corresponding period in 1961.

According to the Federal Reserve System, department store sales in New York City for the week ended Dec. 15, were 4% more than the same period in 1961. The New York City newspapers strike by the printers Big Six commenced 2 a.m. Saturday, Dec. 8, 1962, and undoubtedly has cut into retail sales in New York City department stores. However, the overall year-to-year gain was one percentage point less than the New York City district average and six points less than the Atlanta district.

**Form Williams, Olivo**

Williams, Olivo & Holahan, members of the New York Stock Exchange, will be formed as of Jan. 1 with offices at 11 Wall Street, New York City. Partners will be Kenneth R. Williams, Anthony T. Olivo, and Joseph R. Holahan, general partners, and Sidney Rheinstein, limited partner. Mr. Olivo, a member of the Exchange, and Mr. Holahan, were formerly partners in Olivo, Holahan & Co. Mr. Rheinstein, also an exchange member was active as an individual floor broker, as was Mr. Williams, also a member of the Exchange.

**Kaiser-Nelson Corporation Units Offered**

A total of 2,200 units of The Kaiser-Nelson Corporation's securities is being offered at \$228 per unit by an underwriting group headed by Robert L. Ferman & Co., Inc. of Miami, Fla., and New York City. Each unit consists of one \$200 face amount 6 3/4% convertible subordinated debenture due Nov. 30, 1974 and seven shares of common stock. This offering represents the initial public sale of the company's securities. Net proceeds from this sale will be used by the company to retire certain bank loans; replenish working capital used in 1962 for construction and installation of four additional high speed mobile reclamation plants and the purchase of auxiliary equipment; and to meet increase product requirements.

The debentures are immediately convertible into common stock at \$7.50 a share, with the conversion price increasing by 6% every 24 months. Sinking fund payments commence Oct. 1, 1965. The debentures are subordinate to all senior indebtedness, and they are callable at any time at a redemption price of 105% prior to Nov. 30, 1964, and at redemption prices receding by 1/2 of 1% each year thereafter, plus accrued interest in each case.

Headquartered at Cleveland, Ohio, the company is principally engaged in the reclamation of metallics from steel making slag under contract with major producers; in the mining of sand and gravel for redistribution to the construction and steel industries, and in the dismantling, salvage or demolition of industrial plants and installations. Reclamation plants are maintained on location at various steel mills, and mining operations conducted at four locations.

Operating revenues (unaudited) for the eight months ended Aug. 31, 1962, totaled \$2,229,862, and net income was \$151,693. Upon completion of the current transaction the company's outstanding capitalization will consist of \$1,047,996 in sundry indebtedness, a maximum of \$750,000 in 6 3/4% convertible debentures, and a maximum of 320,250 shares of common stock.

**Benj. Barlett To Admit Millard**

CINCINNATI, Ohio—Benj. D. Bartlett & Co., 313 Vine Street, members of the New York and Cincinnati Stock Exchanges, on Jan. 1 will admit Charles S. Millard to partnership in the firm. Mr. Millard has been associated with them for some time in the Research Department.

**Stifel, Nicolaus Co.**

**Opens Louisville Branch**

LOUISVILLE, Ky.—Stifel, Nicolaus & Company, Incorporated has opened a branch office in the Marion E. Taylor Building. J. Berges Reimer and Dale F. Linch are co-managers. Both formerly served in a similar capacity for Crutenden, Podesta & Miller.

**BANK AND INSURANCE STOCKS This Week — Insurance Stocks**

**NUMEROUS YEAR-END DIVIDEND INCREASES FOR INSURANCE COMPANY STOCKHOLDERS—**

Holders of numerous insurance stocks, both life and fire and casualty, received pre-Christmas presents in the form of higher cash dividend payments. For fire and casualty companies, the increases reflected improved underwriting results and steadily rising net investment income; while for the life insurance companies, the dividend boosts represent rising earnings derived principally from excess investment income.

**SOME RECENT DIVIDEND INCREASES**

	Old Rate	New Rate	Recent Price	Current Yield
Connecticut General	\$.80	\$.90	\$133	0.7%
Federal Insurance	1.10	1.15	69	1.7
Fireman's Fund	2.00	2.60*	69	3.7
Government Employees	.80	.85	60	1.4
Great American	2.00	2.20	60	3.7
Hartford Fire	1.10	1.32	65	2.0
Hartford Steam Boiler	2.90	3.00	113	2.7
Home Insurance	2.20	2.40	61	3.9
Insurance Co. of N. A.	1.80	2.00	93	2.1
Liberty National	.35	.44†	78	0.6
Ohio Casualty	.72	.74	24	3.0

\* Also 5% stock dividend. † 25% stock dividend.

Dividend payments by fire and casualty insurance companies are based primarily upon net investment income. While current underwriting operations are of some significance to the size of the payment, managements usually pay out to stockholders a fairly constant percentage of net investment income in cash dividends. For example, annual dividends as a percentage of net investment income have ranged between 33.1% and 42.8% for Hartford Fire, 51.9% and 63.9% for Home Insurance, 47.9% and 59.1% for Insurance Company of North America and 47.4% and 55.4% for St. Paul Fire & Marine Insurance over the past decade. Such narrow ranges are fairly typical of the payouts of the major established companies in the industry. In recent years, dividend increases on common stock portfolios, higher returns available on bonds, a fairly continuous flow of new cash available for investment and the plowback of current earnings have led to a steadily upward trend in investment income, which has been passed on to stockholders in the form of increasingly higher dividend payments.

Increases in dividends have been even more impressive for life insurance companies over the past decade. While most life insurance companies pay out in cash dividends only a small amount of investment income or total earnings, and current yields are traditionally very low, steady increases in payments over a period of years often result in a highly favorable return on original investment. Nevertheless, the compounding of total assets through the reinvestment of current earnings is one of the major attractions of life insurance stocks as an investment vehicle. Therefore, cash dividend payments are likely to remain low in relation to earnings and market prices, although the steady increases which are characteristic of the past are likely to continue in the future.

**FIRE LOSSES**

The National Board of Fire Underwriters reports that fire losses in November in the United States were estimated at \$105.7 million. The total was less than the \$115.9 million reported for the corresponding month of 1961 which reflected the costly brush fires in a residential area near Los Angeles during that month.

Despite the monthly decline, fire losses for the first 11 months of this year are estimated at \$1,160.7 million, well ahead of the \$1,009.5 million reported for the similar period of 1961. A new annual record high total is certain to be posted for 1962.

**LIFE INSURANCE SALES**

Individual life insurance sales continue to run ahead of those of last year, according to figures released by the Life Insurance Agency Management Association. Total individual sales for first ten months are estimated at \$51.4 billion, 1.8% higher than in 1961. However, group sales were down 10.1% from a year ago. Overall total sales at \$64 billion are less than 1% behind last year's total for the corresponding ten month period.

**BANK and INSURANCE STOCKS**

Bought—Sold—Quoted

**LAIRD, BISSELL & MEEDS**

Members New York Stock Exchange  
Members American Stock Exchange  
130 BROADWAY, NEW YORK 5, N. Y.  
Telephone: BARELAY 7-3500  
Bell Teletype 212 571-1170  
Specialists in Bank Stocks

**NATIONAL AND GRINDLAYS BANK LIMITED**

Head Office  
26 BISHOPSGATE, LONDON, E.C.2

Telegraphic Address  
MINERVA LONDON  
Telex Nos. 22368-9

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ADEN · SOMALIA · EAST AFRICA  
AND THE RHODESIAS

# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

## Be Sure You Are Understood By Your Customers

Several years ago I had a Doctor who was one of the finest diagnosticians I ever knew. He took care of my family until he moved away from our community. Based upon his ability his income should have been twice what he earned. A more sincere, kind and conscientious man you could have never met. He was a skilled radiologist, he was an internist, he had been with several great hospitals and he had an enviable war record. I recommended, his services to people and they told me he was a good Doctor. Yet, his practice did not grow. I always overlooked his one primary weakness; he discussed his patient's ailments with them and he always used technical medical terms in doing so.

### We Also Live in a Specialized World of Our Own

Although my Doctor friend was an extremist, how often have you assumed that the people with whom you are, discussing investments understand statements such as this, "Are you sure you hold 'ADR's' and not the original stock?" I made this mistake the other day. An elderly gentleman came in to see me and said he wanted to sell a couple hundred shares of stock in an English company. When I asked such a question, he looked at me and his mouth dropped open, "AD what?" he exclaimed. "I am sorry this confuses you Harry", I replied. "Just bring the stock in tomorrow and I'll look over the certificate. You see they have some stock issued in England and there are also receipts for the English shares issued in this country."

That started another discussion. I had to explain the intricacies of American Depository Receipts; he even wanted to know if there was a difference in the market value of regular shares and the ADR's. If I had just said, "OK. Harry, bring the stock in tomorrow and I'll look it over before we sell it since the company has its headquarters in England and I would like to be certain we sell the right shares. There are English shares and American Depository Receipts for these shares. It won't make any difference to you but we want to sell the right ones." This would have probably been all there was to that.

Many people do not wish to read involved financial statements, or a complicated prospectus. They are repelled by legal phrases and the intricate figures contained in an accountant's balance sheet. It is often a mistake to expect too much of the general lay public in this respect. Please don't misunderstand this; full disclosure and the prospectus should always accompany every public offering of securities. But the weakness in the laudable purpose behind the Security Acts, is that the very people who need to be protected are often the ones, who should rely upon their security salesman to do it for them. You will find that you have many clients who do not wish to listen to an involved discussion of the merits of a security—it bores them. Once you put the burden of

decision making upon them; in effect you say to them, "Here you do it." And very often they do not desire to do so.

### Another Example

A very well informed investor telephoned my office the other morning and asked me for the market in an unlisted stock. I gave him the then current quotation which was 7% bid—7% asked. "How come?" he asked. "This stock was listed in the morning paper in the over-the-counter list at 6% bid, offered at 7%. Knowing him well I asked if he had the morning paper in front of him and when he replied that he did, I asked him to follow carefully with me as I read the caption under the listing of 'Over-the-Counter Stocks' as follows: The following quotations (and I pointed out the difference between 'sales' and 'quotations') are supplied under the auspices of the National Association of Securities Dealers. The 'bid' and 'asked' quotations are given as a guide (and I pointed to the word 'guide') to the range within which these securities could have been traded and are not intended to represent actual purchase prices." There it was, plain as day, yet this man had looked at the over-the-counter quotations for years and had never read this explanatory and important notation.

It is always well to remember that those of us who deal in securities day after day have developed our own particular vernacular. But many of our clients are not so well informed.

## Morgan Forms Paris Company

Establishment of an investment banking company in Paris, designed to blend techniques of the American capital market with European financial skills, has been announced by Morgan Guaranty Trust Company of New York.

The new Paris company, called Morgan & Cie. S. A., is principally owned by Morgan Guaranty International Finance Corporation, a subsidiary of the New York bank. Minority interests in Morgan & Cie. are held by Morgan Grenfell & Co. Limited, merchant banking firm in London, and by the Dutch banking firms of Hope & Co., Amsterdam, and R. Mees & Zoonen, Rotterdam.

Required approvals for establishment of the new company have been given by the New York State Banking Board, the Federal Reserve Board of Governors, and the French banking authorities.

Morgan & Cie. will conduct a general investment banking business, including underwriting. It will do business only outside the United States.

Thomas S. Gates, Chairman of Morgan Guaranty International Finance Corporation, said: "In launching this new activity we aim to provide a facility by which American companies will be able to obtain European capital to help finance their operations in Europe. We also hope to play an

important role in the further development of the French capital market and those of other European countries as they respond to the financial needs created by Europe's remarkable growth."

Mr. Gates continued: "Concern has been expressed by United States Government officials at the amount of capital raised in this country for use abroad. We expect that the creation of Morgan & Cie., by adding to the existing facilities for raising capital in France and other European countries, will lessen foreign reliance on U. S. capital. As the Common Market develops further, the expansion of capital markets in Europe may have a substantial beneficial effect on the United States balance of payments."

Offices of the new company will be at 14, Place Vendome, the location of Morgan Guaranty's Paris office. The new company takes a name long known to French finance. An earlier Morgan & Cie., with predecessors going back to 1868, was for many years a Paris banking firm closely related to J. P. Morgan & Co. in New York. Later incorporated, it was merged into Morgan Guaranty in 1959.

Morgan Guaranty's English and Dutch partners in the new Paris venture also have long histories of association with French financial affairs. Morgan Grenfell is successor to the London firm of J. S. Morgan & Co., which in 1870 lent £10 million to the beleaguered French Government during the Franco-Prussian war.

Hope & Co., which dates its first beginnings in 1721 and this year is observing its 200th anniversary under its present name, had early dealings with both France and the United States. In 1803, Hope was one of the firms that bought from France the U. S. bonds issued in payment for the "Louisiana Purchase."

The Rotterdam firm of R. Mees & Zoonen traces its origins to 1720. Like the Hope firm, it has led in the formation and financing of major enterprises in Holland and other countries. It conducts an extensive commercial banking business with branches in seven Dutch cities.

The Hope and Mees firms earlier this year announced a consolidation of their activities but are retaining their separate names.

Morgan Guaranty International Finance Corporation is one of two wholly-owned subsidiaries formed by the parent bank under provisions of an American law enacted in 1919 to enable American banks to perform various financial functions in the international field.

## McKeown Co. Names New Pres.

CHICAGO, Ill. — The Board of Directors of McKeown & Co. has announced the election of John G. Partipilo as President of the investment firm.

Other officers of the firm are: Arthur J. Tiberi, Executive Vice-President; James P. Norville, Secretary; John F. Morrissey, Treasurer.

Mr. Partipilo stated that the firm has completed its move into its new and larger office in the Rookery Building at 209 South La Salle. He also said that the firm plans to open an office in New York shortly after the first of the year.

# FROM WASHINGTON

## ... Ahead of the News

BY CARLISLE BARGERON

President Kennedy anticipates a crisis in his administration shortly after Congress meets on January 9 and the chances are that he will get it. Within a few days, maybe on January 10, the House will decide whether to keep the membership of the House Rules Committee at its present 15 or go back to its former membership of 12. In other words, shall it consist of 10 Democrats and five Republicans or eight Democrats and four Republicans.

Mr. Kennedy has already gone to the country on retaining the membership at 15. In a recent radio-TV address he said that if the membership doesn't remain at 15 "we can't function. We are through if we lose. Our whole program in my opinion would be emasculated."

It is strange that Mr. Kennedy would put so much reliance on this committee fight, particularly when the odds are slightly against him and in light of the fact that, with the committee's membership increased to 15 at the last session, he did not get all of his program. His two most important measures, medicare and tax reduction and reform, he can't get out of the House Ways and Means Committee which has nothing to do with the House Rules Committee and which is not hostile to him.

It is strange that while the propaganda depicts the Rules Committee as the villain in the piece the friendly Ways and Means Committee has been just as much a stumbling block.

The move to increase the Rules Committee membership in 1961 succeeded with only a 5 vote margin, with the whole House voting. At that time Speaker Rayburn, a tremendously popular man, was able to swing several Southerners for the change. At that time, however, the President had not sent military forces into Mississippi to support the entry of a Negro into "Ole Miss" University. Also, the Democratic majority in the House was greater by a couple of votes than it will be in the new House. So the President and the speaker, John W. McCormack of Massachusetts, and Majority Leader Carl Albert of Oklahoma, face a tough, hard battle. Some of those representatives who voted for the change out of friendship for Sam Rayburn may not vote to retain the 15 member size of the committee.

Further, as the President himself has admitted, the Mississippi incident may have made other Southern members unwilling to go along with him. The need of civil rights bills, strengthening the government's hands, etc., are among the reasons advanced by the New Frontiersmen for supporting the enlarged Rules Committee.

Liberal members of the House engaged in this fight on the side of the President have a three pronged program of their own to make it easier to get action on controversial bills. Represent-

tative Henry S. Reuss of Wisconsin, one of their leaders, not only advocates retention of the enlarged Rules Committee but he also strongly favors revival of the so-called 21-day rule adopted by the 81st Congress after former President Truman's election in 1948. In the 82nd Congress it was repealed after no use had been made of it. Under this rule, after the Rules Committee had sat on a bill approved by a standing committee for 21 days, any member of the House could move to discharge the committee and bring the bill before the House for a vote. This bears out my contention that whenever the House really wants a bill there is always a means of getting it to a vote.

At present 100 members, by signing a petition, can take a bill away from the Rules Committee. At the last session the Rules Committee sat on a bill to give all World War I veterans a pension of \$100 a month. It remained on the Speaker's desk for months, inviting the required 100 signatures to take it away from the Rules Committee. But no such action developed.

## Phila. Inv. Assn. Elects Officers

PHILADELPHIA, Pa.—Harry J. Kirby, Jr. of Blyth & Co., Inc., was elected President of The Investment Association of Philadelphia at the annual meeting of the Association. Mr. Kirby succeeds John J. F. Sherrerd of Drexel & Co. whose term expired.

Other officers elected 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 Company, Inc., Treasurer.

Elected to the Executive Board of the Association were Mr. Kirby and Mr. Caulfield, Joseph L. Pyle of Kidder, Peabody & Co. and William Rebmann of Laird, Bissell & Meeds.

## H. C. Ahalt Forms Own Inv. Co.

WASHINGTON, D. C.—Ahalt & Company, Inc. has been formed with offices at 1024 Vermont Avenue, N. W. to engage in a securities business. Officers are Henry C. Ahalt, president; Clarence A. Levine, secretary and treasurer. Mr. Ahalt was formerly an officer of Searight, Ahalt & O'Connor, Inc. with which Mr. Levine was also associated.



Harry J. Kirby, Jr.

# Treasury Sets January 8 for \$250 Million Bond Sale

Treasury Secretary Douglas Dillon on Dec. 20 issued a public notice of invitation for bids on \$250,000,000 of Treasury bonds of 1988-93. This will be the first sale of Treasury bonds to an underwriter on the basis of competitive bidding for re-offering to the public. The Treasury announced last September its intention to test this new technique. Bids for the bonds will be received at the Federal Reserve Bank of New York not later than 11 a.m., Eastern Standard Time, on Tuesday, Jan. 8, 1963. The successful bidder will be required to make a *bona fide* re-offering of all of the bonds to the investing public.



Douglas Dillon

The bonds will mature on Feb. 15, 1993, but may be called for payment on Feb. 15, 1988, or any interest payment date thereafter. The bonds will be dated Jan. 17, 1963. Interest will be payable on Feb. 15 and August 15 of each year until the bonds mature or are called. The first interest coupon, payable Aug. 15, 1963, will cover interest accrued between Jan. 17, 1963 and Aug. 15, 1963.

A supplemental notice, to be published on Jan. 2, 1963, will set forth provisions relating to the coupon rate or rates of interest upon which bids will be received. Bidders must file a Notice of Intent to Bid at the Federal Reserve Bank of New York not later than 12 noon, Eastern Standard Time, on Jan. 4, 1963.

Payment for the bonds must be made in immediately available funds not later than 11 a.m., Eastern Standard Time, on Jan. 17, 1963.

Full text of the public notice of invitation to bid follows:

## PUBLIC NOTICE OF INVITATION TO BID on Treasury Bonds of 1988-93

The Secretary of the Treasury, by this notice and under the terms and conditions prescribed in Treasury Department Circular, Public Debt Series No. 22-62, invites bids for an issue of bonds of the United States, designated as Treasury Bonds of 1988-93. The principal amount of the issue hereunder will be \$250,000,000. These bonds will be offered only as a single block on a competitive bid basis.

### I. Description of Bonds

The bonds will be dated Jan. 17, 1963, and will bear interest from that date payable on a semiannual basis on Aug. 15, 1963, and thereafter on Feb. 15 and Aug. 15 in each year until the principal amount becomes payable. They will mature Feb. 15, 1993, but may be redeemed at the option of the United States on and after Feb. 15, 1988, at par and accrued interest, on any interest day, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. From the date of redemption designated in any such notice, interest on the

bonds called for redemption shall cease.

If the bonds are owned by a decedent at the time of his death and thereupon constitute a part of his estate, they will be redeemed at par and accrued interest at the option of the representative of the estate, provided the Secretary of the Treasury is authorized by the decedent's estate to apply the entire proceeds of redemption to payment of the Federal estate taxes on such decedent's estate.

### II. Notice of Intent

Any individual, organization, syndicate, or other group intending to submit a bid must file written notice of such intent with the Federal Reserve Bank of New York on Form PD 3555 by 12 noon, Eastern Standard Time, on Jan. 4, 1963. Notices which are received postmarked to show they were mailed prior to that time will be treated as having been timely filed. Forms and envelopes therefor may be obtained from any Federal Reserve Bank or Branch or from the Bureau of the Public Debt, Treasury Department, Washington 25, D. C. The filing of such notice will not constitute a commitment to bid.

### III. Submission of Bids

Only bids submitted in accordance with the provisions of this invitation, or any supplement or amendment hereto, and of Treasury Department Circular, Public Debt Series No. 22-62, by bidders who have filed notice of their intent to bid as required by Sec. II hereof will be considered. Each bid must be submitted in duplicate on Form PD 3556, enclosed and sealed in an envelope which will be furnished with the form, and must be received in the Northwest Conference Room of the Federal Reserve Bank of New York not later than 11 a.m., Eastern Standard Time, on Jan. 8, 1963. Forms and envelopes may be obtained from any Federal Reserve Bank or Branch, or from the Bureau of the Public Debt, Treasury Department, Washington 25, D. C.

A bid submitted by a syndicate must be supplemented by a list of its members which must specify the amount of each member's underwriting participation. This supplement must be filed by the representative on Form PD 3557 not later than 12 noon on Jan. 8, 1963, at the place designated for receipt of bids.

Each bidder may submit only one bid, which must be for the purchase of all of the bonds described in this invitation. The price to be paid to the United States by the bidder must be expressed as a percentage of the principal amount of the bonds in not to exceed five decimals, e.g., 100.01038 percent. Provisions relating to the coupon rate of interest will be set forth in supplemental notice hereto on Jan. 2, 1963.

Each bid must be accompanied by a payment to the Federal Reserve Bank of New York, as fiscal agent of the United States, of an amount equal to 3% of the principal amount of the bonds in immediately available funds.

### IV. Bids—Opening—Acceptance

Bids will be opened in the Northwest Conference Room of the Federal Reserve Bank of New

York at 11 a.m., Eastern Standard Time, on Jan. 8, 1963, and the accepted bid will be announced publicly not later than 2 p.m., Eastern Standard Time, on that date. The bids and the names of the bidders will be considered as matters of public record, including, in the case of a syndicate, the names of the members and the amount of each member's underwriting participation.

The bid to be accepted will be the one resulting in the lowest basis cost of money computed from the date of the bonds to the date of maturity determined in accordance with the terms of this invitation, or any supplement or amendment hereto, and the provisions of Treasury Department Circular, Public Debt Series No. 22-62. It shall be a condition of each bid that, if accepted by the Secretary of the Treasury, the bidder shall make a *bona fide* re-offering of all of the bonds to the investing public.

When the successful bidder has been announced, his deposit will be retained as security for the performance of his obligation and will be applied toward payment of the bonds. Thereafter, the deposits of all other bidders will be returned immediately. No interest will be allowed on any of the deposits. In the event that the supplemental notice does not specify a single coupon rate of interest and bids based on different coupon rates of interest result in identical basis costs of money computed to maturity, the Secretary of the Treasury will accept the bid resulting in the lowest interest cost to the first call date. Otherwise, if identical bids are submitted, the Secretary of the Treasury, in his discretion, shall determine the bid to be accepted by lot in a manner prescribed by him, unless he proposes and those who submitted the identical bids agree on a division of the bonds. In the event of a division of the bonds, the bids of the successful bidders will be amended accordingly, their deposits will be apportioned and the remainder refunded immediately.

The Secretary of the Treasury, or his representative, will accept the successful bid by signing the duplicate copy of the bid form and delivering it to the bidder, or his representative.

The Secretary of the Treasury, in his discretion, reserves the right to reject any or all bids.

### V. Payment for and Delivery of Bonds

Payment for the bonds must be made in immediately available funds and must be completed by the successful bidder not later than 11 a.m., Eastern Standard Time, on Jan. 17, 1963, at the Federal Reserve Bank of New York.

If the bidder desires any registered bonds to be shipped on the payment date, he must notify the Federal Reserve Bank of New York and furnish the necessary registration information within two days after the award. All other bonds will be delivered in bearer form and will be available on the payment date at Federal Reserve Banks and Branches. Shipment of the bonds will be made on the payment date, at the risk and expense of the United States, to any place or places in the United States designated by the bidder. If necessary, the Treasury will issue interim receipts for the bonds on the payment date.

[Signed]

DOUGLAS DILLON  
Secretary of the Treasury

# Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets during 1962 were maintained pretty much on an even keel even though the trend was toward the side of ease. The Treasury and the Federal Reserve Board in their debt management and money management policies made it possible for domestic business to get the needed funds at favorable rates of interest. At the same time, the stability of the dollar and our gold holdings were given help and protection while keeping short-term rates on the high side and long-term rates on the easy side.

In spite of the disturbed and uncertain international political developments which occurred from time to time during the year, the money and capital markets were able to take these happenings pretty much in stride because of the aid which was made available to them at all times.

It was the purpose of both government agencies to keep short-term rates high enough so that we were able to compete successfully with other world money centers, mainly London, for the hot money or the readily moveable funds which would have a decided influence on our balance of payments deficit if they were to leave here in volume.

The combination of purposeful debt management and alert monetary policy supplied the money and capital markets with sufficient funds so that rates in these markets were neither too high nor too low, yet attractive enough so that near-term and long-term investors were able to get yields that were considered favorable by them.

The flow of investible funds into medium- and long-term Government obligations increased as the year went along because the fear of inflation subsided and the need to hedge against this force through the purchase of common stock came to an abrupt end. This resulted in larger commitments being made in fixed income bearing obligations, with Government bonds sharing in these purchases along with corporate and tax-exempt bonds.

Although investors continued to favor non-Federal bonds, such as corporates and tax-exempt issues ahead of Government bonds during the year because of the more favorable yield that was available in the former securities, there were nonetheless sizable commitments made in Government bonds especially by public pension funds. It seems from the reports which were available for the year that the 3% due 1995 was still the favorite bond of the public pension group. However, other more distant Government bonds were gaining in popularity as 1962 was coming to a close.

Advance refunding operations of the Treasury were carried out successfully and, by this extension of the maturity of the Federal debt, the way was cleared so that other short and intermediate-term obligations were fitted into the areas vacated in these debt extending ventures.

These were worthwhile undertakings since the Treasury was in a position to supply the money market with near-term issues so

that short-term rates did not go down to levels that could have caused a sharp outflow of funds and in that way our balance of payments problem would have aggravated. At the same time, debt extensions by advance refunding operations tended to help maintain a semblance of equilibrium between short- and long-term maturities.

The demand for short-term Government obligations during 1962, from both domestic and foreign sources, was of such magnitude that the Treasury had to struggle all year to keep the yields on these securities from going down to levels that would make them non-competitive with other world money markets. There are no indications that this liquidity trend will not continue to be as strong as ever in 1963.

## L. A. Bond Club Names Officers

LOS ANGELES, Calif.—Verdon C. Smith, of Lester, Ryons & Co., was elected President of The Bond Club of Los Angeles at the annual

meeting which preceded the Club's Christmas party at the Los Angeles Stock Exchange Club. Mr. Smith, a general partner of Lester, Ryons & Co., has long been a resident of Los Angeles and has been active in the investment business since 1928. He has held various offices in the National Association of Security Dealers, and was Chairman of NASD, District No. 2, embracing California, Nevada and Hawaii.

Donald W. Moulton, of R. H. Moulton & Co., outgoing Club President, presided at the Club's business meeting and formally installed President-elect Smith. In a brief acceptance address to Bond Club members, President Smith expressed an optimistic viewpoint regarding the coming year, indicating that 1963 should be an active year for the Bond Club and its members.

Members of The Bond Club also elected John A. Carter, III, of Vance, Sanders & Co., as Secretary; Paul J. Anderson, of White, Weld & Co., Treasurer; Robert R. Miller, of Hornblower & Weeks, director; George W. Weedon, of Crowell, Weedon & Co., director, and Clifford E. Poindexter, of Turner-Poindexter & Co., director.

## Jefferies & Co. Is Formed on Coast

LOS ANGELES, Calif.—Jefferies & Co. has been formed with offices at 618 South Spring Street to engage in a securities business. Boyd L. Jefferies is principal. He was formerly a partner in Noble, Tulk, Marsh & Jefferies.



Verdon Collins Smith

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# Answers to Four Questions On International Economics

Continued from page 3

ciably risen, and in fact have declined in most important sectors, since the recession months of 1960-61.

That has not always been the pattern. There have been times in this and other countries when the charge has had some validity, and concern that such experience might be repeated is quite understandable — I share that concern. But the United States has now set an entirely new pattern, a pattern which began to emerge in part as a result of Federal Reserve action in mid-1960, action that has since been expanded, and has been complemented by Treasury action and supported by an increasing volume of saving. It is a pattern that is well, if incompletely, illustrated by the accompanying charts contrasting the behavior of free reserves in the banking system, and of various interest rates, over the past two years with their behavior during the preceding recession and recovery period. Clearly, bank reserves have been kept easy, and interest rates for the major types of credit have remained low, in contrast with previous cyclical behavior.

Quite a different charge can indeed be made against this new, daring and admittedly experimental financial policy of the United States: That it has neglected the balance of payments in order to assure the abundant availability of credit to domestic borrowers. Some of my colleagues are meeting, and I am sure effectively answering, that argument on this day in a conference being held abroad with some of the most alert and best informed financial officials of the leading countries

of the Western World. They are no less sensitive than we to the need—the world-wide need—for a more rapid expansion of the American economy. No one is satisfied with the rate at which our productive activity is absorbing our growing labor force and our large numbers of unemployed. But the further question these critics ask is how we could possibly expect to accomplish anything more toward this objective through a continued easing of monetary policy—through adding more redundant credit to a supply of savings, that is already beckoning in vain for more domestic borrowers, or through further lowering of interest rates that have not themselves been an impediment to the use of funds.

### Successful Financial Measures

Is not the lesson of our recent experience, in trying to give greater stimulation to the economy, that a combination of monetary policy and debt management to produce easy money is not enough? That we have not (so far as any practicable role of Government is concerned) found the proper "mix" for current conditions between these influences and fiscal policy — the policy controlling the Federal Government's expenditures and that determining the structure and burden of Federal taxation? In any changing of this "mix," to be sure, the possible impact on the balance of payments will have to be considered. It must be in every country. But I have yet to see any actual evidence that the methods thus far used to help eliminate the deficit in our balance of payments have impeded domestic

economic expansion. On the contrary, it seems to me remarkable that financial measures should have been able to help so much in cutting the balance of payments deficit substantially over these past two years, despite a sizable rise in imports, while additional credit has everywhere been readily available to contribute directly and importantly toward the 10% rise in gross national product that has in fact occurred.

### II

In directing attention to proposals for flexible exchange rates, the Subcommittee is again making a constructive contribution by bringing forward for re-examination a proposal which has probably through the years fascinated more professors and frustrated more practitioners than any other tool in the kit of international financial machinery. I suspect that every university seminar on international finance in the country has at least one member who views fluctuating rates as the clean-cut answer to every nation's external economic needs: if expansion at home rings in more imports than can be paid for, or produces an inflation that prices one's exports out of foreign markets, or creates unsettling fears for investors who then shift their capital to other countries—let the exchange rate go, let it freely find an equilibrium level at which outpayments and inpayments come into balance. What is more, concern over the adequacy of international monetary reserves can disappear, for with the exchange rate against all other currencies free to move downward whenever outpayments being to rise, drawing on one's own international reserves would be brought to an end before they had scarcely begun. There would seem to be little need then for immobilizing any very sizable bloc of assets in foreign exchange reserves or in gold.

vious problems of the modern world, this one has a catch in it. Perhaps I should say instead—if I might presume to speak for the operating men in foreign trade and finance around the world who have at times tried to contemplate the prospect of conducting trade when every currency could move any distance up or down, against all others, both in the spot and forward markets—the better analogy would be a barrel of fishhooks. Individual countries, in distress or unusual circumstances, may be able through resort to a freely fluctuating rate to conserve their reserves and bring their inpayments and outpayments closer together, but I doubt whether a country can continue to do that unless other countries, and particularly the major industrial countries, maintain fixed rates among themselves. And even these individual countries have often found in time that the real price was paid in a constricting of external trade, or an unsustainable imbalance between trade and capital movements. That in my judgment was the lesson of Canada, the most conspicuous of these individual exceptions that prove the rule (although even there the fluctuating rate — which was finally abandoned last May in favor of a fixed rate — was never wholly free).

As with so many of the issues brought out by the Subcommittee's inquiries, the answers to this one are to be found, much more carefully and ably expressed than I could attempt, in other materials also prepared at the Committee's request and included in its recent publications. Professor Houthaker, for example, at pages 292-3, summarizes the case admirably, though I hasten to add that I do not concur in the recommendation he goes on to make for a change in the fixed level of the dollar price of gold.

The blunt fact is, moreover, that these claims on our balance of payments will continue, and will forcibly inject balance of payments considerations into the formulation of an appropriate policy mix for the domestic economy, even if we could by some sleight of hand dissolve the arrangements through which the United States performs its commercial banking role — that of holding and servicing a major part of the international working balances and the international monetary reserves of other countries. This is not to say that there are not also costs and risks arising from our banking operations; but it is to urge that these be kept in perspective. And it is a part of that perspective also to recognize the very substantial contribution that is actually made toward strengthening our balance of payments position over the years by the substantial earnings this country receives from its banking function of "borrowing short and investing long" — earnings that

### III We Cannot Renounce Our World Banking Role

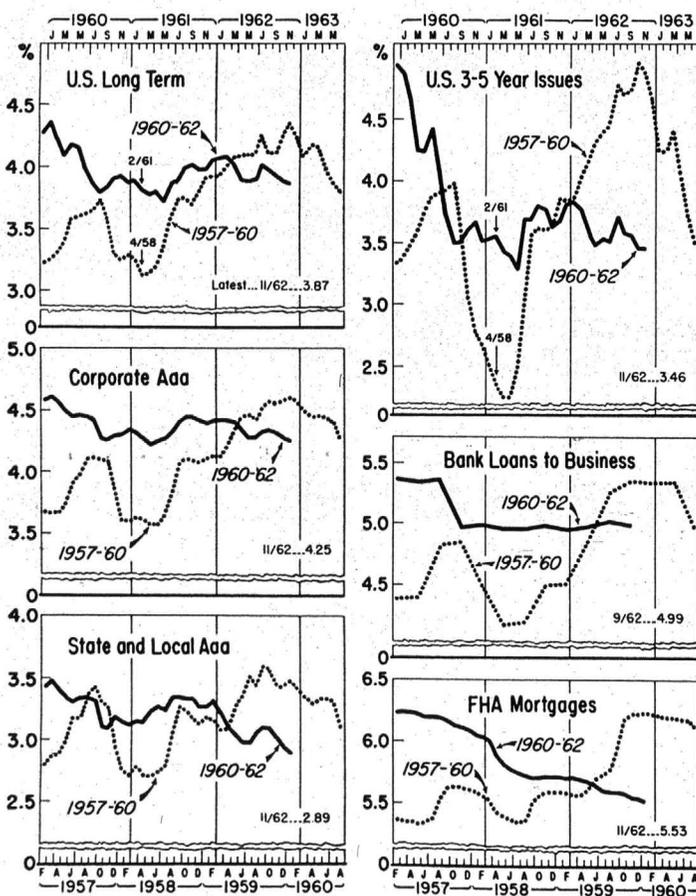
### Fallacy of Fluctuating Exchange Rates

Unhappily, like all fine, straightforward, across-the-board answers to the crooked and de-

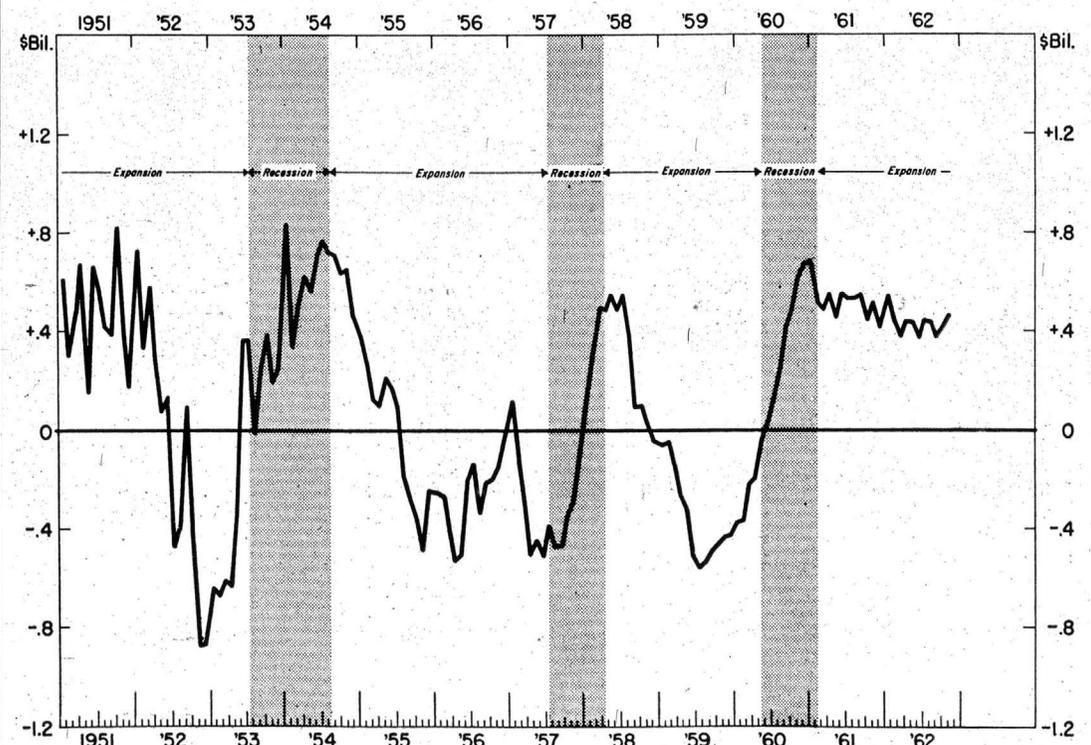
The question on abandoning our role as world banker suggests the Wordsworthian nostalgia of an

country receives from its banking function of "borrowing short and investing long" — earnings that

SELECTED INTEREST RATES IN 2 BUSINESS CYCLES  
(Plotted to align the recession low points of April 1958 and February 1961)



FREE RESERVES OF MEMBER BANKS



Note: Periods of recession and expansion as determined by the National Bureau of Economic Research.

greatly exceed the interest we pay on the foreign holdings of dollars.

Apart from the earnings attributable to the investment aspect of our banking role, which have fundamental importance for our long-run balance of payments position, there are in addition the shorter run advantages which we enjoy as banker in being able readily to obtain the credit that finances our net outpayments—credit which we obtain for much longer periods and in much larger amounts than any other leading country (except for the U. K., the other leading banker) could depend upon. The credit standing of a banking center is such that it can, in effect, borrow to meet its needs in almost an imperceptible fashion, without the necessity of arranging and negotiating loans as other borrowers must do. The trouble only comes, and people are only likely to begin to raise questions about undesirable aspects of the banking role, when this facility for borrowing from others is overused.

#### We Have Borrowed Too Much On Short-Term

That, of course, is what has happened to the United States. After we had run deficits in every year but one for almost a decade, the aggregate of dollars (i.e., in effect the short-term notes on which we have been borrowing) that was building up in the working balances of other countries and in the monetary reserves of their central banks began, in the light of the accelerated rate of our deficit, to exceed the limits, both of their prevailing needs and of their tolerance for accumulating additional balances to meet possible future needs.

The point to remember is that the need which eventually became convincingly clear to close the deficit in this country's international accounts was no different from the need we otherwise would have had to face earlier—and with even greater urgency—if our banking role had not given us considerable flexibility in the timing and the methods ultimately chosen for effecting a balance.

Thus what may now appear to be annoying risks or burdens are in many respects no different from the balance of payments disciplines that other countries must face much more consciously year in and year out. Even now, because of the readiness of other countries to cooperate with us as their banker, and because they have confidence that we will not abuse our role by failing to balance our own international accounts, it has been possible during the past two years to introduce a new dimension in our banking arrangements, through which our own performance can be improved and the monetary system of the world strengthened.

#### Four Experimental Facilities

The four essential elements of this broadened gold-dollar system have all now been identified through specific action:

- (1) forward transactions in other convertible currencies against dollars;
- (2) Swaps of dollars for other currencies on an activated or a stand-by basis;
- (3) Outright acquisitions of foreign currencies (without provision for gold or currency value guar-

antee) to be held alongside gold as part of the monetary reserves of the United States; and

(4) The Contracting by the United States of indebtedness denominated in foreign currencies, for various maturities.

All of the experimental arrangements which have tested these facilities, and provided evidence of their potential, have emerged from the lessons of operating experience. They have not in any sense been imposed on other countries; they are mutual agreements. They have to a considerable extent reflected the suggestions and initiative of one or another of those countries who represent our larger "customers" in the banking business we perform. These four kinds of facilities do not promise complete insulation against banking risks in the future; they do not themselves necessarily provide assurance that all manner of future requirements for international liquidity can be met in these ways; they certainly do not provide an escape from that basic need to balance inpayments and outpayments which every country must face; but they do provide clear evidence that cooperative effort among the banking agencies of the leading countries can provide facilities that do fulfill the world's present needs for reliable international monetary arrangements.

#### Need For Financial Sharing By Our Allies

It is that same kind of cooperation—involving a gradual sharing among others of some of their responsibilities that the United States has carried so long and so largely—that will provide the fundamental answer over time to our balance of payments problem. If the United States were able to accomplish the same degree of shared responsibility for the joint military obligations of the Western Alliance that has already been volunteered on the financial front, most of our balance of payments pressures would disappear. If the United States were able to achieve as well comparable results in the shares contributed toward economic aid; if other surplus countries were prepared to reach out beyond any arithmetic calculation of "equality" and assume the kind of disproportionate share that the United States carried for so long—then no real balance of payments problem would remain for the United States.

Thus, not in the interest of abolishing our banking role from any further obligations, but only of attaining the perspective already suggested, it would seem clear that the zones for major effort are those which the Subcommittee on International Exchange and Payments began to explore Dec. 12, alongside the fundamental need for expansion of our exports, which has been of continuing concern to the Subcommittee. The significance of any possible further monetary arrangements would be, in comparative terms, quite incidental. If the basic problems are neglected, and our banking role treated as a scapegoat instead, the effect would be, at the least, a prolongation of our balance of payments problem, as well as the probable disruption of existing arrangements which are already working so effectively that we take them largely for granted—arrangements which, however, once disrupted, could quickly grind the world level of trade and pros-

## First Boston Elects Officers

Emil J. Pattberg, Jr., President of The First Boston Corporation, 20 Exchange Place, New York City, has been elected Chairman of the board of directors of the corporation, succeeding George D. Woods, who will become President of the International Bank



Charles C. Glavin



Paul L. Miller



Emil J. Pattberg, Jr.

for Reconstruction and Development (World Bank). Mr. Pattberg will also continue as President.

Charles C. Glavin, Senior Vice-President, was elected Chairman of the executive committee and Paul L. Miller, Vice-President, was named a member of the committee. Mr. Glavin is in charge of the corporation's Underwriting Department and Mr. Miller is a senior officer of the department.

Mr. Pattberg has been a director of First Boston since 1951 and was Chairman of the executive committee from 1955 until succeeded by Mr. Glavin. He joined the corporation in October, 1929 and was elected a Vice-President in 1945. From 1949 to 1955, Mr. Pattberg headed the Government Bond Department of the corporation.

Mr. Glavin joined the organization in 1935, was elected a Vice-President in 1945, a director in 1950, a member of the executive committee in 1956 and a Senior Vice-President in February, 1962. He is a director of Xerox Corporation.

Mr. Miller joined The First Boston Corporation in 1946 and was appointed an assistant Vice-President in 1952. He was elected a Vice-President in 1955 and a director in 1959.

The First Boston Corporation performs an investment banking or securities dealer function in the fields of underwriting, distributing and trading in corporate securities both domestic and foreign. For a number of years, it has been one of the leading firms in volume of corporation underwriting managed.

The corporation is a primary dealer in obligations of the United States Government and its agencies. It is an underwriter, dealer and trader in domestic municipal and revenue obligations as well as in Canadian and other external dollar bonds.

The First Boston Corporation was organized under the laws of Massachusetts in 1932 as The First of Boston Corporation. It succeeded to the business of affiliates of The First National Bank of Boston and of the Old Colony Trust Company. In 1934, it also succeeded to the goodwill of Chase Harris Forbes Corporation—in turn successor to Harris, Forbes & Co., founded in 1882.

The First Boston Corporation became publicly owned through the offering of its stock to the stockholders of The First National Bank of Boston and of The Chase National Bank of the City of New York. In 1946, Mellon Securities Corporation, of Pittsburgh, was merged into The First Boston Corporation.

perity to lower and unsatisfactory levels.

#### Lays Down Stricture On Creating Liquidity

A caution of the same kind is appropriate, it seems to me, in turning to the fourth question, that asking whether a substantial increase in international liquidity would not free programs of domestic expansion from balance of payments considerations. Substantial achievements in augmenting international liquidity have already occurred, of course, and have been very useful. But in this desire for decisive further increases, there is a similarity with the yearning that has always been expressed by those who feel that more money, and the facilities for creating it, would assure expansion and prosperity within a particular country.

To be sure, much has been learned as a result of those yearnings and there is no denying that modern monetary systems, with their provision of flexibility through fractional reserve commercial banking, have been necessary for the evolution of modern economic society. But that development has rested upon the link between money and credit.

There is no way in which money, whether as the circulating medium of a given country or as the acceptable medium for holding international reserves, can be created, or can retain its acceptability, without a counterpart in the granting and accepting of credit. Even the use of an international institution to provide liquidity does not circumvent the fact that credit must be provided by one country or a group of countries to others that are in deficit.

It is important to have this in mind in considering any suggestions for resolving or moderating the balance of payments problems of any given country through reliance upon an enlarged supply of "international liquidity" or international credit. Unless surplus countries are willing and able to extend credit, on terms and through media which are acceptable to deficit countries, there will not in fact be additional international credit, whatever the formal arrangements may seem to be. This is a most important practical consideration, against which all proposals for added international liquidity will have to be tested, over time. It is relatively easy to draw up a plan for a

systematic monetary network of conduits, pools, and valves for the storage and release of international credit. It is a very different task to induce creditors and debtors to put into that network the credit itself—without which the whole mechanism remains on the drawing-board, or if it exists, has little practical significance.

#### The Test of Credit Is Money

For in the world of today, I feel reasonably sure, no country will undertake in advance an automatic liability for the extension of large amounts of credit. Arrangements may be established and tested that will permit the ready activation of additional credit, provided the creditor country is willing and able in the given circumstances to lend, and arrangements of that kind are of great significance. But so long as the condition of creditor agreement is required, there cannot in fact be any way of assuring to debtors an automatic credit of indeterminate amount or indeterminate duration. And I am very much afraid that it is an underlying if not always expressed desire, on the part of those who urge heroic new proposals for international liquidity as the means of liberating domestic economic programs from external considerations, that they do indeed visualize the new liquidity as a kind of automatic access to credits, always also assuming that the credits themselves will be automatically available.

There is much more, to be sure, that should be said on this vast intriguing subject. But as I said at the outset, my aim in this brief statement has been only to mention a few fragments of the argument that may be worth some consideration, as these four questions—and they are themselves only four among many—are being appraised in the further work of the Subcommittee. I have attempted only to suggest fragments of the kind that I thought had not yet been treated, at least in this way, in the materials already before the Subcommittee. I look forward to further opportunities to participate in the work of the Subcommittee as it progresses with its comprehensive review of all the relevant questions that must be answered if the United States is to achieve the balance of payments equilibrium that must be reached, through methods that will contribute to the more rapid growth of our own economy and of world trade.

\*Statement of Dr. Roosa to the Subcommittee on International Exchange and Payments of the Joint Economic Committee of Congress, Washington, D. C., Dec. 13, 1962.

## W. E. Hutton Co. To Admit Hamill

On January 3rd, Arthur T. Hamill will become a partner in W. E. Hutton & Co., 14 Wall Street, New York City, members of the New York Stock Exchange. Mr. Hamill is manager of the firm's trading department.

## To Be V.-P. of Propp & Co.

On January 3rd, Charles K. Perlin will become a vice president of Propp & Co., Inc., 400 Park Avenue, New York City, members of the New York Stock Exchange.

# Why Foreign Aid Today Requires Different Approach

Continued from page 1

to be isolated cases. There is no broad pattern of success to which one can point. And most telling, the peoples of the lesser-developed countries appear to be making too slow progress. Rather than narrowing the gap in living standards, the gap between them and the industrial nations seems to be steadily widening.

Not all of this failure to show progress of course can be laid at the door of poorly directed foreign aid. Indeed, it seems clear in many instances that the major roadblocks to economic betterment are erected within the countries themselves. Quite often enterprise and investment within these countries is frustrated or misdirected by a maze of government controls, inflation, or even low standards of civic rectitude. And yet I firmly believe that the manner in which foreign aid has been handled very often encourages and supports such undesirable internal developments.

Not many of us realize today the full extent to which all the industrial nations (Western Europe and Japan, as well as the United States), have been supplying assistance to the lesser-developed world. During 1960, for example, contributions from all sources added up to \$8 billion—an amount equal to almost 1% of the combined Gross National Product of the contributing nations. That is a tremendous sum. It included about \$2.3 billion from private sources, and approximately \$5.7 billion in the form of grants, loans or guaranteed credits by governments or multilateral agencies. The French, incidentally, are extending more economic aid per capita than we, although almost all of its goes to colonies or former possessions. At any rate, this total assistance from the Free World dwarf into significance any amount the Communists could possibly offer.

## Criticizes Bilateral Aid

The trouble is that these contributions have come from a wide range of uncoordinated sources, quite often working at cross purposes to each other. There are the bilateral government aid programs, not only of the United States, but of Great Britain, France, Germany and other nations as well. In the United States alone, some half dozen agencies have a finger in foreign aid. No less an authority than Gene Black has labelled this bilateral approach to foreign aid as one of the major sources of difficulty and inefficiency. As he put it recently in his farewell speech to the World Bank, too often bilateral aid merely becomes an instrument of foreign policy, not infrequently "offered or exacted as a price in political bargaining that takes no account of the actual economic requirements of the recipients." Moreover, Gene suggested that the problem goes even deeper than a simple waste of money, for aid offered on straight political and uneconomic terms often makes it possible for countries to put off needed reforms, such as the overhaul of outmoded systems of taxation or essential currency reforms.

How true we all know that is! Again the examples are legion: Projects which theoretically add to the prestige of a country, or its

governing group, but contribute little else; balance of payments grants that merely postpone an unpleasant day of reckoning. When the history of Aid to Latin America finally comes to be written, I suspect that the balance of payments form of assistance may be seen to have done more harm than good.

## Criticizes Export Credits

And then there are the problems which arise from government guarantees of credit for capital exports. On the face of it these seem simple enough and to serve a useful purpose. Currently almost all industrial nations provide such guarantees for export credits, and they cover more than half a billion dollars annually of machinery and equipment shipments to underdeveloped countries. But it's often overlooked that these credits involve an addition to the external debt of the importing country, and frequently for non-essential projects, some of which have been unable to qualify for loans from the World Bank or other government agencies. Here the pressure arises not only within the buying country, but from the seller as well, quite properly anxious to make a sale of his particular equipment. Once again the bilateral approach sets up a competitive environment in which the lesser-developed countries seek to obtain the most they can get, regardless of the urgency of the need. And the industrial nations, on their side yield to pressures and compete with each other in terms that are uneconomic and unsound. In the circumstances, it would seem wise to me to prohibit the use of government-guaranteed export credits for major projects of a type that normally ought to be financed in some other way.

The trouble is that all the varied approaches to assistance, both public and private, are fast creating a financial situation that may, in the long run, prove to be untenable. Many of the lesser-developed countries already have mortgaged their future to the hilt. Again to quote Gene Black, between 1955 and 1961 a group of 34 countries, accounting for some 70% of the underdeveloped world more than doubled its total external debt. Yet over the same period, the export earnings of these same countries increased by little more than 15%. There is no question but that trends like these cannot long continue; indeed, heavy maturities already arising in many of the developing countries pose very real problems for them today.

There is little wonder, then, why such widespread questioning of foreign aid exists, and why there is a sense of defeatism about it. And yet the need for foreign aid, if anything, is greater than ever. The lesser-developed countries clearly cannot quite make adequate progress without outside assistance in the form of capital and technical know-how. Moreover, the political implications of a complete withdrawal of help could be serious in the extreme. Countries which fail to make progress open themselves to radical change—change which is antagonistic to our way of life. We can't hide our heads in the sand and say this doesn't matter.

One needs only to look at Cuba and China to see the answer.

## Proposes New Foreign Aid Approach

Rather than giving up on foreign aid, the time has come, I am convinced, to take a completely new approach—one which is capable of mobilizing and making effective use of the very great resources which the industrial countries can make available to the lesser-developed world. I have in mind the creation of a new multinational agency, designed to plan and administer economic assistance contributed by all its industrial member countries. Such an agency would be manned by the best talent available from the business and financial communities of the Atlantic nations and Japan; it would be free of political taint; and it would tackle the job that needs to be done with a minimum of waste and inefficiency.

Clearly, such an agency, if it could command even a sizable fraction of the \$8 billion now contributed annually to lesser-developed countries, could have an impact which is overwhelming. Nothing the Communists could do would bear even minor comparison. As matters now stand, we and other industrial nations are engaged in a mortal struggle with the Communists. Unhappily our efforts are fragmented; we are scattering our shots. The Soviet bloc on the other hand, is unified; it knows its objectives and it concentrates its limited resources in an effort to make the best use of them.

What I am suggesting is a unity for the Free World which would provide an unbeatable combination. It would entail a strength of purpose, a sense of dedication more powerful than that of the Communists—more powerful not only because of the resources at its command, but because it offers a promise of hope, freedom and progress toward well-being. That is a combination the Communists, by the very nature of their system, can never match.

Certainly a multinational agency of the type I am proposing would have many advantages over the bilateral approach. Its talents would be devoted to selecting and financing only those projects which could contribute the most to the growth and prosperity of the recipient nations, bearing in mind always the goal of working toward a free economy. Such an agency would be expected to follow through on projects, to determine that funds were indeed used for the purposes agreed upon. And because all foreign financial commitments are interrelated, it should act in a consultative capacity on other foreign borrowings, seeking to avoid an impossible position in the recipient nation's balance of payments.

## Prefers Low Cost Loans to Grants

By and large, I believe that economic aid should be in the form of long-term, low interest rate loans, rather than grants. Loans seem to exercise a certain discipline which is absent in the case of grants. If desirable to encourage sound housekeeping policies by the borrower, interest payments might be postponed for a given period of time, and of course some loans in the end, may have to be repaid in local currencies.

A single multinational agency also would be far less susceptible

to political pressures than are individual governments. Experience of both the International Bank and the IMF already bears testimony to this fact. Aid-giving countries could not be played off against each other, and a more rational approach to the allocation of scarce aid funds could be adopted. Coordination of foreign aid programs of donor countries—so urgently needed—would be brought about automatically.

By this I don't mean to imply that foreign aid could be divorced altogether from political considerations. A complete separation is impossible; nor do I think it's desirable. Many countries have historical ties and obligations to certain areas which need to be recognized. Moreover, there is not enough capital, technical skills, nor managerial ability to take care of all needs in all developing nations. Priorities need to be set. And the establishment of priorities between different underdeveloped countries involves decisions which, to a substantial extent, are political in character.

## OECD to Set Priorities

This political priority-setting as between countries also needs to be better coordinated than it has been in the past. Perhaps this can be a major function for the OECD—the organization for Economic Cooperation and Development—to which all the Atlantic Community nations now belong. The OECD has a special Development Assistance Committee, made up of ten of its principal members plus Japan. That committee, as well as the OECD itself, has no executive powers. Nevertheless, it could serve as a meeting ground for determining how much economic aid might be made available from each of the participants, as well as how this overall sum could best be divided among the various developing countries.

Naturally there would have to be very close cooperation between any new world aid organization of the type I am suggesting, and the Development Assistance Committee of OECD. However, I am convinced the two should be separate. The World Aid Organization should serve as an executive agency, manned by men of high technical competence whose task it is to determine what the true needs for economic aid are in each of the developing countries, and then to see that the scarce funds which finally become available are spent most productively and efficiently. OECD, on the other hand, is essentially a meeting place for political considerations—the scene at which political decisions concerning the distribution of foreign aid between countries can be coordinated.

The new world agency of course would have to take into account the impact of foreign aid on a donor nation's balance of payments. For some time it probably would be necessary to assure that purchases from any particular country were roughly in proportion to that country's contribution. Exceptions might possibly be made if a donor nation were running a strong surplus in its over-all balance of payments.

## Staffed by Businessmen

There is another aspect of this new World Aid Organization which I want to emphasize: namely, its close cooperation with the business and financial community of the industrial nations.

Indeed, I would propose that the actual operation of the new organization be directed and manned by leaders and technicians from the business world. These are the men, after all, who have had actual experience in economic development—who already have proven themselves in the exacting, competitive environment of a free society. They are men who are used to getting a job done—who are capable of organizing a huge task and choosing between hard alternatives. It was no accident that the War Production Board in the United States during World War II was manned almost exclusively by businessmen. We need to call forth the same level of talent for this vast job of economic aid—only in this instance it will be drawn from ten or twelve nations rather than one.

The fact that the men running the aid organization would be drawn from business and banking rather than from government, would also have other advantages. Economic aid should be related to the whole spectrum of economic development in the recipient countries—the growth of industry, the growth of agriculture, and the growth of all supporting facilities: roads, dams, railroads, power facilities and the like. Part of this activity, chiefly the task of building supporting facilities, is regarded in many countries as a function of government. But the great bulk of the task, particularly in industry and agriculture, can and should be left in private hands, with the powerful incentive of free enterprise to guide and stimulate it.

## Develops Private Enterprise

Economic aid cannot be divorced from any phase of this development. It is needed to help finance supporting facilities—indeed, most of the loans by the World Bank have been devoted to that purpose. But financial help may also be required in the private sector—for example, to permit imports of essential machinery and equipment. As a matter of fact, I would hope that the new agency would act positively to encourage the growth of private industry in underdeveloped countries, perhaps by making available necessary capital funds, either for new ventures or for the expansion of old ones. Once a business became established, it could then pay off the indebtedness. Even more welcome in many respects would be assistance from private foreign capital, acting jointly with native concerns or otherwise, especially if it did not have an unfavorable impact on the balance of payments.

There is a great temptation among bureaucrats in the developing countries (who negotiate for economic aid), to put the emphasis on government—to extend it into areas which properly should be left to free enterprise. Leaders who can counter this tendency most effectively, and who can give enlightenment on the role and the potential of private industry, are those who have had experience with it—those who have helped make free enterprise work, who believe in it and who know its inherent strength.

## No Short Cut to Economic Progress

The course of economic development is not an easy one. There is no short cut to economic progress. It has taken the combined

# NEWS ABOUT BANKS AND BANKERS

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efforts and skill of many generations to produce our own great economy. Even the Chinese Communists have finally admitted that the process of industrialization must be a gradual one. Above all, the final responsibility for progress in the underdeveloped nations must rest in the hands of the peoples themselves. They are the ones who must have the desire for real self improvement; who must provide the bulk of the savings and technical skills; and who need to establish an environment of law and order which is conducive to progress. But there still remains a vital supporting role to be performed by good neighbors—the industrial nations of the Free World.

Today that role needs radical reform. Resources are being wasted, not only at a cost to ourselves, but worse yet, to the harm of the underdeveloped countries. The time has clearly come to take a hard, critical new look at foreign aid. This is something that the United States alone cannot do; all of the industrial nations must be involved.

An essential step for more effective aid, I am convinced, is the establishment of a new multinational aid organization of the type I have suggested. The power for good that lies in such an organization would be unsurpassed. It could be the channel for mobilizing both capital and manpower in a way the world has never experienced before. Communist programs, standing beside it, would pale into insignificance. Such an organization would bear living testimony to the strength and vitality of our free society. It could be the means of transfusing into the developing nations some of the lifeblood of free enterprise, for the leaders would be just as dedicated to such a system as the Communists are to theirs. I see nothing but good that could come of it.

\*An address by Mr. Champion before the New York Chamber of Commerce, New York City, Dec. 4, 1962.

## Brown Brothers Harriman Names

CHICAGO, Ill.—The banking firm of Brown Brothers Harriman & Co. has announced the appointment of James C. Bard as an Assistant Manager of the firm.

Prior to joining the Chicago office of Brown Brothers Harriman & Co., 135 South La Salle Street, as an account manager in 1960, Mr. Bard was with the Miami Corporation for six years as a security analyst. Mr. Bard is a graduate of the University of Virginia and is a Vice-President and Treasurer and a Trustee of the Henrotin Hospital in Chicago.

The Chicago office of Brown Brothers Harriman & Co. is engaged in the investment advisory and institutional brokerage business.

## Marr Named Officer

CHICAGO, Ill.—Lawrence N. Marr has been elected assistant vice president of A. G. Becker & Co. Incorporated, 120 South La Salle Street, members of the New York and Midwest Stock Exchanges. Mr. Marr is manager of the firm's trading department.

Carl E. Haugen and John D. Wilson have been promoted to Senior Vice-Presidents of the Chase Manhattan Bank, New York, it was announced yesterday.



Carl E. Haugen John D. Wilson

Mr. Haugen is Director of personnel administration and Mr. Wilson is responsible for general supervision of the economic research and public relations divisions.

Mr. Haugen, who joined the bank in 1935, served at the Produce Exchange branch until 1948, except for five years during World War II, when he was in the U. S. Army. In 1948 he was selected for the bank's special training program, and from 1950 to 1957, he was assigned to the United States department. He was appointed an Assistant Treasurer in 1951 and was promoted to Assistant Vice-President in 1954 and to Vice-President in 1957, when he was placed in charge of personnel administration. Earlier this month the bank's management development division was also placed under his supervision.

Mr. Wilson joined the bank as business consultant in 1953 and the following year was appointed Vice-President in charge of the economic research department. In 1961 he assumed general responsibility over both the economic research and public relations divisions.

Election of E. Ware Cady, Jr. and Abram Claude, Jr. as Vice-Presidents of Morgan Guaranty Trust Company of New York was announced Dec. 21 by Henry C. Alexander, Chairman of the Board.

Five Assistant Vice-Presidents were appointed: Mortimer J. Gleeson, John A. Snyder, James T. Wallis, in general banking; Joseph F. Cook, in Morgan Guaranty's Madison Avenue office; and David F. Jardine, in the Fifth Avenue office.

The following were appointed Assistant Treasurers: O. Kemp Dozier, Arthur C. Eschenlauer, John R. Fell, Jr., William E. Pike, Robert McK. Rex, Peter B. Smith, Thomas O. Williams, Frederick C. Witsell, Jr., all in the general banking division; Stanford H. Brainerd, in the Fifth Avenue office; Victor H. Prendinger, Jr., in the personal division.

The First National City Bank, New York, elected Robert L. Hoguet, Jr., Executive Vice-President and Norris O. Johnson Senior Vice-President and Economist. Elected Vice-Presidents were Conrad F. Ahrens, investment research department, trust division; Philip J. Orsi, investment advisory department, trust division, and Leif

H. Olsen, economics department, E. Peter Corcoran and John L. Ivers, petroleum department. Roy H. Dickerson, aerospace and electronics department; Bernard J. Martin, Wall Street and financial institutions district; Robert W. Deuchar, Broadway-40th Street branch, and Alan McK. Welty, 28th Street branch.

Following a meeting of the Board of Directors of Manufacturers Hanover Trust Company, New York, Charles J. Stewart, Chairman of the Board, and R. E. McNeill, Jr., President, issued the following announcement:

In anticipation of the forthcoming retirement of Charles J. Stewart, now Chairman of the Board, on June 30, his normal retirement date, and in view of the recent retirements of Horace C. Flanagan, formerly Chairman of the Executive Committee, and William S. Gray, formerly Chairman of the Finance Committee, the Board of Directors announced its intention of electing the following officers to assume their respective duties on July 1:

R. E. McNeill, Jr., Chairman of the Board and Chief Executive Officer.

Gabriel Hauge, President.

Eugene S. Northrop, Vice-Chairman of the Board.

Mr. Hauge is presently Vice-Chairman of the Board, Mr. McNeill is President, and Mr. Northrop an Executive Vice President.

Mr. Northrop has been elected a Director, filling a vacancy created by the resignation of John M. Franklin. Mr. Franklin has been elected an Honorary Director.

Milo B. Hopkins, also an Executive Vice-President, has been elected an Honorary Director.

The Grace National Bank of New York, announced the following promotions: Daniel G. Fitch and Franklin T. Smith, Jr., from Assistant Cashier to Assistant Vice-President; Robert F. Dall to Assistant Cashier; and James K. Ryan, Jr., to Assistant Trust Officer.

The Merchants Bank of New York, has been given approval to increase its capital stock from \$924,706.25 consisting of 147,953 shares of the par value of \$6.25 each, to \$943,200.00 consisting of 150,912 shares of the same par value.

Ross D. Hill has been elected Executive Vice-President of Union Dime Savings Bank, New York. Mr. Hill, who is also a Trustee and Treasurer of the Bank, has been Vice-President in charge of the Real Estate and Mortgage Department.

The Excelsior Savings Bank, New York, has announced that William J. Tabert was promoted to Assistant Vice-President, and William M. Ryan to Assistant Treasurer.

George C. Johnson, President and Chairman of the Board of The Dime Savings Bank of Brooklyn, N. Y., announced that Carmine P. Anzalone, and Ralph E. Erb, were named Vice-Presidents.

Thomas S. Sites, Vice-President of The Dime Savings Bank, Brooklyn, N. Y. was elected a Vice-President in an administrative capacity of the Brooklyn Savings Bank, Brooklyn N. Y. Vincent J. Quinn was also elected Vice-President and mortgage officer. Both appointments effective Jan. 1.

William W. Wilson has been elected a Vice-President of Long Island Trust Company, Garden City, N. Y.

The merger of The Gramatan National Bank and Trust Company of Bronxville and The County Trust Company, White Plains, N. Y. under the latter's name and charter will go into effect at the close of business on December 31, officials of both banks said December 20.

John A. Kley, President of The County Trust Company, White Plains, N. Y., completed 25 years of service on Dec. 22.

The National Bank of Westchester, White Plains, N. Y., announced that the Board of Directors had increased the Surplus Account of the bank from \$7,500,000 to \$8,000,000 by transfers of \$250,000 each from Reserves and Undivided Profits.

Marine Midland Trust Company of Southern New York, Elmira, N. Y., has been given approval to increase the par value of all previously authorized shares, and an increase in the amount of capital stock from \$2,673,000 consisting of 132,000 shares of the par value of \$20.25 each, to \$3,300,000 consisting of 132,000 shares of the par value of \$25 each.

Walter F. Smercak and Frederick C. Leverich, Assistant Vice-Presidents, were elected Vice-Presidents of National Bank of Westchester, White Plains, N. Y.

The appointment of William N. Robertson as Manager trading, and of John F. Gallagher as Assistant Manager trading, in the Municipal Securities Department in the New York office of The Marine Trust Company of Western New York was announced.

A \$5,000,000 increase in the surplus account of the National Shawmut Bank of Boston, Mass. has been voted by the Board of Directors. The \$25,000,000 surplus account has been increased to \$30,000,000 through transfer of \$5,000,000 from the undivided profits account. The capital account of the Bank, consisting of 800,000 shares at \$12.50 par value, is \$10,000,000.

The State Street Bank and Trust Company, Boston, Mass. have elected John L. Shannon, a Vice-President.

The Citizens National Bank, Englewood, N. J., elected George H. Goetschius and H. Fred Mittler, Vice-Presidents.

The First National Bank of Somerset County, Bound Brook, N. J., elected John G. Powlison a Vice-President.

The First National Bank of Jersey City, N. J., promoted Kenneth F. X. Albers to Vice-President; Robert L. Carhart to Assistant Vice-President.

The Girard Trust Corn Exchange

Bank, Philadelphia, Pa. promoted Harry T. Enssler, G. Odell Fletcher and Nelson W. Jones to Vice-Presidents. In the Bank's Estate and Financing Planning Division, James M. Arrison, II and Howard L. Payne were advanced to Senior Estate Planning Officers.

The Board of Directors of Pittsburgh National Bank, Pittsburgh, Pa. approved the transfer of \$9,000,000 from undivided profits to surplus. The transfer brings the total capital and surplus of the Bank to \$90,000,000.

Lloyd H. Vaughn, Jr., has been named Executive Vice-President of the newly organized Commercial Bank & Trust Company, Pittsburgh, Pa.

He comes to Pittsburgh from Canton, Ohio, where he was Vice-President and member of the Executive Committee of the First National Bank of Canton. He has been Chairman of the Board of the Windham Bank, Windham, Ohio since 1957, and was previously Cashier and Secretary of the Board of the Second National Bank, Ravenna, Ohio. Other earlier experience includes service with the Central National Bank of Cleveland.

Mr. Vaughn attended John Carroll University, acquired specialized training through American Institute of Banking and is a graduate of the School of Banking at the University of Wisconsin.

The Commercial Bank & Trust Company will have initial Capital and Surplus of \$5,000,000, and plans to be open for business in its new building at Eighth and Penn Avenue in February.

The Comptroller of the Currency James J. Saxon on Dec. 20 approved the application to merge The First National Bank of LeRaysville, LeRaysville, Pa., and The County National Bank of Montrose, Montrose, Pa., effective on or after Dec. 27.

The Comptroller of the Currency James J. Saxon on Dec. 17 approved the application to merge The First & Merchants National Bank of Richmond, Virginia, and The Peoples National Bank & Trust Company of Lynchburg, Lynchburg, Virginia, on or after Dec. 24.

The Comptroller of the Currency James J. Saxon on Dec. 14 approved the application to merge The Peoples Bank, Canal Winchester, Ohio into The Huntington National Bank of Columbus, Columbus, Ohio, effective on or after Dec. 20.

The Northern Trust Co., Chicago, Ill., promoted Charles H. Barrow, Wendell W. Snider, Jr., James R. Ware and Kenneth F. Hoffmaster to Vice-Presidents.

The recently organized Hartford Plaza Bank, Chicago, Ill., Dec. 19, was issued its charter by the Illinois State Department of Financial Institutions.

Initial capitalization is \$1,500,000, including 10,000 shares of capital stock at \$100 par value, \$250,000 surplus, and \$250,000 reserve funds for operating expenses.

Lawrence W. Nortrup, is President, and John P. Bent is Board Chairman. The bank is expected to open April 1.

# 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.

## Accounting Corp. of America

Dec. 5, 1962 ("Reg. A") 300,000 common. Price—\$1. Business—Operation of an electronic data processing service. Proceeds—For expansion, equipment and working capital. Office—37 Brighton Ave., Boston. Underwriter—Walker, Wachtel & Co., Inc., Boston.

## Aerosystems Technology Corp. (1/7-11)

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.

## 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. (1/14-18)

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 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. (1/14-18)

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 \$3,100,000 convertible debentures due 1982, and 155,000 common (of which 120,000 will be sold by company and 35,000 by a stockholder). The securities will be offered in units of one \$20 debenture and one share. Price—By amendment. Business—Production and servicing of physical damage insurance on automobiles, trucks and mobile homes. Proceeds—To finance the purchase of American Fidelity Fire Insurance Co. Address—American Plan Bldg., Westbury, L. I., New York. Underwriter—Bear, Stearns & Co., New York. Note—This registration will be withdrawn.

## 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—Indefinite.

## 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.

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., New York. Offering—Expected in January.

## 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.

## 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.

## Aquariums Inc.

Dec. 5, 1962 filed 51,200 common. Price—By amendment (max. \$6). Business—Manufacture of home aquariums, and supplies. Proceeds—For moving expenses, equipment, debt repayment and working capital. Address—Route 46, Pine Brook, N. J. Underwriter—Divine & Fishman, Inc., N. Y.

## 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.

## 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. Offering—Indefinite.

## 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.

## 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.

## Brewer (J. W.) Co., Inc.

Nov. 29, 1962 ("Reg. A") 120,000 common. Price—\$2. Business—Distribution of automatic dispensing, cooling and ice-making equipment through a lease service program. Proceeds—For debt repayment and working capital. Office—3650—51st Ave., Sacramento, Calif. Underwriter—Mason Brothers, Oakland.

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**Brinkmann Instruments, Inc.**

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

**Buddy L. Corp.**

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

**C-Thru Products, Inc.**

Dec. 13, 1962 ("Reg. A") 90,000 common. **Price**—\$1.50. **Business**—Design and manufacture of flexible re-usable vinyl packages. **Proceeds**—For debt repayment; sale promotion; equipment; research and development, and working capital. **Office**—2401 Pacific St., Brooklyn, N. Y. **Underwriter**—Broadwall Securities, Inc., N. Y.

**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.

**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. (1/2-4)**

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**—Manufacturer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo, Puerto Rico. **Underwriter**—Schweickart & Co., N. Y. **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 refilled.

**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**—Expected in January.

**Career Academy, Inc. (1/7-11)**

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.

**Castle Hospitality Services, Inc.**

Dec. 14, 1962 filed \$500,000 of 8% debentures due 1969. **Price**—At par (\$1,000). **Business**—Company plans to offer management and consultant services to motels and furnish them with equipment. **Proceeds**—For general corporate purposes. **Office**—1068 S. Ocean Blvd., Pompano Beach, Fla. **Underwriter**—None.

**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**—Penaluna & 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.**

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**—\$5. **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. **Offering**—Expected in early Feb.

**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. **Offering**—Indefinite.

**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.

**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.

**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. (1/9)**

Sept. 21, 1962 filed \$12,500,000 conv. subordinated debentures, due Jan. 1, 1963. **Price**—By amendment. **Business**—Design, development, and manufacture of specialized radio communications equipment, and aircraft and flight control devices. **Proceeds**—For repayment of bank loans. **Office**—5225 "C" Ave., N. E., Cedar Rapids, Iowa. **Underwriters**—Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc., New York.

**Colonial Board Co.**

March 28, 1962 filed 164,000 common, of which 115,000 are to be offered by the company and 49,000 by stockholders. **Price**—By amendment (max. \$15). **Business**—Manufacture of shoeboard and boxboard. **Proceeds**—For expansion, equipment and debt repayment. **Office**—615 Parker St., Manchester, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

**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 Gas System, Inc. (1/3/63)**

Nov. 27, 1962 filed \$25,000,000 of debentures, due 1988. **Proceeds**—To redeem outstanding 5% 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 (11 a.m. EST).

**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.

**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.

**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**—Feb.

**Consolidated Leasing Corp. of America**

(1/28-31)

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.

**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.**

May 26, 1962 filed \$1,250,000 of 6% convertible subordinated debentures due 1977. **Price**—At par. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Office**—315 W. 47th St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Note**—This firm was known formerly as the Cosnat Record Distributing Corp. **Offering**—Indefinitely postponed.

**Cotter & Co.**

Nov. 21, 1962 filed \$3,000,000 of 6% subordinated notes, series I. **Price**—At par. **Business**—A cooperative wholesaler of hardware and related items. **Proceeds**—For working capital. **Office**—2740 N. Clybourn Ave., Chicago. **Underwriter**—None.

**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 February.

**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 (1/14-18)**

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

**Data Systems Devices of Boston, Inc.**

April 26, 1962 filed 200,000 common. **Price**—\$5. **Business**—Company plans to design, develop and produce electronic and electro-mechanical devices, including printers for electronic computers. **Proceeds**—For product devel-

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opment, new plant and equipment and working capital. Office—342 Western Ave., Boston. Underwriter—Schmidt, Sharp, McCabe & Co., Inc., Denver.

#### Delta Bowling Corp.

Sept. 28, 1962 filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 by stockholders. Price—\$3. Business—Leasing and operating of bowling centers. Proceeds—For expansion, equipment and working capital. Office—230 Park Ave., N. Y. Underwriter—Provost Securities, Inc., N. Y.

#### Deuterium Corp.

Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, 2 units for each 5% preferred A stock held and 40 units for each \$1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. Price—To subscribers, \$20; to public, \$22.25. Business—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. Proceeds—For working capital, construction, equipment and other corporate purposes. Office—360 Lexington Ave., N. Y. Underwriter—None.

#### Diamond Dust Co., Inc.

Feb. 27, 1962 filed 102,000 common. Price—\$3. Business—Production of graded diamond powder and compound. Proceeds—For debt repayment, additional personnel, advertising and working capital. Office—77 Searing Ave., Mineola, N. Y. Underwriter—Magnus & Co., N. Y. Offering—Indefinitely postponed.

#### Diamond Mills Corp.

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

#### 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. (1/28-31)

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

#### Doman Helicopters, Inc.

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

#### Donmoor-Isaacson, Inc. (1/28-31)

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.

#### Duro-Test Corp. (1/2-4)

Dec. 6, 1962 filed 150,000 common. Price—By amendment (max. \$9). Business—Manufacture of various types of lights for industrial and commercial use. Proceeds—For the selling stockholder. Office—2321 Hudson Blvd., North Bergen, N. J. Underwriter—Auchincloss, Parker & Redpath, 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, Philadelphia. Underwriters—Drexel & Co., Philadelphia and Kidder, Peabody & Co., N. Y. Note—This registration was withdrawn.

#### Electro-Nucleonics, Inc.

Sept. 24, 1962 ("Reg. A") 29,525 common. Price—\$5. Business—Research and development toward improvement of gas centrifuge technology for separation of isotope and gaseous materials. Proceeds—For equipment, expansion, research and working capital. Office—368 Passaic Ave., Caldwell, N. J. Underwriter—M. L. Lee & Co., Inc., N. Y.

#### Electro-Temp Systems, Inc. (1/2-4)

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 being offered for subscription by stockholders on the basis of 1½ new shares for each share held of record Dec. 11, with rights to expire Dec. 29. 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.

#### 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

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. Offering—Expected in February.

#### First New York Capital Fund, Inc.

Oct. 27, 1961 filed 2,770,000 capital shares. Price—\$1. Business—A small business investment company. Proceeds—For investment. Office—1295 Northern Blvd., Manhasset, N. Y. Underwriter—None.

#### First 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 the 55 Public Square Bldg., in downtown Cleveland. Office—Room 1840, Union Commerce Bldg., Cleveland. Underwriters—Harriman Ripley & Co., Inc., New York and Hayden, Miller & Co., Cleveland.

#### 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.

#### Forst (Alex) & Sons, Inc.

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., New York. Offering—Indefinite.

#### 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.

Sept. 28, 1962 filed 60,000 class A common, of which 50,000 are to be offered by company and 10,000 by stockholders. Price—\$9.50. Business—Sale of steel pipes, valves and fittings. Proceeds—For inventory. Office—4124 N. Broadway, St. Louis. Underwriter—Midland Securities Co., Inc., Kansas City, Mo. Offering—Indefinite.

#### General American Transportation Corp. (1/8)

Dec. 14, 1962 filed \$35,000,000 of equipment trust certificates due Jan. 15, 1983 (series 60). Price—By amendment. Business—Supplying of railroad freight cars to railroads and shippers for their use. Proceeds—To reimburse company's treasury for freight car construction. Office—135 St. La Salle St., Chicago. Underwriter—Kuhn, Loeb & Co., Inc., N. Y.

#### 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.

#### Genesco Inc. (1/9/63)

Dec. 7, 1962 filed 185,000 shares of cumulative convertible preferred (no par). Price—By amendment (max. \$100). Business—Manufacture of various types of footwear and apparel. Proceeds—For debt repayment and working capital. Address—111 7th Ave., North, Nashville, Tenn. Underwriter—Blyth & Co., Inc., New York.

#### 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.

#### 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 Pharnacal 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 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. Offering—Expected in mid-February.

#### 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, New York. Offering—Indefinite.

**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 Marlinda Blvd., Jacksonville, Fla. Underwriter—Pierce, Carlinson, Wulbern, Inc., Jacksonville. Offering—Indefinite.

**Hallandale Rock & Sand Co.**  
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—To be named.

● **Hallicrafters Co. (1/2-4)**  
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 sale promotion, expansion, inventory, and debt repayment. Office—476 Broadway, N. Y. Underwriter—To be named. Note—This registration was withdrawn.

**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. Note—This registration was withdrawn.

**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, advertising, research and development and working capital. Office—2176 Palou, San Francisco. Underwriter—L. H. Wright Co., Inc., N. Y.

**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.

**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.

**Hollingsworth Solderless Terminal Co.**  
Feb. 27, 1962 ("Reg. A") 75,000 common. Price—\$4. Business—Manufacture, sale and development of solderless terminals and other wire terminating products. Proceeds—For debt repayment, equipment, advertising and working capital. Address—P. O. Box 430, Phoenixville, Pa. Underwriter—Harrison & Co., Philadelphia. Offering—Temporarily postponed.

**Honora, Ltd.**  
Nov. 29, 1961 ("Reg. A") 76,500 common. Price—\$3.75. Business—Purchase of cultured pearls in Japan and their distribution in the U. S. Proceeds—For general corporate purposes. Office—42 W. 48th St., N. Y. Underwriter—Sunshine Securities, Inc., Rego Park, N. Y.

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

**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 was 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.

**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.

**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.

**Inteletron Corp.**  
Dec. 10, 1962 filed 100,000 common. Price—\$3. Business—Company plans to engage in the research and development of devices for the hard of hearing and equipment applicable to certain specialized and affiliated areas of communication. Proceeds—For general corporate purposes. Office—171 E. 77th St., New York. Underwriter—None.

**International Systems Research Corp.**  
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at \$4 per share, to be offered in units, each consisting of one share and one warrant. Price—\$4 per unit. Business—Design, development and manufacture of mechanical, electro-mechanical and electronic equipment for government agencies and the military. Proceeds—For equipment, debt repayment and working capital. Office—Engineer's Hill, Plainview, L. I., N. Y. Underwriter—Leib, Skloot & Co., Inc., Clifton, N. J. Offering—Indefinite.

**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.

**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.

● **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., New York. Offering—Imminent.

**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.

**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,

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Leonard & Lynch, Pittsburgh. Note—This registration was withdrawn.

**Lewis (Tillie) Foods, Inc. (1/14-18)**  
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.

**Litton Industries, Inc. (1/7-11)**  
Dec. 18, 1962 filed 215,444 common. Price—By amendment (max. \$70.) Business—Manufacture of electronic systems, business machines, nuclear powered submarines, and ships. Proceeds—For selling stockholders. Office—336 N. Foothill Rd., Beverly Hills, Calif. Underwriter—Lehman Brothers; Clark, Dodge & Co., and Goldman, Sachs & Co., New York.

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

**Logos Options, Ltd. (1/14-18)**  
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.

● **Luck's, Inc. (1/28-31)**  
Dec. 5, 1962 filed 145,500 common, of which 72,750 are to be offered by company and 72,750 by stockholders. Price—By amendment (max. \$9). Business—Canning and marketing of processed foods. Proceeds—For general corporate purposes. Address—Seagrove, N. C. Underwriters—J. C. Wheat & Co., Richmond, Va., and Allied Securities Corp., Greensboro, N. C.

**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.

**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.

**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.

**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.

**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.

**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.

**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. Offering—Indefinite.

**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. Saue Co., N. Y.

**Montebello Liquors, Inc.**

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

**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 Central Life Insurance Co.**

Dec. 7 filed 125,000 common. Price—By amendment (max. \$15). Business—Writing of health and accident insurance. Proceeds—For general corporate purposes. Address—2632 McGee St., Kansas City, Mo. Underwriter—To be named.

● **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, Chershire, Cundy, Inc., New York. Note—This letter was withdrawn.

**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.

**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.

**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. (1/11)**

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.

**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.

**Nippon Electric Co. Ltd. (1/28-31/63)**

Dec. 7, 1962 filed 400,000 American Depositary Shares, representing 10,000,000 common. Price—By amendment (max. \$22.50). Business—Manufacture of telecommunications and electronic equipment. Proceeds—For expansion. Address—Tokyo, Japan. Underwriters—First Boston Corp., and Daiwa Securities Co., Ltd., New York.

● **Norda Essential Oil & Chemical Co., Inc.**

March 20, 1962 filed 200,000 class A shares. Price—By amendment (max. \$15). Business—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. Proceeds—For debt repayment, working capital and other corporate purposes. Office—601 W. 26th St., N. Y. Underwriter—S. D. Fuller & Co., N. Y. Offering—Expected in March or April.

**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.

**Northwest Securities Investors, Inc.**

June 25, 1962 ("Reg. A") 80,000 common. Price—\$3.75. Business—Acquisition of second-trust notes secured by real estate property. Proceeds—For general corporate purposes. Office—922 You St., N. W., Washington, D. C. Underwriter—Clarence E. Shaw & Co., Washington, D. C.

**Nuclear Science & Engineering Corp.**

March 29, 1962 filed 100,000 common. Price—By amendment (max. \$15). Business—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. Proceeds—For equipment, debt repayment, expansion and working capital. Address—P. O.

Box 10901, Pittsburgh. Underwriter—Johnston, Lemon & Co., Washington, D. C.

**Nuveen Tax-Exempt Bond Fund, Series 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.

• **Orr (J. Herbert) Enterprises, Inc.**  
May 1, 1962 filed 200,000 common. **Price**—\$5.25. **Business**—The company and its subsidiaries manufacture and distribute cartridge type tape player recorders and programs therefor; sell at retail nationally known audio visual equipment; and manufacture men's and boy's dress trousers. **Proceeds**—For additional inventory, equipment, research, and working capital. **Address**—P. O. Box 27, Opelika, Ala. **Underwriter**—First Alabama Securities, Inc., Montgomery. **Offering**—Expected in late January.

**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**—Indefinitely postponed.

**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.

**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. **Registration** was withdrawn.

**Permeator Corp.**  
May 18, 1962 filed 300,000 common being offered for subscription by stockholders of National Petroleum Corp., Ltd., parent, on the basis of one share for each 15 National shares held. Record date for the offering is Dec. 14, and the rights expiration date Jan. 3, 1963. **Price**—\$5. **Business**—Manufacture, use and sale of a patented tool, "Permeator," used in completion of oil and gas wells. **Proceeds**—For general corporate purposes. **Office**—445 Park Ave., N. Y. **Underwriter**—Irving Weis & Co., New York.

• **Petro-Capital Corp.**  
March 28, 1962 filed 556,700 common. **Price**—\$11. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—6130 Sherry Lane, Dallas. **Underwriter**—McDonnell & Co., New York. **Note**—This registration was withdrawn.

**Petrolane Gas Service, Inc.**  
Dec. 18, 1962 filed 100,000 common. **Price**—By amendment (max. \$30). **Business**—Sale and distribution of liquefied petroleum gas. **Proceeds**—To reimburse treasury for the acquisition of other companies, debt repayment, and working capital. **Office**—1696 E. Hill St., Signal Hill, Calif. **Underwriter**—Dean Witter & Co., Los Angeles.

**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.

**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.

**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.

**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**—Indefinitely postponed.

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

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

**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.

**Recreation Industries, Inc.**  
Nov. 23, 1962 ("Reg. A") 75,000 common. **Price**—\$2. **Business**—Sale of travel and entertainment. **Proceeds**—For capital investment, and working capital. **Office**—411 W. 7th St., Los Angeles. **Underwriter**—Costello, Russotto & Co., Beverly Hills, Calif.

**Red-O-Lier Corp.**  
Aug. 27, 1962 filed 50,000 class A common. **Price**—\$6.50. **Business**—Distribution of electrical supplies and equipment to commercial and industrial users. **Proceeds**—To finance additional inventories and accounts receivables. **Office**—577 Courtland Ave., N. Y. **Underwriter**—Crosse & Co., Inc., New York. **Offering**—Imminent.

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## NEW ISSUE CALENDAR

### January 2, 1963 (Wednesday)

Cambridge Mills Inc.-----Common  
(Alskor Securities Co.) \$385,000  
Duro-Test Corp.-----Common  
(Auchincloss, Parker & Redpath) 150,000 shares  
Electro-Temp Systems, Inc.-----Common  
(S.C. Burns & Co., Inc.) \$160,000  
Hallicrafters Co.-----Capital Stock  
(Paine, Webber, Jackson & Curtis) 108,144 shares

### January 3, 1963 (Thursday)

Columbia Gas System, Inc.-----Debentures  
(Bids 11 a.m. EST) \$25,000,000

### January 7, 1963 (Monday)

Aerosystems Technology Corp.-----Common  
(Chase Securities Corp.) \$495,000  
Atlantic Coast Line RR.-----Equip. Trust Cdfs.  
(Bids 12 noon EST) \$3,900,000  
Career Academy, Inc.-----Common  
(Divine & Fishman) 100,000  
Litton Industries, Inc.-----Common  
(Lehman Brothers, Clark, Dodge & Co., and Goldman, Sachs & Co.) 215,444 shares  
New York Telephone Co.-----Bonds  
(Bids 11:30 a.m. EST) \$70,000,000

### January 8, 1963 (Tuesday)

General American Transportation Corp.-----Equip. Trust Cdfs.  
(Kuhn, Loeb & Co., Inc.) \$35,000,000

### January 9, 1963 (Wednesday)

Collins Radio Co.-----Debentures  
(Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc.) \$12,500,000  
Denver & Rio Grande Western RR.-----Eq. Tr. Cdfs.  
(Bids 12 noon MT) \$4,500,000  
Genesco, Inc.-----Preferred  
(Blyth & Co., Inc.) 185,000 shares

### January 10, 1963 (Thursday)

Servotronics, Inc.-----Cap. Shs.  
(General Securities Co., Inc.) \$375,000  
Smith Kline & French Laboratories-----Common  
(Smith, Barney & Co., Inc. and Drexel & Co.) 200,000 shares

### January 11, 1963 (Friday)

Natural Gas & Oil Producing Co.-----Class A  
(Peter Morgan & Co.) \$900,000

### January 14, 1963 (Monday)

American Bolt & Screw Mfg. Corp.-----Units  
(S. D. Fuller & Co.) \$900,000  
American Gas Co.-----Common  
(Cruttenden, Podesta & Miller) 275,000 shares  
American Gas Co.-----Debentures  
(Cruttenden, Podesta & Miller) \$1,685,000  
Circle K Food Stores, Inc.-----Common  
(Eppler, Guerin & Turner, Inc.) 96,000 shares  
Data Corp. of America-----Common  
(A. D. Gilhart & Co., Inc.) \$131,250  
Lewis (Tillie) Foods, Inc.-----Debentures  
(Van Alstyne, Noel & Co.) \$2,250,000  
Logos Options, Ltd.-----Capital Stock  
(Filor, Bullard & Smyth) 250,000 shares  
Montreal (City of)-----Debentures  
(Bids 11 a.m. EST) \$25,000,000  
Shaker Properties-----Ben. Int.  
(McDonald & Co.) \$3,225,000

### 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 16, 1963 (Wednesday)

Chicago, Burlington & Quincy RR.-----Equip. Trust Cdfs.  
(Bids 12 noon CST) \$6,300,000

### January 17, 1963 (Thursday)

Seaboard Air Line RR.-----Equip. Trust Cdfs.  
(Bids 12 noon EST) \$6,405,000

### January 22, 1963 (Tuesday)

Chesapeake & Potomac Telephone Co. of Md.-----Debs.  
(Bids to be received) \$50,000,000  
Public Service o. of Oklahoma-----Bonds  
(Bids to be received) \$10,000,000

### January 23, 1963 (Wednesday)

Southern Pacific Co.-----Equip. Trust Cdfs.  
(Bids 12 noon EST) \$8,300,000  
Texas Eastern Transmission Corp.-----Debentures  
(Dillon, Read & Co., Inc.) \$25,000,000

### January 28, 1963 (Monday)

Consolidated Leasing Corp. of America-----Common  
(Blair & Co.) 99,000 shares  
Consolidated Leasing Corp. of America-----Debs.  
(Blair & Co.) \$1,000,000  
Dixie Lime & Stone Co.-----Common  
(Courts & Co.) 100,000 shares  
Donmoor-Isaacson, Inc.-----Common  
(Goodbody & Co.) 150,000 shares  
Luck's Inc.-----Common  
(J. C. Wheat & Co and Allied Securities Corp.) 145,500 shares  
Nippon Electric Co., Ltd.-----American Shs.  
(First Boston Corp. and Daiwa Securities Co., Ltd.) 400,000 A. D. S.  
Sperti Products, Inc.-----Common  
(Blair & Co.) 230,000 shares  
Zero Mountain, Inc.-----Common  
(Don D. Anderson & Co., Inc.) \$300,000

### January 29, 1963 (Tuesday)

Dallas Power & Light Co.-----Bonds  
(Bids 12 noon EST) \$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

### February 27, 1963 (Wednesday)

Brooklyn Union Gas Co.-----Bonds  
(Bids to be received) \$12,000,000

### March 5, 1963 (Tuesday)

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

### March 25, 1963 (Monday)

Norfolk & Western Ry.-----Equip. Trust Cdfs.  
(Bids to be received) \$5,475,000

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**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 refilled.

**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.

**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. Offering—Expected in February or March.

**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.**

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. Offering—Indefinite.

**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—Indefinite.

**San Francisco Capital Corp.**

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

**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.

**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.

**Servotronics, Inc. (1/10/63)**

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

**Shaker Properties (1/14-18)**

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

**Signalite Inc.**

Jan. 29, 1962 filed 126,000 common. Price—\$4.50. Business—Manufacture, sale and development of glow lamps for use as indicators and circuit components. Proceeds—For debt repayment, equipment and working capital. Office—1933 Heck Ave., Neptune, N. J. Underwriter—Milton D. Blauner & Co., N. Y. Offering—Postponed.

**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.

**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. Offering—Indefinite.

**Sperti Products, Inc. (1/28-31)**

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.

**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. Offering—Imminent.

**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—Expected in early February.

**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.

**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 in late 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, Brouman & Chatkin, Inc., N. Y.

**Top Dollar Stores, Inc.**

May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. Price—\$5. Business—Operation of a chain of self-service retail stores selling clothing, housewares, etc. Proceeds—For expansion, equipment and working capital. Office—2220 Florida Ave., Jasper, Ala. Underwriter—Phillips, 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 corporate purposes. Address—Jerusalem, Israel. Underwriter—American-Israel Basic Economy Corp., N. Y.

**Town & Country Associates**

Nov. 5, 1962 filed 64½ limited partnership interests and \$506,325 of 5% subordinated promissory notes due 1973 to be offered in units of one interest and \$7,850 of notes. Price—\$3,750 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.

**Transarizona Resources, Inc.**

May 22, 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.

**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.

**U. S. Cold Storage of Hawaii, Inc.**

Nov. 20, 1962 ("Reg. A") 20,000 common. Price—\$10. Business—Operation of a cold storage warehouse for frozen foods and other commodities. Proceeds—For a new warehouse, and working capital. Office—3140 Ualena St., Honolulu. Underwriter—Loyalty Enterprises, Ltd., 32 Merchant St., Honolulu.

**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. 24, 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.

**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 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.**

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 capacitors. **Proceeds**—For loan repayment, equipment, plant expansion and working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriter**—Hemphill, Noyes & Co., New York. **Offering**—Indefinitely postponed.

**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., New York. **Offering**—Indefinite.

**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.**

July 13, 1962 filed 100,000 common. **Price**—\$3.50. **Business**—Photo-offset printing. **Proceeds**—For debt repayment, equipment and working capital. **Office**—142 W. 26th St., N. Y. **Underwriter**—K-Pac Securities Corp., New York. **Offering**—Expected in January.

**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**—To be named.

**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. (1/28-31)**

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.

## Issues Filed With SEC This Week

★ **American Alliance Life Insurance Co.**

Dec. 7, 1962 ("Reg. A") 50,000 class B capital shares of which 41,667 will be sold for the company and 8,333 for stockholders. **Price**—\$6. **Business**—A legal reserve life insurance company. **Proceeds**—For working capital. **Office**—1017 N. 3rd St., Phoenix, Ariz. **Underwriter**—None.

★ **American-Coleman Co.**

Dec. 17, 1962 ("Reg. A") 27,087 common to be offered for subscription by stockholders on the basis of one new share for each seven held. **Price**—\$4.25. **Business**—Manufacture of front wheel axels, transfer cases for medium and heavy duty trucks, and specialized all wheel drive vehicles. **Proceeds**—For inventory, and accounts receivable. **Office**—5801 S. Nevada, Littleton, Colo. **Underwriter**—None.

★ **American Community Life Insurance Co.**

Dec. 13, 1962 ("Reg. A") 26,771 common. **Price**—\$5. **Business**—General life insurance. **Proceeds**—For general corporate purposes. **Office**—135 Jackson, N. E. Albuquerque, N. M. **Underwriter**—None.

★ **American Good Health Association, Inc.**

Dec. 17, 1962 ("Reg. A") 25,000 common. **Price**—\$1. **Business**—Company plans to purchase and manage the Larger Life Lodge, at St. Leonard, Md. **Proceeds**—For property acquisition and improvements. **Office**—Room 311, 918 F St., N. W., Washington, D. C. **Underwriter**—None.

★ **Associated Mortgage Co., Inc.**

Dec. 21, 1962 filed 135,205 common, of which 100,000 are to be offered by company and 35,205 by stockholders. **Price**—By amendment (max. \$10). **Business**—Originating, marketing and servicing of first mortgages and loans on real estate. **Proceeds**—For loan repayment, and working capital. **Office**—1120 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Shields & Co., Inc., New York.

★ **Creative Inc.**

Dec. 17, 1962 ("Reg. A") 86,000 common to be offered for subscription by stockholders on a pro rata basis, for 10 days, then to the public. **Price**—50 cents. **Business**—Development and production of items in toy, game and hardware fields. **Proceeds**—For general corporate purposes. **Office**—8485 Fenton St., Suite 313—Silver Spring, Md. **Underwriter**—None.

★ **De Troy Bergan, Inc.**

Dec. 20, 1962 filed 140,000 common. **Price**—\$4. **Business**—Commercial printing. **Proceeds**—For debt repayment, and other corporate purposes. **Office**—750 Hylar St., Teterboro, N. J. **Underwriter**—Van Alstyne Noel Corp., New York.

★ **Globe Loan Corp. of Dunellen**

Dec. 19, 1962 ("Reg. A") 7% subordinated capital notes due Dec. 31, 1968. **Price**—At par. **Business**—Granting of personal loans. **Proceeds**—For debt repayment, and expansion. **Office**—264 North Ave., Dunellen, N. J. **Underwriter**—None.

★ **Harvey-Wells Corp.**

Dec. 12, 1962 ("Reg. A") 142,039 common to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—\$1.25. **Business**—Manufacture and sale of precision laboratory electromagnetics, and nuclear magnetic resonance equipment. **Proceeds**—For debt repayment, and working capital. **Office**—500 Cochituate Rd., Framingham, Mass. **Underwriter**—None.

★ **Horizons Unlimited Corp.**

Dec. 12, 1962 ("Reg. A") 1,000 common. **Price**—\$10. **Business**—Providing of employment for handicapped persons. **Proceeds**—For equipment, and operating expenses. **Office**—123 E. Franklin St., Elkhart, Ind. **Underwriter**—None.

★ **Illinois Power Co. (1/15)**

Dec. 20, 1962 filed \$35,000,000 first mortgage bonds due 1993. **Proceeds**—For loan repayment, and construction. **Office**—500 South 27th St., Decatur, Ill. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; 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.

★ **Montreal (City of) (1/14)**

Dec. 21, 1962 filed \$9,000,000 of sinking fund debentures for local improvements due Jan. 15, 1963 and \$16,000,000 of sinking fund debentures for public works due Jan. 1, 1988. **Price**—By amendment. **Address**—Montreal, P. Q.,

Canada. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.—Shields & Co.—Salomon Bros. & Hutzler-Morgan, Ostiguy & Hudson Ltd.; Lehman Brothers—L. G. Beaubien & Co. Ltd.—Credit Interprovincial Ltd.; Smith, Barney & Co.—Dominion Securities Corp. (jointly); **Bids**—Jan. 14 (11 a.m. EST) in Montreal.

★ **New York Telephone Co. (1/7)**

Dec. 19, 1962 filed \$70,000,000 refunding mortgage bonds, series N due Jan. 1, 2000. **Price**—By amendment (max. 103%). **Business**—Furnishes communication services in New York State. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office**—140 West St., New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc., and Morgan Stanley & Co. **Bids**—Expected Jan. 7, 1963 (11:30 a.m. EST) in Room 1600, 140 West St., New York.

★ **Silica Inc.**

Dec. 10, 1962 ("Reg. A") 300,000 common. **Price**—\$1. **Business**—Company plans to acquire and develop the Jean Silica Deposit near Las Vegas, Nev. **Proceeds**—For equipment, a building and other corporate purposes. **Office**—244 Earl St., Las Vegas. **Underwriter**—None.

★ **Smith Kline & French Laboratories (1/10)**

Dec. 21, 1962 filed 200,000 common. **Price**—By amendment (max. \$64). **Business**—Development, manufacture and sale of pharmaceutical specialties. **Proceeds**—For selling stockholder. **Office**—1500 Spring Garden St., Philadelphia. **Underwriters**—Smith, Barney & Co., N. Y., and Drexel & Co., Philadelphia.

## 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."

**Honda Motor Co. Ltd.**

9,000,000 common shares (par 50 Yen) represented by 450,000 American Depositary Receipts offered at \$15½ per A. D. R. by Goldman, Sachs & Co., and The Nikko Securities Co., Ltd., New York.

**Kaiser-Nelson Corp.**

2,200 units offered at \$228 each by Robert L. Ferman & Co., Inc., Miami, Fla., and New York City. Each unit consisted of one \$200 face amount of 6¼% convertible subordinated debenture due Nov. 30, 1974 and seven common shares.

**Mid-America Minerals, Inc.**

15,000 shares of 6% convertible preferred stock offered at \$100 per share by the company, without underwriting.

## ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item similar to those you'll find hereunder.

Would you telephone us at REctor 2-9570 or write us at 25 Park Place, New York 7, N. Y.

## Prospective Offerings

★ **Atlantic Coast Line RR (1/7)**

Dec. 26, 1962 it was reported that this road plans to sell \$3,900,000 of equipment trust certificates due Jan. 15, 1964-78. **Office**—220 E. 42nd St., N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Jan. 7, 1963 (12 noon EST) at above address.

★ **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.

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**★ Brooklyn Union Gas Co. (2/27)**

Dec. 26, 1962 it was reported that the company plans to offer \$12,000,000 of 25-year first mortgage bonds in February. **Office**—195 Montague St., Brooklyn, N. Y. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Blyth & Co., Inc.-Eastman Dillon, Union Securities & Co.-F. S. Moseley & Co. (jointly); Harriman Ripley & Co., Inc.-First Boston Corp. (jointly). **Bids**—Expected Feb. 27.

**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 3½% 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, Burlington & Quincy RR (1/16)**

Dec. 26, 1962 the company announced that it plans to sell \$6,300,000 of equipment trust certificates in January. This will be the first of three or four installments totalling approximately \$21,000,000. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Jan. 16 (12 noon CST) at above address.

**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 3½% and 2¾% 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.

**Connecticut Light & Power Co.**

Dec. 10, 1962 it was reported that the company is considering the issuance of about \$22,500,000 of bonds in 1963 or 1964. **Proceeds**—For construction. **Address**—Selden St., Berlin, Conn. **Underwriters**—To be named. The last public offering of bonds on Jan. 20, 1960 was handled by Morgan Stanley & Co.-Putnam & Co.-Chas. W. Scranton & Co.-Estabrook & Co. (jointly).

**Consumers Power Co.**

Sept. 4, 1962, Robert P. Briggs, Executive Vice-President, announced that the company had postponed until mid-1963 its plan to sell additional securities because of "larger than anticipated internal generation of cash, substantial refunds from natural gas suppliers and the increased use of bank credit." Earlier, the company reported that it expected to sell about \$40,000,000 of securities, probably bonds, in the fourth quarter. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

**Dallas Power & Light Co. (1/29/63)**

Dec. 10, 1962 it was reported that this subsidiary of Texas Utilities Co., plans to sell \$25,000,000 of first mortgage bonds due 1993. **Proceeds**—To redeem \$20,000,000 of 5¼% bonds due 1989, and for other corporate purposes. **Office**—1506 Commerce St., Dallas. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler-Equitable Securities Corp. (jointly); Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.-Blyth & Co., Inc.-Merrill Lynch,

Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—Jan. 29, 1963 (12 noon EST).

**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).

**Denver & Rio Grande Western RR. (1/9/63)**

Dec. 10, 1962 it was reported that this road plans to sell \$4,500,000 of equipment trust certificates in January. **Office**—1531 Stout St., Denver. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Jan. 9 (12 noon MT) at company's office.

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

**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).

**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.

**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. **Information Meeting**—Jan. 31, 1963 (11 a.m.) at 16 Wall St., New York.

**Laguna Niguel Corp.**

Dec. 11, 1962, Gerald W. Blakeley, President, stated that the company is "seriously considering" the issuance of about \$10,000,000 of debentures to redeem its 60-cent cumulative class A stock. Mr. Blakeley said class A dividends must be paid from after-tax earnings, meaning the company has to earn 12% of gross revenue, whereas interest on debentures is an expense item, so the company would have to earn only 6% to provide the same return. **Business**—Acquisition, development and management of real properties. **Office**—32802 Pacific Coast Hwy., So., Laguna, Calif. **Underwriter**—To be named. The last financing for the company was handled by Paine, Webber, Jackson & Curtis, Boston.

**Michigan Consolidated Gas 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**—415 Clifford St., Detroit. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co.-Lehman Brothers (jointly).

**Michigan Wisconsin Pipe Line Co.**

Oct. 24, 1962 it was reported that this company plans to sell about \$22,000,000 of first mortgage bonds in the third quarter of 1963. **Proceeds**—For construction. **Office**—500 Griswold St., Detroit. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

**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 U. S. by March 31, 1963. 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.

**★ Nippon Telegraph & Telephone Public Corp.**

Dec. 19, 1962, it was reported that the company plans to sell \$20,000,000 of bonds in the United States in the fiscal year April 1, 1963 to March 31, 1964. The financing program is subject to approval by the Japanese Diet. **Business**—Nippon Telegraph, wholly-owned by the Japanese Government, furnishes domestic telephone and telegraph services, without competition, in Japan. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co.; First Boston Corp., and Smith, Barney & Co., New York.

**★ Norfolk & Western Ry. (3/25)**

Dec. 26, 1962 it was reported that this road plans to sell about \$5,475,000 of 1-15 year equipment trust certificates in March. **Office**—8 N. Jefferson St., Roanoke, Va. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected March 25.

**● Northern Illinois Gas Co.**

Dec. 20, 1962 the company informed "The Chronicle" that it plans to spend \$40,000,000 on construction in 1963, an undetermined amount of which will be raised by sale of bonds. Our Dec. 20, issue inadvertently stated that the company planned to sell \$40,000,000 of bonds sometime in 1963. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—(Competitive.) Probable bidders: First Boston Corp.; 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.

**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).

**Public Service Co. of Oklahoma (1/22)**  
Dec. 17, 1963 it was reported that this subsidiary of Central & South West Corp., plans to sell \$10,000,000 of bonds due 1993. **Proceeds**—To refund outstanding 5% bonds, series H, due Feb. 1, 1990. **Office**—600 S. Main, Tulsa, Okla. **Underwriters**—(Competitive). Probable bidders: Glore, Forgan & Co.; White, Weld & Co.—Shields & Co. (jointly); Blyth & Co. Inc.; Equitable Securities Corp.—Eastman Dillon, Union Securities & Co. (jointly); Halsey, Stuart & Co., Inc. **Bids**—Expected Jan. 22.

**Seaboard Air Line RR (1/17)**  
Dec. 26, 1962 it was reported that this road plans to sell \$6,405,000 of equipment trust certificates in January.

This is the first installment of a total issue of \$12,810,000. **Office**—3600 W. Broad St., Richmond, Va. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Jan. 17 (12 noon EST) at office of Wilkie, Farr, Gallagher, Walton & FitzGibbon, 15 Broad St., New York.

**Seaboard Air Line RR**  
Dec. 26, 1962 it was reported that this company plans to sell \$6,405,000 of equipment trust certificates in late February. This will be the second installment of a total issue of \$12,810,000. **Office**—3600 W. Broad St., Richmond, Va. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler.

**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.

**Southern Pacific Co. (1/23)**  
Dec. 26, 1962 it was reported that this company plans to sell \$8,300,000 of equipment trust certificates in January. **Office**—165 Broadway, New York. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co., Inc. **Bids**—Jan. 23 (12 noon EST) at above address.

**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: First Boston Corp.; 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, Sweeney & 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 Light, Heat & Power Co.**  
Nov. 21, 1962 it was reported that this subsidiary of Cincinnati Gas & Electric Co., plans to sell \$5,000,000 of first mortgage bonds in 1963. **Office**—139 East Fourth St., Cincinnati. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.—First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—Kidder, Peabody & Co. (jointly); Equitable Securities Corp.; White, Weld & Co.; Kidder, Peabody & Co.

**Washington Gas Light Co.**  
Aug. 1, 1962 it was reported that this company plans to sell \$12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

**Western Light & Telephone Co., Inc.**  
Aug. 1, 1962 it was reported that the company plans to sell approximately \$5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1963. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—To be named. The last rights offering in January, 1957, was underwritten by Dean Witter & Co. San Francisco.

## The Fire and Casualty Insurance Industry

Continuing an uninterrupted expansion that began nearly 20 years ago, premium volume of the fire and casualty insurance companies rose about 5% in the first half of 1962. For the year, premiums are expected to reach \$16.3 billion, compared with \$15.5 billion in 1961. Over the past decade premium income has doubled, substantially exceeding the 53% growth in the national income. Contributing to the industry's expansion have been a number of rate increases, an upgrading of coverages to reflect rising current values, a large growth in insurable properties, and a general public awareness of the need for adequate protection.

### Broad Range of Coverages Offered

Some 18 basic types of coverage are written by the industry. The three automobile lines—bodily injury, property damage and physical damage—account for about 40% of total premiums. The next largest line is fire, which has shown little growth in recent years because of the diversion of premiums to multiple peril policies. Fire underwritings, however, still account for slightly over 10% of volume. Accident and health coverage and workmen's compensation are of about the same importance, each contributing over 9%. The most rapidly growing line is home-

owners multiple peril which combines certain fire and casualty coverages in one policy. This combination policy, practically unknown eight years ago, provided nearly \$900 million or 6% of premium writings last year.

### Underwriting Margins Under Pressure

Industry income is basically derived from two sources: underwriting profits, which have varied widely in the postwar period, and investment income, which has risen without interruption since 1942. Underwriting margins for both stock and mutual companies were under pressure in the second half of the 1950's because of sharply rising settlement costs without commensurate increases in premium rates. In the three years 1956-58 inclusive, stock company underwriting losses totalled \$590 million. This unfavorable experience was particularly evident in the automobile bodily injury line, which still remains unprofitable on an industry basis. Settlement costs on property damage rose sharply. Windstorm and fire losses have also been unsatisfactory, as an unusual series of catastrophes has occurred almost yearly since 1954.

### Decline in Expense Ratio

Companies have raised premium rates on these coverages from

time to time, but the increases have lagged behind the unfavorable operating results. Numerous steps also have been taken to reduce costs, including lower commissions, direct billing, combining coverages into one package and automation of clerical operations. The resulting decline in the ratio of expense to premiums has helped offset rising fire and casualty losses. Nevertheless, underwriting operations in 1961 were only slightly above the break-even point, as the industry again suffered from natural calamities including Hurricane Carla and destructive fires in the Los Angeles area. In the absence of comparable catastrophes so far this year underwriting results should show some improvement.

### Large Expansion in Investment Income

While underwriting earnings in the industry have been unsatisfactory in recent years, income derived from investment portfolios has expanded significantly. Between 1952 an 1961 investment income of the stock companies more than doubled, from \$294 million to \$621 million. Portfolio earnings were responsible for 86% of the pretax earnings of stock companies during this decade, and underwriting profits only 14%. In the previous decade investment income accounted for 61% of earnings. Despite the decline in equity values in the first half of this year, net investment income rose more than 8% to a new high. This expansion reflected the income derived from ad-

ditional premium writings available for investment, an improvement in net yields as maturing obligations were invested at more attractive current rates, and dividend increases. Moreover, the expanding volume of tax-exempt securities enables the companies to carry an increasing proportion of gross income down to net profit.

### Industry Investment Portfolios

Funds available for investment by the stock and mutual companies include capital and surplus, reserves for anticipated claims, and special reserves established for premiums collected but not earned. These items equalled approximately 94% of total industry assets of \$33.7 billion at the end of 1961. As a general policy, most companies try to cover their liabilities with high quality, fixed income investments, with bonds accounting for over one-half of total assets. U. S. Government securities comprised 34% of total bond holdings, at the end of last year. U. S. securities have been declining in importance, however, as companies have shifted to municipal obligations in recent years in an effort to expand after-tax income, and municipal issues now account for over half of total bond holdings. Common stocks represented about a third of all assets at the end of 1961. The decline in stock market values during the first half of 1962 reduced total assets by over 6%, or some \$2 billion, but the sub-

sequent market recovery restored more than half of this loss.

### Trend to Balanced Underwritings

Throughout the postwar period, industry efforts have been directed to achieving a balanced underwriting operation. In the late 1940's and early 1950's numerous concerns writing either traditional fire or casualty lines merged their companies as State laws were changed to permit one company to write in both fields. More recently the trend has been to provide the company agent with all varieties of insurance, including life as well as fire and casualty coverages. To facilitate this type of selling, many fire and casualty insurers have entered the life field either by organizing their own life insurance subsidiaries or by acquiring them.

### Improved Results Likely for 1962

As the end of 1962 approaches, it appears that some improvement over last year's operating results may be achieved, provided that the current favorable trend in losses continues. At the same time, investment income will show a further rise over the record level of last year. The companies are still reducing expenses, but the overall loss ratio for the industry continues generally unsatisfactory and pressure for rate increases exists in some lines. The expansion into life coverages should help stabilize operating results and increase profitability over the long term.

# Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

	Latest Week	Previous Week	Month Ago	Year Ago
<b>AMERICAN IRON &amp; STEEL INSTITUTE:</b>				
Steel ingots and castings (net tons).....	Dec. 22	Not Avail.	1,832,000	1,844,000
Index of production based on average weekly production for 1957-1959.....	Dec. 22	Not Avail.	98.3	99.0
<b>AMERICAN PETROLEUM INSTITUTE:</b>				
Crude oil and condensate output—daily average (bbls. of 42 gallon each).....	Dec. 14	7,340,710	7,334,860	7,378,210
Crude runs to stills—daily average (bbls.).....	Dec. 14	8,423,000	8,401,000	8,295,000
Gasoline output (bbls.).....	Dec. 14	30,456,000	30,894,000	30,041,000
Kerosene output (bbls.).....	Dec. 14	3,368,000	3,244,000	3,182,000
Distillate fuel oil output (bbls.).....	Dec. 14	14,671,000	14,202,000	13,365,000
Residual fuel oil output (bbls.).....	Dec. 14	5,523,000	5,407,000	5,552,000
Stocks at refineries, bulk terminals, in transit, in pipe lines				
Finished gasoline (bbls.) at.....	Dec. 14	182,277,000	181,747,000	177,990,000
Kerosene (bbls.) at.....	Dec. 14	33,341,000	35,094,000	36,032,000
Distillate fuel oil (bbls.) at.....	Dec. 14	163,751,000	166,401,000	175,912,000
Residual fuel oil (bbls.) at.....	Dec. 14	51,516,000	51,919,000	46,923,000
Unfinished Oils (bbls.) at.....	Dec. 14	84,803,000	86,632,000	85,447,000
<b>ASSOCIATION OF AMERICAN RAILROADS:</b>				
Revenue freight loaded (number of cars).....	Dec. 15	501,033	537,392	571,401
Revenue freight received from connections (no. of cars).....	Dec. 15	Not Avail.	508,847	509,072
<b>CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:</b>				
Total U. S. construction.....	Dec. 20	\$349,500,000	\$406,400,000	\$444,900,000
Private construction.....	Dec. 20	161,700,000	204,500,000	218,400,000
Public construction.....	Dec. 20	187,800,000	201,900,000	226,500,000
State and municipal.....	Dec. 20	177,800,000	166,800,000	199,300,000
Federal.....	Dec. 20	10,000,000	35,100,000	27,200,000
<b>COAL OUTPUT (U. S. BUREAU OF MINES):</b>				
Bituminous coal and lignite (tons).....	Dec. 15	7,560,000	7,690,000	8,645,000
Pennsylvania anthracite (tons).....	Dec. 15	370,000	405,000	408,000
<b>DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100</b>				
	Dec. 15	246	212	136
<b>EDISON ELECTRIC INSTITUTE:</b>				
Electric output (in 000 kwh.).....	Dec. 22	Not Avail.	18,009,000	16,109,000
<b>FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN &amp; BRADSTREET, INC.</b>				
	Dec. 20	Not Avail.	252	253
<b>IRON AGE COMPOSITE PRICES:</b>				
Finished steel (per lb.).....	Dec. 17	6.196c	6.196c	6.196c
Pig iron (per gross ton).....	Dec. 17	\$63.43	\$63.43	\$66.44
Scrap steel (per gross ton).....	Dec. 17	\$25.83	\$25.50	\$23.50
<b>METAL PRICES (E. &amp; M. J. QUOTATIONS):</b>				
Electrolytic copper—				
Domestic refinery at.....	Dec. 19	30.600c	30.600c	30.600c
Export refinery at.....	Dec. 19	28.500c	28.500c	28.475c
Lead (New York) at.....	Dec. 19	10.000c	10.000c	10.250c
Lead (St. Louis) at.....	Dec. 19	9.800c	9.800c	10.050c
Zinc (delivered) at.....	Dec. 19	12.000c	12.000c	12.500c
Zinc (East St. Louis) at.....	Dec. 19	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%+) at.....	Dec. 19	22.500c	22.500c	24.000c
Straits tin (New York) at.....	Dec. 19	111.250c	109.750c	111.250c
<b>MOODY'S BOND PRICES DAILY AVERAGES:</b>				
U. S. Government Bonds.....	Dec. 25	90.48	90.31	90.17
Average corporate.....	Dec. 25	88.54	88.54	88.27
Aaa.....	Dec. 25	92.64	92.50	92.50
Aa.....	Dec. 25	90.48	90.48	90.20
A.....	Dec. 25	88.40	88.27	87.72
Baa.....	Dec. 25	83.28	83.28	82.90
Railroad Group.....	Dec. 25	85.33	85.33	84.68
Public Utilities Group.....	Dec. 25	90.20	90.20	89.92
Industrials Group.....	Dec. 25	90.20	90.20	90.34
<b>MOODY'S BOND YIELD DAILY AVERAGES:</b>				
U. S. Government Bonds.....	Dec. 25	3.69	3.69	3.70
Average corporate.....	Dec. 25	4.52	4.52	4.54
Aaa.....	Dec. 25	4.24	4.24	4.24
Aa.....	Dec. 15	4.36	4.38	4.40
A.....	Dec. 25	4.54	4.54	4.58
Baa.....	Dec. 25	4.92	4.92	4.95
Railroad Group.....	Dec. 25	4.75	4.76	4.81
Public Utilities Group.....	Dec. 25	4.40	4.40	4.42
Industrials Group.....	Dec. 25	4.40	4.40	4.39
<b>MOODY'S COMMODITY INDEX</b>				
	Dec. 25	370.7	370.3	364.1
<b>NATIONAL PAPERBOARD ASSOCIATION:</b>				
Orders received (tons).....	Dec. 15	313,136	362,148	346,835
Production (tons).....	Dec. 15	344,373	354,714	340,565
Percentage of activity.....	Dec. 15	95	96	94
Unfilled orders (tons) at end of period.....	Dec. 15	426,310	456,670	461,802
<b>OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100</b>				
	Dec. 21	123.19	122.82	118.68
<b>ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS</b>				
Transactions of specialists in stocks in which registered—				
Total purchases.....	Nov. 30	3,809,070	2,570,100	3,020,950
Short sales.....	Nov. 30	800,400	573,760	887,740
Other sales.....	Nov. 30	2,939,600	1,878,670	2,307,330
Total sales.....	Nov. 30	3,740,000	2,452,430	3,195,070
Other transactions initiated off the floor—				
Total purchases.....	Nov. 30	766,190	573,980	710,750
Short sales.....	Nov. 30	83,200	106,600	101,900
Other sales.....	Nov. 30	589,410	440,160	515,700
Total sales.....	Nov. 30	672,610	546,760	663,800
Other transactions initiated on the floor—				
Total purchases.....	Nov. 30	1,448,250	1,080,355	1,025,767
Short sales.....	Nov. 30	185,880	129,615	131,150
Other sales.....	Nov. 30	1,340,873	809,834	844,985
Total sales.....	Nov. 30	1,526,753	939,449	1,055,652
Total round-lot transactions for account of members—				
Total purchases.....	Nov. 30	6,023,510	4,224,435	4,757,467
Short sales.....	Nov. 30	1,069,480	809,975	1,296,507
Other sales.....	Nov. 30	4,869,883	3,128,664	3,668,015
Total sales.....	Nov. 30	5,939,363	3,938,639	4,964,522
<b>STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION</b>				
Odd-lot sales by dealers (customers' purchases)—†				
Number of shares.....	Nov. 30	1,869,787	1,240,210	1,414,777
Dollar value.....	Nov. 30	\$85,046,760	\$58,445,650	\$68,402,469
Odd-lot purchases by dealers (customers' sales)—				
Number of orders—customers' total sales.....	Nov. 30	2,242,189	1,564,527	1,547,715
Customers' short sales.....	Nov. 30	34,719	24,599	88,960
Customers' other sales.....	Nov. 30	2,207,470	1,539,928	1,458,755
Dollar value.....	Nov. 30	\$100,124,217	\$69,581,830	\$74,446,046
Round-lot sales by dealers—				
Number of shares—Total sales.....	Nov. 30	489,080	591,270	548,760
Short sales.....	Nov. 30	489,080	591,270	548,760
Other sales.....	Nov. 30	489,080	591,270	548,760
Round-lot purchases by dealers—Number of shares.....	Nov. 30	467,540	285,250	457,590
<b>TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):</b>				
Total round-lot sales—				
Short sales.....	Nov. 30	1,653,970	1,215,700	2,406,650
Other sales.....	Nov. 30	26,951,350	18,072,590	18,419,910
Total sales.....	Nov. 30	28,605,320	19,288,290	20,826,560
<b>WHOLESALE PRICES, NEW SERIES—U. S. DEPT. OF LABOR—(1957-59=100):</b>				
Commodity Group.....				
All commodities.....	Dec. 18	100.5	100.4	100.5
Farm products.....	Dec. 18	98.6	97.5	98.3
Processed foods.....	Dec. 18	100.8	101.0	101.0
Meats.....	Dec. 18	98.2	98.5	99.0
All commodities other than farm and foods.....	Dec. 18	100.7	100.7	100.7

	Latest Month	Previous Month	Year Ago
<b>AMERICAN PETROLEUM INSTITUTE—Month of September:</b>			
Total domestic production (barrels of 42 gallons each).....	249,807,000	254,674,000	237,845,000
Domestic crude oil output (barrels).....	219,593,000	224,240,000	209,848,000
Natural gasoline output (barrels).....	30,204,000	30,430,000	27,984,000
Benzol output (barrels).....	10,000	4,000	13,000
Crude oil imports (barrels).....	34,407,000	40,293,000	33,147,000
Refined product imports (barrels).....	27,168,000	24,531,000	21,751,000
Indicated consumption domestic and export (barrels).....	284,524,000	296,799,000	276,186,000
Increase all stocks (barrels).....	21,105,000	17,337,000	12,047,000
<b>AMERICAN RAILWAY CAR INSTITUTE—Month of November:</b>			
Orders of new freight cars.....	3,573	4,436	4,109
New freight cars delivered.....	2,205	2,799	2,438
Backlog of cars on order and undelivered (end of month).....	13,502	12,159	11,983
<b>BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of November (000's omitted)</b>			
	\$288,200,000	\$308,700,000	\$272,600,000
<b>BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—As of November 30:</b>			
Imports.....	\$524,592,000	\$501,737,000	\$460,591,000
Exports.....	719,328,000	678,980,000	939,108,000
Domestic shipments.....	13,601,000	15,634,000	16,765,000
Domestic warehouse credits.....	131,024,000	94,239,000	270,012,000
Dollar exchange.....	173,140,000	159,699,000	98,240,000
Based on goods stored and shipped between foreign countries.....	914,053,000	917,075,000	770,007,000
Total.....	\$2,475,738,000	\$2,367,364,000	\$2,554,723,000
<b>BUSINESS FAILURES—DUN &amp; BRADSTREET INC.—Month of November:</b>			
Manufacturing number.....	200	244	258
Wholesale number.....	124	152	125
Retail number.....	590	672	624
Construction number.....	193	231	206
Commercial service number.....	109	111	122
Total number.....	1,216	1,410	1,335
Manufacturing liabilities.....	\$34,069,000	\$48,833,000	\$35,237,000
Wholesale liabilities.....	8,386,000	11,021,000	36,530,000
Retail liabilities.....	24,107,000	26,876,000	23,494,000
Construction liabilities.....	16,095,000	24,728,000	18,883,000
Commercial service liabilities.....	16,184,000	7,634,000	5,070,000
Total liabilities.....	\$98,841,000	\$119,092,000	\$119,214,000
<b>BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN &amp; BRADSTREET, INC.—Month of November:</b>			
	12,914	*15,318	14,045
<b>CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of November (000's omitted)</b>			
	\$412,000,000	\$1,026,500	\$401,400,000
<b>COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK—As of November 30 (000's omitted)</b>			
	\$2,501,000	\$2,417,000	\$1,868,000
<b>CONSUMER PRICE INDEX—1957-59=100—Month of October:</b>			
All items.....	106.0	106.1	104.6
Food.....	104.3	104.8	102.5
Food at home.....	102.9	103.5	101.2
Cereal and bakery products.....	108.0	107.9	105.7
Meats, poultry and fish.....	104.1	106.3	99.5
Dairy products.....	104.3	104.2	105.1
Fruits and vegetables.....	102.0	102.2	99.4
Other food at home.....	98.1	97.8	98.4
Food away from home (Jan. 1958=100).....	111.8	111.5	108.6
Housing.....	105.0	104.9	104.1
Rent.....	106.1	105.9	104.8
Gas and electricity.....	108.0	108.0	107.8
Solid fuels and fuel oil.....	102.4	101.3	101.5
Household operation.....	98.8	98.7	99.5
Household operation.....	107.6	107.6	106.2
Apparel.....	104.9	104.6	103.9
Men's and boys'.....	104.2	104.0	103.2
Women's and girls'.....	104.0	103.6	103.1
Footwear.....	109.6	109.5	108.2
Other apparel.....	101.6	101.2	101.1
Transportation.....	108.1	107.8	106.7
Private.....	106.9	106.7	105.8
Public.....	116.0	115.7	112.5
Medical care.....	114.9	114.7	112.3
Personal care.....	106.9	106.8	104.6
Reading and recreation.....	109.5	110.0	108.3
Other goods and services.....	105.6	105.6	105.0
<b>FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE—U. S. DEPT. OF LABOR—Month of November:</b>			
Weekly earnings.....			
All manufacturing.....	\$97.36	\$96.72	\$95.82
Durable goods.....	105.78	105.37	104.39
Nondurable goods.....	86.72	85.89	85.39
Hours—			
All manufacturing.....	40.4	40.3	40.6
Durable goods.....	41.0	41.0	41.1
Nondurable goods.....	39.6	39.4	39.9
Hourly earnings—			
All manufacturing.....	\$2.41	\$2.40	\$2.36
Durable goods.....	2.58	2.57	2.54
Nondurable goods.....			

# Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

## NEW FIRMS

**BINGHAMTON, N. Y.**—Harold Dinaburg, 2 Chadwick Road.

**BROOKLYN, N. Y.**—Ansley-Denald & Company, Inc., 379 Seventh Avenue.

**BROOKSIDE, N. J.**—A. E. G. Investment Co., Woodland Road. Alfred E. Gudladt is sole proprietor. He was formerly with Oppenheimer & Co.

**BROOKVILLE, N. Y.**—Hanly and Co., Brookville Road. Partners are M. George Hanly and M. Wyatt Hanly. M. George Hanly was formerly a partner in Edwards & Hanly with which Mr. M. Wyatt Hanly was also associated.

**DENVER, Colo.**—Consolidated Financial Programs, Inc., 950 Broadway. Officers are John W. Tempert, President; John R. Gilchrist, Administrative Vice-President; Edward M. Mahoney, Secretary, and Charles L. Powell, Treasurer.

**DENVER, Colo.**—Geo. D. Learned & Co., 444 17th Street. George D. Learned is sole proprietor. He was formerly with Dempsey-Tegeler & Co., Inc.

**LAS VEGAS, Nev.**—Securities Company of Nevada, 4933 Paradise Road. Officers are Carl L. Ayres, President; Willy F. Fulford, Vice-President; Paul E. Hill, Secretary, and Harold P. Conner, Treasurer.

**LEVITTOWN, N. Y.**—George Norman & Company, Inc., 165 Center Lane. Officers are George N. Oeslander, President and Treasurer, and Glenda Oeslander, Secretary.

**NEW HAVEN, Conn.**—Albert L. Fish, 111 Park Street. Mr. Fish was formerly with Francis I. du Pont & Co.

**NEW YORK CITY, N. Y.**—Queensway Securities Corporation, 3 Park Row. Daniel Bern-

stein is President, and Abe Kamzan, Secretary.

**NEW YORK CITY, N. Y.**—Mutual Planning Company, 135 Broadway (c/o Milton Weinberg). Irwin B. Goldberg, formerly with Rich & Co., is sole proprietor.

**NEW YORK CITY, N. Y.**—Walter Winfield Company, 40 Exchange Place. Walter R. Winfield is sole proprietor.

**NORTH HOLLYWOOD, Calif.**—Diversified Securities Corporation, 10221 Riverside Drive. Officers are Walter L. Hansen, President; Leroy Avram, Vice-President; and D. L. Hansen, Secretary and Treasurer.

**RICHARDSON, Texas.**—Mayer H. Half, 1030 West Belt Line Road. Mr. Half was formerly with Perkins & Company.

**SAN FRANCISCO, Calif.**—Donald D. Smith & Co., Inc., 1 Montgomery Street. Officers are Donald D. Smith, President; Frank J. Schnoor, Vice-President, and William D. Evers, Secretary and Treasurer.

**SAN FRANCISCO, Calif.**—John Paul Collins, Jr., 315 Montgomery Street.

**SPOKANE, Wash.**—Duval Securities, Radio Central Building. Francis D. Duval is sole proprietor.

**TACOMA, Wash.**—Davis - Zink and Associates, 2518 South 38th Street. Leonard A. Zink and Larry O. Davis are partners.

**NEW BRANCHES**  
**BERNARDSVILLE, N. J.** Laidlaw & Co., Somerset Hills National Bank Building. Howard E. St. John is registered representative in charge.

**BLOOMINGTON, Ind.**—J. J. B. Hilliard & Son, Citizens Bank Building. John G. Pfenninger is registered representative in

charge. Mr. Pfenninger was formerly local manager for K. J. Brown & Co., Inc.

**BRISTOL, Va.**—Bache & Co., 903 Park Street. Walker M. Slaughter, Jr. is representative in charge.

**FT. LAUDERDALE, Fla.**—Goodbody & Co., Galt Plaza Promenade. G. Robert Ackerman is Manager, and Russell H. Bracken, associated manager.

## PERSONNEL

**COLORADO SPRINGS, Colo.**—M. Dale Scruggs has joined the staff of B. J. Leonard & Co., 415 North Tejon Street. He was formerly with Amos C. Sudler & Co.

**DENVER, Colo.**—Lawrence P. Gaffney is now affiliated with Peters, Writer & Christensen, Inc., 724 Seventeenth Street. He was formerly with the Nebraska State Auditor's office.

**MIAMI, Fla.**—Noel N. Rothman & Co., Chicago investment brokers, have announced the appointment of Mr. Hal H. Berk as Florida Regional Manager.

Mr. Berk was formerly associated with Harris, Upham & Company, Miami.

Rothman and Company has a Miami office at 8101 Biscayne Blvd.

**NEW YORK CITY**—Albert E. Sharpe, is now President, Secretary and Treasurer of S. Apfelbaum Company, 39 Broadway, New York City. Stanley Apfelbaum, formerly proprietor, is Vice-President.

## Endowment Funds In Ins. & Bk. Stocks

**BOSTON, Mass.**—The common stocks of insurance companies and banks enjoy a prominent place in the investment thinking of the managers of the endowment funds of the Ivy League colleges.

This is revealed in a study of the endowment funds of seven colleges in the Ivy League by Century Shares Trust, the nation's oldest mutual fund investing exclusively in insurance company and bank stocks.

The endowments of seven colleges amount to \$1.6 billion with some \$826 million invested in common stocks.

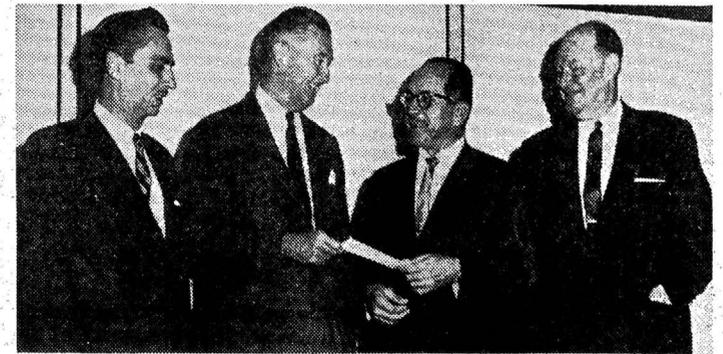
The Century survey reveals that \$101 million, representing more than 6% of the total endowment and 12% of total equity holdings, was invested in the securities of insurance companies and banks on June 30, 1962.

The colleges in the Century study include Harvard, Yale, Princeton, Cornell, Dartmouth, Pennsylvania and Brown. Columbia is not included since most of its investments are in real estate.

Insurance Company of North America, with representation in six of the seven Ivy portfolios, was the most popular insurance company holding. Travelers was held by five of the colleges, while Hartford Fire and Aetna Life each were held by four. The combined investment in these four companies amounts to \$31 million and represents 31% of the market value of all insurance and bank issues in the endowment fund.

First National City Bank of New York and Bankers Trust head the bank category, each appearing in five of the seven college portfolios. Morgan Guaranty, Chase Manhattan and Chemical Bank-New York Trust each were held by four colleges. The five banks had a total value of \$13 million, or 13% of the insurance and bank stock total.

## Complete Puerto Rico Aqueduct & Sewer Authority Bond Financing



Juan Labadie Eurite, Executive Director of the Puerto Rico Aqueduct and Sewer Authority accepts check at the offices of the Chase Manhattan Bank from Brainerd H. Whitbeck, Vice-President of The First Boston Corporation, which headed a group which recently marketed \$14,000,000 bonds of the Authority.

Left to right are: Manuel A. Bustelo, Secretary of the Authority; Mr. Whitbeck, Mr. Labadie Eurite; and Arthur F. Henning, Vice-President of the Chase Manhattan Bank.

## Stock Transfer Ass'n Re-Elects

The Stock Transfer Association at its Annual Meeting on December 1, at the Waldorf-Astoria Hotel in New York City returned to their posts in its governing body, Edward S. Travers as Chairman and James E. Robertson and Herman Warnken as members of the Executive Committee. Mr. Travers is a Vice-President of Manufacturers Hanover Trust Company and Messrs. Robertson and Warnken hold top executive posts in The First National City Bank and Morgan Guaranty Trust Company respectively. Also re-elected were Mr. John Bancroft of The Bank of New York as Treasurer, and Mr. George E. Wasko of the Atchison, Topeka & Santa Fe Railway as Secretary. Fred W. Gundersdorf (U. S. Trust Co. of New York) is chairman of the Membership and Publicity Committee.

Following the Annual Meeting Mr. Travers presided at the customary conference and discussion period. The principal speaker was George J. Leibowitz who is Director, Systems Development Division of the Internal Revenue Service. He and William J. Neil, Morgan Guaranty Trust Company of New York, conducted an informative forum on the problems which will be presented to income disbursing corporations and their agents under the law prescribing taxpayer identification numbers.

The agenda included the instructive report of William J. Rieber of The Chase Manhattan Bank, Chairman of the Standardization Committee and a discourse by Herbert Croft, Vice-President and Senior Trust Officer of The First National Bank of Jersey City on the problems presented stock transfer agents by community property owners.

In the evening the Association was honored by the presence at dinner of the following guests: Francis T. Christy, Esq. (Author, "Transfer of Stock") Counsel, The Stock Transfer Association, New York City, N. Y.; Michael A. Georgen, Chairman of the Board, Midwest Stock Exchange Clearing Corporation, Chicago, Ill.; Thomas P. Phelan, President, Pacific Coast Stock Exchange, San Francisco, Calif.; P. B. Reid, Chairman Gov-

erning Committee, Canadian and Montreal Stock Exchange, Montreal, Canada; Frank J. Rothing, Vice-President, Midwest Stock Exchange, Chicago, Ill.; Phillip L. West, Vice-President, New York Stock Exchange, New York City; William Wismer, Q. C. Vice-President, Toronto Stock Exchange, Toronto, Canada.

## Joins Coast Exchange

Election to membership in Pacific Coast Stock Exchange of Lawrence S. Black, effective Dec. 17, 1962, has been announced by the Exchange.

Mr. Black is President of the firm of Black & Company, Inc. Other Officers and Directors are Laurie R. Miller, Vice-President; Bernard Shevach, Secretary, Robert D. Adolph and Harry Rubenstein. The new member firm is engaged in the general stock brokerage business having its head office at 300 American Bank Building, Portland, Ore.

## Elected Director

The election of William S. Glazier as a Director of International Holdings Corporation, closed-end investment company has been announced.

Mr. Glazier, formerly a partner of Lehman Brothers, now retired, is a Director of American Potash & Chemical Corporation and a Trustee of The Pierpont Morgan Library.

## To Be Kohlmeier Partner

**MACON, Ga.**—Robert A. McCord on Jan. 3 will become a partner in Kohlmeier & Co., members of the New York Stock Exchange. He will make his headquarters at the firm's Macon office in the Dempsey Hotel.

## Delafield to Admit

Delafield & Delafield, 45 Wall Street, New York City, members of the New York Stock Exchange, on Jan. 3 will admit Annelise Fitzgerald to limited partnership.

NSTA



NOTES

### CLEVELAND SECURITY TRADERS ASSOCIATION

The following Officers and Governors have been elected for the year 1963. Terms: Beginning January 1, 1963, ending December 31, 1963.



John R. Donahue



Gary A. Galdun



Richard A. Probst

President: John R. Donahue, Joseph, Mellen & Miller, Inc.

Vice-President: Gary A. Galdun, Wm. J. Mericka & Co., Inc.

Secretary: Richard A. Probst, Saunders, Stiver & Co.

Treasurer: James B. Sparks, Ball, Burge & Kraus.

Board of Governors: James J. Drnek, Prescott & Co.; David Baker, Merrill, Turben & Co.; Orin Koeser, Blyth & Co., Inc.; William McLaren, McDonald & Co.; and James M. Russell, J. N. Russell & Co., Inc.

# WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS  
FROM THE NATION'S CAPITAL



WASHINGTON, D. C.—The National Aeronautics and Space Administration, our fastest growing civilian agency, is expected to ask for more than \$4,000,000,000 to finance its entire space program starting next July 1.

New contracts involving millions of dollars are being let by NASA intermitently. Contractors are making new technical discoveries all the time, and NASA proposes to make the new patents available to private industry, but the plan is evoking a controversy. The White House has been drawn into it.

Therefore, Washington has a new problem—the patent problem. The patent problem cropped up in the Capital, however, even before the NASA proposal to waive its present exclusive rights to new patents.

The U. S. Patent Office has the biggest and most problems for the simple reason it is receiving 1,500 patent applications a week, all of which must be classified. It also issues 1,000 patents a week, and these must be classified.

In the files of this office are more than 3,000,000 American patents, more than 7,000,000 foreign patents, and thousands of pieces of technical literature.

Commissioner David L. Ladd says there is a steady trend toward more applications each year to the already oppressive work load. Second there is the increasing complexity of disclosures in the applications, and third there is the mounting burden of the search load.

Each year the Patents Office needs more than 3,000 square feet of additional floor space to accommodate the additional paper which must be integrated into these files.

## Who Should Own the Patent Rights?

Mr. Ladd was asked what he thought of the proposals that are scheduled to go before Congress that would provide for a consistent patent policy dealing with industry's rights to inventions it develops under government research and development contracts.

"I cannot comment on which patent policy of government agencies is better than the other," said Mr. Ladd. "But it is interesting to note that no one has come up with a convincing argument either way—whether government or industry should retain patent rights. ... The present system seems to work very well.

Commissioner Ladd explained that all American applications are examined for novelty. This means, he explained, that theoretically every patent application is compared against all relevant patents and technical literature, in any language, anywhere in the world, which were recorded at anytime.

"To make this comparison," Mr. Ladd said, "we must search all the prior art. Prior art is the technical term used by patent lawyers. It simply means everything that has been done or published before on this subject. This prior art must be searched. The

search is one of the principal jobs of the Patent Office and patent examiners. This job has always been a big one, and today is overwhelming. And it is growing."

## Patent Office Needs New Technology

The validity of any given patent and the ultimate soundness of the examination system depends upon how thoroughly the files are searched for each application, according to the Commissioner. The question facing the Patent Office at this time is: Can the Patent Office continue to search this literature to determine novelty in patent applications with such thoroughness as to justify the legal presumption of validity which arises because of this examination and issuance of the patent?

He gave an affirmative answer. Nevertheless, he said the answer would have to be "No" if the office continues to search in the same manner it has done down through the decades. Therefore, new methods designed to expedite rapid and complete research must be initiated in order for the office to survive.

Commissioner Ladd insists that the Patent Office functions at the very core of the American free enterprise system as the stimulus to industrial growth. He added:

"The protection offered in patents provides Americans with the incentive to invent, disclose, invest and manufacture. With the current need to increase the rate of our industrial and economic growth, the Patent Office must exercise vigorously its responsibility for the promotion of science and industry."

## Opponents of the NASA's Proposal

The other evening Senator Russell B. Long took the controversial debate over industry's rights to patents to the White House. He had a 30-minute huddle with President Kennedy.

The Louisianian, who supports most of Mr. Kennedy's proposals, said he made it clear to the President that he is unalterably opposed to the NASA plan, and he is going to do what he can to resist it. Mr. Long is chairman of the Senate Small Business Committee's Monopoly Subcommittee. He plans to conduct hearings on the patent question early in the new session.

Senator Long, who is backed by Senator Estes Kefauver of Tennessee, and others, said President Kennedy promised him he would make a study of the NASA proposal before anything is done.

The new Space Age know-how and knowledge is worth many millions of dollars to industry. Of course, it cost the taxpayers millions of dollars to develop and learn of the new techniques. The knowledge coming to light is raising some new questions. For instance, the question has been posed on what effect will there be on certain manufacturing equipment designed to last 1,000 times or 5,000 times longer than is currently considered normal.



"Your stock dropped 30 points, Mr. Bulldozer—Oh, by the way—Happy New Year!"

Senator Kefauver contends that the NASA proposal flouts the clear legislative intent of Congress. However, other members of Congress feel entirely different on the subject.

Rep. Emilio Q. Daddario, Democrat of Connecticut, chairman of a House subcommittee that conducted extensive hearings into the patent provisions of the Space Act, expressed the conviction that modification of the rigid patent regulations would prove of great importance in promoting widespread use of the new technologies. Representative Daddario wrote NASA Administrator James E. Webb:

"I believe that the evidence will show that the improvement of the patent policies to encourage and promote science and invention is well warranted, not only within the framework of present law, but beyond. ... The application of new technologies developing from the space program to our consumer economy is extremely important to the welfare of the nation."

## Advisory Committee Appointed

Meantime, an Industrial Applications Advisory Committee has been organized and ready to function. Some of the leading industrialists and technical people in the Nation have been named to the Advisory Committee to help implement the new techniques and processes to aid all the people.

First, however, NASA must be given the go ahead signal to make

this information available. President Kennedy in all probability will give support to NASA. After all, the billions of dollars in expenditures must be justified if the program is to grow.

[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

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.

CHRONICLE's Special Pictorial Section Feb. 7.

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

March 29, 1963 (New York City) New York Security Dealers Association 37th Annual Dinner at the Waldorf-Astoria Hotel.

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April 3-4-5, 1963 (Dallas, Tex.) Texas Group Investment Bankers Association Convention at the Statler Hilton Hotel.

CHRONICLE's Special Pictorial Section April 25.

April 17-21, 1963 (Syracuse, N. Y.) American Bar Association Regional Meeting.

April 27 - May 1, 1963 (Boston, Mass.)

National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

May 8-11, 1963 (White Sulphur Springs, W. Va.)

Investment Bankers Association Board of Governors Meeting at the Greenbrier.

May 12-15, 1963 (Chicago, Ill.) Financial Analysts Federation annual convention at the Palmer House.

June 19-21, 1963 (Chicago, Ill.) Investment Bankers Association Municipal Conference at the Pick-Congress Hotel.

Sept. 22-26, 1963 (Colorado Springs, Colo.)

National Security Traders Association Annual Convention at the Broadmoor Hotel.

CHRONICLE's Special Pictorial Supplement Oct. 17.

Sept. 11-13, 1963 (Pebble Beach, Calif.)

Investment Bankers Association Board of Governors Meeting at the Del Monte Lodge.

Dec. 1-6, 1963 (Hollywood Beach, Fla.)

Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel.

CHRONICLE's Special Pictorial Supplement Dec. 19.

## H. Cassel & Co. To Admit to Firm

H. Cassel & Co., 61 Broadway, New York City, members of the New York Stock Exchange, will admit Stanley Schwartz and Hugh Cassel to general partnership in the firm. Mr. Cassel will cease to be a limited partner on that date.

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