

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

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(Issue No. 66-46)

FOR RELEASE March 9, 1966

NASD SUSPENSION AFFIRMED. In a decision announced today (Release 34-7834), the Commission affirmed disciplinary action of the NASD against Amsbary, Allen & Morton, Inc., of Pittsburgh, Pa. The NASD had found that the Amsbary firm and three officers or former officers had sold securities to customers at prices not reasonably related to their market price; and it suspended the firm from membership for 90 days and fined it \$3,000, suspended the registrations of the three individuals for 90 days, and assessed costs. The individuals were Hugh M. Casper, Larry A. Hirsh and Louis A. Moore, officers or former officers.

The firm and individuals appealed the NASD action to the Commission. They did not question the NASD's computation of mark-ups, which ranged from 8.3 to 11.1% in 26 transactions in stock of Siltronics, Inc., and 12.5% in 19 transactions in stock of Kelly & Cohen, Inc. (the transactions occurred in 1963); but they urged that the mark-ups were not excessive in view of various facts, including the low price of the stocks (4-3/4% to 6-1/2 as to Siltronics and 3-3/8 as to K & C), the risks assumed, disclosure of mark-ups, and the firm's investigation of the issuers. The Commission ruled that the mark-ups were excessive and that they were not supported by the mitigating factors urged.

LOWELL, MURPHY & CO., OTHERS ACQUITTED. The SEC Denver Regional Office announced March 3 (LR-3447) that John H. Lowell, Thomas H. Murphy, and Lowell, Murphy & Co., Inc., a Denver broker-dealer, were acquitted (USDC, Denver) of securities fraud in the sale of securities of The Clute Corp. Another defendant, Bruce Kistler, also of Denver, was acquitted of these charges pursuant to a directed verdict of acquittal.

NEWCOMER, PILAND AND HILL SENTENCED. The SEC Denver Regional Office announced March 4 (LR-3448) that Joe W. Newcomer, of Colorado Springs, was sentenced to four years' imprisonment following his plea of guilty to an indictment charging violations of the Securities Act registration provisions, and that Ruth L. Piland and Royce Hill, also of Colorado Springs, received two-year prison sentences. The sentence of the latter two was suspended except for four months which is to be served by them in a treatment-type institution; and they were placed on probation for the remainder of their terms.

VINCENT DUFF INDICTED. The SEC Denver Regional Office announced March 7 (LR-3449) the return of a indictment by a Federal Grand Jury in Newark, N. J., charging Vincent A. Duff of Coopersburg, Pa., with violations of the Securities Act anti-fraud provisions in the sale of common stock of Larsen Industries, Inc., and United Technical Industries, Inc.

AMERICAN NATURAL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15422) authorizing the American Natural Gas Company, New York holding company, to invest and participate in a Canada-to-United States natural gas pipe line venture. According to the application, American Natural has entered into an agreement with Trans-Canada Pipe Lines Limited, a nonassociate Canadian corporation, under which the two companies are to participate in the construction and operation of a proposed new 36-inch natural gas pipe line to transport Canadian natural gas from Emerson, Manitoba, to the markets of the American Natural system in the United States and the markets of Trans-Canada in eastern Canada. The pipe line is to be built and operated by Great Lakes Gas Transmission Company, a newly-formed Delaware corporation, all of whose common stock will be owned in equal amounts by American Natural and Trans-Canada (see January 14 News Digest for details).

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-7836) giving interested persons until March 24 to request hearings on applications of (1) the Boston Stock Exchange for unlisted trading privileges in the common stocks of Chicago & North Western Railway Co., Crown Cork & Seal Co., Inc., Delta Air Lines, Inc., Kerr McGee Corp., Metromedia, Inc., Packard-Bell Electronics Corp., Rockwell-Standard Corp., Sunshine Mining Co., Syntex Corp., United Nuclear Corp., and Zayre Corp., and (2) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stock of Eversharp, Inc.

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7836) granting an application of the Boston Stock Exchange for unlisted trading privileges in the 5% non-cumulative preferred stock of the Atchison, Topeka & Santa Fe Railway Co.

HOUSTON LIGHTING PROPOSES BOND OFFERING. Houston Lighting & Power Company, 900 Fannin St., Houston, Tex. 77001, filed a registration statement (File 2-24599) with the SEC on March 8 seeking registration of \$40,000,000 of first mortgage bonds (due 1996), to be offered for public sale at competitive bidding. Net proceeds of its debenture sale will be used in connection with the company's construction program (estimated to cost \$88,000,000 in 1966), and for other corporate purposes.

PNEUMO DYNAMICS FILES STOCK PLAN. Pneumo Dynamics Corporation, 3781 E. 77th St., Cleveland, Ohio 44105, filed a registration statement (File 2-24600) with the SEC on March 7 seeking registration of 39,288 shares of common stock, to be offered under the company's Employees Restricted Stock Option Plan and Stock Option Plan.

OVER

GULF AMERICAN LAND FILES STOCK PLAN. Gulf American Land Corporation, 7880 Biscayne Blvd., Miami, Fla. 33138, filed a registration statement (File 2-24601) with the SEC on March 7 seeking registration of 153,460 stock options and the same number of underlying shares of common stock, to be offered pursuant to its Officers' and Key Employees' Stock Options.

CATERPILLAR TRACTOR FILES STOCK PLAN. Caterpillar Tractor Co., Peoria, Ill., filed a registration statement (File 2-24602) with the SEC on March 7 seeking registration of 80,214 shares of common stock, to be offered pursuant to its 1959 Stock Option Plan.

FIRST AMERICAN FUND OF FUNDS PROPOSES OFFERING. First American Fund of Funds, Inc., 5 Hanover Sq., New York 10004, filed a registration statement (File 2-24604) with the SEC on March 7 seeking registration of 100,000 shares of common stock. A portion of such shares (the number to be supplied by amendment) is to be distributed through L. M. Rosenthal & Co., Inc., 5 Hanover Square, New York. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under New York law in September 1965, the Fund proposes to become an open-end investment company which, through the medium of investments in other investment companies, "will attempt to secure reasonable growth of capital without undue risks of loss." Hanover Advisory Corp. will serve as its investment adviser. Milton Mound and Lawrence M. Rosenthal are board chairman and president, respectively, of the Fund and its investment adviser. Rosenthal is also president and principal stockholder of L. M. Rosenthal & Co.

GTS CORP. FILES STOCK PLAN. GTS Corporation, 1142 W. Beardsley Ave., Elkhart, Ind. 46514, filed a registration statement (File 2-24605) with the SEC on March 7 seeking registration of 162,745 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan and 1965 Stock Option Plan.

CORRUGATED CONTAINER PROPOSES OFFERING. The Corrugated Container Company, 1200 Corrugated Way, Columbus, Ohio, filed a registration statement (File 2-24597) with the SEC on March 7 seeking registration of 30,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by The Ohio Co., 51 N. High St., Columbus, Ohio (5,000 shares are to be offered initially to company employees). The public offering price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs and manufactures corrugated fibreboard products and plastic components for liquid containers. Net proceeds of its stock sale will be added to general working capital and may be used, together with other funds, for the company's investment in WesCor Corporation, a paper mill which the company and Western Kraft Corp. propose to erect (near Hawesville, Ky.) and own in equal proportion. Its initial capital is to be \$1,000,000. In addition to indebtedness, the company has outstanding 291,002 common shares, of which management officials own 54% (including 26% owned by Samuel S. Davis, board chairman). George A. Wilders is president.

TENSOR CORP. FILES FOR OFFERING AND SECONDARY. Tensor Corporation, 1873 Eastern Parkway, Brooklyn, N.Y. filed a registration statement (File 2-24598) with the SEC on March 7 seeking registration of 201,000 shares of common stock. Of such stock, 100,000 shares are to be offered for public sale by the company and 101,000 shares (being outstanding stock) by the present holder thereof. The offering is to be made through Lee Higginson Corp., 20 Broad St., and D. H. Blair & Co., 66 Beaver St., both of New York. The public offering price (\$16 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the design, manufacture and sale of high-intensity lamps. Net proceeds of its sale of additional stock will be used to repay certain indebtedness; to carry increased inventories and accounts receivable; and to finance its capital expenditure program for 1966, the cost of which is estimated at \$250,000. In addition to indebtedness, the company has outstanding 325,200 common shares, of which management officials own 37.4% (including 33.3% owned by Jay Monroe, president). Gerald I. Starr, the selling stockholder, is offering his entire stock holdings of 101,000 shares.

TIME INSURANCE FILES FOR OFFERING AND SECONDARY. Time Insurance Company, 735 N. Fifth St., Milwaukee, Wisc. 53203, filed a registration statement (File 2-24603) with the SEC on March 7 seeking registration of 107,543 shares of common stock. Of such stock, 46,000 shares are to be offered for public sale by the company and 61,543 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Loewi & Co. Inc., 225 E. Mason St., Milwaukee, Wisc. The public offering price (\$48 per share maximum*) and underwriting terms are to be supplied by amendment. The company is also registering 8,000 common shares, to be offered pursuant to its Qualified Stock Option Plan.

The company is registering an additional 11,890 outstanding shares of Class A common stock, to be offered by the present holders thereof to company employees, directors and agents at the same price per share payable by the underwriters for common shares without underwriting discount. Any shares not so purchased will be offered to existing Class A common shareholders at the same price.

The company is engaged in writing life and health insurance. Net proceeds of its sale of additional stock will be used in the conduct of such business. The company has outstanding 150,000 common and 350,000 Class A common shares, of which management officials own 57.3% and 68.2%, respectively. The prospectus lists seven selling stockholders, including Loraine P. Sisson and Jerome O. Paddock, offering their entire common stock holdings of 14,860 and 14,870 shares, respectively. Sisson and Paddock are each offering 5,940 Class A common shares of respective holdings of 34,690 and 34,680 shares. The remaining sellers are offering stock ranging in amounts from 4,000 to 9,618 shares. Richard L. Paddock is president of the company.

CAUTION: The Following is for Release March 10, 1966

CAPITAL EXPENDITURES UP. The SEC and the Department of Commerce announce (For March 10th Newspapers) that businessmen plan further substantial increases in expenditures for new plant and equipment throughout 1966. Projected spending for the year as a whole amounts to \$60.2 billion, 16 percent higher than the \$52.0 billion spent in 1965, according to the survey conducted in late January and February by the SEC and Commerce. The projected rise in investment for 1966 is about the same as the expansion of 1965 and would continue the sustained advance which has been underway since mid-1961.

Plant and equipment expenditures for the first quarter of 1966 are programed at a seasonally adjusted annual rate of \$57.2 billion, \$1.9 billion higher than the rate in the fourth quarter of 1965. Spending is expected to rise further in the second quarter to \$58.9 billion, and anticipations for the second half of 1966 point to a rate of about \$62.2 billion.

The survey also shows that businessmen over a broad range of industries expect to set new sales records this year. Manufacturers anticipate an 8 percent advance over 1965, trade firms 7½ percent, and public utilities about 5 percent.

Among the major industry groups, the largest increase from 1965 to 1966 has been projected by manufacturers, who have programed outlays of \$26 ¾ billion for 1966, 19 percent above last year. The increases are widespread among the industry groups, with the nondurable industries as a whole projecting a somewhat sharper rise than the durables. Among nonmanufacturing industries, public utilities and mining companies plan the largest increases in 1966 expenditures, with gains of 16 percent. Commercial and communication firms expect spending to rise 13 percent this year. Railroads, which reported a sharp advance in investment last year, are projecting a much smaller increase of 6 percent this year. Nonrail transportation firms plan outlays for plant and equipment 12 percent above 1965.

A comparison of outlays anticipated for 1966 with actual investment in 1965 and 1964 is shown in the following table:

(Billions of dollars)

	Actual 1964	Actual 1965	Antici- pated 1966	Percent changes	
				1964 to 1965	1965 to 1966
All industries.....	44.90	51.96	60.23	+16	+16
Manufacturing.....	18.58	22.45	26.75	+21	+19
Durable.....	9.43	11.40	13.50	+21	+18
Nondurable.....	9.16	11.05	13.25	+21	+20
Mining.....	1.19	1.30	1.51	+ 9	+16
Railroad.....	1.41	1.73	1.83	+23	+ 6
Transportation other than rail.....	2.38	2.81	3.15	+18	+12
Public utilities.....	6.22	6.94	8.04	+12	+16
Communications, Commercial and other.....	15.13	16.73	18.95	+11	+13

(For further details see Stat. Release No. 2110).

WOODWARD & LOTHROP FILES FOR SECONDARY. Woodward & Lothrop Incorporated, 11th & F Streets, N. W., Washington, D. C., 20013, filed a registration statement (File 2-24606) with the SEC on March 8 seeking registration of 92,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof. The offering is to be made through underwriters headed by Alex. Brown & Sons, 600 American Security Bldg., Washington, D. C. 20005, and Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005. The public offering (\$32 per share maximum*) and underwriting terms are to be supplied by amendment. The selling stockholder has agreed to sell an additional 777 outstanding shares of 5% cumulative preferred stock to Alex. Brown & Sons as sole underwriter. Such shares are also to be offered for public sale, the offering price (\$105 per share maximum*) to be supplied by amendment.

The company conducts a department store business in Washington, D. C., and neighboring areas. In addition to indebtedness and preferred stock, it has outstanding 2,128,710 common shares, of which management officials own 7.62%. The selling stockholder is the National Savings and Trust Co. and Andrew Parker (company president), in their capacity as trustees under an agreement with Rena Woodward Parker, dated October 8, 1959. Upon completion of the proposed sales, the trustees will hold 74,804 shares of the company's common and none of its preferred stock.

PINAL COUNTY DEVELOPMENT TRADING BAN CONTINUED. The SEC has issued an order suspending over-the-counter trading in bonds of Pinal County Development Association for a further 10-day period, March 10-19, 1966, inclusive.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the March 1 News Digest.

OVER

Cooper Tinsley Laboratories Inc Jan 66(11)	2-22040-2	Tidewater Lumber Co Inc Feb 66(2)	2-19122-2
NBCI Corp Dec 65(11,12,13) Jan 66(2,4,8,13)	0-906-2 0-906-2	Amer Mach & Foundry Co April 65(11,13)	1-785-2
Murphy Finance Co Dec 65(11)	2-15948-2	Harrisonburg Telephone Co Feb 66(12,13)	0-724-2
Forcite Inc Feb 66(11,13) Sun Oil Co Feb 66(13)	2-17521-2 1-2223-2	Struthers Wells Corp Feb 66(7)	1-4454-2
Kavanagh-Smith & Co April 65(7,13) May 64(7,13)	0-180-2 0-180-2	Southland Royalty Co Feb 66(12,13)	1-495-2
Mary Carter Paint Co Jan 66(2)	1-4748-2	Cotter & Co Feb 66(7)	2-20910-2
Big "C" Stores Inc Amend #2 for Dec 65(4,7)	0-14-2	Movie Star Inc Feb 66(7)	1-4585-2
First Western Financial Corp Feb 66(12)	1-4938-2	New York Central RR Co Feb 66(7,13)	1-4480-2
Muntz TV Inc Dec 65(11,13)	1-3715-2	Continental Vending Machine Corp Feb 66(3,13)	1-3421-2
Nordon Corp Ltd Jan 66(1)	1-547-2	Eastern Properties Improvement Corp Feb 66(12)	2-20468-2
Tung-Sol Electric Inc Feb 66(13)	1-2290-2	Hitco Feb 66(11)	1-5168-2
Zurn Industries Inc Feb 66(4,7,13)	0-1569-2	Airlift International Inc Amend #1 for July, Aug, Sept 65(12,13)	0-1846-2
Associated Baby Services Inc Feb 66(7,13)	1-4684-2		
Lau Blower Co Feb 66(11)	1-5155-2		
Marquette Cement Mfg Co Feb 66(12,13)	1-3780-2		

SECURITIES ACT REGISTRATIONS. Effective March 8: Anheuser-Busch, Inc., 2-24535; American Realty and Petroleum Corp., 2-24174 (40 days); Hoover Ball and Bearing Co., 2-24409; Investors Funding Corporation of New York, 2-24239 (40 days); Microdot Inc., 2-24461; Occidental Petroleum Corp., 2-24359; Pacific Gas and Electric Co., 2-24512; Whitestone 1966 Program Corp., 2-24494 (June 6).
Effective March 9: Communications Industries, Inc., 2-23742 (June 8); Meredith Publishing Co., 2-24484 (40 days).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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