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

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DELEGATION RULES MODIFIED. The SEC today announced a modification of its delegation rules to give effect to the transfer to the Division of Corporate Regulation of functions relating to investment companies previously performed by the Division of Corporation Finance (Release 33-4731). In the past, the Division of Corporation Finance has been responsible for the administration of the disclosure requirements in registration statements filed by investment companies under the Securities Act of 1933 and in proxy statements filed by such companies under the Securities Exchange Act of 1934, for all matters pertaining to registered investment companies arising under the Trust Indenture Act of 1939, and for the review of periodic reports filed by investment companies and of reports transmitted to stockholders of such companies pursuant to Sections 30(a) through 30(e) of the Investment Company Act of 1940. These functions have been transferred to the Division of Corporate Regulation, which continues to be responsible for the administration of the regulatory provisions of the Investment Company Act of 1940. The revised delegation rules transfer certain related authority heretofore delegated to the Division of Corporation Finance to the Division of Corporate Regulation.

AMERICAN & FOREIGN POWER SEEKS EXEMPTION. American & Foreign Power Company, Inc., of 100 Church St., New York, has applied to the SEC for an order under the Investment Company Act (a) declaring that it is engaged through subsidiaries in a business or businesses other than that of an investment company, or (b) granting it an exemption from the provisions of said Act. The Commission has scheduled the application for hearing on November 19th.

Since 1950 Foreign Power's operations have been restricted to certain Latin American subsidiaries. Properties of the subsidiary serving Cuba were expropriated without compensation by the Castro Government in 1960. Between 1958 and 1962, the utility properties of subsidiaries in Argentina, Mexico and Colombia were sold to the governments of those countries. In August 1964, a contract was initialed by Foreign Power and Centrais Electricas Brasileiras, S.A. ("Eletrobras"), a Brazilian Government power agency, providing for the sale of all of Foreign Power's direct and indirect holdings in its utility subsidiaries in Brazil to Eletrobras. The contract is expected to be signed in November and thereafter submitted to the Brazilian Tribunal de Contas for registration, at which time it will become effective. The contract provides for a purchase price of \$135,000,000 plus certain compensatory adjustments. The consideration is to be paid as follows: \$10,000,000 down payment on the closing date; Eletrobras notes of \$24,750,000, at 6% interest, payable semi-annually over 22 years commencing January 1, 1968; and additional Eletrobras notes in the amount of \$100,250,000, at 6½% interest, payable semi-annually from July 1, 1968, to July 1, 2009. Proceeds from 6½% notes are required to be reinvested, upon receipt, in 6½% notes of Eletrobras, payable semi-annually over a period of 20 years from time of investment.

As of June 30, 1964, Foreign Power's assets (after giving effect to sale of the Brazilian subsidiaries) consist of: (1) securities of majority-owned utility subsidiaries, \$143,715,000 (33.1% of total); securities of wholly-owned subsidiaries holding Latin American Government notes and other investment securities, \$194,571,000 (44.7%); and direct holdings of Latin American Government notes, \$88,725,000 (20.4%). Giving effect to income from Brazilian notes and Colombian notes on a full year basis, Foreign Power's net equity in the income of its utility subsidiaries (based on the year 1963) would amount to 39%, and interest income from notes of Latin American governments would amount to 61%, of total net equity of Foreign Power in income from all sources.

Foreign Power is a majority-owned subsidiary of Electric Bond and Share Company, which is a registered closed-end investment company. The common stock of Foreign Power constituted 21.6% of the value of the total assets of Bond and Share as of March 31, 1964 (exclusive of cash and cash items); and an additional 42.2% of the value of such total assets was composed of investment securities on that date. Bond and Share previously applied to the Commission for an order declaring that it is not engaged in business as an investment company, and the hearing on that application was concluded in June. The Commission's order consolidates the Foreign Power application with that of Bond and Share; and the order states that a determination that Foreign Power is an investment company not exempt from the Investment Company Act would result in 63.8% of Bond and Share's total assets consisting of investment securities and would preclude a finding that Bond and Share is not an investment company.

GREAT LAKES INDUSTRIES EXEMPTED. In a decision under the Investment Company Act announced today (Rel IC-4077), the SEC granted an application of Great Lakes Industries, Inc. ("GLI"), of Monmouth, Ill., that it be declared to be primarily engaged in a business or businesses other than that of an investment company--and therefore exempt from the said Act.

GLI owns and operates manufacturing assets. In addition, it owned 179,423 shares (25.1%) of the outstanding common stock of Natco Corporation, an industrial company, as of September 30, 1963. As of said date GLI's assets (exclusive of cash and governments), on the basis of the then market value of Natco shares and taking the remaining assets at values assigned by GLI, aggregated about \$2,953,000. Of this, some 53.6% consisted of GLI's interest in Natco.

According to the Commission's decision, the record demonstrates that GLI does in fact control Natco and that, in addition, GLI, through its representatives, participates actively in the management of Natco (six

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of the eleven Natco directors were designated by representatives of GLI on Natco's board). Accordingly, the Commission concluded that GLI is primarily engaged directly and through Natco, a controlled company, in businesses other than that of an investment company.

UNITED INTERNATIONAL FUND AND UNITED FUNDS CANADA SEEK ORDER. United International Fund Ltd. and United Funds Canada Ltd., of New York (both foreign corporations and diversified management open-end investment companies), have applied to the SEC for an exemption order under the Investment Company Act authorizing International Fund to sell substantially all of its assets to United Funds in exchange for stock of the latter; and the Commission has issued an order (Release IC-4076) giving interested persons until November 30 to request a hearing thereon. According to the application, the proposed sale is part of a planned reorganization of both companies, whereby United Funds, after acquiring substantially all of International Fund's assets in exchange for its own shares, would be known as United Funds Canada-International Ltd. Following the proposed reorganization, substantially all of the assets of International Fund will consist of shares of Canada-International Fund, and International Fund will then distribute to its shareholders the shares of Canada-International Fund. The companies are affiliated by virtue of the fact that three of the directors of International Fund are also directors of United Funds. North American Intercontinental Adviser's Ltd. serves as investment adviser to both funds.

According to the application, net assets of the respective funds have declined during the past year; and it is believed that the continuing decline in the total assets of the two funds is due to the proposal and passage of the Interest Equalization Tax which imposes a tax of up to 15% on American purchasers of foreign securities. The application states that due to the proposal and passage of the tax, both International Fund and United Funds have been prevented from selling their shares in the United States since July 18, 1963. There have also been attendant rises in the expense ratios of the two funds during their most recent fiscal years. The management of the two funds believes that the larger combined fund resulting from the reorganization would be better able to meet these difficulties during the period the Interest Equalization Tax is in effect. (It expires by its terms on December 31, 1965.)

REVELL FILES FOR OFFERING AND SECONDARY. Revell, Incorporated, 4223 Glencoe Ave., Venice, Calif., filed a registration statement (File 2-22913) with the SEC on November 9 seeking registration of 150,000 shares of common stock. Of these shares, 75,000 are to be offered for public sale by the company (approximately 15,000 will be allotted for sale to certain persons at the public offering price), and 75,000, being outstanding stock, by the present holders thereof. The public offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. William R. Staats & Co., Inc., 640 S. Spring St., Los Angeles, is listed as the principal underwriter.

The company is engaged principally in the manufacture of plastic model hobby kits and model racing-car kits and sets and related items. Of the net proceeds from its sale of additional stock, \$450,000 will be applied to the payment of a bank loan and the remaining proceeds will be added to working capital. In addition to indebtedness, the company has outstanding 119,872 common and 405,240 Class B common shares, of which management officials as a group own 20.2% and 95.5%, respectively. The selling stockholders are listed as Lewis H. Glaser (president and board chairman), offering 20,535 of 21,112 common shares, and Stevenson Engineering Co., 54,465 of 94,487. Stevenson Engineering recently converted 88,914 Class B common shares into the same number of common shares. Upon completion of this offering, Glaser will own approximately 56% of the company's outstanding stock.

GRANITE CITY STEEL PROPOSES OFFERING. Granite City Steel Company, Granite City, Illinois 62041, today filed a registration statement (File 2-22916) with the SEC seeking registration of \$30,000,000 of Convertible Subordinated Debentures due 1994, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., all of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Under the company's capital improvement program, it has made some \$85 million of capital expenditures since January 1959; and in order to continue this program the company plans further capital expenditures of about \$140 million during the years 1965-67. Net proceeds of this financing will provide a portion of the funds needed for this program. In addition, the company has entered into agreements under which it may sell \$55 million of 5.30% secured notes due 1990 to institutional investors; and it has entered into a bank credit agreement providing for \$10 million of loans on either 90-day revolving credit notes or a five-year term note. In addition to indebtedness, the company now has outstanding 4,338,383 common shares, of which management officials own some 2%. Nicholas P. Veeder is president and board chairman.

SECURITIES ACT REGISTRATIONS. Effective November 9: Pan-Alaska Fisheries, Inc. (File 2-22043); Standard Thomson Corp. (File 2-22853). Effective November 10: Jiffy Steak Co. (File 2-22823). Withdrawn November 9: Developers Small Business Investment Corp. (File 2-22165).

*As estimated for purposes of computing the registration fee.