

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST



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

Washington 25, D.C.

FOR RELEASE May 21, 1957

The Brown Fund of Hawaii, Ltd., Honolulu, (formerly The Brown Investment Company, Ltd.), filed an amendment on May 20, 1957 to its registration statement (File 2-12647) seeking registration of an additional 100,000 shares of Common Stock, \$1 par value.

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First National Mutual Fund Inc., San Francisco, filed an amendment on May 20, 1957 to its registration statement (File 2-12618) seeking registration of an additional 400,000 shares of Common Stock, \$1 par value.

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The Timken Roller Bearing Company, Canton, O., today filed a registration statement (File 2-13356) with the SEC seeking registration of 484,276 shares of its no par Common Stock. The company proposes to offer this stock for subscription by holders of its outstanding common, on the basis of one additional share for each ten shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Hornblower & Weeks is listed as the principal underwriter.

Net proceeds of the sale of the stock will be added to the company's general funds and will be available for general corporate purposes. It is expected that the proceeds will be used primarily to augment working capital, provide funds for capital improvements and expand facilities needed to increase the volume of domestic and foreign business. Further expansion of facilities and purchases of new equipment are in contemplation, and will involve capital expenditures of over \$40,000,000 during the next three years.

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Reading & Bates Offshore Drilling Company, Tulsa, Okla., today filed a registration statement (File 2-13357) with the SEC seeking registration of \$1,700,000 of 6% Subordinated Sinking Fund Debentures, due June 1, 1967, 170,000 shares of its 20¢ par common stock, and stock purchase warrants covering 255,000 common shares. The company proposes to offer these securities for public sale in units consisting of \$100 of debentures, ten common shares, and one warrant to purchase 15 common shares. The public offering price of the units, as well as the underwriting terms, is to be supplied by amendment. Hulme, Applegate & Humphrey, Inc., The Milwaukee Company, The Ohio Company, and Stroud & Company are listed as the principal underwriters.

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Organized under Delaware law in 1955, the company is engaged in the drilling of oil and gas wells off the shores of the United States under contract with holders of off-shore leases. The company now owns and operates two off-shore drilling tenders and related rigs and equipment under firm contract with Continental Oil Company; and it has entered into an agreement with R. G. LeTourneau, Inc., for the construction of an off-shore mobile platform which the company plans to use for drilling under contract and for drilling for its own account. It is anticipated that the new off-shore mobile platform will be ready for delivery by March 15, 1958. Net proceeds of the sale of the additional securities will be applied to the purchase of the LeTourneau off-shore mobile platform and the rig and related equipment to be used in connection with the platform. Such purchase also will be financed in part by the company's 6% Preferred Mortgage Installment Note, due September 15, 1959, in the amount of \$500,000 payable to LeTourneau, and in part by the company's 6% Chattel Mortgage Notes, due March 15, 1958-September 15, 1959, in the amount of \$300,000, payable to The National Supply Company.

Investment Company Act Release No. 2530

The SEC today announced the issuance of an order authorizing Atomic Development Mutual Fund, Inc., Washington, D. C. investment company, to purchase \$25,000 of securities of Nuclear Development Corporation of America. Nuclear Development, which acts as technical adviser for Atomic Development, has negotiated the sale through financial agents to a small group of investors of 40,000 shares of its common stock and \$500,000 of 5% Subordinated Convertible Debentures, due March 31, 1967. The stock was sold at \$12.50 per share and the debentures at 100% of principal amount on a "package" basis whereby each purchaser acquired face-amount of debentures equal to the amount paid for stock. Atomic Development has agreed to purchase 1,000 shares of stock and \$12,500 of the debentures.

According to the application, Nuclear Development, which heretofore has operated primarily as a research and development organization in the nuclear engineering field, is entering into development and fabrication of nuclear reactors, having been awarded a contract by the Atomic Energy Commission for the design and construction of a 10,000 KW sodium-deuterium reactor. Proceeds of its sale of the additional stock and debentures will be used to finance expansion required in connection with this contract.

Holding Company Act Release No. 13476

The SEC today announced the issuance of an order authorizing the sale of \$50,000,000 of debentures by Consolidated Natural Gas Company and related financing by it and its subsidiaries.

Consolidated proposes to issue and sell \$50,000 of twenty-five year sinking fund debentures at competitive bidding, \$25,000,000 in June and \$25,000,000 tentatively scheduled for October, 1957. Pending such sale, Consolidated proposes to make open account advances to its subsidiaries for the temporary financing of plant construction and other corporate purposes, as follows: The East Ohio Gas Company, \$23,000,000; Hope Natural Gas Company, \$15,000,000; New York State Natural Gas Corporation, \$6,000,000; The Peoples Natural Gas Company, \$6,500,000; and The River Gas Company, \$300,000. Following issuance by Consolidated of the second issue of debentures, the subsidiaries will issue long-term non-negotiable serial notes to Consolidated in replacement of the open account advances.

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In order to provide funds for seasonal gas storage purchases by its subsidiaries, Consolidated also proposes to make bank borrowings during 1957 in the amount of \$30,000,000. These funds will be loaned to subsidiaries, as follows: \$5,000,000 to East Ohio; \$6,000,000 to Hope; \$18,000,000 to New York State; and \$1,000,000 to Peoples. Consolidated also has arranged for a one-year extension of its outstanding \$30,000,000 bank loan maturing July 1, 1957.

Holding Company Act Release No. 13477

The SEC today announced the issuance of an order authorizing the sale of \$15,000,000 of debentures by National Fuel Gas Company as well as certain financings by its subsidiaries.

National proposes to issue and sell at competitive bidding \$15,000,000 of Sinking Fund Debentures, due 1982. Net proceeds thereof will be used, in part, to retire National's present note indebtedness of \$11,100,000 and the balance will be added to the general funds of the company. National also proposes to make bank borrowings during the remainder of 1957 in an amount not to exceed \$10,000,000 in the aggregate.

From these funds, National further proposes to purchase, during the remainder of 1957, unsecured promissory notes of subsidiaries, as follows: Iroquois Gas Corporation, \$8,800,000; United Natural Gas Company, \$2,000,000; and Pennsylvania Gas Company, \$3,000,000. With the proceeds of these borrowings and other funds available from current operations, Iroquois proposes to make needed additions to its utility plant during 1957 estimated to cost \$7,500,000, to purchase additional gas for underground storage, and to discharge short-term bank borrowings; United to make needed additions to its utility plant during 1957, estimated to cost \$1,905,000, and to purchase additional gas for underground storage; and Pennsylvania to make needed additions to its utility plant during 1957, estimated to cost \$2,414,000, and to purchase additional gas for underground storage.

Holding Company Act Release No. 13467

Michigan Wisconsin Pipe Line Company, Detroit subsidiary of American Natural Gas Company, has joined with its parent in the filing of an application with the SEC for authorization to sell \$30,000,000 of bonds to the public and to sell an additional \$3,000,000 of common stock to its parent; and the Commission has issued an order giving interested persons until June 3, 1957, to request a hearing thereon.

More particularly, Michigan Wisconsin proposes to issue and sell, at competitive bidding, \$30,000,000 of First Mortgage Pipe Line Bonds, Series due 1977, and to issue and sell an additional 30,000 shares of its common stock to its parent for \$3,000,000. Proceeds of this financing will be used to pay off outstanding bank loan indebtedness, to finance approximately \$5,500,000 of construction during 1957, and to reimburse the company's treasury for construction expenditures.

Michigan Wisconsin has outstanding \$25,000,000 of short-term notes, maturing July 1, 1957. If the \$30,000,000 of new bonds are not issued and sold prior to such maturity date, the company proposes to execute a new credit agreement with the lending banks providing for \$30,000,000 of borrowings on new notes having an initial maturity date of January 1, 1958.

(Continued)

Kaiser Industries Corporation, Oakland, California, today filed a registration statement (File 2-13358) with the SEC seeking registration of 900,000 shares of its \$4 par Common Stock. These shares are presently outstanding and are to be offered for public sale by the present holders thereof. No part of the proceeds thereof will be received by the company. The public offering of the shares is to be underwritten by The First Boston Corporation, Dean Witter & Co. and Carl M. Loeb, Rhoades & Co. The initial public offering price will be related to the current market price of the stock on the American Stock Exchange at the time of the offering. Underwriting terms are to be supplied by amendment.

The company has outstanding 22,997,303 common shares. The prospectus lists 23 selling stockholders. Holders of the largest blocks are Henry J. Kaiser, Jr., 4,405,139 shares; Trustees of The Henry J. Kaiser Family Foundation, 3,727,877; Henry J. Kaiser, Sr., board chairman, 3,409,615; and Edgar F. Kaiser, president, 2,143,890. These holders propose to sell, respectively, 41,806, 273,925, 87,300, and 133,779 shares. The present holdings of the other selling stockholders range from 12,315 to 511,247 shares; and the blocks to be sold by them range from 1,200 to 37,565 shares. The holdings of the 23 selling stockholders now aggregate 17,517,469 shares, and will be reduced to 16,717,469 after sale of the 900,000 shares.

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