SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

FOR RELEASE July 25, 1960

Statistical Release No. 1694. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended July 22, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

	1939 - 100		Percent	1960	
	7/22/60	7/15/60	Change	High	Low
Composite	389.4	398.4	-2.3	432.5	388.8
Manufacturing	458.2*	471.7	-2.9	538.9	458.2
Durable Goods	438.8*	453.9	-3.3	521.6	438.8
Non-Durable Goods	467.1*	478.9	-2.5	544.4	467.1
Transportation	282.5*	288.5	-2.1	329.3	282.5
Utility	239.4	240.6	-0.5	242.3	216.1
Trade, Finance & Service	451.2	458.3	-1.5	471.8	414.7
Mining	240.7*	242.2	-0.6	299.7	240.7

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended July 21, 1960, 23 registration statements were filed, 24 became effective, one was withdrawn, and 307 were pending at the week end.

FROUGE CORP. FILES FOR OFFERING AND SECONDARY. The Frouge Corporation, 141 North Ave., Bridgeport, Conn., filed a registration statement (File 2-16828) with the SEC on July 22, 1960, seeking registration of $1,500,000 of 6½% Convertible Subordinated Debentures due September 1975 and 150,000 shares of common stock. The debentures and 100,000 common shares are to be offered for public sale by the issuing company, and the 50,000 remaining shares, being outstanding stock, by the present holders thereof. Van Alstyne, Noel & Co. is listed as the principal underwriter; and the public offering price and underwriting terms for both issues are to be supplied by amendment. Also included in the registration statement are 15,000 common shares to be received by the principal underwriter in exchange for stock of an affiliate to be merged into Frouge and which it acquired for $1,500 from the two principal officers of Frouge as well as 71,500 shares which may be issued to management officials and employees pursuant to restricted stock options.

The company is engaged in the construction business, both as a general contractor and as a builder for its own account. It has built and continues to own and operate a large apartment building, industrial and office buildings, a theatre and a warehouse. It also owns unimproved parcels of real estate which are intended for future development. All the company's construction projects have been in the eastern seaboard states, mostly in southwestern Connecticut and in New York City. Future activities, in addition to that of a general contractor, will be the construction of large scale multiple family housing projects for the company's own account, non-residential facilities, such as shopping centers, office buildings and industrial centers for the company's own account, and multiple family projects, such as cooperative apartments, for sale upon completion. Net proceeds of this financing are to be used as follows: $1,050,000 for retirement of bank loans; $50,000 for the unpaid balance of the purchase price of the leasehold at 65th Street and Madison Ave., New York City; and the remainder for working capital purposes. The proceeds of the loans being retired had been used to refinance earlier loans including loans made by members of the Frouge family, the proceeds of which had been used for property acquisitions and general operations. The company is now seeking mortgage financing, in the amount of $1,800,000, $6,000,000, $15,700,000 and $1,200,000, respectively, to permit the construction of buildings planned for its leasehold properties at Madison Ave. and 65th Street and Madison Ave. and 58th St., Manhattan, its Hutchinson River Park Way Property, Bronx, and its Casa Frouge II Property, Bridgeport, Conn.

According to the prospectus, the company now has outstanding 500,000 common shares in addition to mortgage and other indebtedness. Thomas Frouge is listed as board chairman and John P. Frouge as president. Each proposes to sell 25,000 shares of their holdings of 242,010 and 240,768 shares, respectively.

OVER

ISRAEL INDUSTRIAL BANK PROPOSES OFFERING. Bank Lepituach Hataassiya B.M., Industrial Development Bank of Israel Limited, 113 Allenby Road, Tel-Aviv, Israel, filed a registration statement (File 2-16830) with the SEC on July 22, 1960, seeking registration of 10,000,000 shares of 6% Preference C Shares, to be offered for public sale at $1 per share. The price is payable in cash or in State of Israel Independence Issue or Development Issue Bonds, other than the Development Issue of the Second Series. The offering is to be made on a best efforts basis by Harry E. Brager, who will receive a commission of $.055 per share.

The bank was organized in October 1957 to serve as a financing institution to encourage the establishment and expansion in Israel of efficient industrial undertakings needed in the development of the Israel economy. Net proceeds of this financing will be added to its working capital for use in the granting of loans. The bank now has outstanding three series of ordinary shares, as well as Series A and B preference shares and indebtedness. The prospectus lists Dr. Yeshayahu Foerder as board chairman and Yehuda Leviatov as acting general manager.

HARVEST BRAND FILES FOR OFFERING AND SECONDARY. Harvest Brand, Inc., 101 North Elm Street, Pittsburg, Kansas, filed a registration statement (File 2-16826) with the SEC on July 22, 1960, seeking registration of 191,667 shares of common stock, of which 150,000 shares are to be offered for public sale for the account of the issuing company and 41,667 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. The prospectus lists the principal underwriter as S. D. Fuller & Co., who will purchase for $479, 47,900 five-year warrants to purchase a like amount of common shares. In addition, the underwriters has agreed to pay to George K. Baum & Co. $5,000 as a finder's fee and to designate to said firm the right to purchase 2,000 of the said purchase warrants at 1¢ each.

The company is engaged primarily in the formulation, manufacture, distribution and sale of feed supplements, minerals and pre-mixes for the livestock industry in the mid-west. Of the net proceeds from the stock sale, $50,000 will be used to repay present indebtedness, $300,000 to establish a new plant in the company's home office area to function primarily on an automatic basis, and the balance to establish geographically diversified branch plants and distribution centers and for working capital.

The company has outstanding 225,000 shares of common stock, of which George A. Clugston, president, owns 144,645 shares and is selling 27,082 shares; and G. Doyle Clugston, vice-president, and four other shareholders own 16,071 shares each and are selling 2,917 shares each.

LENCE LANES FILES FOR OFFERING. Lence Lanes, Inc., 4650 Broadway, New York, filed a registration statement (File 2-16827) with the SEC on July 22, 1960, seeking registration of 175,000 shares of common stock, to be offered for public sale at $6.00 per share through a group of underwriters headed by Marron, Sloss & Co., Inc. In addition to 60¢ per share commission, the underwriters will receive five year warrants to purchase 23,000 additional new shares of common stock at the offering price, and Jack O. Sloane will receive $5,000 as a finder's fee and warrants to purchase 5,000 additional new shares of common stock at the offering price.

The company was organized under Delaware law in 1958 and, through its wholly-owned subsidiaries, operates automatic bowling centers and, in conjunction therewith, restaurants, bars and luncheonettes and sells supplies and rents shoes, lockers and meeting rooms. Of the $880,000 net proceeds from the stock sale, $175,000 will be used to repay loans from Empire Trust Co., $25,000 to pay loans from individual lenders, and $110,000 to pay a loan from Commercial Bank of North America; $65,000 (and $350,000 in notes) will be paid to the estate of Jack F. Chrysler in exchange for certain debt and capital stock of the company; $50,000 will be used to pay matured equipment rentals, security instrument installments and other incurred but unpaid charges of a current nature; $170,000 will be used for the completion of Garfield Lanes, Jersey City, N.J.; and the balance will be added to working capital.

In addition to various indebtedness, the company has outstanding 30,300 shares of Class A common and 35,000 shares of Class B common stock. After the sale of the new stock, the said classes of outstanding stock will be eliminated, and the company will have outstanding 350,000 shares of common stock, of which Emil Lence, president, will own 85,131 shares, Richard Zirinsky, treasurer, 32,813 shares, and Howard Sheldon, secretary, 21,875 shares.

NATIONAL FUEL GAS - PENNSYLVANIA GAS PLAN FILED. National Fuel Gas Company, New York holding company, has filed a plan with the SEC under the Holding Company Act (Release 35-14259) for the exchange of shares of its common stock for publicly-held common stock of one of its subsidiaries, Pennsylvania Gas Company; and the Commission has scheduled the plan for hearing on August 31, 1960.

The Commission also has instituted proceedings pursuant to Section 11 (b)(2) of the Act, consolidated with proceedings upon National's plan, to determine whether its corporate structure unfairly and inequitably distributes voting power among the security holders of the National holding company system and among Pennsylvania Gas' security holders and, if so, whether the Commission should order its correction.

According to National's plan, it owns 585,079 shares (94.05%) of the outstanding 622,080 shares of Pennsylvania Gas common stock, the remaining 37,001 shares being held by about 225 public stockholders, including Horace Crary, a director of Pennsylvania Gas. The plan proposes that National will issue 1.45 shares of its stock in exchange for each of the 37,001 shares of minority-held stock.

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ROLLINS BROADCASTING FILES FOR OFFERING AND SECONDARY. Rollins Broadcasting, Inc., 414 French Street, Wilmington, Delaware, filed a registration statement (File 2-16829) with the SEC on July 22, 1960, seeking registration of 110,000 shares of common stock, of which 75,000 shares are to be offered for public sale for the account of the issuing company and 35,000 shares, being outstanding stock, by the present holder thereof. The prospectus lists the principal underwriter as F. Eberstadt & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its wholly owned subsidiaries own and operate six AM radio broadcasting and two VHF television stations. The net proceeds from the company's sale of the additional 75,000 shares will be added to the company's general funds and used for corporate purposes, including the acquisition of additional businesses and properties which may become available.

In 1958 the company purchased for $1,210,414 from O. Wayne Rollins, president, a tract of property (8,069 acres) in Okeechobee County, Florida. Part of the purchase price consisted of notes, of which $777,778 is now outstanding. The company will purchase from O. Wayne Rollins four tracts of land lying contiguous to the main tract for $265,500. The purchase price is to consist of the assumption by the company of obligations of Rollins to third persons (the original vendors of the land to Rollins) in the amount of $268,869. The overpayment of $3,369, arising from the company's assumption of such obligations is to be discharged by reducing the previous balance of notes payable to Rollins by a like amount to $774,409. The company will issue to Rollins 100,000 shares of class B common in consideration of the cancellation of the $774,409 debt and receipt of a cash payment of $25,591.

After the issuance of said 100,000 shares, the sale of 75,000 common shares by the company and 35,000 (100%) outstanding common shares by John W. Rollins, a director, the company will have outstanding, in addition to various indebtedness, 815,000 shares of class B common stock, of which O. Wayne Rollins will own 600,000 shares and John W. Rollins 215,000 shares, and 110,000 publicly-owned common shares.

BORDER STEEL ROLLING MILLS FILES FINANCING PROPOSAL. Border Steel Rolling Mills, Inc., Mart Bldg., El Paso, Texas, today filed a registration statement (File 2-16831) with the SEC seeking registration of $1,300,000 of 6% Subordinated Convertible Debentures due 1976 and 245,439 shares of common stock. The debentures are to be offered for public sale at 100% of principal amount through a group of underwriters headed by First Securities Company and Harold S. Stewart & Company, the underwriting terms to be supplied by amendment. The stock is to be offered for subscription at $5 per share by holders of outstanding common stock of record May 31, 1960, at a ratio of 53¼ shares for each share then held. No underwriting thereof is involved.

The company was organized in May 1959 and has no operating history. It proposes to construct and operate a merchant bar and rod mill at El Paso. Its financing program involves (1) the issue and sale to institutional investors of $1,800,000 of 6½% first mortgage and sinking fund bonds, including $1,500,000 of Series A bonds with ten-year warrants to purchase 70,000 common shares at $5 per share and $300,000 Series B bonds with ten-year warrants to purchase 10,000 common shares at $5 per share; the issue and sale of the $1,300,000 of debentures to the underwriters; and the issue and sale of the 245,439 common shares to present stockholders. Of the net proceeds, $30,760 will be used for the purchase of land; $3,152,000 for the construction of a steel mill and related facilities (including $1,714,000 for rolling mill equipment); $91,000 for interest expense during construction; and the balance for general funds. The mill is to be constructed about 16 miles north of downtown El Paso.

The company's prospectus lists Milton D. Feinberg as board chairman, William K. Ramsey, Jr., as president, and Edward J. Winter as general manager. They and other organizers have acquired the 4,609 outstanding common shares at $5 per share.

MADISON FUND SALE CLEARED. The SEC on July 22nd announced the issuance of a decision under the Investment Company Act (Release 40-3080) granting an exemption application filed by Madison Fund, Inc., New York investment company, and International Mining Corporation, for the sale of the assets of Canton Company of Baltimore, 79% (342,500 shares) of whose outstanding stock is owned by Madison, to Northside Warehouse Corp., a subsidiary of International. The ownership by Madison of an 8.3% interest in International created an affiliation which, under the Investment Company Act, created a bar to the transaction unless exempted by the Commission.

Under the proposal, Northside will be merged with Canton and the surviving corporation will acquire the Canton stock for a consideration equivalent to $25 per share on the 433,195 outstanding shares of Canton common stock, which price the Commission considered to be fair and reasonable and not to involve any overreaching. Alex. Brown & Sons, Baltimore investment firm, which has a 13% interest in Canton, has agreed to accept the $25 per share offer. With respect to the remaining 8% interest, which is held by public investors and Canton employees, Madison has agreed to purchase the shares at $26.50 per share, the price paid in a public offering of Canton stock in 1956, and tender such shares to the surviving corporation at the $25 figure. Madison will also pay $1 per share to holders of outstanding options to acquire Canton stock, upon the surrender of the options for cancellation. In ruling that the terms of the proposed transactions were fair and reasonable, the Commission overruled objections of a stockholder of International, who urged that the transaction was unfair to that company, and a stockholder of both Madison and International, who contended that the transactions were unfair to Madison.

The transactions previously were approved by stockholders of International and Canton. Dissenting stockholders of Canton may elect to assert their appraisal rights and to receive payment of the appraised value of their shares in cash in lieu of the $26.50 payment offered by Madison.

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