

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

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

(Issue No. 65-3-7)

FOR RELEASE March 9, 1965

SEC 30th ANNUAL REPORT FILED. The SEC today filed with Congress its 30th Annual Report, reviewing Commission activities under the Federal securities laws during Fiscal Year 1964. Copies may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402, at a cost of 65¢ per copy.

MCKEE AND RUSKIN CONVICTED. The SEC Atlanta Regional Office announced March 2 (LR-3164) the conviction of Robert A. McKee of Ft. Lauderdale, Fla., on ten counts of an indictment (USDC SD Fla.) charging violations of the anti-fraud provisions of the Securities Act, the mail fraud statute and the conspiracy statute in the sale of notes of Commercial Capital Corporation and Industrial Finance Corporation. Steven L. Ruskin, of Miami, was convicted of conspiracy to violate said laws. Previously, Lawrence J. Dissette of Ft. Lauderdale and Paul E. Gardner of St. Petersburg were adjudged guilty on pleas of guilty to an information charging them with violations of Rule 10b-5 of the General Rules and Regulations under the Securities Exchange Act. Sentencing was deferred pending completion of a pre-sentence investigation.

JOINES, WEIGAND ENJOINED. The SEC Denver Regional Office announced March 3 (LR-3165) the entry of a Federal court order (USDC Cheyenne, Wyo.) permanently enjoining William C. Joines, of Cheyenne, Wyoming, and W. D. Weigand, of LaCrosse, Kansas, from further violations of the Securities Act registration and anti-fraud provisions in the sale of securities issued by Clinco Corporation.

BROADWALL SECURITIES, OTHERS PRELIMINARILY ENJOINED. The SEC New York Regional Office announced March 4 (LR-3166) the entry of a Federal court order (USDC SDNY) preliminarily enjoining Broadwall Securities, Inc., New York; its president, Arnold Mahler, Flushing, N. Y.; and three of its securities salesmen from further violations of the anti-fraud provisions of the Federal securities laws in the sale of common stock of The Coast to Coast Company, Inc. The three salesmen: Jack Einiger, Brooklyn, New York; Alexander Lapidus, New York; and Stanley Miller, Rego Park, New York.

MCCULLOCH OIL MANAGEMENT OF CALIF. PROPOSES OFFERING. McCulloch Oil Management Company of California, Incorporated, 1270 Hartford Bldg., Dallas, filed a registration statement (File 2-23251) with the SEC on March 4 seeking registration of \$2,500,000 of commitments to the 1965 McCulloch Oil Exploration Program. The commitments are to be offered for public sale under joint venture agreements in minimum amounts of \$10,000, through company officials and employees of McCulloch Oil Management (the Management Company). The registration statement indicates that each participant will be required to bear his proportionate share of any overexpenditures, which are not expected to exceed 2% of the original commitment. The Management Company, whose primary function is to act as agent and nominee of participants under joint venture agreements, will engage McCulloch Oil Corporation of California as general operating agent to explore for oil and gas. Management company has outstanding 11 common shares. Robert P. McCulloch is president of the Management Company, as well as board chairman and president of the General Operating Agent.

WORLD HERITAGE LIFE INS. PROPOSES OFFERING. World Heritage Life Insurance Company, First National Bank Bldg., Memphis, Tenn., filed a registration statement (File 2-23258) with the SEC on March 5 seeking registration of 667,000 shares of common stock. Of this stock, 578,000 shares are to be offered for public sale at \$5 per share through company employees, who will receive a 50¢-per-share selling commission. The remaining 89,000 shares have been reserved for issuance to selected employees and to certain other persons at the public offering price. The offering is not underwritten.

Organized under Tennessee law in December 1964, the company intends to engage in the business of issuing and selling policies of life, health and accident insurance. Net proceeds from its stock sale will be added to capital and surplus and used to undertake and conduct the insurance business and to establish an agency force. The company has outstanding 153,000 common shares, all of which were purchased at \$4.25 per share. Management officials own 95.42% of the outstanding stock. Arnold L. Reed is board chairman and Robert R. Lawrence is president.

APACHE CORP. PROPOSES OFFERING. Apache Corporation, 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-23259) with the SEC on March 8 seeking registration of 340 units in its Canadian Oil and Gas Program 1965. The units are to be offered for public sale on a "best efforts" basis by the company and by its wholly-owned subsidiary, Apache Oil Programs, Inc., as underwriter and managing agent of a selling group and at \$7,500 per unit. The Program will acquire, test and, if productive, develop gas and oil properties in Canada and, possibly, in the United States. Apache Oil Corporation, a Delaware subsidiary of the company, will conduct operations in Canada on behalf of the Program. The company, of which Raymond Plank is president, will be the managing partner of the Program.

OVER

EXCEL INVESTMENT FILES FOR RIGHTS OFFERING. Excel Investment Company, P. O. Box 464, Bettendorf, Iowa, filed a registration statement (File 2-23260) with the SEC on March 8 seeking registration of 500,000 shares of common stock, to be offered for subscription by its common stockholders. The subscription ratio, record date and subscription price (\$4 per share maximum*) are to be supplied by amendment. The registration statement also includes 217,852 common shares, to be reserved for issuance upon exercise of all of the company's outstanding stock options (exercisable at \$1 per share).

Organized under Iowa law in March 1963, the company is engaged, through its wholly-owned subsidiary, Excel Mortgage Insurance Corp., in the business of insuring lenders from loss on real estate loans secured by mortgages. The company has recently caused to be organized under Iowa law another wholly-owned subsidiary, The Arsenal Life Insurance company. Of the net proceeds from the company's stock sale, up to \$500,000 will be added to capital and surplus of Excel Mortgage for the expansion of its mortgage insurance business, and the balance will be invested in Arsenal Life. The company has outstanding 2,635,902 common shares, of which management officials own 238,944 shares. Management officials hold options to acquire an additional 126,060 common shares. Walter A. Newport, Jr., is board chairman and Arthur N. Hall is president.

RELIANCE UNIVERSAL PROPOSES OFFERING. Reliance Universal Inc., 4730 Crittenden Dr., Louisville, Ky. 40221, filed a registration statement (File 2-23261) with the SEC on March 8 seeking registration of 115,000 shares of common stock. Of this stock, 105,000 shares are to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005, Almstedt Brothers, 425 W. Market St., Louisville, and J. J. B. Hilliard & Son, 419 W. Jefferson St., Louisville. The public offering price (\$28 per share maximum*) and underwriting terms are to be supplied by amendment. The remaining 10,000 shares are to be sold to the trustee of the company's profit-sharing plans.

The company is engaged in the manufacture and sale of industrial paints to manufacturers for use in finishing wood and metal products made by them, as well as the manufacture and sale of concrete products. Pursuant to a purchase agreement of February 26, 1965, the company agreed to acquire the Panelyte Division of St. Regis Paper Company for \$8,367,463, and net proceeds from its stock sale will be applied to this purchase. In addition to indebtedness, the company has outstanding 787,784 common shares (after giving effect to a 100% stock dividend paid on February 19, 1965), of which management officials own 17.24%. H. C. Grawemeyer is board chairman and J. C. Hendershot is president.

UNION ELECTRIC PROPOSES BOND OFFERING. Union Electric Company, 315 N. Twelfth Blvd., St. Louis, Mo. 63166, filed a registration statement (File 2-23262) with the SEC on March 8 seeking registration of \$35,000,000 of first mortgage bonds, due 1995, to be offered for public sale at competitive bidding. The company and its utility subsidiaries supply electric service in Missouri, Illinois and Iowa. Net proceeds from the bond sale will initially become part of the general funds of the company, through reimbursement of its treasury for capital expenditures heretofore made. Such funds will be used to retire, in part, short-term bank loans expected to aggregate approximately \$40,500,000, which were incurred to finance property additions during 1964 and 1965 to date.

CLINTON OIL PROPOSES OFFERING. Clinton Oil Company, 6810 W. Highway U. S. 54, Wichita, Kan., filed a registration statement (File 2-23263) with the SEC on March 8 seeking registration of \$3,000,000 of participating interests in its 1965 Oil and Gas Program. The interests are to be offered for public sale in \$10,000 units through company officials and selected dealers, who will receive a \$600 commission. The purpose of the Program is to acquire and explore a number of oil, gas and other mineral leases or royalties and to develop and operate any of the properties upon which a discovery is made. The company, organized under Delaware law in January 1963, will manage the Program. R. P. Clinton is president.

NATIONAL DISTILLERS AND CHEMICAL FILES STOCK PLAN. National Distillers and Chemical Corporation, 99 Park Ave., New York 10016, filed a registration statement (File 2-23264) with the SEC on March 8 seeking registration of 150,000 shares of common stock, to be offered pursuant to its Salaried Employees' Savings and Stock Purchase Plan.

AMERICA AND ISRAEL GROWTH FUND SEEKS ORDER. America and Israel Growth Fund, Inc., a Maryland open-end, diversified investment corporation, has applied to the SEC for an exemption order under the Investment Company Act authorizing it to purchase from time to time certain State of Israel Bonds from Brager & Co. The Commission has issued an order (Release IC-4184) giving interested persons until March 26 to request a hearing thereon. According to the application, the companies are affiliated by virtue of Brager & Co.'s ownership of all of the capital stock of America and Israel Management Corporation, the Fund's investment adviser. Harry E. Brager, president of the Fund, owns approximately 27% of the stock of Brager & Co. and is also its president.

CONSOLIDATED NATURAL GAS SEEKS ORDER. Consolidated Natural Gas Company, New York registered holding company, and two of its wholly-owned subsidiaries, Hope Natural Gas Co. and New York State Natural Gas Corporation, have applied to the SEC for an order under the Holding Company Act authorizing the proposed merger of New York Natural into Hope. The SEC has issued an order (Release 35-15199) giving interested persons until March 25 to request a hearing thereon. According to the application, Hope (whose name will be changed to Consolidated Gas Supply Corporation) will be operated as one interstate gas supply company and will continue its wholesale and retail sales in West Virginia in the name of Hope Natural Gas Co., as a division of Consolidated Gas Supply Corporation. To effectuate the merger, Hope will increase its authorized shares of capital stock from 800,000 to 1,200,000 and will issue 405,000 shares to Consolidated Natural in exchange for the 405,000 shares of New York Natural held by Consolidated Natural. Hope, as the surviving corporation, will then have a total of 1,070,000 outstanding shares of capital stock, all owned by Consolidated Natural.

CAPITAL EXPENDITURES UP. The SEC and the Department of Commerce announce (for March 10th newspapers) that increasing expenditures by U. S. Businesses for new plant and equipment throughout 1965 are expected to result in total expenditures for the year of \$50.2 billion, 12% higher than 1964. The extent of the planned increase in investment programs is particularly significant in that it follows a 14% rise in 1964 outlays and will extend the current investment upsurge into its fifth consecutive year. Actual capital expenditures totaled \$44.9 billion in 1964; business had anticipated a 10% rise for 1964 in the survey conducted in February 1964. PRESS COPIES of text of release(Stat. Release 2036) available at Press Club.

Plant and equipment outlays for the first quarter of 1965 are projected at a seasonally adjusted annual rate of \$48.8 billion, well above the record rate in the fourth quarter of 1964. Spending is expected to rise further in the second quarter of 1965 to \$49.7 billion and in the last six months of the year, if programs are realized, will be at a rate of \$51 billion. All major industry groups except nonrail transportation plan a higher rate of expenditures in the second half of 1965 than in the first six months of the year.

According to the survey, businessmen expect further sales improvement in 1965, with the projected increases slightly less than experienced in 1964. Manufacturers anticipate a rise of 6 percent over last year while trade firms and public utilities expect 5 percent higher sales than in 1964.

Manufacturers spent \$18.6 billion for new plant and equipment last year and program outlays of \$21.5 billion for 1965, a rise of 16 percent. The advance is widespread among the component industries, with the nondurable goods group as a whole expecting a larger rise than the durable. Among nonmanufacturing industries, railroads plan the largest advance in capital spending in 1965, 15 percent, continuing the rapid pace of expansion which has been underway for several years. Commercial and communication firms and mining companies expect capital outlays to rise by 10 percent in 1965. Nonrail transportation companies and public utilities project spending increases of 8 percent and 5 percent, respectively.

As can be seen in the following table most industry groups anticipate smaller increases in investment this year than were experienced in 1964:

	(Billions of dollars)			Percent Change	
	Actual 1963	Actual 1964	Anticipated 1965	1963 to 1964	1964 to 1965
All industries.....	39.22	44.90	50.17	+14	+12
Manufacturing	15.69	18.58	21.53	+18	+16
Durable.....	7.85	9.43	10.71	+20	+14
Nondurable.....	7.84	9.16	10.83	+17	+18
Mining.....	1.04	1.19	1.31	+14	+10
Railroad.....	1.10	1.41	1.62	+28	+15
Transportation other than rail.....	1.92	2.38	2.57	+24	+ 8
Public utilities.....	5.65	6.22	6.56	+10	+ 6
Commercial and other.....	13.82	15.13	16.58	+10	+10

PHILADELPHIA ELECTRIC POWER SEEKS ORDER. Philadelphia Electric Power Company, a registered holding company, and its subsidiary, The Susquehanna Power Company, have applied to the SEC for an order under the Holding Company Act authorizing the parent to sell at competitive bidding \$25,000,000 of sinking fund debentures, due 1995. The parent also proposes to acquire 550,000 additional common shares from Susquehanna, of which 50,000 shares will be purchased for \$2,000,000 in cash and 500,000 shares will be acquired to liquidate \$20,000,000 of advances heretofore made to the subsidiary. The SEC has issued an order (Release 35-15198) giving interested persons until March 25 to request a hearing thereon. As reported in the SEC News Digest of February 11, 1965, Philadelphia Electric Power will use the funds from the debenture sale to repay \$20,000,000 of bank loans incurred to construct additional units at the Conowingo Hydro-electric Project, of which the parent and subsidiary are co-licensees. Philadelphia Electric Power will use the balance of the proceeds to repay advances made by its parent Philadelphia Electric Company, and to purchase the \$2,000,000 of Susquehanna stock. Susquehanna will use such proceeds for additions and improvements at the Project.

CANADA GENERAL FUND SEEKS ORDER. Canada General Fund, Inc., a Massachusetts open-end investment company, has applied to the SEC for an exemption order under the Investment Company Act authorizing it to suspend redemption and postpone the date of payment or satisfaction upon redemption of its shares for any period during which the Toronto Stock Exchange or the Montreal Stock Exchange is closed, other than the customary weekend and holiday closings, or during which trading on either of such exchanges is restricted. The SEC has issued an order (Release IC-4183) giving interested persons until March 22 to request a hearing thereon. According to the application, Canada General, whose investments now consist principally of Canadian securities, anticipates that a majority of its investments will consist of securities listed only on said two exchanges. For the purpose of determining the net asset value of its shares, the company values portfolio securities traded on such exchanges at prices prevailing thereon. The closing of, or restriction of trading on, those exchanges will therefore have a material effect on applicant's ability to meet redemption requirements and to evaluate portfolio securities. Applicant, accordingly, requests the relief hereinabove described.

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. 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.

Uarco Inc Jan 65, (7)	0-65-2	Bloomfield Building Ind Inc Aug 64, (7,12,13) Oct 64, (7,12,13)	1-4608-2 1-4608-2
Bowl-Mor Co Inc Jan 64, (4,7,13) June 64, (6) July 64, (1,4,6,7,8,9,12,13,11) Sept 64, (6) Oct 64, (6)	2-17225-2 2-17225-2 2-17225-2 2-17225-2 2-17225-2	MacFadden-Bartell Corp Jan 65, (7,13)	1-4614-2
Miracle Mart Inc Jan 65, (2,7,13)	2-20270-2	Johnson Stephens & Shinkle Shoe Co Jan 65, (11)	1-406-2
Whittaker Corp Jan 65, (11,13)	2-10967-2	Boston And Maine Corp Dec 64, (3)	1-4964-2
Permanent Filter Corp Nov 63, (7,13) Dec 63, (8,13)	2-14959-2 2-14959-2	Globe-Wernicke Ind Inc Jan 65, (3)	1-4172-2
Wallace Investments Inc Jan 65, (2,13)	2-16431-2	Cinerama Inc Amend #1 - 8K for Nov 64, (13)	1-4107-2
Westates Petroleum Co Jan 65, (11)	1-4333-2	International Breweries Inc Amend #1 - 8K for Dec 64, (1,12,13)	1-3905-2
Miller Bros Hat Co Inc Oct 64, (11,13)	2-19474-2	CTS Corp Amend #1 - 8K for Dec 64, (13)	1-4639-2
Sawyer's Inc Jan 65, (7,8)	2-20039-2	Power Designs Inc Amend #1 - 8K for Oct-Nov 64, (4)	2-17901-2
Great American Realty Corp Jan 65, (2)	2-14304-2	Alleghany Corp Amend #1 - 8K for Jan 65, (13)	1-2644-2
Midwest Rubber Reclaiming Co Jan 65, (11,13)	0-152-2	Burlington Industries Inc Feb 65 (11,13)	1-2932-2
Bankers Fidelity Life Ins Co Dec 64, (7)	2-13922-2	Chelsea Industries Inc Feb 65 (11)	1-4917-2
Glen Gery Shale Brick Corp Amend #1 - 8K for Sept 64, (7)	2-9202-2	Clear Creek Corp Feb 65 (6)	1-4465-2
Chicago Pneumatic Tool Co Jan 65, (13)	1-1504-2	Mid-American Minerals Inc Dec 64 (1,2,4,11,13)	2-15845-2
Cubic Corp Dec 64, (9,13)	1-4227-2	General Foods Corp Feb 65 (12)	1-1354-2
Sun Oil Co Feb 65, (13)	1-2223-2	Lewers & Cooke Ltd Dec 64 (11,13)	13-26-2
Electronic Communications Inc Jan 65, (11)	1-3029-2	Dit-Mco Inc Dec 64 (2,14)	2-15564-2
Kenbar Corp Nov 64, (2,8,11,13)	2-19891-2	Lawyers Title Ins Corp Feb 65 (11)	13-21-2
McCulloch Oil Corp of Calif Nov 64, (7,13) Dec 64, (7,13) Jan 65, (7,13)	1-3924-2 1-3924-2 1-3924-2	Genisco Techology Corp Feb 65 (7,11,13)	1-4853-2
Natl Distillers And Chemical Corp Apr 64, (11,13)	1-963-2	The Great Atlantic & Pacific Tea Co Inc, Feb 65 (12,13)	1-4141-2
		Noramco Inc Sept 64 (11,13)	1-4062-2
		Reynolds Metals Co Feb 65 (12)	1-1430-2
		Columbia Pictures Corp Feb 65 (11)	1-3108-2
		John Deere Credit Co Feb 65 (7,8,13)	2-17065-2

SECURITIES ACT REGISTRATIONS. Effective March 8: American Water Works Company, Inc. (File 2-23143); General Acceptance Corp. (File 2-23168); The Perkin-Elmer Corp. (File 2-23153); Viewlex, Inc. (File 2-23017). Effective March 9: Southwestern Public Service Co. (File 2-23178).

*As estimated for purposes of computing the registration fee.