

# 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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**CANADIAN INTERNATIONAL GROWTH FUND SEEKS ORDER.** Canadian International Growth Fund Limited, a Canadian corporation and a management open-end investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-4716) giving interested persons until October 21 to request a hearing thereon. According to the application, Canadian International's corporate existence has been terminated as a result of effecting a change of its domicile through its reorganization as International Growth Fund, Inc., a new Maryland corporation.

**PARTICIPATING ANNUITY LIFE RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4717) granting Participating Annuity Life Insurance Company, Little Rock, Ark., an exemption from certain provisions of the Investment Company Act. The company is engaged primarily in issuing and selling individual variable annuity contracts. In addition to such contracts, it now proposes to offer pension trust and group variable annuity contracts and also to offer fixed annuity contracts, both singly and in combination with its variable annuity contracts as well as certain other types of insurance. It previously has been granted certain exemptions from the Act. The instant order modifies the prior exemption order to permit loans and advances not only to special agents, general agents and managers, but also to certain home office sales employees. It also authorizes the company to make necessary borrowings in the normal course of its business; to vary the sales load on installment payment pension trust contracts, under certain circumstances; to permit the issuance of group contracts containing certain provisions for the determination of actuarial costs applicable thereto; and to provide that, once the purchaser of a redeemable contract which has matured begins to receive annuity payments, he not be able to redeem the value credited to his contract.

**KENTUCKY POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15576) authorizing certain financing transactions by Kentucky Power Company, an electric utility subsidiary of the American Electric Power Company, Inc. According to the application, the subsidiary intends to increase its authorized number of shares of common stock from 600,000 shares to 700,000 and the par value thereof from \$25 to \$50, and to issue an additional 103,139 shares of such stock to the parent company. In connection therewith, the company will transfer \$17,800,000 of "Other Paid-in Capital" and \$3,475 of "Earned Surplus" to its "Common Stock" account. The subsidiary also proposes to sell to banks from time to time prior to December 31, 1967, its unsecured promissory notes in an aggregate maximum of \$8,000,000 to be outstanding at any one time. Net proceeds of the note sale will be used in connection with the subsidiary's construction program (estimated at \$40,000,000 for the last half of 1966 and for 1967).

**ARKANSAS P&L RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15577) authorizing Arkansas Power & Light Company, an electric utility subsidiary of Middle South Utilities, Inc., to sell at competitive bidding 100,000 shares of its cumulative preferred stock, \$100 par, and to sell to the parent an additional 800,000 shares of common stock for \$10,000,000. The subsidiary will use the net proceeds of this financing for its 1966 construction program (estimated at \$72,300,000) and other corporate purposes.

**GPU PROPOSES RIGHTS OFFERING.** General Public Utilities Corporation, 80 Pine St., New York 10005, filed a registration statement (File 2-25596) with the SEC on October 7 seeking registration of 990,000 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each 25 shares held. The subscription price (\$28 $\frac{1}{2}$  per share maximum\*) and record date are to be supplied by amendment.

The company owns all of the outstanding common stock of Jersey Central Power & Light Company, New Jersey Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company. Net proceeds of its stock sale will be used in connection with the company's investments in its subsidiaries. The 1967 preliminary construction budgets of the subsidiaries approximate \$160,000,000. In addition to indebtedness, the company has outstanding 23,835,600 common shares. A. F. Tegen is president.

**NEW ENGLAND G&E PROPOSES RIGHTS OFFERING.** New England Gas and Electric Association, 130 Austin St., Cambridge, Mass. 02139, filed a registration statement (File 2-25597) with the SEC on October 7 seeking registration of 419,774 common shares. The shares are to be offered for subscription by shareholders at the rate of one new share for each 12 shares held on November 3. Any unsubscribed shares are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The offering price (\$18 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company owns common stock of operating utility companies. Net proceeds of its stock sale will be used to purchase additional common stock of Canal Electric Co., a subsidiary which is constructing a fossil fueled steam electric generating plant in Sandwich, Mass. (estimated to cost \$56,000,000). It is estimated that the company's construction requirements (excluding expenses for said generating plant) for the three years ending December 31, 1968, will approximate \$39,000,000. In addition to indebtedness and preferred stock, the company has outstanding 5,037,286 common shares. John F. Rich is president and board chairman.

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**PACIFIC G&E FILES FOR BOND OFFERING.** Pacific Gas and Electric Company, 245 Market St., San Francisco, Calif. 94106, filed a registration statement (File 2-25598) with the SEC on October 7 seeking registration of \$80,000,000 of first and refunding mortgage bonds, Series NN, due 1998. The bonds are to be offered for public sale at competitive bidding. An operating public utility, the company will use the net proceeds of its bond sale in connection with its construction program. Its gross expenditures for construction in 1966 is estimated to amount to \$279,000,000.

**THREE STOCK PLANS FILED.** Form S-8 registration statement have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

The Higbee Company, 100 Public Sq., Cleveland, Ohio 44113 (File 2-25592) (48,825 shares)  
 Racine Hydraulics & Machinery, Inc., 2000 Albert St., Racine, Wisc. 53404 (File 2-25594) (22,270 shares)  
 Oakite Products, Inc., 19 Rector St., New York 10006 (File 2-25595) (37,625 shares)

**TRANSCONTINENTAL GAS PIPE LINE PROPOSES OFFERING.** Transcontinental Gas Pipe Line Corporation, 3100 Travis St., Houston, Tex. 77001, filed a registration statement (File 2-25600) with the SEC on October 7 seeking registration of \$40,000,000 of first mortgage pipe line bonds, due 1986. The bonds are to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005, and Stone & Webster Securities Corp., 90 Broad St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company owns and operates an interstate pipeline system for the purchase, sale and transportation of natural gas. Of the net proceeds of its bond sale, \$30,000,000 will be applied toward the repayment of some \$100,000,000 of bank notes and the balance will be used for construction and other corporate purposes (its scheduled construction program after January 1, 1967, is estimated at \$204,800,000). In addition to indebtedness, the company has outstanding 18,472,826 common shares. E. Clyde McGraw is president.

**McCALL PROPOSES OFFERING.** McCall Corporation, 230 Park Ave., New York 10017, filed a registration statement (File 2-25599) with the SEC on October 7 seeking registration of 200,000 shares of cumulative preferred stock, \$100 par. The stock is to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York 10005. The interest rate, public offering price (\$102 per share maximum\*) and underwriting terms are to be supplied by amendment. The preferred stock is convertible into common stock of American Broadcasting Companies, Inc., which is owned by the company. The prospectus states that, subject to approval of the Federal Communications Commission, American Broadcasting may merge into International Telephone and Telegraph Corporation.

The company is engaged principally in the publication and printing of McCall's, Redbook and Saturday Review, printing of periodicals for others, and the design, manufacture and sale of patterns and related fashion magazines and catalogs. Net proceeds of its stock sale will be available for capital expenditures and use in connection with acquisitions and diversification of the company's business. The company plans to expend approximately \$31,000,000 through 1968 for property additions and improvements. In addition to indebtedness, it has outstanding 2,692,790 common shares, of which Hunt Foods and Industries, Inc., owns 39.3%. Norton Simon, chairman of the finance committee of the company, together with his wife, owns 6.7% of the common stock of Hunt Foods; he is also a trustee or officer of trusts and foundations owning an additional 15.7% of the common stock of Hunt Foods. Raymond A. Rich is board chairman of the company and Arthur R. Murphy, Jr., is president.

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended October 6, 1966, 21 registration statements were filed, 20 became effective, 3 were withdrawn, and 383 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective October 7: Aqua-Chem, Inc., 2-25492; Investors Security Corp., 2-24067 (90 days).

Effective October 10: Arkansas Power & Light Co., 2-25465 (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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