

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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FOR RELEASE May 22, 1967

METROPOLITAN EDISON SEEKS ORDER. Metropolitan Edison Company, subsidiary of General Public Utilities Corporation, and Reading Electric Light and Power Company, an affiliate of Metropolitan Edison, have applied to the SEC for an order under the Holding Company Act requesting approval of the acquisition by Metropolitan and sale by Reading on December 31, 1962, of legal title to the entire property and franchises of Reading for a cash consideration of \$302,341.82; and the Commission has issued an order (Release 35-15741) giving interested persons until June 14 to request a hearing thereon. Reading has outstanding 27,500 shares of capital stock, of which 2,299 are owned by Metropolitan and the balance by 121 stockholders.

PALLAS CORP. SEEKS ORDER. Pallas Corporation, New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4958) giving interested persons until June 9 to request a hearing thereon. According to the application, Pallas in December 1966 transferred all its assets to Istel Fund, Inc., in exchange for 1,157,653 shares of Istel common stock. The Istel stock was distributed in January 1967 to the 24 record holders of Pallas stock, who surrendered their certificates for Pallas stock.

VIRGINIA CAPITAL SEEKS ORDER. Virginia Capital Corporation, Richmond, Va. has applied to the SEC for an exemption order under the Investment Company Act permitting its reacquisition of 23,000 shares of its outstanding stock; and the Commission has issued an order (Release IC-4961) giving interested persons until May 31 to request a hearing thereon. The company has entered into an agreement with J. Smith Ferebee and Richard T. Short, Jr., former directors, pursuant to which they will transfer all of their holdings in the company consisting of the 23,000 common shares, in exchange for all of the outstanding securities of two Alabama real estate corporations, which are held by the company. Both had resigned as directors before entering into the agreement. However, in view of Ferebee's stock interest (about 16%), he is deemed an affiliate of the company. By reason thereof, the transaction is prohibited by the Act unless the Commission grants an exemption from such prohibition.

E. I. DU PONT DE NEMOURS RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4962) authorizing E. I. DuPont De Nemours and Company, Wilmington, Del. 19898, to purchase from Wilmington Trust Company certain real estate in Wilmington for \$315,000. Some 29% of the outstanding du Pont stock is owned by Christiana Securities Company, a registered investment company; and that company owns about 45% of the outstanding stock of Wilmington Trust.

COMPLAINT CITES RUDY A. HERMAN, OTHERS. The SEC Fort Worth Regional Office announced May 17 (LR-3722) the filing of a complaint (USDC, Wichita, Kan.) seeking to enjoin violations of the registration provisions of the Securities Act by Rudy A. Herman, dba Rudy A. Herman, Oil Operator, Mary A. Herman, and Joe K. Bramm, all of Russell, Kansas, in the offer and sale of oil interests on properties in Russell, Ellis and Barton Counties, Kansas.

COMPLAINT NAMES PETROLEUM EXPLORATIONS, OTHERS. The SEC Fort Worth Regional Office announced May 18 (LR-3723) the filing of a complaint (USDC, Topeka, Kan.) seeking to enjoin violations of the registration provisions of the Securities Act by Petroleum Explorations, Inc., Petex Producing, Inc., both Kansas corporations doing business in Topeka; Don Langdon of Topeka; Earl R. Osgood of Canton, Missouri; Orbrey Burns of Sepulveda, Calif.; Dave Brown of Aurora, Colo.; Alvis Appelbury of Avalon, Mo.; Walter Arnold of Kincaid, Ill. and Marvin Purcell of Holden, Mo., in the offer and sale of oil interests on properties in Carbon County, Wyo., and Stafford, Barton and Wilson Counties, Kansas.

SEC COMPLAINT NAMES JOHN W. GRANT, OTHERS. The SEC Fort Worth Regional Office announced May 19 (LR-3724) the filing of a complaint (USDC, Shreveport, La.) seeking to enjoin violations of the registration and anti-fraud provisions of the Securities Act by John W. Grant and Dorothy Grant of Shreveport, La., and Arthur Babaganian and Kyna Oil Company of Gary, Ind. in the offer and sale of oil, gas, and other mineral rights on properties in Caddo Parish, Louisiana, and elsewhere.

COMMONWEALTH OF AUSTRALIA PROPOSES OFFERING. Commonwealth of Australia (agent's address: The Australian Embassy, 1700 Massachusetts Ave., Washington, D.C.), filed a registration statement (File 2-26589) with the SEC on May 19 seeking registration of \$25,000,000 of bonds, due 1982, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Two Wall St., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The net United States dollar proceeds from the bond sale will be added to the Commonwealth's international reserves. The Australian currency equivalent of the proceeds will be applied towards capital expenditures being financed under the 1966-67 borrowing program approved by the Australian Loan Council for the Governments of the Commonwealth and the States, to finance such public works projects as housing, the extension of electric power transmission facilities, the modernization of railroad equipment, and the construction of additional water supply, irrigation and sewerage facilities.

OVER

OPTICAL SCANNING PROPOSES OFFERING. Optical Scanning Corporation, Newtown, Pa. 18940, filed a registration statement (File 2-26590) with the SEC on May 19 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Inc., 60 Broad St., New York, and Clark, Dodge & Co. Inc., 61 Wall St., New York 10005. The public offering price (\$85 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the design, manufacture, sale and lease of optical scanning systems which electro-optically read pencil marks from sheets of paper (input documents) for the acquisition and transfer of information into data processing systems. Most of the proceeds of its stock sale will be used to meet the cash requirements generated by the production of leased units; the balance will be used to increase the capacity of its new factory, to enlarge its sales force, and to finance the development of new products. The company now has outstanding 419,000 common shares, of which American Research and Development Corp. owns 40.4% and John W. Busby, president, 11.2%.

EG&G FILES FOR SECONDARY. EG&G, Inc., of Bedford, Mass. 01730, filed a registration statement (File 2-26591) with the SEC on May 19 seeking registration of 12,000 outstanding shares of common stock. These shares are owned by Amram Rasiel and W. Michael Henebry and, according to the prospectus, may be offered from time to time at prevailing prices (\$90 per share maximum*) on the New York Stock Exchange or otherwise. The shares were acquired by Rasiel and Henebry in May 1966 in exchange for stock of R-H Engineering Corp. They now own 8,750 shares and 7,750 shares, respectively.

The company (formerly Edgerton, Germeshausen, and Grier, Inc.) and subsidiaries specialize in the techniques of measuring, controlling and utilizing high-speed electronic and nuclear phenomena. It has outstanding 1,722,849 common shares, of which management officials own 27%. Harold E. Edgerton is honorary board chairman, Kenneth J. Germeshausen chairman, and Bernard J. O'Keefe president.

PUBLIC SERVICE COMPANY (N.H.) PROPOSES OFFERING. Public Service Company of New Hampshire, 1087 Elm St., Manchester, N.H., filed a registration statement (File 2-26592) with the SEC on May 19 seeking registration of \$15,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding.

An electric utility, the company will apply the net proceeds of the bond sale to the payment of some \$16,750,000 of short-term bank borrowings incurred in connection with the company's construction program, estimated at \$37,141,000 for 1967, \$22,531,000 for 1968 and \$14,495,000 for 1969.

CONTINENTAL TELEPHONE FILES FOR SECONDARY. Continental Telephone Corporation, 130 South Bemiston, St. Louis, Mo. 63105, filed a registration statement (File 2-26594) with the SEC on May 19 seeking registration of 992,291 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York 10005. The public offering price (\$33.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a telephone utility company. In addition to indebtedness and preferred stock, it has outstanding 15,146,020 common shares. The prospectus lists 10 selling shareholders, of which General Waterworks Corporation proposes to sell 338,900 of 363,650 shares held, Illinois Bell Telephone Company and Jack Kent Cooke, Incorporated, all of their holdings of 343,008 and 101,266 shares, respectively; and the remaining shareholders all of their holdings ranging in amount from 9,400 to 58,000 common shares. Phillip J. Lucier is president and Charles Wohlstetter is board chairman. Management officials own some 2.13% of the outstanding common and Norman Corporation (formerly Superior Cable Corp.) own 13.28% or 2,011,466. Norman acquired such shares in connection with the sale of its assets to the company on March 28 and is in the process of distributing such shares to its stockholders in liquidation.

CONTINENTAL OIL PROPOSES RIGHTS OFFERING. Continental Oil Company, 30 Rockefeller Plaza, New York 10020, filed a registration statement (File 2-26596) with the SEC on May 19 seeking registration of 2,550,000 shares of common stock. Continental proposes to offer this stock for subscription by stockholders of record at the close of business on June 8, and at the rate of one new share for each nine shares then held. The subscription price (\$68 per share maximum*) and underwriting terms are to be supplied by amendment. Morgan Stanley & Co., 2 Wall St., New York 10005, is listed as the principal underwriter.

Net proceeds of the stock sale will be added to the general funds of the company and will be available, together with internally generated funds, for general corporate purposes, including working capital and expenditures for exploration and development of the company's domestic and international oil and gas properties, for domestic and international petroleum refining, marketing and transportation facilities, and for continued development of its chemicals, plastics, coal and plant foods activities. Capital expenditures and investments in and advances to affiliates totalled \$295 million in 1966 and are estimated at \$375 million for 1967 and no less than that amount in 1968. In addition to indebtedness and preferred stock, the company has outstanding 22,683,786 common shares, of which management officials own about 0.7%. L. F. McCollum is board chairman and A. W. Tarkington president.

TRACOR FILES FOR OFFERING AND SECONDARY. Tracor, Inc., 6500 Tracor Lane, Austin, Tex. 78721, filed a registration statement (File 2-26599) with the SEC on May 19 seeking registration of 220,137 shares of common stock. Of this stock, 195,000 shares are to be offered for public sale by the company and 25,137, being outstanding shares, by the holders thereof. The offering is to be made by underwriters headed by Blyth & Co., Inc., Russ Bldg., San Francisco 94104, and Rotan, Mosle-Dallas Union, Inc., Bank of the Southwest Bldg., Houston 77002; and the offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment. The 220,137 shares give effect to a proposed three-for-two stock split, as does the proposed maximum offering price.

The company is engaged principally in scientific research and development for U. S. Government agencies and in the manufacture and sale of scientific instruments. It has entered into an agreement with Astro-Science Corporation for the acquisition by a subsidiary of the company of substantially all of the assets and business of Astro-Science in exchange for 283,045 shares of company stock. Astro-Science is engaged in the design and manufacture of handling and positioning systems and equipment for ground support for aircraft, missiles and space vehicles, magnetic tape recorders for commercial and military markets, and electronic test equipment. Net proceeds of the company's sale of additional stock will be used in part (\$4,500,000) to reduce bank loans made in 1966 and 1967, principally for working capital purposes, and, to the extent of \$700,000, for an acquisition; and the balance will be added to general funds of the company to increase working capital. In addition to indebtedness, the company has outstanding 939,561 common shares, of which management officials own 27.9%. Richard N. Lane is president and board chairman. The prospectus lists five selling stockholders, who own an aggregate of 65,547 and propose to sell 25,137 shares. The largest block, 15,000 shares, is being sold by Robert Stone, who owns 42,795 shares.

AIRLIFT INTERNATIONAL FILES FOR OFFERING AND SECONDARY. Airlift International, Inc., Miami International Airport, Miami, Fla. 33148, filed a registration statement (File 2-26600) with the SEC on May 19 seeking registration of \$20,000,000 of subordinated convertible debentures due 1987, to be offered for public sale by the company, and 1,000,000 outstanding shares of common stock, to be offered by the holder thereof, General Dynamics Corporation. The securities are to be offered only in units consisting of \$1,000 principal amount of debentures and 50 common shares; and the offering price (\$1,500 per unit maximum*) and underwriting terms are to be supplied by amendment. Auchincloss, Parker & Redpath, of Two Broadway, and Allen & Company, Inc., 30 Broad St., both of New York 10004, are listed as the principal underwriters.

The company is authorized by CAB to engage in the transportation of freight and mail on a regularly-scheduled route basis between 14 cities in the United States, and between New York and Miami and San Juan, Puerto Rico, and to conduct unlimited cargo charter operations throughout the 48 contiguous states of the United States and between those states and San Juan. The company also conducts passenger and cargo charter flights for the Military Aircraft Command and for others. Net proceeds of its sale of debentures will be used as follows: \$9,109,000 to pay on delivery for two Boeing B-727-100C jet aircraft scheduled for November and December 1967 and spare engines and parts; \$2,300,000 progress payments on two such planes scheduled for delivery in July and August 1968; \$2,000,000 to prepay the conditional sale agreement covering the purchase of two aircraft now in service; and \$5,548,000 to pay demand notes due the Chemical Bank New York Trust Company. In addition to indebtedness the company has outstanding 15,812,368 common shares, of which management officials own 7.8%. General Dynamics acquired its 1,000,000 shares the subject of this offering in connection with the refinancing of the company's obligation to General Dynamics in 1963. James B. Franklin is president and James H. Carmichael board chairman.

FIRST CHURCH FINANCING CORP. PROPOSES OFFERING. First Church Financing Corporation of America, 215 N. Main St., West Bend, Wisc., filed a registration statement (File 2-26601) with the SEC on May 19 seeking registration of \$2,835,000 of collateral trust serial bonds due 1977. The bonds are to be offered for public sale by B. C. Ziegler and Company, West Bend, Wisc. 53095, at 100% of the principal amount, with a 1½% commission to the underwriter.

The company, as well as its parent, The Security Company, were organized by and are affiliated with the Ziegler firm. It was organized under Delaware law in February 1964 for the primary purpose of financing loans to churches, hospitals, and other charitable, religious, eleemosynary, and non-profit institutions. Its sources of income is the discount on the purchases first mortgage notes, first mortgage bonds and direct obligation notes forming the Collateral and the differential, if any, between the amount of interest received by the Corporation on the securities forming part of the collateral and the interest on its Bonds. The collateral pledged as security for the bonds consists of first mortgage notes, first mortgage bonds and direct obligation notes. Net proceeds of this financing will be used in part to purchase the collateral for this bond issue, and the balance will be used to establish the 2% reserve fund for interest payments in the amount of \$56,700 which is additional security for the bonds.

TRADING BAN IN SEVEN STOCKS CONTINUED. The SEC has issued orders temporarily suspending exchange and/or over-the-counter trading in securities of the following companies for the further 10-day period May 23-June 1, inclusive: Continental Vending Machine Corporation, Lincoln Printing Company, Pakco Companies, Inc., Pinal County Development Association, Sports Arenas, Inc., Underwater Storage, Inc., and Westec Corporation.

FIVE STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC proposing the offering of securities under employee savings, stock option and other plans, as follows:
 Avery Products Corporation, San Marino, Calif. 91108 (File 2-26585) - 125,000 common shares
 Canal-Randolph Corporation, New York 10017 (File 2-26588) - 100,000 common shares
 The Villager, Inc., Philadelphia, Pa. (File 2-26595) - 10,000 shares
 Continental Oil Company, New York 10020 (File 2-26596) - \$50,000,000 of participations in employees thrift plan and 600,000 common shares
 Studebaker Corporation, South Bend, Ind. 46627 (File 2-26597) - 102,181 common shares

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 in parentheses. 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 captions of the several items of the form was included in the May 2 News Digest.

A.C.F. Industries, Inc. Apr67 (7,13) 1-1333-2
AIC Corp Apr67 (7,13) 0-148-2
Alabama-Tennessee Natural Gas Company Apr67 (11)
0-775-2
Alaska Airlines, Inc. Apr67 (10,13) 1-3314-2
American Electronics, Inc. Apr67 (6,7,8) 1-3954-2
The American Plan Corporation Apr67 (12,13)
2-25183-2
American Tobacco Co. Apr67 (11,13) 1-92-2
American Vitriified Products Co. Apr67 (11) 0-2534-2
Anheuser-Busch Inc. Apr67 (11) 1-3718-2
Associated Transport, Inc. Apr67 (12,13) 1-5182-2
Athlone Industries, Inc. Apr67 (2,7,8,9,13) 0-54-2
Automatic Steel Products, Inc. Apr67 (7) 1-2268-2
Aztec Oil & Gas Co. Apr67 (11,12,13) 0-502-2
Banker'S Fidelity Life Insurance Co. Apr67 (11)
2-13933-2
Beckman Instruments Inc. Apr67 (7,13) 1-3664-2
Bethlehem Steel Corp. Apr67 (11,13) 1-1941-2
Boeing Co. Apr67 (7) 1-442-2
Bristol-Myers Co. Apr67 (13) 1-1136-2
Bristol-Myers International Finance Co. Apr67 (11)
1-5189-2
Brunswick Corp Apr67 (11,13) 1-1043-2
Cannon Mills Co. Apr67 (11,12) 0-758-2
Philip Carey MFG. CO. Apr67 (2) 1-3550-2
Cattmen's Foundation Corp., Inc. Apr67 (11,13)
0-2067-2
Cincinnati Union Stock Yard Co. Mar67 (3,11)
1-1623-2
The Citadel Life INS. Of New York Apr67 (11)
2-21214-2
Clark Equipment Company Apr67 (13) 1-825-2
Clark Equipment Credit Corporation Apr67 (11,13)
2-17988-2
Cluett, Peabody & Co., Inc. Apr67 (11,12,13) 1-895-2
Combined Insurance CO. Of America Apr67 (11,13)
2-18761-2
Commonwealth Oil Refining Co Inc. Apr67 (11,12,13)
1-4900-2
Connecticut Yankee Atomic Power Co. Apr67 (7)
2-22958-2
Consolidated Laundries Corp. Apr67 (11,13) 1-574-2
Cook Coffee Co. Apr67 (1) 1-4959-2
Corn Products Company (Del) Apr67 (11,13)
1-4199-2
Crown Central Petroleum Corp. (MD) Apr67 (11)
1-1059-2
Curtis Publishing Co. Apr67 (3,6,7,11,13) 1-69-2
Curtiss-Wright Corporation Apr67 (4,13) 1-134-2
Dana Corp. Apr67 (4,7) 1-1063-2
The Dayton Power & Light Company Apr67 (11)
1-2385-2
John Deere Overseas Capital Corporation Apr67 (11)
1-5246-2
Detroit And Macking Railway Co. Apr67 (11)
1-1327-2
Dilberts Quality Supermarkets, Inc. Apr67 (12,13)
0-2050-2
Documentation Inc. Apr67 (13) 0-1566-2
Drager Shipping Corp Apr67 (3,11,12) 0-191-2
Duval Corp. Mar, Apr, May67 (8) 0-370-2
Eastern Air Lines, Inc. Apr67 (7) 1-3049-2
Eastern Brick And Tile Co. Apr67 (11) 0-2397-2
Eastern Industries, Inc. Apr67 (11) 0-2448-2
Eastern Stainless Steel Corp. Apr67 (11) 1-1329-2
Electric Storage Battery Co. Apr67 (11,13) 1-494-2
Elgin Joliet & Eastern RY CO. Apr67 (11) 1-740-2
Employers Reinsurance Corporation Apr67 (11,13) 2-16097-2
Fieldcrest Mills, Inc. Apr67 (11) 1-5137-2
Financial Federation, Inc. Apr67 (7,13) 1-4524-2
Fine Organics, Inc. Apr67 (11,12,13) 0-2454-2
Firestone Tire & Rubber Co. Apr67 (7) 1-484-2
Florida Public Utilities Co. Apr67 (11) 0-1055-2
Frad Harvey Apr67 (11,13) 0-2482-2
Gabriel Industries, Inc. Apr67 (2,12) 2-20132-2
General Aniline & Film Corp. Apr67 (11,13) 1-5026-2
General Binding Corp. Apr67 (11) 0-2604-2
General Refractories Co. Apr67 (11,13) 1-931-2
Genesco, Inc. Apr67 (7,13) 1-3083-2
GENL Tel CO Of Calif. Apr67 (7) 0-765-2
Giddings & Lewis Machine Tool Co. Apr67 (8,11,13)
1-5372-2
W.R. Grace & Co. Apr67 (13) 1-3720-2
Harrisonburg Telephone Company Apr67 (7,11,12,13)
0-724-2
Hawaiian Telephone Co. Apr67 (7,11,13) 1-4729-2
Philip A. Hunt Chemical Corp. Apr67 (7) 1-4960-2
Imperial Corporation Of America Apr67 (11,13) 1-4215-2
International Silver Co. Apr67 (11,13) 1-3348-2
Iowa Illinois Gas & Electric Co. Apr67 (11) 1-3573-2
Iowa Public Service Co. (Iowa) May67 (11,13) 1-5131-2
IRC, Inc. Apr67 (7,13) 1-3768-2
Jamaica Water & Utilities, Inc. Apr67 (11) 0-2315-2
Jamaica Water Supply Company (N.Y.) Apr67 (11) 0-1242-2
Jefferson Lake Petrochemicals Of Canada LTD. Apr67 (11,13)
1-4588-2
Kauffel & Esser Co. Apr67 (11,13) 0-2117-2
Knutson Companies Inc. Apr67 (11,13) 0-732-2
Kuhlman Corp. Apr67 (11,13) 0-2089-2
Lawter Chemicals, Inc. Apr67 (11) 0-2539-2
Liggett & Myers Tobacco Co. Apr67 (11,13) 1-535-2
Livingston Oil Co. Apr67 (12) 1-4539-2
Louis Lessor Enterprises Inc. Apr67 (7,8) 1-4783-2
Lowell Gas Company Apr67 (11) 2-14328-2
Marine Midland Corp. Apr67 (7,11,13) 1-2940-2
Mid-West Abrasive Co (Del) Apr67 (12) 1-1447-2
Midwest Oil Corporation Apr67 (11) 1-3652-2
Midwestern Gas Transmission Co. Apr67 (11,13)
0-744-2
Monongahela Power Co. Apr67 (11) 1-5164-2
Mother'S Cookie Company Apr67 (11) 0-509-2
G.C.Murphy Co. Apr67 (11) 1-2563-3
Music Fair Enterprises, Inc. Apr67 (2,7,13)
0-496-2

SECURITIES ACT REGISTRATIONS. Effective May 19: Revlon, Inc., 2-26321; Trans World Airlines, Inc., 2-26400; The Warner Brothers Co., 2-26579.
Effective May 22: Liberty Leasing Co. Inc., 2-26042 (Aug 21); Creative Programs Corp., 2-26211 (40 days).
Withdrawn May 19: Cemetery Care Investment Fund, Inc., 2-25732.

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.