

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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SEC

(Issue No. 67-121)

FOR RELEASE June 26, 1967.

FLEG SUSPENSION ANNOUNCED. The SEC has issued an order (Release 34-8105) under the Securities Exchange Act suspending Julian F. Fleg of Beverly Hills, Calif., from association with any broker-dealer firm for a ten-month period, effective February 6, 1967. The order was based upon an offer of settlement submitted by Fleg in private proceedings (which are continuing as to other respondents), in which he consented to the ten-month suspension and to Commission findings that, in the offer and sale of stock of American States Oil Company, he violated the anti-fraud provisions of the Federal securities laws by making false and misleading statements concerning, among other things, the income and assets of that company and the present and future value of its stock. Fleg's offer was accepted by the Commission in January and he was so notified. However, due to inadvertence, no order was issued. Fleg, who has not been engaged in the securities business since December 1961, requested that the suspension be deemed to have commenced in early February.

ISRAEL DEVELOPMENT CORP. PROPOSES OFFERING. Israel Development Corporation, 17 East 71st Street, New York, N.Y. 10021, filed a registration statement (File 2-26788) with the SEC on June 22 seeking registration of \$1,000,000 of ten-year 6% convertible sinking fund debentures, Series C, 1977, and 300,000 shares of common stock. The debentures are to be offered for public sale at 100% of principal amount, with a 7 $\frac{1}{2}$ % commission to the underwriters; and the common stock is to be offered at \$14.50 per share with a 50¢ per share selling commission. The offering is to be made on a best efforts basis by the underwriter, Israel Securities Corporation, 17 East 71st Street, New York, N.Y. 10021.

The corporation is a closed-end, non-diversified investment company which proposes to make funds available for the economic development of Israel by establishing and investing in industrial, mineral, transportation and other productive enterprises in Israel. Net proceeds of this offering will be added to the general funds of the corporation to be available for such corporate purposes as the board of directors may determine. In addition to indebtedness, the company has outstanding 1,026,219 common shares, of which management officials hold 4.49% and Ampal-American Israel Corporation 8.06%. The formation of the corporation was brought about by Ampal-American, a New York corporation engaged in furthering the development of the Israel economy through loans to, and investments in various corporations and agencies active in or concerning Israel. Abraham Dickenstein is president of both Israel Development and Ampal-American; Ralph Wechsler is board chairman of Israel Development.

MUNICIPAL INVESTMENT TRUST RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5005) exempting Municipal Investment Trust Fund, Series H, from the \$100,000 minimum net capital provisions of the Act. The Fund has filed a registration statement under the Securities Act under which it will offer for public sale 6,000 units of undivided interest in a portfolio of tax-free municipal bonds.

UNION CARBIDE INTERNATIONAL SEEKS ORDER. Union Carbide International Capital Corporation ("applicant"), New York subsidiary of Union Carbide Corporation, has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-5008) giving interested persons until July 7 to request a hearing thereon. Applicant was organized to raise funds abroad for financing the expansion and development of its parent's foreign operations, while at the same time providing assistance in improving the balance of payments position in the United States in compliance with the voluntary cooperation program instituted by the President in February 1965. Applicant intends to sell up to \$50,000,000 of its Guaranteed Debentures, due 1982. The debentures are to be sold to a group of underwriters for offering and sale outside the United States. The parent will guarantee the principal, interest payments and premium, if any, on the debentures. Applicant intends to invest its assets in stock or debt obligations of foreign subsidiaries and affiliates of the parent. The parent company is engaged in the manufacture of chemicals, plastics, industrial gases, metals and carbons. It is interested in developing and expanding its foreign operations. In order to do so it intends to make substantial investments in foreign companies and is using applicant to fulfill this objective.

IDS RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5006) with respect to borrowings from Investors Diversified Services, Inc. by its employees and those of its majority-owned subsidiaries, subject to certain terms and conditions. By previous exemption orders of the Commission (Releases IC-1113 and IC-2211) IDS was permitted to make loans to its employees and employees of Investors Syndicate of America, Inc., and Investors Mutual, Inc. The Commission modified those orders to permit IDS also to make such loans to employees of its majority-owned subsidiaries and, in addition, has granted its request that the \$12,000 limitation on the maximum annual compensation of employees eligible for loans be increased to \$15,000 to give effect to the increase in salary levels which has taken place since the issuance of the previous orders.

NUVEEN TAX-EXEMPT FUND SEEKS ORDER. Nuveen Tax-Exempt Bond Fund, Series 15, Chicago unit investment trust, has applied to the SEC under the Investment Company Act for exemption from the \$100,000 minimum net capital provisions of the Act; and the Commission has issued an order (Release IC-5009) giving interested persons until July 13 to request a hearing thereon. Applicant is one of a series of fifteen similar funds

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organized pursuant to a Trust Indenture and Agreement between John Nuveen & Co. as Sponsor, and United States Trust Company of New York, as Trustee. Under the Trust Agreement the Sponsor will deposit with the Trustee a minimum of \$10,000,000 principal amount of municipal bonds and will receive in exchange therefor certificates of undivided interest in the trust. It is proposed to offer such certificates for sale to the public; and for this purpose a registration statement under the Securities Act has been filed (see SEC News Digest of June 15).

INTERNATIONAL UTILITIES INVESTMENT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5010) (1) continuing the order dated November 30, 1966, exempting International Utilities Investment Corporation (IU Investment) from all provisions of the Act, and (2) exempting International Utilities of the U.S., Inc. (IUUS) from all provisions of the Act. IU Investment was organized by International Utilities Inc. (IU Inc.), which in turn is a subsidiary of International Utilities Corporation (IU Corp.). IU Investment was formed in order that IU Inc. could, for organizational and state tax reasons, transfer to IU Investment its portfolio of investment securities prior to a merger between IU Inc. and one of its wholly-owned subsidiaries which is not an investment company. On Aug. 13, 1965, and Nov. 30, 1966, the Commission issued orders exempting IU Inc. and IU Investment, subject to certain conditions, from all provisions of the Act (IC Releases 4325 and 4773, respectively). IUUS was organized to replace IU Inc.

NEW ORLEANS PUBLIC SERVICE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15772) authorizing New Orleans Public Service Inc., subsidiary of Middle South Utilities, Inc. (1) to amend its charter to bring it into conformity with the requirements of the Commission's Statement of Policy regarding preferred stock subject to the Act and (2) to solicit proxies in connection therewith. The proposed amendments to the charter relate, among other things, to the definition of long-term debt and the prohibition against the issuance of unsecured debt in excess of certain amounts, unless the issue is for the purpose of refinancing unsecured debt.

MISSISSIPPI POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15773) authorizing Mississippi Power Company, Gulfport, Miss. subsidiary of The Southern Company, to sell up to \$14,000,000 of promissory notes to a group of banks. Mississippi Power will use the net proceeds of this financing, together with cash on hand and proceeds from a previous sale of common stock to its parent, to finance its 1967 construction program, estimated at \$29,094,000.

SEC ORDER CITES HARRY ROYSTER. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Harry Norman Royster, of Reno, Nev., who has been registered with the Commission as a broker-dealer since November 19, 1966.

The proceedings are based upon staff charges that since April 1966 Royster has engaged in various activities violative of provisions of the Federal securities laws, including the conduct of business while insolvent and making false representations to induce customers and prospective customers to pay advance fees in connection with purported loan arrangements for them.

A hearing will be held pursuant to further order to take evidence on the staff charges and afford respondent Royster an opportunity to offer any defenses thereto, for the purpose of determining whether the staff charges are true in fact and, if so, whether any action of a remedial nature would be appropriate in the public interest.

DATA REPRODUCTION COSTS ANNOUNCED. The SEC has entered into a new contract with Documentation Inc. covering the period July 1, 1967, to June 30, 1968, for the reproduction (for public sale) of financial and other information and reports contained in the public files of the Commission. The cost of this service is as follows: Paper size to 8-1/2 x 14 - 9¢ per page; between 8-1/2 x 14 and 14 x 18 - 15¢; between 14 x 18 and 18 x 24 - 25¢; and larger than 18 x 24 (per section, match and join) - 25¢.

There will be a minimum charge of \$2.00 for each order. For further details, see Release 34-8109.

McMILLAN RADIATION LABS PROPOSES OFFERING. McMillan Radiation Labs, Inc., Ipswich, Mass., filed a registration statement (File 2-26789) with the SEC on June 22 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share through underwriters headed by Michael G. Kletz & Co., Inc., Time & Life Bldg., Rockefeller Plaza, New York, which will receive a \$.40 per share commission. The company has agreed to sell to the underwriters three-year warrants to purchase 100,000 shares of common stock exercisable at \$4.50 per share the first year and \$5.00 per share thereafter.

The company is engaged in the design, development, manufacture and sale of radomes used in aircraft to facilitate the reception of radar signals, and also various types of electromagnetic microwave absorbers used as countermeasures to undesired electrical waves or energy and to obtain free space characteristics within an enclosure. Of the net proceeds from the stock sale, \$153,500 will be used to repay indebtedness to two institutional lenders, \$200,000 to construct additional production facilities and acquire additional research and testing facilities and equipment, and the balance added to working capital for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 200,000 common shares, all held by Lundy Electronics & Systems, Inc., a New York corporation. Robert C. Barbato, president of both McMillan and Lundy, owns, along with members of his family, approximately 50.5% of the outstanding voting securities of Lundy.

COMBUSTION ENGINEERING PROPOSES OFFERING. Combustion Engineering, Inc., 277 Park Ave., New York 10017, today filed a registration statement (File 2-26790) with the SEC seeking registration of \$50,000,000 of debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

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The company's products and services may be divided into five categories: (1) steam generating equipment for the electric utility industry, (2) design and construction services; (3) equipment for industrial markets; (4) field-processing equipment for oil and gas industries; and (5) refractory and insulation products. The net proceeds from the debenture sale will be applied in part to retire bank borrowings in the amount of \$24,000,000 and the balance will be added to the general funds to be available for corporate purposes, including capital expenditures estimated at \$70,000,000 for 1967 and 1968. In addition to indebtedness, the company has outstanding 3,594,773 common shares. Arthur J. Santry, Jr. is president and Hubert G. Ebdon, board chairman.

STA-RITE INDUSTRIES PROPOSES OFFERING. Sta-Rite Industries, Inc., Delavan, Wisc. 53115, filed a registration statement (File 2-26791) with the SEC on June 23 seeking registration of \$5,000,000 of convertible subordinated debentures. The debentures are to be offered for public sale through underwriters headed by Loewi & Co. Incorporated, 225 East Mason St., Milwaukee, Wisc. 53202. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures home and farm water systems, agricultural, industrial and municipal water pumps, swimming pool pumps and filter systems, hydraulic pumps, motors and valves, electronic communications equipment, residential and commercial types of heating systems equipment, custom molded rubber and plastic components, automatic dairy milker systems and related products, and food processing pumps. Net proceeds from the debenture sale will be used to retire short-term bank borrowings of approximately \$3,000,000 and the balance will be used for working capital. In addition to indebtedness and preferred stock, the company has outstanding 825,736 common shares, of which management officials hold 15.6%. Henry Lauterbach is board chairman and David J. Munroe, president.

PRUDENTIAL FUNDS PROPOSES OFFERING. Prudential Funds, Inc., One Rockefeller Plaza, New York 10020, filed a registration statement (File 2-26792) with the SEC on June 23 seeking registration of 1,000 units in its 1967 Year End Drilling Fund--Series Fifteen, to be offered for public sale at \$5,000 per unit.

Organized under Delaware law in 1965, the company is a wholly-owned subsidiary of Prudential Equities Corp. (formerly Prudential Oil Corporation); in July 1966 it took over the oil and gas management business of the parent company. The purpose of the drilling fund is to finance the acquisition, testing, development and operation of oil and gas leaseholds. Nathan M. Shippee is president of the company.

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 June 1 News Digest.

National Blank Book Co May 67 (2,4,8,11,13)	0-1420-2	H H Robertson Co May 67 (7,8)	0-1078-2
Networks Electronic Corp May 67 (7,8)	0-1817-2	Rogers Corp May 67 (13)	1-4347-2
New Jersey Natural Gas Co May 67 (7,13)	0-93-2	Ronson Corp May 67 (7,11,13)	1-1031-2
New Orleans Public Service Inc May 67 (11)	1-3259-2	Roto American Corp Mar 67 (3,13)	1-5215-2
Niagara Mohawk Power Corp May 67 (11)	1-2987-2	S W Industries Inc May 67 (4,7,13)	0-846-2
Northern States Power Co May 67 (11,13)	1-3034-2	Saxon Paper Corp May 67 (11,12)	1-4111-2
Northwestern Bell Telephone Co May 67 (11,13)	1-3501-2	Scott Paper Co May 67 (2,7,11,12,13)	1-2300-2
Oxford Paper Co May 67 (2)	1-3841-2	Seaelectro Corp May 67 (11)	1-4635-2
Pacific Delta Gas Inc May 67 (2,8,11,13)	0-2016-2	Sears & Roebuck & Co May 67 (11,13)	1-416-2
Pak Well Paper Industries Inc May 67 (7,8)	0-1208-2	Frank G Shattuck Co May 67 (3)	1-485-2
Pargas Inc May 67 (2,4,7,11,13)	1-5274-2	Shelby Williams Industries Inc May 67 (7,13)	0-2176-2
Pennsylvania Power & Light Co May 67 (7,12)	1-905-2	Simon & Schuster Inc May 67 (3)	0-389-2
Pepsi Cola Bottling Co of Long Island Inc May 67 (2,9,13)	1-4512-2	Sinclair Oil Corp May 67 (7,11)	1-1247-2
Pepsico Overseas Corp May 67 (11)	1-5207-2	Southern Natural Gas Co May 67 (12,13)	1-2745-2
Philadelphia & Reading Corp May 67 (11,13)	1-4355-2	Southern Securities Corp May 67 (6,7,8)	0-1840-2
Pioneer Telephone Co May 67 (8,11)	0-1029-2	Standard Pressed Steel Co May 67 (12)	1-4416-2
Chas Pfizer & Co Inc May 67 (11,13)	1-3619-2	Starrett Brothers & Eken Inc May 67 (3,11,13)	0-1176-2
Polaron Products Inc May 67 (7)	1-3962-2	Stein Hall & Co Inc May 67 (12)	1-5030-2
Precision Automotive Components Co May 67 (12)	2-19540-2	Sunshine Mining Co May 67 (11)	1-678-2
Public Service Co of New Hampshire May 67 (4,11,13)	0-1063-2	Tensor Corp May 67 (2)	1-5270-2
Restaurant & Waldorf Associates Inc May 67 (2,3,4,7,13)	1-587-2	Texas American Oil Corp May 67 (7,13)	0-1951-2
Rex Chainbelt Inc May 67 (4,11,13)	1-373-2	Thorp Finance Corp May 67 (11,13)	0-706-2
Rio Algom Mines Ltd May 67 (13)	1-4398-2	Tidewater Oil Co May 67 (8)	1-160-2
		Union Camp Corp May 67 (12,13)	1-4001-2
		Union Light Heat & Power Co May 67 (3,11)	2-7793-2
		United Engineering & Foundry Co May 67 (7)	1-1711-2
		United Shoe Machinery Corp May 67 (3,12)	1-1599-2

United States Borax & Chemical Corp May 67 (13)	1-4052-2	Lighting Corp of Amer May 67 (11,13)	1-3889-2
U S Pipe & Foundry Co May 67 (3,7)	1-121-2	Louisiana Power & Light Co May 67 (7)	0-1236-2
Unitrode Corp May 67 (11)	0-2680-2	Maremont Corp May 67 (11)	1-4232-2
Victor Comptometer Corp May 67 (2,7,8,11,13)	1-4610-2	Marquardt Corp May 67 (11,13)	1-4146-2
Vulcan Materials Co May 67 (13)	1-4033-2	Metropolitan Edison Co May 67 (11)	1-446-2
Waddell & Reed Inc May 67 (3,13)	0-42-2	Missouri Beef Packers Inc May 67 (2,13)	0-2381-2
Watkins Johnson Co May 67 (12)	0-977-2	Montana Dakota Utilities Co May 67 (12)	1-3480-2
Wheelabrator Corp May 67 (11,13)	1-2483-2	Mosler Safe Co May 67 (1,11,12,13)	1-4835-2
Yunker Brothers Inc May 67 (2)	0-1376-2	National Cash Register Co May 67 (4,7,13)	1-395-2
		National Work-Clothes Rental May 67 (11)	1-4794-2
Clary Corp Amd #1 for Apr 67 (13)	1-3489-2	New England Power Co May 67 (11)	0-1229-2
Harbison Walker Refractories Co Amd #1 for Apr 67 (13)	1-1220-2	New Jersey Power & Light Co May 67 (7,11,12,13)	1-3221-2
Jamaica Water Supply Co Amd #1 for Apr 67 (4)	0-1242-2	Nunn Bush Shoe Co May 67 (1)	0-154-2
Toro Mfg Co Amd #1 for Aug thru Dec 66 (13)	0-20-2	Oxford Finance Companies Inc May 67 (11,12)	1-5053-2
Tractor Supply Co Amd #1 for Mar 67 (4)	1-4270-2	Pakco Companies Inc May 67 (2,12,13)	0-592-2
Uniservices Inc Amd #1 for May 67 (1,2,4,6,7,12,13)	0-77-2	Panacolor Inc May 67 (11)	0-536-2
		Pioneer Natural Gas Co May 67 (7,8)	0-525-2
Air Reduction Co Inc May 67 (7)	1-111-2	Puerto Rican Cement Co Inc Apr 66 (11,13)	1-4753-2
Allied Control Co Inc Apr & May 67 (13)	1-3830-2	Apr 67 (11,13)	1-4753-2
Alphanumeric Inc Apr 67 (11,12)	2-24071-2	The Richardson Co May 67 (4,13)	0-574-2
American Pacific Group Inc Jun 67 (2,11)	0-1428-2	St Louis Southwestern Ry Co May 67 (11)	1-680-2
Arkansas Louisiana Gas Co May 67 (8)	1-3751-2	Stokely-Van Camp Inc May 67 (12)	1-2944-2
Automatic Retailers of America Inc May 67 (7)	1-4762-2	Jun 67 (11,13)	1-2944-2
Baird & Son Inc May 67 (8)	0-828-2	Texas Electric Service Co May 67 (11)	0-1289-2
Briggs & Stratton Corp May 67 (12,13)	1-1370-2	Texas Gas Transmission Corp May 67 (11,13)	1-4169-2
Bullion Exploration Co May 67 (11)	1-108-2	Texas Oil & Gas Corp May 67 (7)	1-4995-2
Gamble Skogmo Inc May 67 (7,8)	1-3478-2	Transcontinental Inv Corp May 67 (6)	1-4945-2
General Refractories Co May 67 (4,13)	1-931-2	Tyco Laboratories Inc May 67 (2,7,13)	2-22638-2
Inter-County Tel & Tel Co May 67 (8,11)	0-341-2	United Foods Inc	
Jayark Films Corp May 67 (7)	2-18743-2		
Jersey Central Power and Light Co May 67 (11,12)	0-3141-2		
Kalvar Corp May 67 (7,8,13)	0-2166-2		
Kennecott Copper Corp Apr 67 (2,13)	1-1369-2		

SECURITIES ACT REGISTRATIONS. Effective June 22: Zayre Corp., 2-26724.

Effective June 23: Dictaphone Corp., 2-26260 (90 days); Studebaker Corp., 2-26597; United Air Lines, Inc., 2-26667 (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.

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