

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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SEC

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FOR RELEASE July 12, 1968

INDIVIDUALS' SAVING REPORTED. The SEC today announced that individuals' increase in net financial saving amounted to \$9.8 billion during the first quarter of 1968. While disposable income of individuals showed a strong advance during the period, their personal outlays rose even more so that there was a moderate reduction in net financial saving as compared to the previous quarter and the \$12.5 billion for the first quarter of 1967. The composition of individuals' saving differed somewhat from that of the first three months of last year. There was a sharper decline in saving through currency and demand deposits, but the increase in other savings deposit was much the same as last year. Direct holdings of securities increased \$3.4 billion in contrast to a slight net liquidation in the first quarter of last year. Individuals' indebtedness, which declined slightly in the first quarter of last year, increased reflecting a less than seasonal decline in consumer credit, a rise in residential mortgage debt and a decline in security borrowings. (For further details, see Stat. Release No. 2296).

ALLIED AUTOMATION OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by Allied Automation, Inc., of Alexandria, Va.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on April 24, 1968, Allied Automation proposed the offering of 70,000 shares of common stock at \$4 per share. In its suspension order, the Commission asserts that it has "reasonable cause to believe" that certain terms and conditions of Regulation A have not been complied with. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

DELMARVA POWER (OF MD.) SEEKS ORDER. Delmarva Power & Light Company of Maryland ("Maryland"), a wholly-owned subsidiary of Delmarva Power & Light Company ("Delmarva"), has applied to the SEC for authorization under the Holding Company Act to issue and sell from time to time prior to August 31, 1970, up to \$5,500,000 principal amount of promissory notes to Delmarva; and the Commission has issued an order (Release 35-16112) giving interested persons until July 31 to request a hearing thereon. Maryland intends to use the net proceeds of its note sale to reimburse its treasury for moneys previously expended for construction requirements and to provide funds for future construction expenditures. Construction expenditures are estimated at \$5,710,609 for 1968, \$6,506,902 for 1969 and \$5,268,000 for 1970.

DELMARVA POWER (OF VA.) SEEKS ORDER. Delmarva Power & Light Company of Virginia ("Virginia"), a wholly-owned subsidiary of Delmarva Power & Light Company ("Delmarva"), has applied to the SEC for authorization under the Holding Company Act to issue and sell from time to time prior to August 31, 1970, up to \$1,500,000 principal amount of promissory notes to Delmarva; and the Commission has issued an order (Release 35-16113) giving interested persons until July 31 to request a hearing thereon. Virginia intends to use the net proceeds of its note sale to reimburse its treasury for moneys previously expended for construction requirements and to provide funds for future construction expenditures. Construction expenditures are estimated at \$602,064 for 1968, \$1,006,515 for 1969, and \$992,000 for 1970.

VERMONT YANKEE SEEKS ORDER. Vermont Yankee Nuclear Power Corporation, Rutland, Vt., has joined with its ten sponsor companies in the filing of an application with the SEC under the Holding Company Act for authorization to issue an additional 200,000 common shares to the sponsor companies at \$100 per share; and the Commission has issued an order (Release 35-16114) giving interested persons until July 31 to request a hearing thereon. The company is constructing a nuclear electric generating plant of about 540 megawatts, the total cost of which is now estimated at \$135,000,000. Upon commencement of commercial operations, scheduled for 1971, all of the net energy output of the plant will be purchased by the ten sponsor companies, which heretofore acquired 200,000 common shares at the \$100 par value thereof. The sponsors include Central Vermont Public Service Corporation, Green Mountain Power Corporation and New England Power Company, which now own 35%, 20% and 20%, respectively, of the outstanding stock and will purchase additional shares in the same proportions. The remaining 25% will be acquired by the other seven companies.

KIDDER, PEABODY RECEIVES ORDER. The SEC has issued an order (Release IC-5432) granting an application under the Investment Company Act filed by Kidder, Peabody & Co., Inc., New York, for an exemption from the "recovery" provisions of the insider trading rules in connection with its purchase and resale of stock of The Diebold Technology Venture Fund, Inc., incident to its participation as an underwriting in the public offering of such stock.

WHITE CROSS STORES FILES FOR SECONDARY. White Cross Stores, Inc., 339 Haymaker Road, Monroeville, Pa. 15146, filed a registration statement (File 2-29576) with the SEC on July 10 seeking registration of 175,000 outstanding shares of common stock. The shares are to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005; the offering price (\$50 per share maximum*) and underwriting terms are to be supplied by amendment.

OVER

The company and its subsidiaries are engaged in the operation of 109 retail health and beauty aid stores under the names of White Cross and Health Cross. It has outstanding 2,022,349 common shares, of which Alex Robinson, board chairman, owns 13.64%, Donald M. Robinson, president, 16.80%, Harold L. Robinson, executive vice president, 14.15%, and Sanford N. Robinson, vice president, 11.55%. Alex and Donald Robinson propose to sell 55,000 shares each of 275,950 and 339,722 shares held, respectively, Harold Robinson 50,000 of 286,186 and Sanford Robinson 15,000 of 233,542.

AMERICAN FINANCIAL TO SELL DEBENTURES. American Financial Corporation, 3955 Montgomery Road, Cincinnati, Ohio 45212, filed a registration statement (File 2-29577) with the SEC on July 10 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1988. The debentures are to be offered for public sale through Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005; the interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a diversified financial holding company with operating subsidiaries in commercial banking, savings and loan, life and accident insurance, and computer, commercial and industrial equipment leasing. Of the net proceeds of its debenture sale, the company will use \$12,021,429 to retire the 6-5/8% notes issued in connection with its acquisition of 92.8% of the outstanding stock of The Provident Bank, \$1,022,879 to retire the 6% to 6-1/2% notes payable to former stockholders of said Bank, and the balance will be used to retire short term debt. In addition to indebtedness, the company has outstanding 3,417,362 common shares, of which Carl H. Lindner, board chairman and president, and Robert D. Lindner, vice president, together own 45.93% and management officials as a group 57.41%.

MARSHALL ELECTRONICS PROPOSES RIGHTS OFFERING. Marshall Electronics Company, 54 Summer Ave., Newark, N.J. 07104, filed a registration statement (File 2-29579) with the SEC on July 10 seeking registration of 151,219 shares of common stock. The shares are to be offered for subscription by common stockholders of record August 28, at the rate of one new share for each two shares held. The subscription price is to be supplied by amendment (\$5 per share maximum*). No underwriting is involved. Certain recipients of these shares may offer them for public sale from time to time at prices prevailing at the time of sale.

The company is engaged in the manufacture and sale of vacuum and gas filled electronic tubes. In December 1967 the company and Winslow Tele-Tronics, Inc., each acquired 50% of the outstanding capital stock of Klystronics, Inc., from The Bendix Corporation for an aggregate consideration of \$241,763. In June 1968, the company acquired an option from Winslow to purchase an additional 30% of Klystronics stock for \$150,000 and assumption of Winslow's obligations under the purchase agreement. The company intends to exercise this option by July 29 and, to the extent available, will use the net proceeds of its stock sale to repay any indebtedness it may incur in connection with such acquisition; the balance of the net proceeds will be added to working capital, with the intent to use the money for the purchase of new product lines, the acquisition of other companies, or in formation of joint ventures with other companies. The company has outstanding 302,439 common shares, of which management officials as a group own of record and beneficially 48%. Verner E. Gooderham is board chairman and Marshall D-Aloia president.

UNIDAT CORP. PROPOSES OFFERING. The Unidat Corporation, 95 Broad St., New York 10004, filed a registration statement (File 2-29581) with the SEC on July 11 seeking registration of 80,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made on an "all or nothing" basis through Alessandrini & Co., Inc., 11 Broadway, New York, which will receive a 60¢ per share selling commission plus \$7,500 for expenses. The company has agreed to sell the underwriter 7,500 common shares at \$1 per share.

Organized under New York law in May 1966, the company is engaged in providing computerized services to concerns who do not maintain their own data processing equipment, principally in the New York metropolitan area. Of the net proceeds of its stock sale, the company will use \$30,000 to repay short term bank borrowings and loans from stockholders, all of which were used for working capital, \$175,000 to expand present computer program services and to convert certain packages and programs from a punch card system to tape and disk, and \$100,000 to expand marketing efforts of its computer service programs; the balance will be added to working capital. The company has outstanding 275,000 common shares (with a 4¢ per share book value), of which Donald Braverman, president, owns 37.3%, Robert M. Weiss, board chairman, 26.4% and David Fuchs, treasurer, 18.2%. Upon completion of this offering, the non-public shareholders will own 77.5% of the outstanding common stock, for which they will have paid \$22,100, and the public purchasers will own 22.5%, for which they will have paid \$480,000.

GENERAL TELEPHONE (IND.) PROPOSES BOND OFFERING. General Telephone Company of Indiana, Inc., 501 Tecumseh St., Ft. Wayne, Ind. 46801, filed a registration statement (File 2-29582) with the SEC on July 11 seeking registration of \$17,000,000 of first mortgage bonds, due 1998. The bonds are to be offered for public sale through Paine, Webber, Jackson & Curtis, 25 Broad St., New York 10004, and two other underwriters; the interest rate, offering price and underwriting terms are to be supplied by amendment.

The company, a subsidiary of General Telephone & Electronics Corporation ("GT&E"), contemplates that on or before August 30 it will sell to GT&E up to 200,000 common shares at \$50 per share. It proposes to apply the net proceeds of its sale of these securities toward the payment of up to \$27,000,000 of short term loans owing to banks and to GT&E (obtained for the purpose of financing its construction program); the balance will become a part of the company's treasury funds, to be used for property additions and improvements.

GOLDEN AGE MINES TRADING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in the common stock of Golden Age Mines, Ltd., for the further ten-day period July 15-24, 1968, inclusive.

INTER-CITY GAS SEEKS ORDER. Inter-City Gas Limited, Winnipeg, Canada, holding company, has applied to the SEC for authorization under the Holding Company Act to merge with three of its subsidiary companies; and the Commission has issued an order (Release 35-16111) giving interested persons until July 29 to request a hearing thereon. The Inter-City holding company system consists of three Canadian and four U. S. corporations. Canadian residents comprise 95% of Inter-City's 1800 stockholders and own 98% of its outstanding shares. The Canadian subsidiary companies are Inter-City Gas Utilities, Ltd. ("Utilities"), all of whose outstanding securities are owned by Inter-City, and Inter-City Gas Transmission, Ltd. ("Transmission"). There is pending before the Commission an application seeking an order to exempt Utilities from all the provisions of the Act as a subsidiary company. Utilities conducts its retail gas utility business solely within Manitoba and neither it nor its wholly-owned subsidiary, Transmission, is engaged in any business within the United States.

The subsidiary companies in the United States are Superior Gas Company ("Superior"), North Star Natural Gas Company ("North Star"), North Star Natural Gas Company of Wisconsin, Inc. ("North Star of Wisc."), and Iron Ranges Natural Gas Company ("Iron Ranges"). It is proposed to merge Superior, North Star and Iron Ranges into Inter-City. Inter-City owns all of the capital stock of Superior which owns all of the capital stock of North Star which, in turn, owns all of the capital stock of North Star of Wisc. Inter-City also owns 47,647 shares (98.7%) of the 48,287 outstanding capital shares of Iron Ranges. The remaining 640 shares are held by a small number of stockholders. North Star of Wisc. is in the process of selling all of its utility assets for a total of \$920,000, after which it will be liquidated and dissolved (Release 35-16102). Inter-City, as the surviving corporation, will own all of the utility properties of these subsidiaries. Utilities will remain a subsidiary of Inter-City. All of the capital stocks of Superior and North Star and the capital stock of Iron Ranges owned by Inter-City, will be cancelled. The 640 shares of Iron Ranges common stock held by the minority stockholders may, at their option, be exchanged for Inter-City common on the basis of three Inter-City shares for each Iron Ranges share.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act granting applications of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Giant Yellowknife Mines, Ltd., and in the Series A preferred stock of Northwest Industries, Inc. (Release 34-8349)

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the offer of stock under employee stock option and similar plans:
Automatic Data Processing, Inc., Clifton, N. J. 07013 (File 2-29578) - 16,000 shares
Airpax Electronics Incorporated, Fort Lauderdale, Fla. 33310 (File 2-29580) - 32,050 shares
General Instrument Corporation, Newark, N. J. 07104 (File 2-29583) - 601,242 common and 6,666 Series A preferred 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 July 3 News Digest.

Houston First Savings Assn June 68 (12)	0-1484-2	Aits Inc Apr 68 (11,13)	2-25622-2
Lukens Steel Co June 68(4,13)	1-3258-2	Commonwealth Inc June 68 (7,11,13)	0-1488-2
Great Lakes Chemical Corp June 68(12,13)	1-2630-2	Diners Club Inc June 68 (11,13)	1-3994-2
Great Lakes Natural Gas Corp June 68 (11)	0-3019-2	Shattuck Denn Mining Corp June 68 (3)	1-948-2
Grinnell Corp June 68 (3)	0-780-2	Rheingold Corp June 68 (3)	1-5101-2
Interplastic Corp June 68(12)	0-2799-2	Conestoga Tel & Tel Co June 68 (7,13)	0-2524-2
World Service Life Ins Co Amd #1 to 8K for Mar 67 (1,2, 4,7,11,13)	2-15506-2	Suburban Gas June 68 (12,13)	1-4279-2
Clear Creek Corp June 68 (6)	0-1379-2	Union Investment Co June 68 (4,7,13)	1-2529-2
Stockman National Life Ins Co May 68 (11)	2-22231-2	J P Stevens & Co Inc June 68 (7,13)	1-3434-2
Western Orbis Co June 68 (12)	1-4783-2	American Automatic Vending Corp June 68 (11)	0-1507-2
Wurlitzer Co June 68(11,13)	1-5637-2	Ducommun Inc June 68 (13)	0-1222-2
Abercrombie & Fitch Co June 68 (2,4,11,13)	2-25220-2	Pacific Southwest Airlines June 68 (2,12)	1-5080-2
Shelby Williams Inds Inc June 68 (7,8)	1-5419-2	U S Plywood-Champion Papers Inc June 68 (12,13)	1-3053-2

TRADING IN PLANET OIL & MINERAL TO RESUME. The SEC today announced that the temporary suspension of over-the-counter trading in the common stock of Planet Oil and Mineral Corporation, a Delaware corporation with its principal offices in Dallas, Texas, will be terminated at the close of business on July 17, 1968. Accordingly, trading in such stock may be resumed at the opening of business on Thursday, July 18, 1968.

Trading in the common stock of Planet was initially suspended by the Commission on June 20, 1968 as a result of information coming to the attention of the Commission and at the request of the company. The Commission's action was based upon the need for the public release of information with respect to certain contract negotiations.

In announcing the lifting of the trading ban in Planet stock, the Commission invited the attention of investors and broker-dealers to a public announcement by the company and the disclosures contained therein concerning the aforementioned contract negotiations. The company announcement reads as follows:

"Mr. Frank A. Schultz, President of Planet Oil and Mineral Corporation, announced today that the Board of Directors of the National Iranian Oil Company had approved a preliminary agreement between the National Iranian Oil Company and Planet providing for the sale by the National Iranian Oil Company and the purchase by Planet of crude oil for importation into the United States. Mr. Schultz pointed out that the importation of any such crude oil into the United States would be subject to United States Government controls, approvals and permits and that no United States approvals or permits have been applied for or granted.

"It is the intention of the parties, Mr. Schultz stated, that Planet would purchase those quantities of crude oil for which permits to import into the United States are obtained. Mr. Schultz noted that the preliminary agreement with the National Iranian Oil Company is for a term of 12 years and covers significant quantities of Iranian oil which would be purchased by Planet at competitive prices in the Persian Gulf for the first four years and at prices to be agreed upon for the remaining term of the agreement. He further noted that it was understood that the proceeds derived from the sale of Iranian Oil will be used for the purpose of acquiring American goods and equipment for Iran and that Planet had agreed to use its best efforts to assist Iran in obtaining financing for its purchases in the United States in the event and to the extent that the proceeds from the crude oil sales are, on a current basis, insufficient to meet the cost of acquiring such American goods and equipment.

"Mr. Schultz cautioned that although Planet considered the preliminary arrangements with the National Iranian Oil Company of importance to it, any benefits to Planet would depend upon a number of factors including the satisfactory finalization of all the arrangements with the Iranian Government, the obtaining of required American approvals and permits and the execution of agreements to market the oil profitably in the United States."

The Commission cautioned that broker-dealers and investors should consider the facts and circumstances set forth above in connection with any transaction in Planet stock.

SECURITIES ACT REGISTRATIONS. Effective July 11: Bonanza International, Inc., 2-28735 (90 days); J. L. Clark Manufacturing Co., 2-29351 (40 days); Concord Fabrics, Inc., 2-29036 (90 days); Cook Coffee Co., 2-28998 (Aug 20); Daniel Industries, Inc., 2-29065 (90 days); Data Automation Co., Inc., 2-28876 (40 days); Fry's Food Stores, Inc., 2-29074 (90 days); General American Transportation Corp., 2-29418; General Mills, Inc. 2-29323; General Signal Corp., 2-29425; Goody's Inc., 2-28571 (Oct 9); The Gorman-Rubb Co., 2-29233 (Oct 9); Gould Properties, Inc., 2-28627 (40 days); Holobeam, Inc., 2-29031 (90 days); National Biscuit Co., 2-29271; North American Planning Corp., 2-28498 (90 days); Province of Ontario, 2-29370; Standard Oil Co., 2-29388.

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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