

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C

FOR RELEASE ~~January 22, 1957~~

Statistical Release No. 1432

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended January 18, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956 and 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956 - 1957</u>	
	<u>1/18/57</u>	<u>1/11/57</u>		<u>High</u>	<u>Low</u>
Composite	331.3	343.4	- 3.5	366.2	319.0
Manufacturing	418.9	436.7	- 4.1	468.6	398.6
Durable Goods	396.1	413.7	- 4.3	437.6	369.4
Non-Durable Goods	440.2	458.2	- 3.9	500.8	425.2
Transportation	304.0	317.0	- 4.1	353.0	303.2
Utility	156.6	157.7	- 0.7	161.5	151.6
Trade, Finance & Service	279.7*	290.1	- 3.6	325.5	279.7
Mining	366.7	370.8	- 1.1	383.2	326.8

*New Low

Securities Exchange Act Release No. 5441

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Utah Uranium Brokers, Inc. ("Respondent"), Salt Lake City, U., should be revoked. A hearing for the purpose of taking evidence in such proceedings, which also concerns the question whether Respondent should be suspended or expelled from membership in the National Association of Securities Dealers, Inc., is scheduled for January 30, 1957, in the Commission's Salt Lake City Branch Office.

Respondent's broker-dealer registration became effective February 23, 1956. It is a successor to Verne H. Eliason, doing business as Utah Uranium Brokers, a sole proprietorship, which was registered as a broker-dealer during the period August 12, 1954, to April 18, 1956. Verne H. Eliason controls 64% of the common stock of Respondent.

According to the Commission's order, members of its staff have reported information obtained as a result of an inspection of Respondent which tends to show that during the period December 1, 1955 to November 9, 1956, Eliason (while registered as a sole proprietorship) and Respondent did not make and keep current certain

books and records required by the Act and the Commission's rules and regulations thereunder.

More particularly, it is asserted in the order that there was a failure to make and keep current (1) blotters or other records of original entry containing an itemized daily record of purchases and sales of securities, receipts and deliveries of securities, and receipts and disbursements of cash and other debits and credits; (2) ledgers or other records reflecting all assets and liabilities, income and expense and capital accounts; (3) ledger accounts and other records itemizing separately as to each cash and margin account of every customer, all purchases, sales, receipts and deliveries of securities for such account and all other debits and credits to such account; (4) ledgers or other records reflecting securities in transfer; (5) a securities record or ledger reflecting separately for each security as of the clearance dates all "long" or "short" positions, including securities in safekeeping, carried by registrant for his account or for the account of his customers and showing the location of all securities long and the offsetting position to all securities short, and the name or designation of the account in which each position is carried; (6) a memorandum of each brokerage order received or given reflecting the details with reference to instructions and execution of the order, together with the time of entry and of execution or cancellation; and (7) a memorandum of each purchase and sale of securities for the account of registrant showing the price and the time of execution.

At the January 30th hearing, inquiry will be conducted into the foregoing matters for the purpose of determining whether the reported information is correct and, if so, whether Respondent has wilfully violated provisions of the Act and rules and regulations thereunder, whether its broker-dealer registration should be revoked and whether it should be suspended or expelled from membership in the NASD.

Securities Act Release No. 3743

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by The Bethlehem Mining and Exploration Corporation, San Diego, California. The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

Bethlehem Mining filed its Regulation A notification on December 27, 1955, proposing the public offering of 250,000 shares of common stock at \$1 per share. In its order, the Commission asserts that the making or continuance of the offering of the Bethlehem Mining stock "would act as a fraud or deceit upon prospective purchasers" in that the offering circular contains false and misleading statements of material facts and omits to state material facts required to be stated, in respect of (1) the disposition of the 5% of the proceeds of the issue which the issuer is not to receive, (2) the intention of the issuer in regard to the return of funds to purchasers of the stock if insufficient funds to commence operations were not realized, (3) the risks inherent to the issuer's unpatented mining claims, and (4) the existence on its land of a mineral body which could be worked profitably.

The order further asserts that the terms and conditions of Regulation A were not complied with by Bethlehem Mining, in that (a) its offering circular failed to list the proposed order of priority of expenditure of the proceeds of the financing and (b) the offering circular does not include appropriate financial statements.

Investment Company Act Release No. 2476

National Aviation Corporation, New York investment company, has applied to the SEC for an exemption order with respect to its proposal to acquire not to exceed \$500,000 principal amount of a proposed offering of \$25,000,000 of Convertible Subordinated Debentures of Douglas Aircraft Company, Inc., at the public offering price thereof; and the Commission has issued an order giving interested persons until February 1, 1957, to request a hearing thereon.

The proposed offering of Douglas Aircraft debentures is to be underwritten by a group of underwriters, including the firms of Paine, Webber, Jackson & Curtis and Hornblower & Weeks. Stuart R. Reed, a director of National, is a special partner in the Paine-Webber firm and Charles S. Sargent, also a director of National, is a partner of Hornblower & Weeks. In view of the inter-company affiliations, the purchase of Douglas Aircraft debentures by National is prohibited unless an exemption order is issued by the Commission. National states that it proposes to purchase the debentures from any of the underwriters other than Paine-Webber and Hornblower & Weeks.

Holding Company Act Release No. 13367

Georgia Power Company (Atlanta, Ga.) has applied to the SEC for authorization to purchase all of the assets, properties and business of Georgia Power and Light Company (Valdosta, Ga.) and the Commission has issued an order scheduling the matter for hearing on February 5, 1957.

Power and Light, a subsidiary of Florida Power Corporation, is engaged in the electric utility business in twenty counties in southern Georgia, where all its properties are located, immediately south of and adjacent to the properties of Georgia Power. The transmission facilities of the two companies are interconnected, and Georgia Power has supplied a substantial part of the energy requirements of Power and Light for many years.

The purchase price for the properties will consist of (1) a cash payment of \$8,650,000 as at April 30, 1956, plus any increase thereafter to date of closing in Power and Light's common capital and surplus and its indebtedness to Florida Power (which increase at September 30, 1956, aggregated \$930,372 and is expected to continue at the rate of \$200,000 per month); and (2) the assumption by Georgia Power of substantially all of the liabilities of Power and Light (other than for income taxes and indebtedness to Florida Power), including the principal amount of its outstanding First Mortgage Bonds which at November 28, 1956, amounted to \$7,705,000.

Pursuant to a further agreement with Florida Power, Georgia Power proposes to acquire a 47.46-mile transmission line running from the Florida-Georgia state line near Jasper, Florida, to its interconnection with a similar line of Georgia Power.

The purchase price of such transmission line is estimated at \$181,000. Georgia Power also proposes to enter into a three-year contract with Florida Power for the purchase of energy, to be supplemented by energy from Georgia Power's own power resources, to supply the requirements of Power and Light's service area.

To provide the funds required to make the cash payments under the purchase agreements, Georgia Power proposes to make bank borrowings up to \$11,000,000 from nine banks.

Holding Company Act Release No. 13369

General Public Utilities Corporation, New York, has joined with its Philippine subsidiary, Manila Electric Company, in the filing of an application with the SEC with respect to a proposal of GPU to make advances on open account to Manila; and the Commission has issued an order scheduling the matter for hearing on February 13, 1957.

Under the proposal, GPU agrees to advance to Manila on open account, from time to time, not later than December 31, 1958, not to exceed an aggregate of \$3,750,000. Such advances are to be made upon the written request of Manila, and are to bear interest at the rate of 6% per annum on the unpaid balance from the date made. The proceeds will be used by Manila to pay in part the costs of construction of a 25,000 Kw addition to its Rockwell generating station.

According to the application, Manila on September 30, 1956, had outstanding \$4,000,000 of 5-3/4% debentures due in 1960, \$4,000,000 of 6 1/2% debentures due in 1965, \$4,000,000 of 6% debentures due 1969, 350,000 shares of cumulative 20 pesos par value, 6 1/4% preferred stock, and 1,000,000 shares of 40 pesos par value common stock. All of the common stock, all of the preferred stock, and \$4,000,000 of the debentures are owned by GPU. Manila is in the process of developing a program for exchanging or redeeming its outstanding debentures (including those held by GPU) through the issue of first mortgage bonds; but it is not anticipated that the preparation of the bond indenture and the effectuation of the other necessary steps, can be completed prior to the time Manila will need the funds from GPU. If and to the extent that such program is carried out, the advances by GPU to Manila are to be evidenced by such bonds, maturing in ten equal semi-annual installments commencing five years from the date the new generating unit is placed in service. Otherwise, the advances will be represented by serial notes of Manila maturing in the same manner.

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R. H. Macy & Co., Inc., New York, filed a registration statement (File 2-13026) with the SEC on January 18, 1957, seeking registration of \$12,281,100 of Convertible Subordinated Debentures, due February 1, 1977. The company proposes to offer the debentures for subscription by its common stockholders at the rate of \$100 of debentures for each 14 shares of stock held. The interest rate, conversion price, subscription price and underwriting terms are to be supplied by amendment. Lehman Brothers and Goldman, Sachs & Co. are listed as the principal underwriters.

Net proceeds will be added to the general funds of the company to be available for general corporate purposes. It is anticipated that the proceeds will be used

primarily to furnish increased working capital required as a result of the expansion program of the company. The additional funds are needed for merchandise inventories, equity in customers' accounts receivable, and other working capital requirements of new store units added within the past three years and in the process of development. In addition to the eight branch stores added within the past three years (aggregating approximately 1,344,000 square feet of floor space), the company presently has in process of development branch stores at Paramus, Bergen County (Garden State Plaza Shopping Center), Eatontown, Monmouth County (Monmouth Shopping Center), and Menlo Park, Middlesex County (Menlo Park Shopping Center), New Jersey; and San Leandro (Bay-Fair Shopping Center), California, aggregating 920,000 square feet of space.

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Quebec Hydro-Electric Commission (Canada) filed a registration statement (File 2-13027) with the SEC on January 18, 1957, seeking registration of \$35,000,000 of Debentures, Series Q, due February 1, 1977, guaranteed as to principal and interest by the Province of Quebec. The debentures are to be offered for public sale through an underwriting group headed by The First Boston Corporation and six other firms. The public offering price and underwriting terms are to be supplied by amendment. Net proceeds from the sale of the debentures are to be applied toward the payment of the Series E Debentures which will mature on March 1, 1957, amounting to \$61,057,300. The Commission's expansion program, covering the period from September 30, 1955 through 1962, originally provided for capital expenditures of \$495 million, since increased to \$520 million to provide additional facilities. As of November 30, 1956, \$390 million remained to be spent.

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Potomac Electric Power Company, Washington, D. C., filed registration statements (File 2-13028 and 2-13029) with the SEC on January 18, 1957, seeking registration of \$30,000,000 of Debentures, due February 15, 1982, and 300,000 shares of Serial Preferred Stock, Series of 1957, \$50 par (cumulative). The debentures are to be offered for public sale at competitive bidding. The preferred shares are to be offered for public sale through an underwriting group headed by Dillon, Read & Co. Inc. and Johnston, Lemon & Co.; and the dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Promptly after the sale of the debentures, Potomac Electric proposes to sell the 300,000 shares of preferred to the underwriters. Prior to the sale of the new preferred, it is proposed to redeem the 225,000 outstanding shares of 3.60% Preferred Stock, \$50 par, from the proceeds of the sale of the new debentures. Of the net proceeds from the sale of the debentures and new preferred, \$11,981,250 will be used to pay the redemption price of \$53.25 per share of the 3.60% preferred, and the balance, together with other general funds of the company, will be used to pay, at or before maturity, the company's outstanding \$15,000,000 of 3-3/8% Bank Loan Notes due April 1, 1957, to reimburse the company's treasury for a portion of its construction expenditures heretofore made and to meet a portion of the company's construction program. The construction program is estimated at \$46,000,000 for the 15 months ending December 31, 1957.

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Southern California Edison Company, Los Angeles, today filed a registration statement (File 2-13030) with the SEC seeking registration of \$37,500,000 of First and Refunding Mortgage Bonds, Series H, due 1982, to be offered for public sale at competitive bidding. Net proceeds are to be used by the company in part to retire short-term bank loans (incurred in connection with the acquisition of funds for the company's continuing construction program), which it is estimated will not exceed \$13,000,000 at the time such proceeds are received; and the balance will become treasury funds, and the company proposes to use an amount at least equal to such balance in its continuing construction program. It is presently expected that gross plant additions for the years 1957-58 will total approximately \$304,650,000.

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Amendments were filed on January 16, 1957 to the following registration statements, seeking registration of additional securities as indicated:

The Dreyfus Corporation, New York investment company (File 2-11811)
\$8,500,000 Fully Paid Programs
\$81,500,000 Systematic Accumulation Programs

The Dreyfus Fund Incorporated, New York investment company (File 2-9455)
2,000,000 shares capital stock, \$1 par value

The Investment Company of America, Los Angeles investment company (File 2-10811)
2,000,000 shares common stock, \$1 par value

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