

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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CAPITAL EXPENDITURES UP. The SEC and the Department of Commerce report (for September 8 newspapers) that business investment in new plant and equipment is projected at \$60.9 billion for 1966, 17 percent above 1965, according to the survey conducted in late July and August. Actual outlays in the second quarter, at a seasonally adjusted annual rate of \$60.1 billion, were higher than anticipated in the survey three months ago, but anticipations of \$61.6 billion and \$63.6 billion for the final two quarters of this year are virtually unchanged from those reported in May. The rise now anticipated for the second half of this year, if realized, would represent a gain of 6 percent over the first half, as compared with a 9 percent increase from the second half of 1965 to the first half of 1966. The latest projection of total capital outlays by U. S. business for the full year 1966 was little different from the \$60.8 billion reported in the May survey, but there were offsetting revisions among the various industry groups. Durable goods manufactures reported a slight upward revision in 1966 programs, with the most appreciable increases in primary metals and transportation equipment other than motor vehicles. Non-electrical machinery firms reported a reduction in spending plans for the year. Nondurable goods producers now project a smaller amount of expenditures than reported in the survey three months ago; petroleum and textile companies account for most of this downward revision in spending for 1966. (For further details see Stat. Release No. 2149)

AMERICAN GROWTH PLAN FILES FOR OFFERING. American Growth Plan, Inc., 1175 N. E. 125th St., Miami, Fla. 33161, filed a registration statement (File 2-25475) with the SEC on September 2 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale at \$5 per share through J. C. Roberts & Co., Inc., of the Miami address, which will receive a \$.40-per-share commission.

Organized under Florida law in August, 1966, the Plan proposes to engage in business as a closed-end diversified investment company whose investment objective is "to seek long-term appreciation of capital." It has outstanding 22,573 common shares, all acquired by the wife of Seymour Vigman, president, for \$100,000.

ALASKA INTERSTATE FILES EXCHANGE PROPOSAL. Alaska Interstate Company, 3815 Buffalo Speedway, Houston, Tex. 77006, filed a registration statement (File 2-25477) with the SEC on September 2 seeking registration of 155,992 shares of common stock. The stock is to be offered in exchange for Class A common stock of Alaska Pipeline Company (Pipeline) at the rate of 8/10th of one company share for each Class A share of Pipeline. The company is offering an additional 939,140 common shares to joint venturers in exchange for such Class A stock of Pipeline and other assets owned by such persons. The exchange offers are conditioned upon the receipt by the company of at least 80% of the outstanding Class A stock of Pipeline.

Organized under Alaska law in 1966, the company proposes to combine businesses in the management, financial, technical and commercial fields. Under the terms of the exchange agreements, it will own all of the outstanding voting securities of The Anlin Company of Illinois; The Anlin Company of New Jersey; and Rone-Associated, Inc.; 61.12% of such securities of Baldwin Properties, Inc.; 74.17% of such securities of Pipeline, and certain other assets. Pipeline has outstanding 755,000 voting shares; its management officials own approximately 70% of the Class A stock. Robert B. Baldwin is president of the company. Upon successful completion of the exchange proposal, it is anticipated that management officials will own 60.3% of the outstanding stock of the company (including 20.2% to be owned by Baldwin).

AMPEX PROPOSES DEBENTURE OFFERING. Ampex Corporation, 401 Broadway, Redwood City, Calif., filed a registration statement (File 2-25482) with the SEC on September 6 seeking registration of \$30,000,000 of convertible subordinated debentures (due 1991). The debentures are to be offered for public sale through underwriters headed by Blyth & Co., Inc., Russ Bldg., San Francisco, Calif. 94104. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the magnetic recording business. Of the net proceeds of its debenture sale, approximately \$20,000,000 will be used to retire short-term indebtedness and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 9,461,294 common shares, of which management officials own 3.12%. Alexander M. Poniatoff is board chairman and William E. Roberts is president.

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

- United States Leasing Corporation, 633 Battery St., San Francisco, Calif. 94111 (File 2-25470) (223,250 shares)
- Diamond Alkali Company, 300 Union Commerce Bldg., Cleveland, Ohio 44115 (File 2-25473) (93,182 shares)
- Federal-Mogul Corporation, 26555 Northwestern Highway, Southfield, Mich. 48075 (File 2-25474) (33,000 shares)
- Scott, Foresman and Company, 1900 E. Lake Ave., Glenview, Ill. 60025 (File 2-25478) (194,590 shares)
- Red Owl Stores, Inc., 215 E. Excelsior Ave., Hopkins, Minn. (File 2-25480) (32,590 shares)
- International Basic Economy Corporation, 30 Rockefeller Plaza, New York 10020 (File 2-25481) (common stock)
- Commercial Solvents Corporation, 260 Madison Ave., New York 10016 (File 2-25484) (79,231 shares)

OVER

AMERICAN & FOREIGN POWER SEEKS ORDER. American & Foreign Power Company, Inc., of New York, whose application for exemption from the Investment Company Act was denied by the Commission on May 6 has advised the Commission that it plans to register as an investment company; and it has applied to the Commission for certain limited exemptions under Sections 17(a) and (d) of the Act as well as Sections 21(b), 23(a) and (b) and 30. The Commission has issued an order (Release IC-4696) giving interested persons until September 23 to request a hearing thereon. The exemptions sought would apply to certain transactions with foreign affiliated enterprises or affiliated persons; loans and advances to controlled companies and subsidiaries and the acquisition of securities in connection therewith; the issuance of stock pursuant to the exercise of existing stock options; and the filing of periodic reports by three fully-owned subsidiaries which expect to register as investment companies.

DELMARVA P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15554) authorizing Delmarva Power & Light Company, Wilmington, Del., to acquire interests in certain land on which generating facilities are to be constructed. According to the application, Pennsylvania Power & Light Co. (PP&L) is the owner of certain lands and options on land near Johnstown, Pa., on which there is to be constructed a coal-fired, mine-mouth 1,800,000 KW electric generating station. Pursuant to an agreement between PP&L and eight other utility companies which will own the generating station as tenants in common and share in its capacity in proportion to their ownership interest, Delmarva proposes to acquire from PP&L an undivided 3.72% interest in the land and options for an estimated cash consideration of \$281,186.

WESTEC TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Westec Corporation for the 10-day period, September 8-17, 1966, inclusive.

COMPLAINT CITES STATE CREDIT, OTHERS. The SEC Seattle Regional Office announced August 26 (LR-3577) the filing of a complaint (USDC, Mont.) seeking to enjoin State Credit Corporation, State Brokerage Company, and Ben D. Shennum of Missoula, Mont., from further violations of the Securities Act anti-fraud provisions in the sale of common stock of State Credit Corp.

SPARROW AND BERGLUND INDICTED. The SEC Denver Regional Office announced August 31 (LR-3578) the return of an indictment (USDC, Las Vegas) charging Robert Dahle Sparrow and Eric Berglund, both of Phoenix and Tucson, Ariz., with conspiracy to violate and violations of the anti-fraud provisions of the Securities Exchange Act, as well as violations of the National Stolen Property Act.

NEES SEEKS ORDER. New England Power Company (NEPCO), Boston electric-utility subsidiary of New England Electric System, has applied to the SEC for an order under the Holding Company Act authorizing it to increase from 300,000 to 600,000 the aggregate number of authorized shares of Dividend Series Preferred Stock, \$100 par; and the Commission has issued an order (Release 35-15555) giving interested persons until September 29 to request a hearing thereon. The application states that NEPCO will submit the proposed amendment to its stockholders at a special meeting on October 14.

AMERICAN ELECTRIC POWER HEARING POSTPONED. The SEC has postponed the hearing scheduled for September 8 on the proposal of American Electric Power Company, Inc., New York holding company, to acquire stock of Michigan Gas & Electric Company from Michigan Gas Utilities Company. The postponement was requested by AEP pending the filing of an amendment to its application to reflect the terms of an agreement between the three companies with respect to the price to be paid for the MG&E stock and other matters. The adjourned date of the hearing will be announced later.

SECURITIES ACT REGISTRATIONS. Effective September 6: Home Telephone and Telegraph Co. of Virginia, 2-25415; The 1776 Company, 2-25296 (90 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.