

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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(Issue No. 71-38)

FOR RELEASE February 24, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

SHORTLINE REPORTS REVOKED; GOLDBERG SUSPENDED. The SEC today announced a decision under the Securities Exchange Act of 1934 and Investment Advisers Act of 1940 (Release IA-280) in which it revoked the registration as investment adviser of Shortline Reports, Inc., New York. The Commission also suspended its president, Walter Goldberg, from association with any broker, dealer, investment adviser or investment company for six months, commencing March 1.

According to the Commission's decision, during the period December 15, 1969 to August 13, 1970, respondents violated the provisions of the Investment Advisers and Exchange Acts in distributing a report to clients and prospective clients concerning an issuer, which contained false and misleading statements, and violated the Investment Advisers Act in (1) publishing and disseminating advertisements of the firm's advisory service that were false and misleading, (2) publishing advertisements soliciting subscriptions one month prior to Shortline's registration as an investment adviser, and (3) failing promptly to file an amendment to Shortline's registration form correcting information to reflect a substantial increase in the service's subscription rate.

In an offer of settlement submitted by respondents, they waived a hearing and without admitting or denying the violations, consented to Commission findings of violations and to imposition of the indicated sanctions.

HOLDING COMPANY ACT RELEASES

DELMARVA POWER SEEKS ORDERS. The SEC has issued an order under the Holding Company Act (Release 35-17010) giving interested persons until March 12 to request a hearing upon an application of Delmarva Power and Light Company ("Delmarva"), Wilmington, Del. holding company, to offer 1,015,958 shares of common stock for subscription by its stockholders of record on March 25, 1971, at the rate of one new share for each ten shares held, and to issue and sell, at competitive bidding, 150,000 shares of cumulative preferred stock (\$100 par). Net proceeds of its stock sale will be used by Delmarva and its subsidiaries to finance in part the cost of their 1971 construction program (estimated at \$117,343,000) and to pay all or a portion of unsecured short-term loans incurred prior to the stock sale.

An order (Release 35-17013) has also been issued giving interested persons until March 16 to request a hearing upon an application of Delmarva to increase from \$25,000,000 to \$40,000,000 the amount of short-term notes (including commercial paper) it may issue and sell at any one time. Net proceeds of its financing will be used to finance a part of its 1971 construction program (estimated at \$114,229,000).

MAINE YANKEE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17011) authorizing Maine Yankee Atomic Power Company, Augusta subsidiary of both Northeast Utilities and New England Electric System, to issue and sell, at competitive bidding, \$50,000,000 of first mortgage bonds, Series B, due 2002, and \$15,000,000 of debentures, Series A, due 1976. Net proceeds of its bond sale will be used to meet current and future construction costs. The proceeds from the debenture sale will be used to meet part of the costs of the initial fuel inventory for the nuclear-powered electric generating plant which is under construction. The total capital cost of the plant is estimated at \$200,000,000 and the total cost of an initial inventory of nuclear fuel is estimated at \$25,000,000.

GEORGIA POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17012) giving interested persons until March 12 to request a hearing upon an application of Georgia Power Company, Atlanta subsidiary of The Southern Company, to issue \$7,804,000 principal amount of first mortgage bonds, 2-7/8% series due 1980, under the provisions of its indenture dated March 1, 1941 between Georgia and Chemical Bank, as trustee, as amended and supplemented, and to surrender such bonds to the trustee in accordance with the sinking fund provisions.

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17014) authorizing The Columbia Gas System, Inc., New York holding company, to issue and sell \$75,000,000 of debentures, due 1996, at competitive bidding. Net proceeds of its debenture sale will be added to general funds of Columbia and, together with funds then available and funds to be generated from operations, will be used to finance, among other things, part of the cost of its subsidiaries' 1971 construction program, estimated at \$200,000,000.

INVESTMENT COMPANY ACT RELEASES

MONY FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6359) exempting The Mony Fund, Inc., New York mutual fund, from the restrictions of Section 10(b)(2) of the Act so that Mony Sales, Inc., may continue to serve as underwriter until a regular meeting of the Fund's board of directors scheduled for February 25, when it is anticipated that an additional such director will be named.

OVER

MONEY VARIABLE ACCOUNT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6360) exempting The Mutual Life Insurance Company of New York ("MONEY") a mutual life insurance company, and The MONEY Variable Account A, a New York mutual fund, from the restrictions of Section 10(b)(2) of the Act with respect to it through February 25, 1971, so long as at least 50% of the members of the Account A Committee, which manages Account A, are not affiliated with MONEY, its principal underwriter. At the February 25 meeting, it is expected that an unaffiliated member of the Committee will be selected to fill the vacancy created by the resignation of such a member in December.

MUNICIPAL INVESTMENT TRUST FUNDS RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6361) upon an application of Municipal Investment Trust Funds, Tax Exempt Income Funds, and Michigan Tax Exempt Funds (and subsequent funds) granting confidential treatment to the profit and loss statements of Bache & Co., Inc., Goodbody & Co., Inc., Walston & Co., Inc., First of Michigan Corp. and their co-sponsors, successors and assigns ("sponsors"), applicants' sponsors, submitted in connection with registration statements filed with the Commission from time to time.

COURT ENFORCEMENT ACTION

RECEIVER APPOINTED FOR PABLO ASSETS. The SEC San Francisco Regional Office announced February 10 (18-4917) that the Federal court in Honolulu appointed Buzzy Tadao Okazaki of Honolulu, receiver of certain assets held by Pastor A. Pablo and Rufina A. Pablo under certain trust and joint venture agreements constituting investment contracts, involving land in Lancaster, Calif. The court's order arose out of an action instituted by the Commission on February 7, 1966 against the Pablos enjoining them from violating the registration provisions of the Federal securities laws. The receiver was also authorized to continue, manage and operate the business of the trust enterprise and to carry out the terms of the Court's preliminary injunction.

SECURITIES ACT REGISTRATIONS

DUKE POWER TO SELL BONDS. Duke Power Company, 422 S. Church St., Charlotte, N. C. 28201, filed a registration statement (File 2-39451) with the SEC on February 19 seeking registration of \$100,000,000 of first and refunding mortgage bonds, due 2001, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to reduce short-term obligations (consisting of bank loans and commercial paper and expected to approximate \$123,000,000 at the time of the bond sale) incurred principally to finance in part the construction of additions to the company's electric plant facilities. Construction expenditures are estimated at \$358,000,000 for 1971 and \$1,009,000,000 for the three-year period 1971-1973.

GENERAL TELEPHONE (OHIO) TO SELL BONDS. General Telephone Company of Ohio, 100 Executive Drive, Marion, Ohio 43302, filed a registration statement (File 2-39441) with the SEC on February 19 seeking registration of \$20,000,000 of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. A subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds of its bond sale, together with the proceeds from the sale of 560,000 shares of common stock to the parent at \$25 per share, toward the payment of short-term loans owing to banks and to the parent and commercial paper (estimated not to exceed \$45,000,000 at the time of such application), obtained for the purpose of financing the company's construction program. Construction expenditures are estimated at \$37,192,000 for 1971.

ARIZONA PUBLIC SERVICE TO SELL STOCK. Arizona Public Service Company, 501 S. Third Ave., Phoenix, Ariz. 85003, filed a registration statement (File 2-39442) with the SEC on February 19 seeking registration of 1,000,000 shares of common stock, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The offering price (\$22.375 per share maximum*) and underwriting terms are to be supplied by amendment. Net proceeds of its stock sale will be applied entirely to the reduction of short-term indebtedness incurred for construction and other purposes (\$36,545,000 at January 31, 1971). Construction expenditures are estimated at \$87,000,000 for 1971 and \$293,000,000 for the years 1971 through 1973.

VIRGINIA ELECTRIC PROPOSES OFFERINGS. Virginia Electric and Power Company, 700 E. Franklin St., Richmond, Va. 23261, filed a registration statement (File 2-39443) with the SEC on February 19 seeking registration of \$90,000,000 of first and refunding mortgage bonds, Series AA due 2001, to be offered for public sale at competitive bidding.

In a separate statement (File 2-39444), the company seeks registration of 400,000 shares of dividend cumulative preferred stock (\$100 par), to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The dividend rate, offering price (\$101 per share maximum*) and underwriting terms are to be supplied by amendment.

A public utility, the company will apply the net proceeds of its financing to its construction program, including retirement of an estimated \$110 million of short-term indebtedness issued for construction. Construction expenditures are estimated at \$371.9 million for 1971.

PACIFIC CAR AND FOUNDRY TO SELL DEBENTURES. Pacific Car and Foundry Company, 777 106th Ave. Northeast, Bellevue, Wash. 98004, filed a registration statement (File 2-39445) with the SEC on February 19 seeking registration of \$15,000,000 of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Inc., 140 Broadway, New York. The interest rate, offering

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price and underwriting terms are to be supplied by amendment. Net proceeds of its debenture sale will be used to reduce the company's short-term bank loans (aggregating \$21,941,100 at December 31, 1970) and for advances to its wholly-owned unconsolidated finance subsidiaries. Such bank loans were used to provide a substantial portion of its working capital requirements. In addition to indebtedness, the company has outstanding 2,769,008 common shares. Robert D. O'Brien is chairman and Charles M. Pigott president.

P. R. TELEPHONE TO SELL DEBENTURES. Puerto Rico Telephone Company, 1500 Franklin D. Roosevelt Ave., Caparra, San Juan, P. R. 00936, filed a registration statement (File 2-39447) with the SEC on February 19 seeking registration of \$35,000,000 of debentures, due 1996, to be offered for sale through ^{underwriters} headed by Kuhn, Loeb & Co., 40 Wall St., and Lazard Freres & Co., 44 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. A subsidiary of International Telephone and Telegraph Corporation ("ITT"), the company will apply the net proceeds of its debenture sale toward repayment of short-term indebtedness to banks (\$46,500,000 at February 1, 1971) and to ITT and affiliates (\$10,000,000 at February 1, 1971) incurred in its construction and service improvement program. Construction and service improvement expenditures are estimated at \$42,000,000 for 1971 and \$48,000,000 for 1972.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Horizon Corporation, Tuscon, Ariz. 85703 (File 2-39435) - 75,000 shares

Lee Enterprises, Incorporated, Davenport, Iowa 52801 (File 2-39440) - 150,000 shares

MISCELLANEOUS

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-9090) granting an application of National Stock Exchange to strike from listing and registration the common stock of Modern Data Techniques. According to the application, the company's annual report for the fiscal year ending July 31, 1970, reports an equity deficit of \$73,326, and therefore, the company no longer meets the Exchange's listing requirements.

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 (in ordering, please give month and year of report). 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 February 5 News Digest.

Chestrust Industries Corporation		Northrop Corp	
#1 for Feb 1970 (11)	2-32002-2	#1 to 8K For Oct 70 (4,13)	1-3229-2
Bush Universal, Inc.		Control Industries Corp	
#1 for Nov 1970 (1)	1-3047-2	#1 to 8K for Feb 70 (2,7,13)	0-4344-2
Telecom Corp		National Compactor & Technology Systems	
#1 for Dec 1970 (12)	0-4202-2	Inc.	
Kenflo Corporation		#1 for Oct 70 (8,13)	2-36808-2
#1 for Jan 69 (2,13)	0-3469-2	Economy Finance Corp	
#1 for Aug 69 (2,13)	0-3469-2	May 1970 (13)	0-2352-2
Masquancy Bay Company, Ltd.		April 1970 (13)	0-2352-2
#1 for Oct 1970 (9)	2-37360-2	Revere Racing Association, Inc.	
Theil Inc.		Oct 1970 (8)	0-1590-2
#1 for March 69 (13)	0-3012-2	Starr Broadcasting Group Inc.	
Taylor Internatl Corp		April 1970 (2,13)	1-6377-2
#1 for Nov 1970 (7)	0-2126-2	Wolf Corp	
Copycomposer Corporation		#1 for Dec 70 (13)	0-294-2
Oct 1970 (12)	0-4266-2	International Leisure Corporation	
Israel Discount Bank Ltd.		#1 for Sept 1970 (1,13)	0-4692-2
(6K) Dec 1970	2-22195-2	Nuclear Systems, Inc.	
International Investment Co., Inc.		#1 for Feb 70 (13)	0-5238-2
Oct 1970 (1,2,7,13)	0-2053-2	Comutrix Corporation	
IDB Bankholding Corporation Ltd.		Oct 1970 (3)	0-3844-2
(6K) Dec 70	2-34877-2	Nov 1970 (3)	0-3844-2

Michigan General Corporation
#1 for Dec 1970 (12) 1-6167-2

Dimode Industries, Inc
#1 for Nov 1970 (12) 0-4385-2

ITI Corp
#1 for Dec 1970 (9) 1-3819-2

Universal Container Corp
#1 for Nov (3,13) 1-4277-2

Dasa Corp
#1 for Nov 1970 (13) 0-2145-2

Beaver Creek Industries, Inc
#1 for Oct 1970 (7,13) 0-3923-2

Vacu-Blast Corp
#1 for Oct 1969 (13) 0-3813-2

Delta Western Systems, Inc
#1 for April 1970 (13) 2-32931-2

Superior Oil Co
Oct 1970 (7,12,13) 1-4744-2

Unitec Industries, Inc
Nov 1970 (2,11,13) 0-3691-2

Birthcher Corporation
#1 for Sept 1970 (2) 0-1127-2

Consumers Power Co.
#1 for Dec 1970 (3) 1-5611-2

General Medical Corp
#1 for Oct 1970 (13) 0-3197-2

Murdock Acceptance Corp
Dec 1970 (8) 0-2652-2

The Winde Group Inc
#1 for Oct 1970 (12) 2-33706-2

Iowa Electric Light & Power Co
Dec 1970 (7,13) 1-4117-2

Gelman Instrument Co
#1 for May 68 (7) 0-2297-2

Alliance Medical Inns, Inc
#1 for June 1970 (13) 2-33086-2
#1 for Aug 1970 (13) 2-33086-2

Midland Oil Corp
Dec 1970 (2,3,7) 0-3610-2

Trans-Pacific Leasing, Inc.
#1 for Mar 70 (13) 0-4250-2

Hamilton Watch Co
#1 for Nov 1970 (1) 1-181-2

Nasco Industries Inc
#2 for Aug 70 (13) 0-3950-2

Coap Systems Inc.
#1 for Sept 1970 (13) 0-5097-2

Gifford-Hill & Company Inc.
#1 for Sept 1970 (7,13) 0-4213-2

Graphic Sciences Inc
#1 for Oct 1970 (11) 0-3281-2

Sovereign American Arts Corp
#1 for Dec 1970 (11) 0-4423-2

Airport Services Inc
0-4325-2
Addt #1 for Oct 70 (2,12,13)

Intercontinental Industries Inc
#1 for Oct 70 (8,13) 0-5259-2

Chawmut Association, Inc.
#1 for Dec 70 (2,7) 0-2151-2

Unarco Industries, Inc.
#1 for Nov 70 (13) 1-6403-2

Health Care, Inc.
#1 for Oct 1970 (12) 0-4311-2

Inexco Oil Co.
#1 for Sept 70 (13) 1-6424-2

Jubilee Industries, Inc
#3 for June 70 (1,12) 0-3424-2

Meister Brau Inc
#1 for July 70 (4,7) 0-2683-2

Tidal Marine International Corp
#1 for Nov 70 (13) 2-33734-2
#1 for Sept 70 (13) 2-33734-2

Class Student Service, Inc.
#1 for Dec 1970 (12)

SECURITIES ACT REGISTRATIONS. Effective February 19: Consolidated Edison Co. of New York, 2-39317; The Engineer Co., 2-37837 (90 days); R. J. Harvey Instrument Corp., 2-36726 (90 days); Military Purchase System, Inc., 2-36611 (40 days); Westchester Corp., 2-38906 (90 days).
Effective February 23: Century Telephone Enterprises, Inc., 2-38897 (90 days); Hauserman, Inc., 2-38967; M. Lowenstein & Sons, Inc., 2-39325; Maine Yankee Atomic Power Co., 2-39337; Marvin Josephson Associates, Inc., 2-35749; Potomac Electric Power Co., 2-39377; RK Petroleum Corp., 2-38772; Texas Eastern Transmission Corp., 2-39326 & 2-39327; United States Steel Corp., 2-39381; U. S. Industries, Inc., 2-39044.

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.