

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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COMMISSION ANNOUNCEMENT

MANUFACTURERS; PROFITS REPORTED. The SEC and the Federal Trade Commission report (for April 7 newspapers) that U. S. manufacturing corporations reported sales of \$180.4 billion and before-tax profits of \$10.7 billion in the fourth quarter of 1970. The sales figure is 2% higher than the total for the third quarter while pre-tax profits are 9% lower. Profits after taxes in the fourth quarter totaled \$6.7 billion, 3% below the third quarter. The decline in earnings in the October-December quarter of 1970 resulted in a substantial drop in the profit margin for manufacturers as a whole. Profits before taxes per dollar of sales amounted to 5.9¢ in the fourth quarter compared with 6.6¢ in the third quarter and 7.8¢ in the fourth quarter of 1969. (For details, see Stat. Release No. 2509)

RULES AND RULE PROPOSALS

INVESTMENT COMPANIES ALERTED TO REVISIONS IN INVESTMENT COMPANY ACT AND TO RESCISSION OF RULE 11b-1 UNDER THE INVESTMENT COMPANY ACT. The Commission today called to the attention of registered investment companies and other interested persons certain provisions of the Investment Company Amendments Act of 1970 ("1970 Act") (P.L. 91-547) relating to the repeal and modification of exemptions for certain companies under the Investment Company Act of 1940 and to the pyramiding of investment companies and the regulation of fund holding companies under the Act. The Commission also announced the rescission of Rule 11b-1 under the Investment Company Act, which is superseded by an amendment in the 1970 Act. The Investment Company Institute has offered to distribute or make available copies of this release to its members and to other interested persons, pending distribution of the release by the Commission to its mailing list, scheduled for the latter part of this month.

HOLDING COMPANY ACT RELEASES

LOUISIANA CITIES DENIED RIGHT TO INTERVENE IN MIDDLE SOUTH CASE. The SEC announced the issuance of an order under the Holding Company Act denying, as being untimely filed, the request of the cities of Lafayette and Plaquemine, Louisiana, to intervene and to reopen hearings in the matter of a proposal involving the acquisition by Middle South Utilities, Inc., of the outstanding stock of Arkansas-Missouri Power Company in exchange for shares of the common stock of Middle South.

The Commission's order for hearing was issued on June 25, 1969, setting August 5 as the date for public hearing on Middle South's application.

On November 18, 1970, Lafayette and Plaquemine filed a Notice of Appearance and requested that the hearing be reopened for the purpose of presenting testimony with respect to alleged antitrust aspects of the case. The Commission held that the rule permitting intervention by interested parties cannot be deemed to grant an extension of that privilege for such a long period of time, in this case 15 months, beyond the time fixed in the public notice of hearing. (Release 35-17081).

SOUTHERN CO. RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing certain transactions of The Southern Company, Atlanta holding company, and four subsidiaries, Alabama Power Company, Georgia Power Company, Gulf Power Company and Mississippi Power Company. Georgia Power is authorized to increase from \$125 million to \$131 million the amount of unsecured notes it may issue to banks and dealers in commercial paper prior to December 31, 1971. In addition, Southern is authorized, in lieu of the acquisition of common stock of its four subsidiaries previously authorized, to make the remaining investments in such companies during 1971 in the form of cash contributions to capital as follows: Alabama Power, \$47 million; Georgia Power, \$64.5 million; Gulf Power, \$8 million; and Mississippi Power, \$7 million. (Release 35-17084)

EASTERN UTILITIES ASSOCIATES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing Eastern Utilities Associates (EUA), Boston holding company, to issue and sell a five-year unsecured promissory note in the amount of \$17 million to The Chase Manhattan Bank (National Association). EUA will add the net proceeds to its general funds to be made available from time to time to subsidiaries to provide funds for their construction programs or other capitalizable expenditures or reduction of short-term bank loans incurred for such purposes. Construction expenditures for the six-year period 1970-1975 are estimated at \$104,148,000. (Release 35-17085)

INVESTMENT COMPANY ACT RELEASES

FIDELITY FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act permitting Fidelity Fund, Inc., Boston mutual fund, to issue its shares at net asset value in exchange for substantially all of the assets (with a \$980,980 value at December 31) of Staley Investment Company. (Rel. IC-6441)

OVER

FINANCIAL INSTITUTIONS GROWTH FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 23 to request a hearing upon an application of Financial Institutions Growth Fund, Inc., New York mutual fund, for an order declaring that it has ceased to be an investment company. The Fund was organized and filed a registration statement with the SEC in 1966. In June 1967, shareholders adopted a Plan of Complete Liquidation, subsequent to which Fund has not effected any transactions in securities except for purposes of implementing the liquidation. By October 1967, it had liquidated and distributed substantially all its assets to its sole stockholder, The Fund of Funds, Ltd. (Release IC-6438)

ANDES COPPER MINING CO. SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 26 to request a hearing upon an application of Andes Copper Mining Company, New York, for temporary exemption from Section 7 of the Act for the period from December 6, 1970, until the Commission has acted on its application for an order declaring that it is not an investment company. The Anaconda Company owns 99.64% of the outstanding stock of Andes and some 315 individuals own the remaining shares. Andes owns 49% of the capital stock of Companies de Cobre Salvador S.A. (Salvador), a Chilean corporation, with the remaining stock being owned by an agency of the Chilean government. (Release IC-6439)

SECURITIES ACT REGISTRATIONS

***DENVER REAL ESTATE ASSOCIATION PROPOSES OFFERING.** Denver Real Estate Investment Association (the Trust), 650 17th St., Denver, Colo. 80202, filed a registration statement with the SEC on March 30 seeking registration of \$6 million of sinking fund debentures, due 1986, with warrants attached to purchase 165,000 shares of beneficial interest, to be offered for public sale in units, each consisting of a \$1000 debenture and warrants to purchase 30 shares (**and at \$1000 per unit). The offering is to be made through underwriters headed by Boettcher and Company, 828 17th St., and Bosworth, Sullivan & Company, Inc., 660 17th St., both of Denver 80202. The Trust will use the net proceeds of its financing for general corporate purposes. (File 2-39816)

STORAGE TECHNOLOGY TO SELL STOCK. Storage Technology Corporation, 2270 South 88th St., Louisville, Colo. 80027, filed a registration statement with the SEC on March 30 seeking registration of 375,000 shares of common stock, to be offered for public sale (**at \$13 per share maximum). The offering is to be made through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006.

The company was organized in August 1969 to design, develop, manufacture and market computer peripheral equipment. Of the net proceeds, \$1.2 million will be used for the development of added features, new models and other products and the balance for other corporate purposes. The company has outstanding 2,497,450 common shares (with a \$1.05 per share net book value), of which J. H. Whitney & Co. owns 19% and management officials as a group 21%. Jesse I. Aweida is board chairman and president. Purchasers of the shares being registered will acquire a 13% stock interest in the company for their investment of **\$4,875,000; present shareholders will then own 87%, for which they paid \$6,522,285. (File 2-39817)

INTERNATIONAL FLAVORS & FRAGRANCES SHARES IN REGISTRATION. International Flavors & Fragrances Inc., 521 W. 57th St., New York 10019, filed a registration statement with the SEC on March 30 seeking registration of 51,000 shares of common stock. These shares may be or have been acquired pursuant to the company's stock option plan for key employees. (File 2-39818)

RIDDER PUBLICATIONS FILES FOR SECONDARY. Ridder Publications, Inc., 99 Wall St., New York 10005, filed a registration statement with the SEC on March 30 seeking registration of 400,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (** at \$22 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Lehman Brothers Inc., One William St., both of New York 10004.

The company is engaged in the publication of a group of daily and Sunday newspapers. In addition to indebtedness and preferred stock, it has outstanding 8,236,431 common shares. Bernard H. Ridder is board chairman and Bernard H. Ridder, Jr. president. (File 2-39819)

FRYE INDUSTRIES PROPOSES RIGHTS OFFERING. Frye Industries, Inc., 1212 Avenue of the Americas, New York 10036, filed a registration statement with the SEC on March 30 seeking registration of 1,510,939 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one share for each two shares held (** and at \$9 per share maximum). The unsubscribed shares may be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William Street, New York, New York 10005.

The company manufactures and sells printing inks and one-time carbon and carbonless reproduction papers. Of the net proceeds of its stock sale, part will be used to pay \$4,500,000 of long-term indebtedness to Bell Intercontinental Corporation (owner of 66% of Frye's outstanding common stock), and the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 3,021,876 common shares. Michael D. Dingman is board chairman and Howard J. Soriano president. (File 2-39824)

EVANS & MITCHELL INDUSTRIES TO SELL STOCK. Evans & Mitchell Industries, Inc., 1600 Tully Circle, N. E. Atlanta, Ga. 30329, filed a registration statement with the SEC on March 30 seeking registration of 200,000 shares of common stock, to be offered for public sale (** at \$12 per share maximum). The offering is to be made through underwriters headed by The Robinson-Humphrey Company, Inc., Two Peachtree St., N. E., Atlanta, Ga. 30303.

The company is engaged principally in acquiring, developing and selling land for residential purposes. Of the net proceeds of its stock sale, \$794,000 will be used to reduce outstanding indebtedness and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding 534,280 common shares (with a \$1.50 per share book value), of which Charlie A. Evans, II, president, owns 26.7% and management officials as a group 72.1%. (File 2-39825)

CENTRAL AND STATE NATIONAL CORP. (ALA.) PROPOSES EXCHANGE OFFER. Central and State National Corporation of Alabama, 701 South 20th St., Birmingham, Ala. 35233, filed a registration statement with the SEC on March 30 seeking registration of 2,637,800 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of common stock of State National Bank of Alabama, Decatur, and Central Bank and Trust Company, Birmingham, as follows: five shares for each State Bank share and one share for each Central Bank share.

Central and State National was organized in December 1970. Harry B. Brock, Jr. is president of Central and State National and president of Central Bank. (File 2-39827)

COMMUNITY PUBLIC SERVICE TO SELL BONDS. Community Public Service Company, 501 W. 6th St., Fort Worth, Tex. 76102, filed a registration statement with the SEC on March 30 seeking registration of \$8 million of first mortgage bonds, Series K, 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 finance its construction program in part and to repay bank loans (expected to aggregate \$6 million at the time of the bond sale) incurred for construction. Construction expenditures are estimated at \$5,650,000 in 1971. (File 2-39828)

PUBLISHING COMPUTER SERVICE TO SELL STOCK. Publishing Computer Service, Inc., 1000 16th St., N. W., Washington, D. C. 20036, filed a registration statement with the SEC on March 30 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis as to the first 50,000 shares, and a "best efforts" basis as to the remaining 150,000 shares by an underwriter to be specified later.

Organized in April 1968, the company provides a variety of data processing services primarily to the publishing industry. Of the net proceeds of its stock sale, \$225,000 will be used to finance the opening of two sales and service offices and the balance for general corporate purposes. The company has outstanding 594,000 common shares (with a 17¢ per share net tangible book value), of which Gerard A. Cerand, president and board chairman, owns 33.6% and management officials as a group 85.7%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.62 in per share book value from the offering price. (File 2-39830)

COCA-COLA BOTTLING (MID AMERICA) FILES FOR OFFERING AND SECONDARY. The Coca-Cola Bottling Company of Mid-America, Inc., 2540 W. Pennway Dr., Kansas City, Mo. 64108, filed a registration statement with the SEC on March 30 seeking registration of 350,000 shares of common stock, of which 156,000 are to be offered for public sale by the company and 194,000 (being outstanding shares) by the holder thereof. The offering is to be made (** at \$15 per share maximum) through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York 10005.

The company is principally engaged in the processing and marketing of Coca-Cola and other soft drinks. Of the net proceeds \$700,000 may be used to retire equipment obligations and the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 812,000 common shares, of which Robert W. Wagstaff, president and board chairman, owns 73.89%. He proposes to sell 124,500 shares and six others (including five officers) the remaining shares being registered. (File 2-39832)

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:

Marathon Oil Company, Findlay, Ohio (File 2-39809) - 400,000 shares
 Chrysler Corporation, Highland Park, Mich. (File 2-39812) - \$35 million of interests
 Hydrometals, Inc., Dallas, Tex. 75206 (File 2-39821) - 166,575 shares and (File 2-39820) - 87,500 shares
 Retail Credit Company, Atlanta, Ga. (File 2-39822) - 22,680 shares
 American Petrofina, Incorporated (File 2-39823) - 250,000 shares
 The Lubrizol Corporation, Wickliffe, Ohio (File 2-39826) - 365,289 shares
 United States Steel Corporation, New York, N. Y. (File 2-39829) - approx. 2,790,600 shares
 Creative Management Associates, Inc., New York, N. Y. (File 2-39839) - 85,171 shares

SECURITIES ACT REGISTRATIONS. Effective April 5: Bradford Computer & Systems, Inc., 2-39157; Dero Industries, Inc., 2-39361 (May 16); General Telephone Co. of Ohio, 2-39441; Lee Enterprises Inc., 2-39440; Mediatrix, Inc., 2-37871; Omni Spectra, Inc., 2-39297; Pioneer Natural Gas Co., 2-39422; Process Systems, Inc., 2-38060 (90 days); Southward Housing Development Corp., 2-38143 (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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.