

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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NATIONAL AVIATION RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4729) authorizing National Aviation Corporation, New York, closed-end non-diversified management investment company, to purchase up to \$1,500,000 of convertible subordinated debentures (due 1991) of American Airlines, Inc., during the existence of an underwriting agreement with respect to a proposed public offering of \$81,704,900 of such debentures. The application states that Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of the American debentures by National Aviation is prohibited by the Act absent the issuance of an exemption order by the Commission.

GALBRAITH, SHERMAN, OTHERS INDICTED. The SEC Denver Regional Office announced October 24 (LR-3604) the return of an indictment charging violations of the Securities Act anti-fraud provisions in the sale of preferred notes of Insurance Investment Security, Inc., by John K. Galbraith, Richard M. Sherman, John A. Gregg, Gordon Marquette, Lawrence Kindlin, Donald Borden (all of the Denver area), Richard Coons (Wiggins, Colo.), and Robert G. Fain (Indianapolis, Ind.).

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 a further 10-day period, October 28-November 6, 1966, inclusive.

R T E FILES FOR OFFERING. R T E Corporation, 1900 E. North St., Waukesha, Wisc. 53186, filed a registration statement (File 2-25648) with the SEC on October 26 seeking registration of 70,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Walston & Co., Inc., 74 Wall St., New York 10005, and Loewi & Co. Inc., 225 E. Mason St., Milwaukee, Wisc. 53202. The public offering price (\$16 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and sale of electric distribution transformers for use by electric power companies. Net proceeds of its stock sale will be added to working capital. In addition to indebtedness, the company has outstanding 761,467 common shares, of which management officials own 35.8%. Rolland D. Nelson is president.

MEXICO PROPOSES BOND OFFERING. The United Mexican States filed a registration statement (File 2-25649) with the SEC on October 26 seeking registration of \$10,000,000 of 7½% external sinking fund bonds (due 1981). The bonds are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Kuhn, Loeb & Co., 40 Wall St., both of New York 10005. The public offering price and underwriting terms are to be supplied by amendment. Mexico will use the net proceeds of its bond sale in connection with certain of its economic development projects, including projects for electric-power generation or distribution, highways, and irrigation, or for the refunding of outstanding indebtedness held by financial institutions.

GENERAL MOTORS OVERSEAS SEEKS ORDER. General Motors Overseas Capital Corporation, New York subsidiary of General Motors Corporation, has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4732) giving interested persons until November 7 to request a hearing thereon. The subsidiary was organized to assist the parent in maintaining and continuing the parent's expansion of overseas operations in a manner consistent with the President's program of voluntary cooperation in improving the balance of payments position of the United States. The subsidiary proposes to sell \$31,250,000 of its 6-3/4% Deutsche Mark bearer debt securities, due 1976 (debentures) to a group of underwriters for offering outside the United States. The parent company will guarantee the payment of principal and interest payments on the debentures, and any additional debt securities of the subsidiary which may be issued to the public will be so guaranteed. The subsidiary intends that, upon completion of the long-term investment of its assets, not less than 70% of its assets will be invested in or loaned to foreign companies which are subsidiaries of the parent and which will be engaged in a business other than that of investing, reinvesting, holding or trading in securities.

SECURITIES ACT REGISTRATIONS. Effective October 27: Carolina Telephone & Telegraph Co., 2-25604 (40 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.

*As estimated for purposes of computing the registration fee.