

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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FOR RELEASE June 22, 1967

MODIFICATION OF INSIDER REPORTING RULE PROPOSED. The SEC today announced a proposal to amend one of its insider trading-reporting rules under the Securities Exchange Act (Release 34-8106); and it invited the submission of views and comments thereon not later than July 31. The present rule (Rule 16a-8(g)(3)) exempts from the reporting requirements of Section 16(a) of the Act a person's indirect interest in portfolio securities held by a pension or retirement plan holding securities of an issuer whose employees generally are the beneficiaries of the plan. The Commission's attention has been called to recent litigation in which it was argued that this exemption is applicable even where an officer or director owns a substantial portion of the securities of the plan or has the power to influence or control the sale or purchase of securities for the plan. The proposed amendment would make it clear that in such situations a person's interest is not exempt. Under the proposed amendment of the rule, no report would be required by any person, whether or not otherwise subject to the requirement of filing reports under Section 16(a) with respect to his indirect interest in portfolio securities held by a pension or retirement plan holding securities of an issuer whose employees generally are the beneficiaries of the plan, "unless such person is a beneficial owner of more than 10 per cent of the securities so held or has the power to influence or control the sale or purchase of securities for the plan."

ENERGY CONVERSION DEVICES PROPOSES OFFERING. Energy Conversion Devices, Inc., 1675 West Maple Road, Troy, Michigan 48084, filed a registration statement (File 2-26772) with the SEC on June 20 seeking registration of 150,000 shares of common stock and 75,000 common stock purchase warrants, to be offered in units of two common shares and one warrant. The units are to be offered for public sale through underwriters headed by Gregory & Sons, 40 Wall Street, New York, N.Y.; and the public offering price (\$35 per unit maximum*) and underwriting terms are to be supplied by amendment. Of the 75,000 units, 7,500 units are to be offered for sale at the public offering price to employees and other designees of the company.

The company is engaged in the research and development of solid state semiconductor electronic switches which control and direct the flow of electrical current through a circuit. Of the net proceeds received from the sale of the units, \$300,000 will be used to repay a short-term loan recently incurred and approximately \$300,000 will be expended to purchase equipment. The balance will be added to working capital and ultimately will be used for operating and administrative expenses; expansion of the company's executive management, research and marketing staffs; research and product development; and such other corporate purposes as may be required. In addition to indebtedness, the company has outstanding 511,901 common shares, of which management officials hold 3.1%. Stanford R. Ovshinsky is president and board chairman.

AMERICAN CAN CO. PROPOSES OFFERING. American Can Company, 100 Park Avenue, New York, N.Y. 10017, filed a registration statement (File 2-26774) with the SEC on June 21 seeking registration of \$75,000,000 of sinking fund debentures, due 1997. The debentures are to be offered for public sale through a group of underwriters headed by Morgan Stanley & Co., Two Wall Street, New York, N.Y. 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures metal cans, paperboard containers for liquids, and composite containers; in addition, it designs, produces and purchases can closing, packaging and handling machinery and equipment for sale or lease to other companies, as well as paper, film and foil wrappers, paperboard packaging and household paper goods, paper and plastic cups and related products, chemical products, collapsible metal tubes, plastic squeeze tubes and bottles, glass containers, and a number of other products. Net proceeds to be received from the debenture sale will be added to the general funds and will be available for general corporate purposes, including working capital and expenditures for the company's plant improvement and expansion program (estimated at \$100 million for 1967). In addition to indebtedness, the company has outstanding 16,534,893 common shares. Elmer T. Klassen is president and William F. May is board chairman.

BROOKLYN UNION GAS PROPOSES OFFERING. The Brooklyn Union Gas Company, 195 Montague Street, Brooklyn, New York 11201, filed a registration statement (File 2-26775) with the SEC on June 21 seeking registration of \$25,000,000 of first mortgage bonds, due 1992, to be offered for public sale at competitive bidding.

The net proceeds from the company's bond sale will be used to repay some \$14,000,000 of indebtedness incurred for construction purposes and the balance added to the general funds to be used for its 1967 construction program (estimated at \$17,250,000). John E. Heyke, Jr., is president.

FMC CORPORATION PROPOSES OFFERING. FMC Corporation, 1105 Coleman Avenue, San Jose, California 95110, filed a registration statement (File 2-26776) with the SEC on June 21 seeking registration of \$100,000,000 of convertible subordinated debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, New York, N.Y. 10005, and Lehman Brothers, One William Street, New York, N.Y. 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's products include fibers and films, agricultural and industrial equipment, machinery for food processing, industrial and agricultural chemicals and material and services for the Armed Forces. On March 8, FMC purchased on the market and through a cash tender offer approximately 1,215,614 shares (40%) of

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the outstanding stock of Link-Belt Company, at an aggregate cost of about \$71.2 million. On April 28, FMC and Link-Belt entered into an agreement and plan of merger under which Link-Belt will be merged into FMC, subject to stockholder approval. Link-Belt, an Illinois corporation, is a producer of mechanical power transmission, materials handling and materials processing equipment. It is also engaged in the manufacture and sale of rectifier cells and stacks, silicon diodes, power units, electromagnetic brakes and clutches, and castings. The net proceeds from FMC's debenture sale will be used to repay outstanding short-term commercial paper and indebtedness to banks, which aggregated approximately \$131.4 million (including \$71 million incurred in connection with the purchase of Link-Belt.) In addition to indebtedness, the company has outstanding 30,402,799 common shares, of which management officials hold 1.7%. John D. Crummey is honorary board chairman, James M. Hait, board chairman, and Jack M. Pope, president.

CHARTER NEW YORK PROPOSES OFFERING. Charter New York Corporation, One Wall Street, New York, N.Y. 10005, filed a registration statement (File 2-26777) with the SEC on June 21 seeking registration of \$40,000,000 of debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005, and Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N.Y. 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company was incorporated under the New York Business Corporation Law on March 12, 1965, for the purpose of becoming a bank holding company. On July 1, 1966, it acquired, in exchange for shares of its common stock, all of the outstanding shares of capital stock of Irving Trust Company ("Irving") and approximately 99% of the outstanding shares of capital stock of The Merchants National Bank & Trust Company of Syracuse. Net proceeds from the debenture sale will be used to provide additional capital funds to Irving. In addition to indebtedness, the company has outstanding 6,269,883 common shares, of which management officials own 24,200 shares. George A. Murphy is board chairman and Oren Root, president.

ORCHARD SUPPLY BLDG. CO. EXEMPTION REQUEST DENIED. The initial decision and order of an SEC Hearing Examiner (see News Digest of May 4, 1967) denying an application of Orchard Supply Building Co., San Jose, California, for exemption from the registration provisions of Section 12(g) of the Securities Exchange Act (Release 34-8104), has become effective. Granting of an exemption from the registration requirement, generally applicable to companies in which there is a substantial public interest and whose shares are traded over-the-counter, also would have the effect of exempting the company from the periodic reporting and proxy provisions of the Act, and would exempt its officers, directors and 10% owners from the insider trading provisions thereof. Since the Commission had not ordered review of the initial decision, either on its own motion or on petition by the company, the Examiner's order denying the requested exemption has been declared effective.

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15771) authorizing The Columbia Gas System, Inc., New York holding company, to purchase an aggregate of \$35,375,000 of installment notes of eight subsidiaries and an additional \$5,575,000 of common stock of five of such subsidiaries, and to make open account advances of \$15,775,000 to five of such subsidiaries. The subsidiaries will use the proceeds of the sale of notes and stock to finance a part of their respective construction programs, the expenditures for which are expected to aggregate \$138,348,500 for 1967. The proceeds of the open account advances will be used for the purchase of natural gas for inventory and for the prepayment of winter service gas.

JOHN W. GRANT, OTHERS, ENJOINED. The SEC Fort Worth Regional Office announced June 19 (LR-3755) that the Federal court (USDC, Shreveport, Louisiana) entered a judgment permanently enjoining John W. Grant and Dorothy Grant, of Shreveport, Arthur Babaganian, of Gary, Indiana, and Kyna Oil Company, a partnership composed of the defendants, from further violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of interests in oil and gas rights on properties located in Caddo Parish, Louisiana, and elsewhere.

COURT ENJOINS KAANEHE, OTHERS. The SEC San Francisco Regional Office announced June 19 (LR-3756) that the Federal court (USDC, Hawaii) had entered an order of preliminary injunction enjoining James K. Kaanehe, individually and d/b/a Bellview-Hawaii, Richard MacDonald, Frances MacDonald and Masayuki Miyasato, all of Honolulu, Hawaii, from further violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of investment contracts and certificates of interest or participation in profit-sharing agreements relating to cemetery plots. The defendants consented to the decree, without admitting or denying the allegations.

FOREMOST-McKESSON PROPOSES OFFERING. Foremost-McKesson, Inc., 155 East 44th Street, New York, N.Y. 10017, today filed a registration statement (File 2-26783) with the SEC seeking registration of 911,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall Street, New York, N.Y. 10005, and two other firms. The public offering price (\$27 per share maximum*) and underwriting terms are to be supplied by amendment.

Foremost-McKesson (the company) will be the surviving corporation resulting from a merger of Foremost Dairies, Inc., with and into McKesson & Robbins, Inc., which merger will be effected immediately prior to the delivery of company stock, the subject of this registration statement (shareholders of the two companies are to vote upon the merger at meetings scheduled for July 11). The company will be primarily engaged in the wholesale distribution of drugs, the processing and distribution of milk, cream, ice cream and related dairy products and the wholesale distribution of wines and liquors. It will also be engaged in the distribution of industrial chemicals, the production and distribution of lactose and other whey-based products, the manufacture of drugs, the distribution of hospital and laboratory supplies and sundry items and the processing and distribution of bottled drinking water, bulk industrial water and certain food products.

One of the conditions of the merger agreement and of the related sale of promissory notes, provides that the sum of \$30,000,000 shall have been realized at or prior to the merger from sales of properties of Foremost and from the sale of stock by the company. Net proceeds of the proposed stock sale and of the first closing of the promissory notes will be used to prepay or redeem in full the 5.70% promissory note of Foremost due January 1, 1981, and the long-term debt of McKesson. The remainder of such funds will be applied toward the reduction of Foremost's notes payable to banks. Net proceeds realized from the subsequent closings of such promissory notes will also be applied to reduce Foremost's notes payable to banks.

SEC COMPLAINT NAMES HAMPTON, OTHERS. The SEC Fort Worth Regional Office announced June 20 (LR-3757) the filing of a complaint (USDC, Oklahoma) seeking to enjoin Richard D. Hampton, J. Edgar Barnes, Wallace E. Chandler, John Rogers, Jr., David C. Sprague, R. Paul Sprague and Chandler-Barnes & Co., Inc., all of Oklahoma City, from further violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of the common stock of Stemen Laboratories, Inc. of Oklahoma City, Oklahoma.

GOLDFIELD-CHEMALLOY SIX-DAY SUSPENSION ORDER. The SEC today announced that it has suspended trading on the American Stock Exchange and the San Francisco Mining Exchange and in the over-the-counter market in the capital stock of The Goldfield Corporation of New York City for the six-day period June 22, 1967 to June 27, 1967, inclusive. The Commission has also suspended over-the-counter trading for the same period in the common shares of Chemalloy Minerals Limited of Toronto, Canada.

Trading in Goldfield stock was halted yesterday by the American Stock Exchange pending an announcement by the company concerning its mining operations in Canada. In addition, the Canadian Stock Exchange, where the stock of Chemalloy Minerals is also traded, yesterday suspended trading in its securities on that exchange.

Goldfield and Chemalloy have entered into a joint venture for the exploration and development of certain mining claims of Chemalloy in the Bernic Lake area of Manitoba. Officials of Goldfield have advised the Commission that they are preparing a statement relating to these mining claims for issuance to the public in the next few days. Under the circumstances, the Commission determined to suspend trading pending clarification of this matter.

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 (please give News Digest's "Issue No." in ordering). 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 June 1 News Digest.

Puget Sound Power & Light Co May 67 (7,12)	1-4393-2	Trans Beacon Corp May 67 (12)	1-2342-2
Pyle National Co May 67 (11,13)	1-5118-2	Tri Department Store Associates Jan 67 (2)	2-19771-2
Quaker State Oil Refining Corp May 67 (11,13)	1-2677-2	Tucson Gas & Electric Co May 67 (11)	0-269-2
Scot Lad Foods Inc May 67 (1,8)	0-1887-2	Union Carbide Corp May 67 (12,13)	1-1463-2
Seagrave Corp May 67 (11,13)	1-5091-2	Uniroyal Inc May 67 (12,13)	1-62-2
Henry I Siegel Co Inc May 67 (7)	1-4885-2	United New Jersey RR & Canal Co May 67 (11)	1-1587-2
Southern Co. May 67 (11,13)	1-3526-2	United Republic Life Investment Co May 67 (7,11)	2-23677-2
Southwest Gas Producing Co Inc May 67 (11,13)	0-651-2	Utah Idaho Sugar Co May 67 (11)	1-2664-2
State Credit Corp Apr 67 (11,12)	0-2278-2	Volusia Jai Alai Inc Mar 67 (12,13)	0-660-2
Texas Power & Light Co May 67 (11)	0-381-2	Wakefield Seafoods Inc (May 67 (11)	2-25146-2
		Western Casualty & Surety Co May 67 (11)	2-10624-2
		Whitehall Electronics Corp May 67 (7)	0-352-2
		Woods Corp May 67 (11)	1-5338-2
		Wyandotte Chemicals Corp May 67 (7)	0-1115-2
		Wyandotte Industries Corp May 67 (2,13)	1-3225-2
Aeroflex Laboratories Inc May 67 (7,12,13)	0-2334-2	Athlone Industries Inc May 67 (4,7,13)	0-54-2
All American Life & Casualty Co May 67 (11,13)	2-8318-2	Balt Gas & Elec Co May 67 (7,13)	1-1910-2
Allegheny & Western Ry Co May 67 (11)	1-896-2	Barton Distilling Co May 67 (3)	1-1593-2
Amerada Petroleum Corp May 67 (13)	1-1204-2	H & R Block Inc May 67 (7,12,13)	2-25127-2
American Broadcasting Companies Inc May 67 (7)	1-3534-2	Borne Chemical Co Inc May 67 (2,4,8)	0-658-2
American Investment Co May 67 (11,13)	1-2335-2	Celina Financial Corp May 67 (11)	0-2146-2
American Metal Climax Inc May 67 (11,12,13)	1-229-2	Central Louisiana Electric Co Inc May 67 (7)	0-1272-2
AMP Inc & Pamcor Inc May 67 (7)	1-4235-2	Chamberlin Co of America May 67 (11,12)	1-4207-2
Amphenol Corp May 67 (4,13)	1-4158-2	Chester Electronic Laboratories Inc May 67 (7)	0-1774-2
Arcs Industries Inc May 67 (12,13)	2-18149-2		
Associates Investment Co May 67 (11,13)	1-1912-2		

Chicago & North Western Ry Co May 67 (11,12,13)	1-3211-2	Florida Power & Light Co May 67 (11,13)	1-3545-2
Chicago South Shore & South Bend RR May 67 (12,13)	1-3756-2	Ford Motor Co May 67 (11)	1-39502-2
Chief Consolidated Mining Co May 67 (11)	1-1761-2	Fruehauf Corp May 67 (11,13)	1-2872-2
Chromalloy American Corp May 67 (11,13)	1-4073-2	Fund American Companies May 67 (13)	0-2076-2
Chrysler Corp May 67 (7,12)	1-686-2	General Electrodynamics Corp May 67 (3,10)	0-2319-2
Cincinnati Gas & Electric Co May 67 (3)	1-1232-2	General Plywood Corp May 67 (3)	1-3291-2
Colonial Life & Casualty Co May 67 (11,13)	2-24379-2	Gerber Products Co May 67 (13)	1-4007-2
Commonwealth Edison Co May 67 (7,13)	1-1839-2	A C Gilbert Co May 67 (2,13)	0-2627-2
Condec Corp May 67 (2,3,7,13)	1-3899-2	Glasrock Products Inc May 67 (7,8)	0-1547-2
Connecticut Light & Power Co May 67 (4)	0-404-2	Global Marine Inc May 67 (4,7,10,11,13)	0-2083-2
Continental Air Lines Inc May 67 (4,7,10,11,13)	1-3661-2	W R Grace Overseas Development Corp May 67 (11)	1-5180#2
Continental Oil Co May 67 (7,13)	1-1131-2	Grant Advertising International Inc May 67 (13)	0-2463-2
Copper Range Co May 67 (4,7,13)	1-1725-2	Grinnell Corp May 67 (3)	0-780-2
Cowles Communications Inc May 67 (11,12)	1-5221-2	Grosset & Dunlap Inc May 67 (11)	0-1020-2
Curtis Publishing Co May 67 (3,7)	1-69-2	Hawaiian Telephone Co May 67 (1,8,13)	1-4729-2
Cutler Hammer Inc May 67 (7,13)	1-43-2	Highway Trailer Industries Inc May 67 (11)	0-485-2
Cyanamid International Development Corp May 67 (11)	1-5154-2	Holly Sugar Corp May 67 (7,13)	1-2270-2
DWG Corp May 67 (11)	1-2207-2	Houdaille Industries Inc May 67 (7,11,13)	1-328-2
Day Mines Inc May 67 (11)	1-3459-2	Huffman Manufacturing Co May 67 (12)	1-5325-2
Dayton Power & Light Co May 67 (7)	1-2385-2	Philip A Hunt Chemical Corp May 67 (11,13)	1-4960-2
Deltona Corp May 67 (7)	1-4719-2	International Minerals & Chemical Corp May 67 (12,13)	1-483-2
Dennison Manufacturing Co May 67 (2,13)	1-4643-2	International Paper Co May 67 (7,13)	1-3157-2
Desoto Chemical Coatings Inc May 67 (11,13)	1-1915-2	International Salt Co May 67 (3)	1-643-2
Detecto Scales Inc May 67 (7)	1-5248-2	International Seaway Trading Corp May 67 (11,12,13)	0-2070-2
Disc Inc May 67 (6)	0-1466-2	International Stretch Products Inc May 67 (7)	1-4652-2
District Wholesale Drug Corp of Wash May 67 (7,8)	0-2269-2	Kaiser Industries Corp May 67 (11,13)	1-3340-2
Dragor Shipping Corp May 67 (3)	0-191-2	Kaman Corp May 67 (4,8,11,13)	0-1093-2
Documentation Inc May 67 (2,11,13)	0-1566-2	Kansas City Power & Light Co May 67 (7,13)	1-707-2
Eagle Clothes Inc May 67 (12,13)	1-5151-2	Kewanee Oil Co May 67 (11,13)	1-5327-2
Eastern Air Lines Inc May 67 (7)	1-3049-2	Leasco Data Processing Equipment Corp May 67 (2,7,9,13)	1-5288-2
Eckerd Drugs of Florida Inc May 67 (13)	1-4844-2	MacAndrews & Forbes Co May 67 (11)	1-1222-2
Economy Finance Corp May 67 (7,8)	0-2352-2	Magic Marker Corp May 67 (4,13)	1-4423-2
Electrolux Corp May 67 (13)	0-1180-2	Marriott Hot Shoppes Inc May 67 (7,12)	0-23-2
Empire Life Insurance Co Of Ohio May 67 (7)	2-22930-2	Maxson Electronics Corp May 67 (7,13)	1-4843-2
Ennis Business Forms Inc May 67 (11,13)	0-1513-2	Metex Corp May 67 (11)	0-2112-2
R J Enstrom Corp May 67 (9)	0-586-2	Fred Meyer Inc May 67 (10)	0-995-2
Esgro Inc May 67 (8)	1-5340-2	McCrorry Corp May 67 (11)	1-2759-2
Essex Wire Corp May 67 (7,8)	1-5013-2	McLean Industries Inc May 67 (7,11)	0-1006-2
Executive House Inc May 67 (13)	0-1655-2	Minerals & Chemicals Phillip Corp May 67 (11)	1-3877-2
Far West Financial Corp May 67 (12)	1-4923-2	Monarch Marking System Co May 67 (7,8)	0-1066-2
Flo Tronics Inc May 67 (7,12)	0-1388-2	MovieLab Inc May 67 (11,12)	1-4500-2
Florida East Coast RR Co May 67 (11,12)	1-2100-2	Nathan Hale Life Insurance Co of New York May 67 (2,7,13)	2-22840-2

SECURITIES ACT REGISTRATIONS. Effective June 21: Avery Products Corporation, 2-26585; Clark Equipment Company, 2-26613; Hemisphere Fund, Inc., 2-26415; Optical Scanning Corporation, 2-26590 (40 days); Securities Funding Corporation, 2-26287 (90 days); Sierra Pacific Power Company, 2-26552 (August 1); Standard Computers Incorporated, 2-26681 (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.