

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST



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

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SEC

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NORTHEAST UTILITIES PLAN APPROVED. The SEC has approved a plan filed under the Holding Company Act by Northeast Utilities ("Northeast"), Boston holding company, proposing the issuance of its shares in exchange for the minority interests in its subsidiaries, The Connecticut Light and Power Company ("CL&P") and The Hartford Electric Light Company ("Hartford"). Pursuant to Northeast's request, the Commission will apply to the U. S. District Court in Connecticut for approval and enforcement of the plan.

In June 1966, upon its acquisition (pursuant to a tender offer) of 98.63% of the outstanding CL&P common shares and 98.77% of the outstanding Hartford common shares, Northeast registered as a holding company; and in recognition of the fact that the existence of a minority interest in subsidiaries is contrary to standards of the Act, Northeast then committed itself to the filing of a plan for the elimination of the minority interests. Under its plan, as approved by the Commission, Northeast will issue a total of 361,694 common shares in exchange for the publicly-held shares of common stocks of the two subsidiaries, as follows: 2 shares of Northeast for each of the 122,225 shares of CL&P held by the public; and 2.9 shares of Northeast for each of the 40,429 shares of Hartford held by the public.

Based upon its analysis of financial and other data offered by the companies in support of the plan, the Commission concluded that the suggested exchange ratio will "fully compensate" the minority stockholders in the two subsidiaries for their existing rights, and that the plan is fair and equitable to them.

ECONOMY FUND DEREGISTRATION PROPOSED. The SEC has issued an order under the Investment Company Act (Release IC-5051) giving interested persons until August 25 to request a hearing upon its proposal to declare that Economy Fund (formerly Selected Fifty Fund), Dubuque, Iowa, has ceased to be an investment company. The Commission has been informed by Counsel for the Fund that registration under the Act was inadvertent and that no securities have been or are intended to be issued by the Fund.

KENTUCKY POWER SEEKS ORDER. Kentucky Power Company, Ashland subsidiary of American Electric Power Company ("AEP"), has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$92,000,000 of promissory notes to banks; and the Commission has issued an order (Release 35-15809) giving interested persons until August 30 to request a hearing thereon. Net proceeds from the sale of the notes, together with a \$20,000,000 capital contribution from AEP made in April 1967 plus funds from internal sources, will be used to provide some \$132,000,000 required to construct Unit No. 2 of the subsidiary's Big Sandy generating station and related transmission and substation facilities. Of the \$92,000,000 scheduled to be borrowed, it is estimated that \$25,000,000 will be borrowed in 1967, \$56,000,000 in 1968, and \$11,000,000 in 1969.

CONNECTICUT L&P SEEKS ORDER. The Connecticut Light and Power Company ("CL&P"), Berlin, Conn. subsidiary of Northeast Utilities, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$41,615,000 of notes to banks; and the Commission has issued an order (Release 35-15810) giving interested persons until August 30 to request a hearing thereon. CL&P presently has outstanding \$13,500,000 of short-term notes which it proposes to renew, extend or refund; and it proposes to issue and sell an additional \$28,115,000 of such notes. Net proceeds of the sale of the notes which have been or are to be issued, have been or will be applied, together with other funds, for construction expenditures (estimated at \$112,000,000 for 1967-1968), and for the acquisition of the common stock of Connecticut Yankee Atomic Power Company, an electric utility subsidiary company of CL&P, and the proposed nuclear generating companies, Vermont Yankee Nuclear Power Company and Maine Yankee Atomic Power Company.

COLUMBIA GAS SEEKS ORDER. The Columbia Gas System, Inc. ("Columbia"), and its subsidiaries, Virginia Gas Distribution Corporation ("Virginia Gas") and Blue Ridge Gas Company ("Blue Ridge") have applied to the SEC for an order under the Holding Company Act with respect to a proposed intrasystem merger; and the Commission has issued an order (Release 35-15811) giving interested persons until August 29 to request a hearing thereon.

Virginia Gas and Blue Ridge are engaged in the retail sale and distribution of natural gas within their respective service areas in Virginia. Columbia proposes the merger of Blue Ridge into Virginia Gas. The application states that consolidation of the operations of Blue Ridge and Virginia Gas will result in greater efficiency and economy by eliminating the necessity for maintaining separate books of accounts and records, preparing separate reports to regulatory commissions; the merger of the two companies will also result in a single, Virginia retail distribution subsidiary, an objective sought in Columbia's long-range realignment program.

TWO DELISTINGS APPROVED. The SEC has issued orders under the Securities Exchange Act (Release 34-8140) granting applications of (a) the American Stock Exchange to delist the 5½% convertible subordinated debentures of Coburn Corporation of America (only \$197,000 debentures remaining outstanding) and (b) the San Francisco Mining Exchange to delist the common stock of Golconda Mining Company (which is listed on the National, Salt Lake and Spokane Stock Exchanges and for which an application has been made for listing on the Pacific Coast Stock Exchange). Each of the delistings is effective at the opening of business on August 7.

OVER

FIRST REAL ESTATE INVESTMENT TRUST (N.J.) SHARES IN REGISTRATION. First Real Estate Investment Trust of New Jersey, 477 Main St., Hackensack, N. J., filed a registration statement (File 2-27018) with the SEC on July 31 seeking registration of 56,350 shares of beneficial interest, to be offered for sale at \$12.00 per share. For the first 60 days from the effective date of the statement, the shares will be offered only to present shareholders of the Trust; thereafter, any unsold shares are to be offered to the general public on a best efforts basis by representatives of the Trust.

The company's purpose is to provide investors with the opportunity to own interests in and to participate through (ownership of transferable shares) in diversified income producing properties consisting mainly of real estate. Net proceeds of the sale of the shares will be used to reduce certain existing short-term loans, to acquire suitable real estate investments, primarily in New Jersey. In addition to indebtedness, the company has outstanding 112,700 shares of beneficial interests, of which management officials own 45%. Wilton T. Barney is president and Samuel Hekemian is board chairman.

MEMOREX SHARES IN REGISTRATION. Memorex Corporation, 1180 Shulman Ave., Santa Clara, Calif. 95052, filed a registration statement (File 2-27042) with the SEC on August 4 seeking registration of (a) 67,677 shares of common stock, for issuance upon exercise of qualified stock options, (b) 8,250 common shares for issuance upon exercise of outstanding restricted stock options, (c) 33,687 common shares issued to and held by employees upon exercise of stock options, and (d) 39,000 common shares held by certain shareholders of the company. The shareholders and optionees may from time to time offer all or part of their holdings for sale on the over-the-counter market or by private transactions.

CHAGRES FUND PROPOSES OFFERING. Chagres Fund, Inc., c/o Robert Van Wagner, P.O. Box 914, Hendersonville, N. C. 28739, filed a registration statement (File 2-27043) with the SEC on August 3 seeking registration of 500,000 shares of capital stock. The shares are to be offered for public sale at net asset value (\$10 per share maximum*).

The company was organized under Maryland law on May 29, 1967, as a diversified open-end investment company. It was initiated by members of the Canal Zone Credit Union, a cooperative employees' organization located in Balboa, Canal Zone, to meet the needs of its regular and associate members for a comprehensive investment program, under experienced management. Standard & Poor's Corporation will serve as investment adviser. Carl J. Browne of Balboa Heights is president.

NEW BRITAIN MACHINE PROPOSES RIGHTS OFFERING. The New Britain Machine Company, South Street, New Britain, Conn. 06050, filed a registration statement (File 2-27045) with the SEC on August 4 seeking registration of 101,321 shares of common stock. The shares are to be offered for subscription by common stockholders at the rate of one additional share for each nine shares held of record at the close of business on September 8, 1967. The subscription price (\$50.00 per share maximum*) and underwriting terms are to be supplied by amendment. Blyth & Co., Inc., 14 Wall St., New York 10005, is listed as the principal underwriter.

The company is engaged in the design, manufacture and sale of machine tools, hand tools and forgings and certain other products, including plastics injection molding machine, aircraft fluid control valves, self-contained flush toilets for aircraft and boats, and packaging machines. Net proceeds from the company's financing program, which includes the contemplated long-term borrowing of \$10,000,000, will be used for the retirement of bank loans and for general corporate purposes, including working capital and capital expenditures. In addition to indebtedness, the company has outstanding 993,389 common shares, of which management officials own 8.9%. Julian C. Pease is board chairman and president.

ROBLIN STEEL CORP. FILES EXCHANGE PLAN. Roblin Steel Corporation ("Roblin"), 101 E. Ave., N. Tonawanda, N. Y., filed a registration statement (File 2-27047) with the SEC on August 3, seeking registration of 47,164 shares of 6% cumulative sinking fund preferred stock Class I ("A" preferred), 85,224 shares of 6% cumulative convertible preferred stock ("B" preferred), and 85,224 shares of 6% cumulative sinking fund preferred stock Class II ("C" preferred) (all three preferred issues have a \$40 par value), together with 426,120 shares of Class A common stock. These shares are to be offered in exchange for the common, 6% first preferred and 5% second preferred of Erie Forge & Steel Corporation ("Erie Forge"), at the rate of (a) one "A" preferred share for each 3-3/8 shares of Erie Forge 6% first preferred; (b) one "A" preferred for each share of Erie Forge 5% second preferred for one share of company 6% first preferred; and (c) one "B" preferred share for each and one "C" preferred for each 20-3/4 Erie Forge common shares. According to the prospectus, the company has retained Georgeson & Co. to assist in the solicitation of acceptances of the exchange offer for which services Georgeson & Co. will receive \$10,000 plus its out of pocket expenses. In addition, the company will pay 5c per share to securities dealers who may assist the company in this offer.

Roblin and Erie Forge are both engaged in basic steel production -- Roblin as a producer of specialty steel and Erie Forge as a producer of steel forgings and castings. In addition to indebtedness, Roblin has outstanding 970,842 Class A common shares and Erie Forge 1,768,398 common shares. Daniel A. Roblin, Jr. is board chairman and president of Roblin. E. Richard Ebe is board chairman and Homer C. Lackey is president of Erie Forge.

SECURITIES ACT REGISTRATIONS. Effective August 3: Harcourt, Brace & World, Inc., 2-26712 (40 days); Occidental Petroleum Corp., 2-26560; Leasco Data Processing Equipment Corp., 2-27017 (40 days). Effective August 4: Lewis Business Forms, Inc., 2-26708; McLean Industries Inc., 2-26877 (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.