

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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SEC

(Issue No. 67-199)

FOR RELEASE October 16, 1967

AMERICAN MUTUAL RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5129) authorizing American Mutual Fund, Inc., Los Angeles, to issue its shares at other than the public offering price for substantially all of the assets of Chaco Investment Co. Chaco is a personal holding company with 62 shareholders, whose assets approximated \$2,833,078 on June 26.

LOOMIS-SAYLES MUTUAL SEEKS ORDER. Loomis-Sayles Mutual Fund, Incorporated, Boston, has applied to the SEC for an order under the Investment Company Act exempting it from the provisions of Section 10(d)(3) of the Act; and the Commission has issued an order (Release IC-5130) giving interested persons until October 24 to request a hearing thereon.

Applicant plans to submit to its shareholders a new management contract which will be the same as the present one except that it will permit Loomis, Sayles & Company, Inc. ("Loomis, Sayles"), its investment adviser and underwriter, to enter into distribution contracts with one or more other persons, firms or companies approved by the board of directors of applicant. Pursuant to the proposed management contract, Loomis, Sayles plans to enter into an arrangement whereby it will authorize a new German corporation, organized by The Reader's Digest Association, Inc., to promote the sale of applicant's shares in Germany to investors who are not United States nationals, and at a public offering price which will include a sales charge ranging from 7-1/2% to 3% of such price based on a volume purchase scale. No part of the sales charge will be received by Loomis, Sayles, but will accrue entirely to such German corporation and others participating in the sale of applicant's shares.

AMERICAN ELECTRIC POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15872) authorizing Michigan Gas and Electric Company ("MG&E"), subsidiary of American Electric Power Company, Inc. ("AEP"), to issue and sell up to \$850,000 of promissory notes to a bank during the period ending June 30, 1968. AEP proposes to make up to \$4,500,000 of open account advances to MG&E, from time to time during the same period. The proceeds from the sale of notes and open account advances will be used by MG&E to reimburse its treasury for past expenditures in connection with its construction program, to pay part of the cost of its future construction program (estimated at \$2,800,000 for the remainder of 1967), and for other corporate purposes, including a refund to MG&E customers pursuant to an outstanding order of the Michigan Public Service Commission.

MASSACHUSETTS ELECTRIC SEEKS ORDER. The Massachusetts Electric Company, Boston subsidiary of the New England Electric System, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell, at competitive bidding, \$10,000,000 of first mortgage bonds, due 1997, and 100,000 shares of \$100 par cumulative preferred stock; and the Commission has issued an order (Release 35-15874) giving interested persons until November 14 to request a hearing thereon. Net proceeds of this financing will be applied to the payment of some \$22,000,000 of short-term notes incurred for construction expenditures or to reimburse the treasury therefor.

GREAT LAKES GAS SEEKS ORDER. Great Lakes Gas Transmission Company, New York, has joined with its parent, American Natural Gas Company, New York, in the filing of a proposal with the SEC for authorization under the Holding Company Act for Great Lakes to issue and sell to American Natural 70,000 shares of its common stock for \$7,000,000, a like amount of stock to Trans-Canada Pipe Lines Ltd., and up to \$190,000,000 of its promissory notes to banks. The Commission has issued an order (Release 35-15873) giving interested persons until November 14 to request a hearing thereon. Sale of the stock will increase the Transmission Company's equity capital. The notes will be issued from time to time as funds are required to finance the construction of the second phase of its pipeline project, to pay \$30,000,000 of presently-authorized notes to banks at maturity, and to provide working capital.

POTOMAC EDISON SEEKS ORDER. The Potomac Edison Company, Hagerstown, Md. subsidiary company of Allegheny Power System, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to amend its charter to bring it into conformity with the requirements of the Commission's Statement of Policy regarding preferred stock subject to the Act, and to solicit proxies in connection therewith; and the Commission has issued an order (Release 35-15875) giving interested persons until November 10 to request a hearing thereon. The proposed amendments relate, among other things, to the rights of preferred stockholders to elect directors, the payment of dividends on common stock and the right to issue unsecured indebtedness to the maximum amounts permitted thereunder.

KISHIMOTO, SEGAMI, NAMED IN SEC COMPLAINT. The SEC San Francisco Regional Office announced October 11 (LR-3825) the filing of a complaint in the Federal court in Hawaii seeking to enjoin Kaneo "Casey" Kishimoto and Kenneth F. Segami, from further violations of the registration provisions of the Federal securities laws in the offer and sale of investment contracts and certificates of interest and participation in profit-sharing agreements consisting of interest in a diamond mining operation to be conducted in Brazil.

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SEC COMPLAINT NAMES CHRISTIAN FILMS (AMERICA). The SEC Washington Regional Office announced October 12 (LR-3826) the filing of a complaint in the Federal court in the District of Columbia seeking to enjoin Christian Films of America, Inc. and Dan H. Brown II, from further violations of the registration provisions of the Securities Act in the offer, sale and delivery after sale of Class A and Class B common stock of Christian Films of America, Inc.

GAMMA PROCESS PROPOSES OFFERING. Gamma Process Company, Inc., 160 Broadway, New York, filed a registration statement (File 2-27472) with the SEC on October 12 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5.00 per share. The offering is to be made through underwriters headed by Myron A. Lomasney & Co., 67 Broad St., New York, which will receive a 50¢ per share commission. The company has agreed to sell to the underwriter, for \$300, 30,000 common stock purchase warrants, exercisable at \$5.50 per share for the first year and up to \$7.50 for the fifth year; it has also agreed to pay to the underwriter \$15,000 for expenses.

The company is engaged in three phases of the irradiation industry: (1) it designs, manufactures (through sub-contractors), and installs equipment, and designs plants for irradiation research and production of irradiated products, (2) it has Cobalt-60 encapsulated and fabricated for sale to its customers, and (3) it conducts radiation process development work for itself and for its customers. The company intends to participate with the New York State Atomic and Space Development Authority in the establishment of a commercial scale radiation processing facility at the Authority's Western New York Nuclear Service Center at West Valley, N. Y. (approximately 21 miles south of Buffalo). The facilities are scheduled to be completed and ready for operation in September 1969. Net proceeds of the stock sale will be invested initially in certificates of deposit or treasury bills, but are intended for future application to the purchase of equipment for the West Valley plant and for working capital. In addition to indebtedness, the company has outstanding 355,200 common shares, of which management officials own 81.9% (including 76.2% owned by Jack Armel, president).

DIVERSIFIED RETAILING PROPOSES DEBENTURE OFFERING. Diversified Retailing Company, Inc., Howard and Lexington Sts., Baltimore, Md. 21201, filed a registration statement (File 2-27473) with the SEC on October 12 seeking registration of \$8,250,000 of 7% debentures, due 1985, with participating additional interest. The debentures are to be offered for public sale (at 100% of principal amount) through underwriters headed by the New York Securities Co., 52 Wall St., New York, and the First Nebraska Securities Corporation, 100 Continental Bldg., Omaha, Nebr., which will receive a 6% commission.

The company is a holding company organized in 1966 to acquire diversified businesses, primarily in the retail field. Net proceeds of its debenture sale will be used to repay an interim bank loan of \$7,000,000 incurred to fund part of the acquisition costs of Hochschild-Kohn and Associated, a wholly-owned subsidiary. In addition to indebtedness, the company has outstanding 300 common shares. Warren E. Buffett is board chairman and Louis B. Kohn II is president.

UNION ELECTRIC PROPOSES OFFERING. Union Electric Company, 315 N. 12th Blvd., St. Louis, Mo. 63166, filed a registration statement (File 2-27474) with the SEC on October 13 seeking registration of 300,000 shares of preferred stock. The shares are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005, and two other firms. The dividend rate, public offering price (\$102.00 per share maximum*) and underwriting terms are to be supplied by amendment.

An electric utility, the company will use the net proceeds of its stock sale to retire, in part, some \$46,000,000 of short-term bank loans incurred in connection with its 1967 construction program. Its construction program is estimated at \$112,000,000 for 1967 and at \$214,000,000 for the period 1967-1968. In addition to indebtedness and preferred stock, the company has outstanding 24,026,113 common shares, of which management officials own 85,461 shares. J. W. McAfee is board chairman and Charles J. Dougherty is president.

MARK SYSTEMS PROPOSES OFFERING. Mark Systems, Inc., 2999 San Ysidro Way, Santa Clara, Calif. 95051, filed a registration statement (File 2-27475) with the SEC on October 13 seeking registration of 125,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by William D. Witter, Inc., 120 Wall St., New York 10005 and Davis, Skaggs & Co., 160 Sansome St., San Francisco, Calif. 94104. The public offering price (\$8.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the development, manufacture and sale of diffusion transfer film processing and imbibing equipment for use with Bimat film, rapid access film processing and display equipment and microwave equipment. It has recently engaged in the development, manufacture and sale of stabilized optical instruments. Of the net proceeds of its stock sale, \$325,000 will be used to retire outstanding short-term bank loans incurred principally for working capital purposes, and \$175,000 for additional equipment and expansion of facilities; the balance will be used to finance increases in accounts receivable and inventory and for general corporate purposes. In addition to indebtedness, the company has outstanding 852,110 common shares, of which Frederick L. Anderson owns 12.8% and management officials own 35.8%. Bernard P. Marcus is board chairman and president.

FINANCIAL SECURITY PLANNING FILES. Financial Security Planning Corporation of America, 970 Florida Bank Bldg., P.O. Box 1947, Jacksonville, Fla., filed a registration statement (File 2-27477) with the SEC on October 13 seeking registration of \$5,000,000 of interests in its programs for the acquisition of mutual fund shares and individual life insurance. The programs contemplate that a participant will pay the premiums on life insurance policies with the proceeds of loans from the company secured by the pledge of mutual fund shares purchased by the participant for cash. An objective of the programs is to enable the participant to utilize the appreciation, if any, in value of the mutual fund shares and any dividends or capital gain distributions thereon to aid in offsetting the principal and accumulated interest on the loans and the

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related charges and fees. The initial investment must be at least 2.3 times the annual insurance premium. Since the premium may not be less than \$310, the minimum initial investment in mutual fund shares is \$713. The maximum sales charge on the purchase of mutual funds in a program is 8.30% of the offering price of the shares. The company offers in the programs shares of five mutual funds managed by Keystone Custodian Funds, Inc.

The company is primarily engaged in the sale, either separately or in the programs, of mutual fund shares and insurance through wholly-owned subsidiaries. In addition to indebtedness, it has outstanding 350,000 common shares, of which The Tropical Park, Inc., owns 37.1%, and management officials own 87.1% (including 14.3% each owned by Robert M. Traugott, president, and Robert C. Whitehead, Jr., a director).

In a separate registration statement (File 2-27478), the company seeks registration of 666,666 shares of common stock. The shares are to be offered for public sale on a "best efforts" basis for a period of 90 days through underwriters headed by the Lincoln Securities Corporation, 965 Florida Bank Bldg., Jacksonville, Fla. The public offering price (\$3.00 per share maximum*) and underwriting terms are to be supplied by amendment. Of the net proceeds of its stock sale, \$250,000 will be used to defray costs connected with the expansion of the company's present sales offices, the recruiting of additional sales personnel, and for the opening of new sales office facilities; the balance will be used for general working capital purposes.

ELCOR CHEMICAL FILES FOR OFFERING AND SECONDARY. Elcor Chemical Corporation, 1300 V & J Tower, Midland, Texas 79701, filed a registration statement (File 2-27479) with the SEC on October 13 seeking registration of \$12,500,000 of convertible subordinated debentures, due 1987, and 175,000 shares of common stock. The debentures and 100,000 common shares are to be offered for public sale by the company; the remaining 60,000 shares (being outstanding) are to be offered by the present holders thereof. The interest rate and offering price of the debentures, public offering price of the stock (\$65.00 per share maximum*), and underwriting terms are to be supplied by amendment. F. Eberstadt & Co., 65 Broadway, New York 10006 is listed as the principal underwriter.

The company is engaged in the recovery, manufacturing and distribution of basic chemicals, principally elemental sulphur and anhydrous ammonia; the processing of natural gas; and the design, engineering and construction of processing plants and facilities for the chemical and petroleum industries. Of the net proceeds of its sale of debentures and additional stock (together with the proceeds from the sale of \$18,000,000 of 6-7/8% notes, due 1983, to two institutional investors), \$26,629,000 will be used for financing the "Rock House Project" (which involves the construction of a facility utilizing a process developed by the company to extract elemental sulphur from gypsum), \$4,700,000 will be used for the payment of outstanding indebtedness to banks, and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,153,931 common shares, of which management officials own 57.2%. Roy E. Campbell is president. The selling shareholders are F. H. Callaway (a director), who proposes to sell 5,000 of his holdings of 145,098 shares, George H. Landreth and Robert M. Leibrock (directors), each of whom proposes to sell 15,000 of 144,348 shares held, and a group of 25 shareholders who propose to sell an aggregate of 25,000 shares.

LING-TEMCO-VOUGHT PROPOSES OFFERING. Ling-Temco-Vought, Inc., 1600 Pacific Ave., Dallas, Tex. 75222, filed a registration statement (File 2-27476) with the SEC on October 13 seeking registration of 600,000 common shares, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., New York 10004, and Goldman, Sachs & Co., 20 Broad St., New York 10005. The public offering price (\$150 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged through its subsidiaries in the meat and food, aerospace, electronics, wire and cable, recreation and athletic equipment, and pharmaceutical and chemical industries. Net proceeds of its stock sale will be added to its general funds and will be available for its general corporate purposes, which may include temporary advances to subsidiaries. The proceeds also will be available for acquisition of the assets or securities of other companies. In addition to indebtedness and preferred stock, the company now has outstanding 3,933,664 common shares. James J. Ling is chairman and chief executive officer, Robert McCulloch is chairman of the executive committee, and Clyde Skeen is president.

EASTERN AIR LINES TO SELL DEBENTURES. Eastern Air Lines Inc., 10 Rockefeller Plaza, New York 10020, filed a registration statement (File 2-27484) with the SEC on October 13 seeking registration of \$75,000,000 of convertible subordinated debentures due 1992, to be offered for public sale through Kuhn, Loeb & Co., 40 Wall St., and Smith, Barney & Co., Inc., 20 Broad St., both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Eastern offers regularly scheduled air transportation over a network of more than 22,000 miles of routes serving 113 communities in 28 states, the District of Columbia, Canada, Bermuda, Puerto Rico, the Bahamas and Mexico. Net proceeds of its debenture sale will be added to its general corporate funds and will be available for general corporate purposes including the acquisition of additional aircraft. In addition to indebtedness, the company has outstanding 11,222,177 common shares. F. D. Hall is president.

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 October 2 News Digest.

Smith Kline & French Laboratories Sept 67 (13)	1-4077-2	Yard-Man Inc Sept 67 (11,13)	0-1284-2
Sonoco Products Co Aug 67 (3,11)	0-516-2	Zenith Radio Corp Sept 67 (3)	1-4115-2
Southeastern Timberland Trust Sept 67 Sept 67 (7)	0-1778-2	Kenrich Corp Amend #1 to 8K for Dec 66 (13)	0-1558-2
Southern Union Gas Co Sept 67 (7,13)	0-1103-2	West Coast Airlines Inc Amend #1 to 8K for Aug 67 (12)	0-1286-2
Still-Man Mfg Corp Aug 67 (11)	0-1079-2		
Superior Electric Co Aug 67 (7,13)	0-441-2		
Technitrol Inc Sept 67 (12)	1-5375-2	Altamil Corp Sept 67 (2,13)	1-4834-2
Tektronix Inc Sept 67 (11,13)	1-4837-2	Amer Commercial Lines Inc Sept 67 (4,13)	1-4209-2
United Shoe Machinery Corp Sept 67 (3)	1-1599-2	Assoc Products Inc Sept 67 (12,13)	1-4761-2
Universal Leaf Tobacco Co Inc Sept 67 (12)	1-652-2	Astrodota Inc Sept 67 (11,12,13)	1-4803-2
Western Nuclear Inc Sept 67 (4,7,13)	1-4360-2	Aurora Corp of Ill Sept 67 (7,12,13)	0-1737-2
Wetterau Foods Inc Sept 67 (11)	0-1451-2	Barnes Engineering Co Sept 67 (11,13)	1-4197-2
Archer-Daniels Midland Co Amend #1 to 8K for May 67 (2)	1-44-2	Bartell Media Corp Sept 67 (12)	1-4614-2
Standard Fruit and Steamship Co Sept 67 (3,13)	0-868-2	Bell Intercontinental Corp Sept 67 (7,12,13)	1-4354-2
Standard Internatl Corp Sept 67 (3,13)	1-5249-2	Beneficial Finance Co Sept 67 (7,13)	1-1177-2
Standard Pressed Steel Co Sept 67(4,7,13)	1-4416-2	Berkshire Gas Co Sept 67 (8,11,13)	0-1857-2
Standard Products Co Sept 67 (11,13)	1-2917-2	Blue Bell Inc Sept 67 (7)	1-5343-2
State Loan & Finance Corp Sept 67 (7,13)	0-292-2	Bullion Monarch Co Sept 67 (2,7,11)	1-3896-2
Still-Man Mfg Corp Jul 67 (7)	0-1079-2	Caterpillar Tractor Co Sept 67 (7,13)	1-768-2
Thermotech Ind Inc Sept 67 (1,7,13)	0-1309-2	Cenco Instruments Corp Sept 67 (12,13)	1-3730-2
Thompson-Starrett Co Inc Sept 67 (3,12)	1-301-2	Chrysler Corp Sept 67 (12,13)	1-686-2
Tonka Corp Sept 67 (7,11,13)	1-4863-2	Coburn Corp of Amer Sept 67 (4,7,13)	1-4730-2
Trailer Train Co Sept 67 (7,13)	2-20540-2	Colorado Milling & Elevator Co Sept 67 (4,11,12,13)	0-1754-2
Unic Inv Co Sept 67 (4,7,13)	1-2529-2	Columbia Broadcasting System Inc Aug 67 (2,4,7)	1-2931-2
United Gas Corp Sept 67 (7)	1-3257-2	Crucible Steel Co of Amer Sept 67 (12)	1-762-2
The United Illuminating Co Sept 67(7,13)	0-469-2	Culligan Inc Sept 67 (12,13)	0-1785-2
United Republic Life Inv Co Sept 67 (7)	2-23677-2	Duke Power Co Sept 67 (12)	1-4928-2
U S Borax & Chemical Corp Sept 67 (7)	1-4052-2	Dunham-Bush Inc Sept 67 (12,13)	0-431-2
U S Filter Corp Sept 67 (6,13)	1-4097-2	Eagle-Picher Ind Inc Sept 67 (4,13)	1-1499-2
U S Pipe & Foundry Co Sept 67 (3)	1-212-2	Edgewater Steel Co Sept 67 (3)	0-890-2
U S Polymeric Inc Sept 67 (11,13)	1-5138-2	Emhart Corp Sept 67 (4,11)	1-4012-2
Universal Amer Corp Sept 67 (3,7,8)	1-4607-2	Essex Wire Corp Sept 67 (3)	1-5013-2
Virginia and Southwestern Ky Co Sept 67 (11)	1-749-2	Fargo Gils Ltd Sept 67 (1,12)	1-3691-2
Vons Grocery Co Sept 67 (3)	1-4515-2	First Cheyenne Corp Sept 67 (7)	2-23029-2
Wagner Electric Corp Sept 67 (7,13)	1-5434-2	Fund Amer Co Sept 67 (8)	0-2076-2
Waitt & Bond Inc Oct 67 (12)	1-3411-2	General Finance Corp Jul 67 (4,7)	1-3868-2
Walworth Co Sept 67 (12,13)	1-798-2	Gilbert Shoe Stores Inc Sept 67 (4)	0-2087-2
H R Weissberg Corp Aug 67 (12)	0-1086-2	Gillette Co Sept 67 (13)	1-922-2
Wellco Re-Search Ind Inc, Sept 67(7,12,13)	2-19017-2	Gordon Jewelry Corp Sept 67 (7,13)	1-4540-2
West Penn Power Co Sept 67 (4,11,13)	1-255-2	Gould Properties Inc Sept 67 (7)	0-249-2
West Texas Utilities Co Sept 67 (10,11,13)	0-340-2	Great National Corp Sept 67 (11)	0-1587-2
West Virginia Pulp & Paper Co Sept 67 (13)	1-3013-2	Handy & Harman Sept 67 (7)	1-5365-2
Winslow Tele-Tronics Inc Sept 67 (7,8)	0-2483-2	Hitco Sept 67 (2,4,7,9,13)	1-1568-2
Wyandotte Chemicals Corp Sept 67 (12)	0-1115-2	Howell Internatl Inc Sept 67 (2,7,13)	1-3450-2
		Hunt Foods and Ind Inc Sept 67 (12,13)	1-3982-2
		Husky Oil Canada Ltd Sept 67 (2,13)	1-4307-2
		Ideal Cement Co Sept 67 (12)	1-4070-2

SECURITIES ACT REGISTRATIONS. Effective October 13: Carolina Pipeline Co., 2-27261 (40 days); Engelhard Minerals & Chemicals Corp., 2-27344; South Florida Citrus Industries, Inc. and American International Food Corp., 2-26656 (40 days); University Computing Co., 2-26992; Vitro Corporation of America, 2-27259.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transaction is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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