

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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

FOR RELEASE

September 27, 1957

Delaware Fund, Inc., of Camden, N. J., filed an amendment on September 26, 1957 to its registration statement (File 2-10765) seeking registration of an additional 1,000,000 shares of Common Stock, \$1 par value.

## PALESTINE ECONOMIC CORP. FILES FOR STOCK OFFERING

Palestine Economic Corporation, New York City, filed a registration statement (File 2-13629) with the SEC on September 26, 1957, seeking registration of 130,000 shares of its \$25 par Common Stock. The company proposes to offer the shares for public sale at \$25 per share, with the voluntary aid of members of its Board of Directors and with the aid of salaried officers. It reserves the right to pay a commission not in excess of 5% to any person who may assist in the sale of the stock. The company employs a subsidiary, Palestine Economic Corporation of New York, to sell its stock, reimbursing it for its expenses but not paying a commission therefor.

According to the prospectus, the company "is an instrument through which Americans participate in the economic development of Israel on a business basis." It engages in various enterprises, in and outside Israel, through subsidiary and non-subsidiary corporations. It extends loans and purchases securities, or both. "By virtue of its experience and administrative machinery in Israel, it is in a position to play an active role in the expansion of the country's economy. For such participation it requires for productive investment large resources in addition to its present capital." Of the net proceeds of this financing, estimated at \$3,087,500, the company expects to use \$750,000 for participation in the further development of Israel industry; \$500,000 for development of urban and suburban areas and erection of residential and factory buildings; \$250,000 for extension of co-operative and other banking credit; \$250,000 for financing of export to Israel; \$700,000 for acquisition of approximately 500,000 American Israeli Paper Mills, Ltd., shares and 200,000 Mehadrin, Ltd., shares; and the balance for working capital and general corporate purposes.

## HERCULES TANKERS, INC., SEEKS SEC EXEMPTION

Hercules Tankers, Inc., Philadelphia, Pa., has applied to the SEC for exemption from the Investment Company Act of 1940; and the Commission has issued an order giving interested persons until October 8, 1957, to request a hearing.

Applicant contemplates the issue and sale of 100 shares of its capital stock, at \$10 per share, to Hercules Tankers Corporation, a Liberian company which will be a wholly-owned subsidiary of Barber Oil Corporation, a Delaware company engaged in the oil business. Applicant intends to participate in a program for financing the construction of three tanker vessels, which are to be built by Bethlehem Steel Company and are to be owned by the Liberian company. Under an agreement between

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applicant and Metropolitan Life Insurance Company, the latter will purchase, upon delivery of each of the three tankers, 5½% collateral trust bonds of applicant in an amount equal to the cost of each such vessel (presently estimated at \$13,750,000 each) but not in excess of \$16,000,000. Simultaneously, with each sale of its bonds to Metropolitan, applicant will lend the proceeds to the Liberian company and will receive the latter's 5½% promissory notes. Upon completion, each tanker is to be placed under a 20-year charter. The construction of the tankers and transactions ancillary thereto are subject to approval of the U. S. Maritime Administration. (See Investment Company Act Release No. 2604.)

#### CARTER-JONES DRILLING FILES FOR STOCK OFFERING

Carter-Jones Drilling Company, Inc., Kilgore, Texas, today filed a registration statement (File 2-12630) with the SEC seeking registration of 300,000 shares of its 10¢ par Capital Stock, to be offered for public sale. The offering terms are to be supplied by amendment. No underwriting is involved.

Carter-Jones was organized under Texas laws on June 27, 1957, to provide a corporate organization to acquire, further develop and operate interests in oil and gas properties and a contract drilling business owned by J. K. Maxwell, H. C. Jones and W. T. Maxwell, Messrs. J. K. and W. T. Maxwell and Jones, as of July 1, 1957, transferred six drilling rigs and other equipment and oil and gas properties to the company in exchange for 344,509 shares of its capital stock, and the assumption by the company of indebtedness totaling \$894,650 and of the contractual obligations of the transferors with respect to the properties transferred

The company's producing properties are located in East, North and South Texas, and the company also owns wildcat acreage in these areas and in Louisiana. The company is engaged and proposes to engage principally in acquiring, in conjunction with others, leases on prospective, semi-proven and proven oil and gas properties, exploring and developing such properties with its own drilling equipment, and in the production and sale of crude oil and natural gas from such properties. The company has been engaged and intends to continue to be engaged to a lesser extent in drilling oil and gas wells for others on a contract basis.

Net proceeds of the stock offering, assuming all shares are sold, are estimated at \$1,472,000. The company proposes to pay indebtedness to banks and suppliers in the amount of \$824,410 to the extent possible. The remainder of the proceeds will be used primarily to participate in the acquisition and exploration of oil properties in joint-venture arrangements with other persons in which the company does not propose to retain more than a 25% interest or assume more than 25% of the risk, and for general working capital. In the event that not all of the stock offered is sold, the company will apply the proceeds from time to time as received in the proportion of approximately 70% to pay off debt and 30% to be retained, for working capital, and intends to negotiate with banks and other lenders for a loan or loans to re-finance all or part of the present indebtedness on a long-term basis, the amount to be sought to depend upon the amount of proceeds realized from the sale of stock. No such negotiations have as yet been conducted.

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## COOPERATIVE GRANGE LEAGUE FILES FINANCING PROPOSAL

Cooperative Grange League Federation Exchange, Inc., Ithaca, N. Y., today filed a registration statement (File 2-13631) with the SEC seeking registration of \$600,000 of 4% Subordinated Debentures due January 1, 1966, 10,000 shares of 4% Cumulative Preferred Stock, \$100 par, and 150,000 shares of Common Stock, \$5 par. The company proposes to offer these securities for sale at their principal amount or par value. No underwriting is involved.

Offering of these securities constitutes a continuation of earlier and similar offerings of these same classes of securities. The debentures and preferred shares are offered without limitation and may be purchased by both farmer and non-farmer patrons of the company and by other persons. The offering of the common shares is restricted to present members of the company and to farmers interested in becoming members. Sales will be solicited chiefly through personal contact by designated employees of the company, G.L.F. retail cooperatives, and G.L.F. Agent-Buyers and by member committeemen.

Proceeds of the sale of the debentures, together with such funds as are retained from the sale of the preferred and common shares over and above the amounts required to cover stock redemptions, will be added to the working capital funds of the company to be used for general corporate purposes, including principally the financing of inventory purchases, to cover future working capital and capital loan advances to retail subsidiaries, and to reduce, in part, long-term bank debt presently outstanding in the amount of \$1,300,000.

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