

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 15, 1959

Statistical Release No. 1610

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended June 12, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

	<u>1939 = 100</u>		Percent <u>Change</u>	<u>1959</u>	
	<u>6/12/59</u>	<u>6/5/59</u>		<u>High</u>	<u>Low</u>
Composite	417.8	419.8	-0.5	428.4	400.1
Manufacturing	519.7	520.9	-0.2	531.7	490.7
Durable Goods	494.9	491.9	+0.6	500.9	457.8
Non-Durable Goods	532.4	537.5	-0.9	550.2	510.5
Transportation	354.9	353.0	+0.5	366.0	340.7
Utility	211.9	216.4	-2.0	231.8	208.6
Trade, Finance & Service	416.4*	413.4	+0.7	416.4	382.7
Mining	328.8	330.6	-0.5	360.4	327.6

*New High

FRENCH & CO. HEARING POSTPONED

The SEC has postponed from June 16 to July 13, 1959, the hearing in administrative proceedings to determine whether an application for broker-dealer registration filed by R. D. French & Co., of Houston, Texas, should be denied (See News Digest of May 8 and Release 34-5955). The hearing is to be held in the SEC Houston Branch Office.

SOUTHERN STATES SECURITIES HEARING POSTPONED

The SEC has postponed from June 22 to July 8, 1959, the hearing in the administrative proceedings to determine whether to revoke the broker-dealer registration of Southern States Securities Corporation, of Atlanta, Ga. (See News Digest of April 17 and Release 34-5936). The hearing is to be held in Room 541 Peachtree Seventh Building, Atlanta.

PUBLIC FINANCE SERVICE SEEKS ORDER

Public Finance Service, Inc., Philadelphia, has applied to the SEC for an order under the Trust Indenture Act declaring that trusteeship of the First Pennsylvania Banking and Trust Company under three existing trust indentures, and its trusteeship under a proposed indenture is not so likely to involve a material conflict of interest as to make it necessary to disqualify said trustee from acting as such under the four indentures. The company proposes to issue \$3,900,000 of 6% debentures due 1982 under the 1959 indenture by exchanging such 1959 debentures for the \$3,900,000 debentures now outstanding pursuant to the three earlier indentures. The Commission has issued an order (Release 39-130) giving interested persons until June 26, 1959, to request a hearing upon the application.

OVER

For further details, call ST. 3-7600, ext. 5526

HOUSEHOLD FINANCE SEEKS ORDER

Household Finance Corporation, Chicago, has applied to the SEC for an order under the Trust Indenture Act declaring that trusteeship of Morgan Guaranty Trust Company of New York under five trust indentures is not so likely to involve a material conflict of interest as to make it necessary to disqualify said trustee from acting as such under all five indentures; and the Commission has issued an order (Release 39-131) giving interested persons until June 29, 1959, to request a hearing thereon. Household Finance has debentures outstanding under the said indentures in the respective amounts of \$13,000,000; \$17,500,000; \$20,000,000; \$30,000,000; and \$30,000,000. J. P. Morgan & Co., Inc. was listed as trustee under four of the five indentures underlying these securities, and Guaranty Trust Company of New York was trustee under the fifth. The two trustees merged on April 24, 1959, the survivor being Morgan Guaranty Trust Company of New York.

YANKEE ATOMIC FINANCING CLEARED

The Securities and Exchange Commission today announced the issuance of a decision authorizing the issuance and sale of bonds and notes by Yankee Atomic Electric Company, of Boston, Mass., a subsidiary of New England Electric System.

Previously, on April 15, 1959, the Commission had authorized Yankee Atomic to issue and sell to New England Power Company, a subsidiary of NEES, and ten other stockholder companies an additional \$7,000,000 of common stock (70,000 shares). The balance of the current financing program consists of \$20,000,000 principal amount of 5% first mortgage bonds due 1982 and \$17,000,000 of 4-3/4% unsecured serial notes. The bonds are to be sold to The Equitable Life Assurance Society of the United States and to nine other institutional investors and the notes are to be sold to The First National Bank of Boston.

Yankee Atomic was created primarily to obtain for the sponsoring companies knowledge in the design, construction, and operation of a nuclear power plant; and this financing relates to the construction of a power plant at Rowe, Mass., which will consist of a nuclear reactor of the pressurized water type, together with conventional-type electrical generating, transformation, and auxiliary equipment. The entire electrical output of the plant is to be sold, directly or indirectly, to the stockholder companies in proportion to their holdings of Yankee Atomic capital stock.

The Commission ruled that the proposed transactions conformed to the applicable provisions of the Holding Company Act. It also granted the request of Yankee Atomic for an exception from competitive bidding with respect to the issuance and sale of its bonds, as well as an exemption from Section 13 of the Act with respect to research agreements to be entered into by Yankee Atomic with each of the sponsoring companies.

TRANS-SONICS FILES FOR SECONDARY

Trans-Sonics, Inc., Lexington, Mass., filed a registration statement (File 2-15233) with the SEC on June 12, 1959, seeking registration of 90,000 outstanding shares of its common stock, to be offered for public sale by the holders thereof through an underwriting group headed by Kidder, Peabody & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the design, manufacture and sale of precision transducers, used to make precise measurements of such variables as pressure and temperature and to convert such measurements into corresponding electrical signals which may be utilized for telemetering, control or direct indication. It has outstanding 428,010 common shares, of which Payson & Trask (a partnership of which W. Hardie Shepard, a company director, is a partner), of New York, owns 128,250 shares. Vernon C. Westcott, president, of Lincoln, Mass., 96,630; Edward T. Rigney and Sidney B. Williams, vice presidents, 95,880 and 53,040, respectively. They propose to sell 57,000, 10,000, 10,000 and 5,000 shares, respectively. The balance of the shares are being sold by P & T Junior (3,000) and Alfred W. Douglass (5,000).

MIDWEST OIL FILES EMPLOYEE PLAN

Midwest Oil Corporation, 1700 Broadway, Denver, filed a registration statement (File 2-15234) with the SEC on June 12, 1959, seeking registration of \$550,000 of Participations in the Employee

Thrift Plan of Midwest Oil and certain affiliated corporations, together with 14,667 shares of its capital stock which may be purchased pursuant to the plan.

INTERNATIONAL CORP., GIBBS ENJOINED

The SEC Washington Regional Office announced June 11, 1959, that an order of permanent injunction, on consent, had been entered by Judge Alexander Holtzoff (USDC, DC), barring further offering and sale of International Corporation stock by that company and John K. Gibbs in violation of the Securities Act registration and anti-fraud provision.

NORTHROP CORP. PROPOSES DEBENTURE OFFERING

Northrop Corporation, 9744 Wilshire Blvd., Beverly Hills, Calif., today filed a registration statement (File 2-15235) with the SEC seeking registration of \$10,000,000 of Convertible Subordinated Debentures, due July 1, 1979, to be offered for public sale through an underwriting group headed by William R. Staats & Co. and Blyth & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the debentures will initially be added to the working capital of the company. The company may use such funds, among other purposes, to reduce outstanding bank loans, to meet capital asset requirements, to place the company in a position to accept orders or undertake projects for the Government (in addition to current orders or projects) arising from changes, frequently abrupt, in procurement policies and decisions, or to retain its competitive position by acquiring new and advanced machines and tools which are expected to be required by reason of rapidly changing and development manufacturing techniques and new design requirements of the aircraft, missile and electronics industries.

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