SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

FOR RELEASE August 31, 1959

Statistical Release No. 1625

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended August 28, 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:

	1939 = 100		Percent	1959	
	8/21/59	8/28/59	Change	High	Low
Composite	430.9	434.0	+0.7	441.3	400.1
Manufacturing	537.8	542.5	+0.9	554.2	490.7
Durable Goods	510.5	520.3	+1.9	527.7	457.8
Non-Durable Goods	552.4	552.3	0.0	570.1	510.5
Transportation	348.4	349.3	+0.3	371.5	340.7
Utility	218.7	218.5	-0.1	231.8	208.6
Trade, Finance & Service	425.5	432.2	+1.6	433.0	382.7
Mining	321.8	321.4	-0.1	360.4	315.5

MANUEL COHEN NAMED SEC ADVISER

Chairman Edward N. Gadsby of the Securities and Exchange Commission today announced the promotion of Manuel F. Cohen to the position of Adviser to the Commission. In his new capacity Mr. Cohen will assist the Commission in its re-examination and re-evaluation of policies, interpretations and procedures to keep abreast of the continuing expansion and constantly changing conditions in the securities industry. He will be concerned particularly with problems arising from the development of new techniques of securities flotation and placement and the growing significance of international financing in the American capital markets.

Mr. Cohen was born in Brooklyn, New York on October 9, 1912. He received his B. S. degree from Brooklyn College in 1933 and his LL. B. degree cum laude from Brooklyn Law School in 1936. He was admitted to the New York Bar in 1937.

Mr. Cohen joined the Commission's staff as an attorney in the Investment Company Division in July, 1942, and shortly thereafter was assigned to duty on the legal staff of the Division of Corporation Finance. He was promoted to progressively more responsible attorney positions in that Division and has served as its Chief Counsel since May, 1953. In 1956 he received a Rockefeller Public Service Award under which he spent a year abroad engaged in a comprehensive study of the techniques of securities distribution and capital formation in Western Europe.

NOTE RENEWAL PROPOSED BY PHILADELPHIA CO.

Philadelphia Company, subsidiary of Standard Gas and Electric Company, has filed a proposal with the SEC for a one-year renewal of a $2,500,000 promissory note held by Standard Gas and maturing September 10, 1959; and the Commission has issued an order (Release 35-14049) giving interested persons until September 14, 1959, to request a hearing thereon.

OVER

SOUTHERN ELECTRIC GENERATING PROPOSES BANK BORROWINGS

Southern Electric Generating Company, Birmingham subsidiary of Alabama Power Company and Georgia Power Company, has filed a proposal with the SEC for borrowings of $40,000,000 from twelve banks; and the Commission has issued an order giving interested persons until September 16, 1959, to request a hearing thereon. The funds will be used by the Generating Company to carry on its 1959 and 1960 construction program. The company proposes to sell additional debt securities to the public and additional common stock to its parents during 1960 in order to provide funds for paying the notes and to further its 1960 construction program.

CANADIAN RESTRICTED LIST
Eleventh Supplement

The SEC has added LARUTAN PETROLEUM CORPORATION LTD. to its Canadian Restricted List; and it has deleted from the list AUGUSTUS MINING EXPLORATION LTD. AND AUGUSTUS EXPLORATIONS LTD. The list is comprised of the names of Canadian companies (now totalling 223) whose securities have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. Deletions may be made for various reasons, including discontinuance of the unlawful distribution and an undertaking to comply with the law in respect of any future distribution in the United States.

WASHINGTON MORTGAGE AND DEVELOPMENT FILES FOR OFFERING

Washington Mortgage and Development Company, Incorporated, 1028 Connecticut Ave., N. W., Washington, D. C., filed a registration statement (File 2-15503) with the SEC on August 24, 1959, seeking registration of 100,000 shares of common stock, to be offered for public sale at $5 per share. The offering is to be made on a best efforts basis by American Diversified Mutual Securities, Inc. and Gildar & Co., for which a 50¢ per share selling commission (plus $25,000 for expenses) is to be paid.

The company was organized under Delaware law on July 31, 1959, for the general purpose of investing in mortgage notes secured by real estate. District Development Company Inc., is the promoter of this issue, and as such has purchased 10,000 shares. The underwriters have an option to purchase 5,000 shares. Directors have purchased 10,000 shares at $3 each; and each of the fifteen directors has been granted 500 warrants, each warrant exercisable for the purchase of a share of stock at $6 per share through August 17, 1964. The manager of the company's office will receive 750 such warrants per year for five years. It is the company's intent that the bulk (approximately 75%) of its investment shall be in second trust notes, both long and short term, and about 10% in short-term first trust notes, i.e., construction loans. The remaining 15% will be in either cash, government bonds, or long-term first trust notes.

The prospectus lists Ned Bord as board chairman and Sidney Hadded as president.

TENNESSEE INVESTORS FILES FOR OFFERING

Tennessee Investors, Inc., Life & Casualty Tower, Nashville, Tenn., filed a registration statement (File 2-15531) with the SEC on August 28, 1959, seeking registration of 500,000 shares of its $10 par Common Stock. The company was organized as an investment company under the laws of Tennessee on August 29, 1959. The stock is to be offered for sale at $12.50 per share, with a 90¢ per share underwriting commission, the offering to be made on a "best efforts" basis through NASD members. Management of the company is headed by Lee Davis, president. The principal business of the company will be to invest in small business concerns through the purchase of their convertible debentures and by making long-term loans to such concerns. The company will also offer consulting and advisory services to concerns in which it has made investments as well as to other small businesses in Tennessee and nearby states. Net proceeds of the stock sale will be used to provide such investment capital and management services.

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KENTUCKY CENTRAL LIFE SHARES IN REGISTRATION

Kentucky Central Life and Accident Insurance Company, Anchorage, Ky., filed a registration statement (File 2-15521) with the SEC on August 28, 1959 seeking registration of 30,717 shares of its common stock for offering at $115 per share, and $51,000 shares for offering at $116 per share.

Kentucky Central has 100,000 outstanding shares of common stock. In May 1959 eight of its directors entered into a contract to sell their holdings of 5,181 shares to Kentucky Finance Co., Inc., at $115 per share, the contract providing that the same purchase offer should be made to holders of the balance of the stock. One of the conditions of the Finance Co.'s purchase offer was that at least 51,000 shares be deposited in acceptance of the offer. On June 30, 1959, a total of 81,717 shares had been deposited and the purchase contract became binding; and in accordance with the contract, also, six directors resigned and six nominees of the Finance Co. were elected to fill their vacancies.

According to the prospectus, the Finance Co. does not desire to purchase more than 51,000 shares of Kentucky Central stock; and it proposes to offer to all depositing stockholders a mutual release and option arrangement on a pro rata basis so that as to 30,717 shares of stock deposited the depositing stockholder may execute a mutual release of the contract under which the stock was so deposited on condition that the stockholder will enter into a mutual option agreement with Garvice D. Kincaid, president of Finance Co., under which Kincaid offers to buy any or all of the stock so released at any time within five years after January 1, 1960, at $115 (and at a $5 increase in each of the next four years), and in turn will have an option to purchase from such stockholder for the same five-year period any or all of such stock at the same prices except that if he exercises the option to purchase during 1960 the purchase price is $120 per share. In the event any stock in excess of 51,000 shares is left in escrow and not included in the release option arrangement, the Finance Co. reserves the right to offer those shares to any or all of the depositing stockholders under the same mutual release and option agreement. The retention of an interest in Kentucky Central by depositing stockholders will, according to the prospectus, be advantageous to the company, and to the extent the release option arrangement is accepted, the purchaser will be relieved of the obligation to pay for those shares on January 4, 1960, as required by the terms of the contract.

Kentucky Finance Co. will offer the 51,000 shares to its 157 shareholders at a price of $116 per share on a pro rata basis.

ELECTRONIC COMMUNICATIONS PROPOSES DEBENTURE OFFERING

Electronic Communications, Inc., 1501 72nd St., North, St. Petersburg, Fla., filed a registration statement (File 2-15522) with the SEC on August 28, 1959, seeking registration of $5,000,000 of Subordinated Debentures, due September 15, 1974 (with warrants for the purchase of 20 common shares for each $1000 of debentures). The debentures are to be offered for public sale through an underwriting group headed by Laird & Company, Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's principal business consists of the design, development and manufacture of electronic communication, detection and navigation equipment, electronic and electro-mechanical control devices and high performance special design motors. Net proceeds of the sale of the debentures will be added to its general funds and will be available for general corporate purposes. Immediately following the sale of the debentures the company plans to repay the outstanding balance of its loans under its V-Loan agreement, which now amount to $2,500,000. It is also proposed to repay $273,862 of indebtedness represented by First Mortgage and Promissory Notes of the company and its subsidiary. Since June 30, 1959, the company has expended about $46,000 for the construction of a new building in St. Petersburg, to provide additional laboratory, office and manufacturing space, and it estimates that an additional $1,100,000 will be required for completion of the building scheduled for December 1959. An additional $300,000 is to be expended within the next six months for the purchase of additional equipment.

CONSOLIDATED DEVELOPMENT PROPOSES STOCK OFFERING

Consolidated Development Corporation, Calle 23, No. 956, Vedado, Havana, Cuba, filed a registration statement (File 2-15523) with the SEC on August 23, 1959, seeking registration of 448,000 shares of common stock. According to the prospectus, the underwriter, H. Kook & Co. Inc., has advanced to the company sums aggregating $100,000; and in consideration of such loan the company proposes to offer 100,000 shares to the underwriter in repayment of the loan. These shares may be resold by the underwriter at a price equal to the then current market price of

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outstanding shares on the American Stock Exchange, either before, during, or after the sale of the remainder of the shares the subject of this filing.

An additional 198,000 shares are to be offered to holders of the company's 6% Convertible Debentures due July 1, 1962, at a price of \$.75 per share, which is the rate at which the debentures are convertible. These shares also may be resold at the market. If any of such 198,000 shares are not exchanged for debentures, the offering is to be reduced by such number of shares.

The underwriter has agreed to use its best efforts to sell up to 250,000 shares at the market before December 1, 1959, in consideration of a concession of 20% of the offering price, provided that none of such shares may be sold at a price less than \$1.25 per share without the company's permission. The underwriter has the right, however, to purchase at a net price of \$1 per share up to 100,000 shares, the proceeds of which purchase are to be used to reduce or cancel the \$100,000 loan by the underwriter. Peter H. Bergson, a director, vice president and treasurer of the company, is chief executive officer and principal stockholder of the underwriter.

The company was organized in June 1956 under Delaware law (under the name Consolidated Cuban Petroleum Corp.) for the purpose of engaging in the exploration for, and the development and production of oil, gas and other hydrocarbons in the Republic of Cuba. The organizers were Clarence W. Moore and Dr. Alberto Diaz Masvidal, both of Havana, and Bergson of New York. Its corporate powers were recently enlarged to permit it to diversify its activities and enter the real estate acquisition and development field in Florida.

Net proceeds of the 100,000 shares may be used to repay the \$100,000 loan from the underwriter; and the proceeds from 198,000 shares are to be used in effect to retire \$148,500 principal amount of debentures by being offered in exchange for said debentures.

The net proceeds from the sale of the remaining 150,000 shares will be added to the general funds of the company and will be available for any of its corporate purposes including the use, in conjunction with common stock and other securities of the company, to acquire real estate properties in Florida and elsewhere. The company has no specific properties in mind. The proceeds may also be used to reduce current liabilities.

The company now has outstanding 3,363,318 common shares and \$148,500 of debentures. Officers and directors are said to own 514,855 common shares. The prospectus states that the complete development of the company's Florida properties would necessitate substantial additional funds above those to be obtained from the present finance. The Company has entered into an agreement with two Florida corporations, Gables by the Sea, Inc. and Punta Gorda Isles, Inc., whereby said corporations arranged for the sale and transfer of their outstanding capital stock to Consolidated Development. The consideration for the purchase of the stock of the two Florida corporations is 1,333,333 shares of Consolidated Development common stock, to be issued to the stockholders of the two Florida corporations at the time of closing, and (a) 666,667 additional shares when gross profit before taxes of the two Florida corporations aggregates \$1,250,000 and (b) 666,667 additional shares when their gross profit before taxes aggregates \$2,500,000. The company also agreed to grant the two Florida corporations the right and option to purchase an additional 250,000 shares at 75¢ per share over a three year period from the date when the gross profits before taxes aggregate \$5,000,000. A finder's fee of 75,000 shares is payable to Russell J. St. Clair and Varley P. Young of Miami.

One of the two Florida corporations, Punta Gorda Isles, Inc., is said to own 520 acres of property on a peninsula which rounds into Charlotte Harbor on the West Coast of Florida, which property is subject to a purchase money mortgage in the amount of \$582,234. The other, Gables by the Sea, Inc., owns 285 acres of land within the City of Coral Gables, which is subject to a purchase money mortgage in the amount of \$1,970,000.

ASSOCIATIONS INVESTMENT FUND FILES FOR OFFERING

Associations Investment Fund, Kansas City, Mo., investment company, of 301 West 11th St., Kansas City, filed a registration statement (File 2-15530) with the SEC on August 28, 1959, seeking registration of 400,000 shares of common stock. The company was incorporated under the laws of Delaware in 1959 and sponsored by R. B. Jones & Sons, Inc. The latter's subsidiary, Jones Plans, Inc., will provide management and administration services to the Fund. Shares of the Fund will be offered through Jones Plans, Inc. The company plans to invest in diversified common stocks of leading companies whose achievements indicate above-average opportunity for long-range growth of capital and income.

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FLINTKOTE MERGER FILED

The Flintkote Company, 30 Rockefeller Plaza, New York, filed a registration statement (File 2-15524) with the SEC on August 28, 1959, seeking registration of 324,433 shares of common stock. According to the prospectus, on September 30, 1959, Calaveras Cement Company (whose cement plant is located at San Andreas, California) will be merged into Flintkote. Pursuant to the merger, each outstanding share of Calaveras stock will be converted into 1.7 shares of Flintkote common - based upon the number of shares of Calaveras common outstanding July 31, 1959, 768,803 shares of Flintkote common having a market value of about $30,750,000, will be issued to Calaveras stockholders.

The prospectus further states that a list of 26 Calaveras stockholders will receive an aggregate of 315,295 shares of Flintkote common and that they may sell all or part of such shares from time to time on the New York Stock Exchange or otherwise. The selling stockholders include Wm. Wallace Mein, Sr. (29,451 shares), Frances W. Mein (66,677 shares) and seven other members of the Mein family; Frances M. deBretteville (12,141 shares) and five other members of the deBretteville family; and Dorothy M. Fay (11,402 shares) and four other members of the Fay family. Other large blocks include 35,097 shares held by H. C. Maginn and 86,834 held by Bishop Oil Company. The 9,138 balance of the Flintkote shares being registered are subject to options which will be granted in substitution for options granted by Calaveras to certain of its officers and key employees.

Following the merger, the initial board of directors will include thirteen present Flintkote directors and Wm. Wallace Mein, Calaveras board chairman.

AUSTRALIA PROPOSES BOND OFFERING

The Commonwealth of Australia filed a registration statement (File 2-15525) with the SEC on August 28, 1959, seeking registration of $25,000,000 of Twenty Year Bonds, due September 15, 1979, to be offered for public sale through an underwriting group headed by Morgan Stanley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Proceeds of the bond sale will be applied towards capital works expenditures being financed under the borrowing program for 1959/60 approved by the Australian Loan Council for the Government of the Commonwealth and the States. Funds are required from this program to finance such public works projects as housing, the extension of electric power transmission facilities, the modernization of railroad equipment, and the construction of additional water supply, irrigation and sewerage facilities.

PANTASOTE FILES FOR DEBENTURE OFFERING

The Pantasote Company, 26 Jefferson St., Passaic, N. J., filed a registration statement (File 2-15526) with the SEC on August 28, 1959, seeking registration of $2,700,000 of 6% Subordinated Sinking Fund Debentures, due October 1, 1974 (with warrants attached entitling the holder to purchase 50 common shares for each $500 of debentures). The debentures are to be offered for public sale at 100% of principal amount through an underwriting group headed by Blair & Co., Inc., which will receive a 5% underwriting commission.

The company is engaged in the manufacture of polyvinyl resins, compounds and film; and it also manufactures a vinyl coated fabric. Of the net proceeds of the debenture sale, $1,700,000 will be used to build and equip a new polyvinyl resin plant which upon completion will triple the company's present capacity for producing resin; $50,000 as starting up expenses of the new plant; $150,000 for plant rearrangements and miscellaneous equipment to improve and centralize inventory storage and to furnish additional boiler capacity and stand-by power facilities; $170,000 to retire 5% notes held by four children of Hans Wyman, company president; and the balance for additional working capital. The company has contracted with Scientific Design Company, Inc., for the engineering, design and construction of the new resin plant at a cost of $1,700,000, to be located on the company's Passaic property and to be completed and ready for operation in the second quarter of 1960.

HYCON MANUFACTURING SHARES IN REGISTRATION

Hycon Manufacturing Company, 1030 South Arroyo Parkway, Pasadena, California, filed a registration statement (File 2-15527) with the SEC on August 28, 1959, seeking registration of 126,316

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shares of common stock. The shares were issued on December 8, 1958, to Avco Corporation in connection with the retirement of $500,000 of Ten Year Subordinated Convertible Debentures due 1965. In connection with such retirement, the company also delivered 2,000 shares of Hycon Eastern, Inc. no par preferred stock (now Hermes Electronics Co.) in addition to the 126,316 common shares of Avco. The 126,316 shares were issued at $2-3/8 per share in satisfaction of $300,000 of the debentures and the 2,000 shares of Hycon Eastern preferred in satisfaction of the remaining $200,000 of debentures.

Avco, which acquired the Hycon stock for investment, now proposes to offer the Hycon common for sale from time to time to the public at prices prevailing in the over-the-counter market at the time of sale. Accordingly, the shares are being registered, Avco agreeing to bear the expenses of registration. The offering will be made through registered brokers and dealers who are NASD members.

TOWER'S MARTS FILES FOR STOCK OFFERING

Tower's Marts, Inc., 210 East Main Street, Rockville, Conn., filed a registration statement (File 2-15528) with the SEC on August 28, 1959, seeking registration of 300,000 shares of Class A common stock, to be offered for public sale at $3 per share. The names of the underwriters and the underwriting terms are to be supplied by amendment.

Organized under New York law in March 1958, the company engages principally in the operation and management of retail discount department stores; and it also engages in real estate transactions including the acquisition of suitable sites, designing and supervision of construction of buildings, for its own operations, as well as for others, and store planning and layout. Net proceeds of the stock sale will be used in part to reduce current obligations of the company by approximately $300,000. The balance will be added to working capital of the company and its subsidiaries, including about $125,000 for merchandise inventory required by Mill Outlet Stores, Inc., for two additional stores in the Baltimore area.

The company now has outstanding 55,000 shares of Class A common and 328,791 shares of Class B common. Samuel J. Rosenstein, president, and two other officers own 12,292 shares of Class A and 67,050 shares of Class B stock each; and a like amount of Class A and Class B stock is also held by Samuel J. Rosenstein, Guardian. The company owns and operates stores in Enfield, Conn., Springfield, Mass., and Hamden, Conn.; and is presently engaged in completing the details of transactions which will result in the opening of two additional stores in Dundalk, Maryland, and the Baltimore area. Its subsidiary, Mill Outlet Stores, Inc., is engaged in the Ready-to-Wear business.

SHELL ELECTRONICS MFG. PROPOSES STOCK OFFERING

Shell Electronics Manufacturing Corporation, 112 State St., Westbury, L. I., N. Y. filed a registration statement (File 2-15529) with the SEC on August 28, 1959, seeking registration of 170,000 shares of common stock, to be offered for public sale at $2 per share through Schweickart & Co. The underwriting commission is to be 35¢ per share, plus $13,000 for expenses. The underwriter also may purchase 35,000 warrants at 1¢ per warrant, each warrant entitling the holder to purchase one common share at $2.20 per share until October 1, 1964.

Organized in 1956, the company is engaged primarily in the assembly and sale of tube testers; since May 1959 it has been assembling and selling high fidelity audio amplifiers and a high fidelity FM Tuner; and short-wave transmitting and receiving equipment is being planned for production. There are 270,000 common shares now outstanding, of which 89,500 shares each are owned by Sidney A. Joseph, president, Louis Maltz, secretary, and Nathan Maltz, treasurer, founders and organizers of the company (representing $40,803 paid in to the company by way of cash or its equivalent). Of the net proceeds of the sale of additional stock, it is proposed to use $25,000 to repay a bank loan, $110,000 to pay trade accounts payable, and $10,000 to purchase equipment said to be necessary for expanded production. The balance will be used for general corporate purposes, including working capital, the purchase of parts in connection with the production of proposed new products, and to advance moneys to Shell Foam Corp., a subsidiary, which manufactures and sells synthetic sponges which are impregnated with certain substances for specific purposes.

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