

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

FOR RELEASE March 25, 1957

## Statistical Release No. 1444

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended March 22, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956 and 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956 - 1957</u>	
	<u>3/22/57</u>	<u>3/15/57</u>		<u>High</u>	<u>Low</u>
Composite	328.5	329.2	- 0.2	366.2	319.0
Manufacturing	414.6	415.9	- 0.3	468.6	398.6
Durable Goods	387.6	389.0	- 0.4	437.6	369.4
Non-Durable Goods	439.6	440.8	- 0.3	500.8	425.2
Transportation	287.6	286.1	+ 0.5	353.0	286.1
Utility	158.7	158.6	+ 0.1	161.5	151.6
Trade, Finance & Service	281.3	281.7	- 0.1	325.5	274.8
Mining	341.8	340.5	+ 0.4	383.2	326.8

## Securities Act Release No. 3767

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities, as follows:

### Aircasters, Inc., Red Bank, N. J.

(Regulation A notification filed January 21, 1954, proposed the public offering of 120,000 common shares at \$1 per share)

### British Industries Corporation, New York, N. Y.

(Regulation A notification, filed April 23, 1954, proposed the public offering on behalf of Mrs. Kay L. Rockey of 3,750 common shares to net the offeror \$2 per share)

### Transworld Mercantile Corporation, New York, N. Y.

(Regulation A notification, filed December 29, 1953, proposed the public offering of 100,000 non-voting common shares at 50¢ per share)

(Over)

Violla Rubber and Clifford Hayman, as The Postman Company, New York, N. Y.  
(Regulation A notification, filed September 3, 1953, proposed the public offering of \$25,000 of pre-formation limited partnership interests)

G. Donald Walden, as The By George Company, Kew Garden Hills, N. Y.  
(Regulation A notification, filed December 4, 1953, proposed the public offering of from \$60,000 to \$110,000 of pre-formation limited partnership interests)

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. One of the conditions of such exemption is a requirement for the filing of semi-annual reports reflecting the amount of securities sold and the use to which the proceeds were applied. Each of the suspension orders in the above cases asserts that there has been a failure to comply with this reporting requirement despite requests from the Commission's Staff for such reports. Each of the orders also provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

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Sinclair Oil Corporation, New York, filed a registration statement (File 2-13180) with the SEC on March 22, 1957, seeking registration of \$12,000,000 of participations in its Employees Savings Plan together with 150,000 shares of Sinclair Common Stock which may be purchased pursuant thereto.

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The Republic of Colombia and Banco de la Republica (Colombia) filed a registration statement (File 2-13181) with the SEC on March 22, 1957, seeking registration of \$70,000,000 of 4% Notes, dated March 1, 1957, and maturing in thirty monthly series.

These notes are issuable in partial settlement (together with cash payments) of claims arising out of commercial transactions with Colombia which are subject to the provisions of Decree No. 10 of January 24, 1957, of the Republic of Colombia. According to the prospectus, a severe foreign exchange shortage in 1956 forced a temporary suspension of transfers of dollars and other foreign currencies in payment of exports to Colombia from the United States and other foreign countries. It is estimated that as of December 31, 1956, the aggregate dollar amount owing by Colombian banks and importers to U. S. Banks and exporters on account of exports was not higher than \$172,000,000. The said Decree No. 10 of January 24, 1957, provided for the liquidation of claims owing to United States banks and exporters as of December 31, 1956, by payment in respect of each such claim of 60% in cash, and of 40% in the Notes dated March 1, 1957. Individual claims of less than \$2,000 will be paid in full in cash.

The offer of cash and Notes under the plan provided for in the aforesaid Decree No. 10 is made only to banks and exporters in the United States having claims

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against banks or importers in Colombia arising out of commercial transactions, in cases where such claims had become due and payable as of December 31, 1956. In order to be eligible for liquidation in accordance with Decree No. 10 each claim must be approved by Banco de la Republica. In cases where exporters have entrusted their collections to U. S. banks, the eligibility of claims for liquidation under Decree No. 10 will be handled by the U. S. bank in question. In cases of open account transactions directly between an exporter and a Colombian importer, the eligibility of the claim will be determined through the normal banking connections of the Colombian importer. The offer will remain open for acceptance until March 31, 1958 or such longer period as Banco de la Republica may determine.

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Container Corporation of America, Chicago, filed a registration statement (File 2-13182) with the SEC on March 22, 1957, seeking registration of 680,000 shares of its \$5 par Common Stock, deliverable upon exercise of options to purchase common shares heretofore or hereafter issued by the company to eligible officers and employees of the company and its subsidiaries pursuant to its Stock Option Plan for Key Employees.

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Elfun Trusts, New York investment company, filed a registration statement (File 2-13183) with the SEC on March 22, 1957, seeking registration of an additional 150,000 units of participating interests in the Trusts.

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Central and South American Acceptance Corporation, Jersey City, N. J., filed a registration statement (File 2-13184) with the SEC on March 22, 1957, seeking registration of 470,000 shares of its 10¢ par Common Stock. The company proposes to offer 425,000 shares for public sale through Charles Plohn & Co. The public offering price and underwriting terms are to be supplied by amendment. In addition to the underwriting commission, the underwriter is to be reimbursed for his expenses in an amount not exceeding \$5,000; and the underwriter has subscribed for 45,000 common shares (the balance of the 470,000 being registered) at 50¢ per share. A finder's fee of \$7,500 is to be paid Newborg & Co.

Organized on March 19, 1957, under Delaware law, the company proposes to engage in the business of financing the purchase, by automobile dealers of Central and South American, of automotive products manufactured by U. S. manufacturers. It will not commence business until after this financing is completed. Net proceeds of the sale of stock will total \$323,085. In addition, the company will have \$37,500 proceeds from the sale of the 45,000 shares to Plohn and 30,000 shares to the other four promoters. These funds will become the original working capital of the company, for use in extending financing facilities to dealers and, to a minor extent in establishing the company's office and operations.

The promoters, in addition to Charles Plohn, are Edward M. Cashin, President, of Jersey City; Douglas T. Hogg, Yonkers; Thomas F. McGrath, Jr., of New York; and Charles C. Valentine, of New York.

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Bendix Aviation corporation, Detroit, filed a registration statement (File 2-13185) with the SEC on March 22, 1957, seeking registration of 288,264 shares of its \$5 par Common Stock, to be offered for subscription under the company's Stock Option Plan for officers and key personnel of Bendix and its subsidiaries.

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Stevens Markets, Inc., Miami, Fla., today filed a registration statement (File 2-13186) with the SEC seeking registration of 100,000 shares of its \$1 par Class A Common Stock, to be offered for public sale by R. S. Dickson & Company, Inc. The public offering price and underwriting terms are to be supplied by amendment.

Operator of independent supermarkets, the company states that the net proceeds of this financing will initially become a part of its general funds and as such may be applied to any corporate purposes. It is presently intended that such corporate purposes will include the use of \$175,000 for additional working capital and the use of the balance of approximately \$250,000 toward equipping a third super market if and when a satisfactory location has been found and other necessary arrangements, including financial, have been made.

Holding Company Act Release No. 13431

The Securities and Exchange Commission today announced the issuance of a decision authorizing General Public Utilities Corporation, New York holding company, to make cash advances to its foreign subsidiary, Manila Electric Company, from time to time during the period ending December 31, 1958, in amounts not exceeding \$3,750,000 in the aggregate.

Manila Electric, which supplies electric utility services in and around the City of Manila, Philippine Islands, will use the funds in connection with the proposed installation of a 25,000 kw addition to its Rockwell plant, expected to be completed and placed in regular service in 1958. The total cost of the unit is estimated at \$5,000,000 of which the \$3,750,000 to be advanced by GPU will supply the dollar component needed to purchase certain of the necessary heavy equipment in the United States. The balance of the cost will represent expenditures to be made in the Philippines with Philippine pesos. According to the record, the demand for electric service in Manila Electric's service area has increased sharply since the end of World War II. Its 1957-59 construction program is estimated at \$24,000,000 in addition to the present addition to the Rockwell plant.

Particular consideration was given by the Commission to the effect of currency controls in the Philippines upon this transaction. Since the proposed construction and method of financing involves the matter of future repayments in dollars by Manila Electric to GPU, Manila Electric applied to the Central Bank of the Philippines for approval of the program. Such approval was granted, subject to a provision that such future dollar repayments would be subject to governing Philippine regulations at the time when the repayments are due. Under present regulations, repayments of the loan would be permissible beginning five years from the date the new 25,000 kw unit commences operations and at the rate of 20% per annum.

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In passing upon GPU's advances to Manila Electric, the Commission must be satisfied that the consideration bears a fair relation to the sums invested in or the earning capacity of the utility assets underlying such advances. In terms of the local peso currency, these requirements appear to be satisfied as to the GPU loan; but, as indicated, the ultimate dollar repayment of the advances will be subject to conditions and circumstances outside the control of Manila Electric and GPU.

Notwithstanding these considerations, however, GPU's board of directors determined that the course of action proposed is appropriate; and one of its officials testified to the consistent efforts of the Philippine Government to develop that country's economy, and expressed his opinion that within the next five to ten years the Philippine economy may be developed to the point that will enable the country to go on a free exchange of currency. In passing upon the proposed transactions, the Commission observed that Congress, in its enactment in 1956 of a private law which, in effect, exempted GPU from compliance with a previous order of the Commission directing that GPU divest itself of its interest in Manila Electric, appeared to have given considerable weight to the financial aid which GPU, as the parent company, could render to Manila Electric.

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