

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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STRATEGIC MINERALS HEARING AGAIN POSTPONED

The SEC has authorized a further postponement, from May 5 to May 25, 1959, of the hearing in the "stop order" proceedings under the Securities Act to determine whether the registration statement of Strategic Minerals Corporation of America, Dallas, is false and misleading and, if so, whether a stop order should be issued suspending its effectiveness. The registration statement proposed the public offering of \$1,000,000 of bonds and 1,200,000 common shares. Continuance of the hearing will allow additional time for the parties to negotiate a factual stipulation which would avoid the necessity of a evidenciary hearing. (For details, see Release 33-4059 or the SEC News Digest of 3/25/59.)

WILLIAM J. CONRAD INDICTED

The SEC Chicago Regional Office announced April 30, 1959, that an indictment was returned April 28, 1959 (USDC, ND O) charging William J. Conrad with violating the Securities Act and Mail Fraud Statute in the sale of unregistered common stock of Condonna Uranium Mines Limited (a Canadian company through false and fraudulent representations.

NATIONAL FUEL GAS SYSTEM FINANCING CLEARED

The SEC has issued an order under the Holding Company Act (Release 35-13996) authorizing National Fuel Gas Company, New York, to make bank borrowings during the period July 1 to December 31, 1959, in amounts not exceeding \$8,100,000 in the aggregate. National also was authorized to make loans of \$6,900,000 and \$1,200,000, respectively, to its subsidiaries, Iroquois Gas Corporation and Pennsylvania Gas Company. The subsidiaries propose to use the funds, together with funds available from current operations, for property additions and improvements during 1959, estimated at \$9,400,000, to purchase additional gas for underground storage, estimated at \$1,000,000, and for other corporate purposes.

SYSTEM FINANCING PROPOSED BY CONSOLIDATED NATURAL GAS

The SEC has issued an order under the Holding Company Act (Release 35-13997) giving interested persons until May 20, 1959, to request a hearing upon a joint financing proposal filed by Consolidated Natural Gas Company, of New York and five of its subsidiaries.

Under the proposal, Consolidated will offer for subscription by holders of its outstanding stock an additional 821,256 shares, at the rate of one new share for each ten shares held of record May 21 1959 (See SEC News Digest of 4/29/59); and it also will offer for public sale at competitive bidding \$20,000,000 of debentures, due 1984.

Proceeds of the stock sale will be used in part by Consolidated to acquire additional stock of subsidiaries, as follows: The East Ohio Gas Company, \$11,000,000; Hope Natural Gas Company, \$12,500,000; The Peoples Natural Gas Company, \$9,000,000; New York State Natural Gas Corporation, \$2,000,000; and The River Gas Company, \$250,000. The subsidiaries will use the funds for construction requirements, estimated at \$70,300,000. Proceeds of the debenture sale by Consolidated will be loaned to four subsidiaries, as follows: East Ohio, \$8,000,000; Hope, \$2,500,000; New York State, \$5,000,000; and Peoples, \$4,500,000.

As a standby arrangement pending the above sales of capital stock and debentures, Consolidated proposes to provide its subsidiaries with temporary construction funds by borrowing, from time to

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

time during 1959, up to \$45,000,000 from various banks. It also proposes to provide four of its subsidiaries with funds to finance the seasonal purchase of gas for storage by borrowing during 1959 up to \$35,000,000 from banks. Proceeds of the sale of the standby notes (\$45,000,000) together with other available funds (\$9,500,000) will be loaned by Consolidated to the four subsidiaries during 1959, as follows: East Ohio, \$19,000,000; Hope, \$15,000,000; New York State, \$7,000,000; and Peoples, \$13,500,000. The proceeds of the gas storage borrowings will be loaned to subsidiaries, as follows: East Ohio, \$8,000,000; Hope, \$2,000,000; New York State, \$23,500,000; and Peoples, \$1,500,000.

GENERAL PUBLIC UTILITIES PROPOSES CHARTER AMENDMENT

General Public Utilities Corporation, New York holding company, has filed an application with the SEC proposing a reclassification of its capital stock; and the Commission has issued an order (Release 35-13998) giving interested persons until May 18, 1959, to request a hearing thereon.

Under the proposed charter amendment, the total number of shares of authorized shares of GPU capital stock will be increased from 12,485,000 shares of \$5 par stock to 24,970,000 shares of \$2.50 par stock. The 10,934,493 outstanding shares of \$5 par stock, of which 63,790 shares are held in the treasury, will be reclassified into 21,868,986 shares of \$2.50 par stock, of which 127,850 will be held in the treasury. The proposal will result in a two-for-one split of the shares. GPU proposes to call a special meeting of stockholders to vote upon the proposal.

LIMITED EXEMPTION GRANTED INTERNATIONAL RESOURCES FUND

The SEC has issued an order under the Investment Company Act (Release 40-2874) granting International Resources Fund, Inc., Los Angeles, investment company, an exemption from that Act to the extent necessary to permit it to maintain certain of its portfolio securities in the custody of a foreign bank.

NORTHWESTERN FIRE INS. FILES FOR ORDER

Northwestern Fire and Marine Insurance Company, Minneapolis, Minn., has applied to the SEC for an exemption order under the Investment Company Act with respect to certain transactions incident to the payment of a dividend; and the Commission has issued an order giving interested persons until May 19, 1959, to request a hearing thereon.

Northwestern has not written any insurance since December 31, 1958, and all of its insurance liabilities have been assumed by Hartford Fire Insurance Co. Approximately 96% of its outstanding stock (115,684 shares) is owned by Great Northern Investments, Inc., a registered investment company.

On April 13, 1959, Northwestern declared a dividend of \$50 per share on its common stock, under the terms of which Great Northern will be entitled to receive \$5,510,900 and the minority shareholder will be entitled to receive \$277,800. The present fair market value of all the securities owned by Northwestern (other than securities on deposit with various Commissioners of Insurance which cannot presently be withdrawn) is less than the amount of the dividend which Great Northern is entitled to receive. Northwestern therefore proposes to assign all of such securities, other than securities on deposit, to Great Northern, and proposes to pay Great Northern in cash the difference between the fair market value of the securities delivered to it and the dividend Great Northern is entitled to receive. The minority stockholders will receive their entire dividend in cash. Great Northern proposes to call a meeting of its stockholders for the purpose of adopting a plan of liquidation and dissolution. If such plan is adopted, it will sell the securities acquired from Northwestern and then distribute the proceeds of such sales to its own stockholders.

POLARAD ELECTRONICS PROPOSES STOCK OFFERING

Polarad Electronics Corporation, 43-20 34th St., Long Island City, N. Y., filed a registration statement (File 2-15057) with the SEC on May 1, 1959, seeking registration of 100,000 shares of common stock, to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The registration statement also covers an additional 80,000 shares, 10,000 for options granted under the 1958 Restricted Stock Option Plan and 70,000 authorized for options not yet granted under the 1959 Plan.

The company is a designer and manufacturer of microwave test instruments; and it is also engaged in a number of defense production contracts and defense research and development contracts with respect to electronic countermeasure equipment, communication equipment, precise navigation instruments, and guidance control and test equipment for guided missiles. Net proceeds of the proposed stock sale will be added to the general funds of the company and will be available for working capital and other corporate purposes. According to the prospectus, the company intends to expand its line of industrial products and believes that the anticipated conduct of its business will result in increased inventories and receivables.

ROOSEVELT-CONSOLIDATED BLDG. FILES FOR OFFERING

Roosevelt-Consolidated Building Associates, 60 East 42nd St., New York, filed a registration statement (File 2-15068) with the SEC on May 4, 1959, seeking registration of \$5,580,000 of Participations in Partnership Interests in Associates, to be offered for sale in units of \$10,000 (without underwriting).

Associates is a partnership consisting of Lawrence A. Wien and Ivan Shapiro, of the 42nd St. address. It has contracted to purchase, free and clear of any mortgages (a) three net ground leases on the twelve-story Roosevelt Building, 727 West Seventh St. in downtown Los Angeles and (b) the fee title to the nine-story Consolidated Building, 607 South Hill St., also in downtown Los Angeles. The leasehold expires in the year 2024 and provides for the payment of ground rent by Associates. The purchase price of the properties is \$5,200,000, of which \$200,000 has been paid as a deposit. The balance is payable in cash on the closing date, July 1, 1959. In addition to the contract price, Associates will make disbursements of \$400,000 in connection with the transactions.

Each of the two partners will contribute \$10,000 to the partnership capital and proposes to offer Participations of \$2,790,000 in his partnership interest. The total partnership capital will be \$5,600,000, which will be used to reimburse the partners for the \$200,000 deposit advanced by them, to pay the \$5,000,000 balance due under the purchase contract, to defray disbursements of \$380,000 incident to the acquisitions, and to pay expenses of \$20,000 in connection with the offering. Associates will enter into a combined lease and sublease for a term of 20 years, renewable for 45 additional years, under which W & H Realty Associates will operate the premises as Lessee. The latter is a partnership comprised of Lawrence A. Wien and Harry B. Helmsley.

BENSON-LEHNER CORP. FILES FOR RIGHTS OFFERING

Benson-Lehner Corporation, 1860 Franklin St., Santa Monica, Calif., filed a registration statement (File 2-15069) with the SEC on May 4, 1959, seeking registration of 89,620 shares of common stock. Of this stock, 76,620 shares are to be offered for subscription by common stockholders of record April 30, 1959, at the rate of 3 new shares for each ten shares then held. The subscription price is to be \$6.75 per share.

As to the remaining 13,000 shares, they are presently outstanding shares which are to be acquired from the holders thereof by Bear, Stearns & Co., at a price of \$7 per share, for public distribution. The public offering price is to be supplied by amendment. Certain stockholders also have agreed to sell to certain investors, including Bear, Stearns & Co., warrants evidencing the right to purchase an aggregate of 59,670 common shares at a price of 25¢ for each share purchasable, or \$14,917.50.

Organized in 1950, the company is engaged primarily in the design, development, manufacture and sale of data processing and photographic instrumentation equipment and accessories. Net proceeds of its proposed stock sale will be added to general funds to be available for additional working capital and other general corporate purposes, including research and development.

The company now has outstanding 255,400 common shares and \$500,000 of 6% Regulation V loans. Bernard S. Benson is listed as president and owner of 72,300 shares (28.3%). Officers and directors as a group own 57% of the outstanding stock. The 13,000 shares being acquired by Bear, Stearns & Co. are to be sold by Benson, 3,500; George F. S. Lehner, a director, 1,000; Lenro & Co., 6,000; and Adler & Company, 2,500. Lenro & Co. holds 22,250 shares, which are beneficially owned by several trusts the beneficiaries of which are related to Leonard M. Sperry, another director.

NATIONAL STEEL FILES FOR BOND OFFERING

National Steel Corporation, 2800 Grant Bldg., Pittsburgh, today filed a registration statement
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(File 2-15070) with the SEC seeking registration of \$80,000,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale through an underwriting group headed by Kuhn, Loeb & Co., Harriman Ripley & Co., Inc., and The First Boston Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

According to the prospectus, National Steel has under way a major three-year program of expansion in anticipation of increased demand for steel productions. Capital expenditures, including those for normal improvements during the period, are presently estimated at approximately \$300,000,000. The major portions of the expansion program are: (1) At the Weirton plants - expansion of present facilities to increase the capacity for the production of electrolytic tin plate and cold rolled sheets and to improve their processing; (2) At the Great Lakes plants - increase of annual ingot capacity from 3,700,000 net tons to 4,200,000 net tons and the installation of a new 80-inch continuous hot strip mill; and (3) At the Midwest plant site - the construction, on a site of some 750 acres on the shore of Lake Michigan in Indiana, near Chicago, of a new Midwest plant to produce, from coils supplied from the Great Lakes plant, electrolytic tin plate, galvanized sheets and hot and cold rolled sheet products (the contemplated initial capacity will be 1,000,000 net tons of such products and about \$100,000,000 will be spent on this part of the program).

The company expects that the entire cost of the expansion program, in excess of the net proceeds of the sale of the bonds, will be provided from depreciation, depletion and amortization charges and income retained for use in the business during the construction period.

COLONIAL ENERGY SHARES PROPOSES OFFERING

Colonial Energy Shares, Inc., 75 Federal St., Boston, today filed a registration statement (File 2-15071) with the SEC seeking registration of 1,100,000 shares of common stock. Colonial is a diversified open-end investment company which has been organized to succeed by merger to all of the assets and liabilities of Gas Industries Fund, Inc., also an investment company. The purpose of the merger is said merely to effect a change in the state of incorporation of Gas Industries (from Delaware to Massachusetts); and the change of name is to reflect a broadening of investment policy. The net assets of Gas Industries amounted to \$71,101,047 on April 30, 1959. The prospectus lists White, Weld & Co. and Dean Witter & Co. as principal underwriters of Colonial shares, James H. Orr president, and Colonial Management Associates as the investment adviser.

BURNDY CORP. FILES FOR OFFERING AND SECONDARY

Burndy Corporation, Norwalk, Conn., today filed a registration statement (File 2-15072) with the SEC seeking registration of 152,500 shares of Common Stock. Of this stock, 125,000 shares are to be offered for public sale by the company and the remaining 27,500 shares, representing outstanding stock, by the present holders thereof. The prospectus lists Dominick & Dominick and Schwabacher & Co. as the principal underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company's products consist principally of specialized connecting devices for making secure electrical and mechanical joints and terminals for electrical conductors. One division services the electric power and electrical construction industries and the other serves manufacturers of electrical and electronic equipment, appliances, aircraft and missiles. The company is negotiating for sale of \$2,500,000 of 15-year notes to an insurance company. Of the proceeds, \$1,050,368 will be applied to retirement of a like amount of mortgage obligations; and the balance, together with the net proceeds of the stock sale, will be used to repay \$1,300,000 of short-term bank borrowings, incurred to finance the acquisition of H. H. Buggie, Inc., of Toledo, and for various other purposes. The assets of Buggie were acquired April 30, 1959, in consideration of the issue of 65,000 common shares, the payment of \$1,125,000 in cash and the assumption of certain of its liabilities. Concurrently, the company purchased for \$175,000 cash from John F. Jones and George A. Goos, the principal shareowners of Buggie, certain additional plant property in Toledo then occupied by Buggie under lease. Burndy contemplates the expenditure of some \$600,000 for the construction and equipping of expanded manufacturing facilities at the newly acquired Toledo properties and the investment of \$250,000 in its European operations.

Burndy has outstanding 1,013,637 common shares (along with certain indebtedness), of which 174,204 shares (17.2%) are held by management officials. The selling stockholders are John F. Jones and

George A. Goos, who own 47,607 and 15,523 shares, respectively, which were acquired by them upon the dissolution of Buggie following the sale of its assets to Burndy. They propose to sell 21,000 and 6,500 shares of Burndy stock, respectively.

TWO INVESTMENT COMPANIES SEEK REGISTRATION OF ADDITIONAL SECURITIES

Trusteed Funds, Inc., Boston investment company, filed an amendment on May 4, 1959, to its registration statement (File 2-11259) seeking registration of an additional \$1,700,000 principal amount of Commonwealth Fund Plan C.

The Investment Company of America, Los Angeles investment company, filed an amendment on May 1, 1959, to its registration statement (File 2-10811) seeking registration of an additional 2,000,000 shares of its common stock.

MANAGED FUNDS HEARING POSTPONED

The hearing scheduled for May 6, 1959, in the proceedings under the Securities Act of 1933 to determine whether a stop order should be issued suspending the effectiveness of a registration statement filed by Managed Funds, Inc., St. Louis investment company, has been postponed to Monday, May 11, 1959, at 10:00 A. M. The postponement was requested by counsel for Managed Funds and by counsel for Hilton Slayton and Hovey Slayton.

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