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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SCOTT, FORESMAN FILES FOR SECONDARY. Scott, Foresman and Company, 433 East Erie Street, Chicago, Ill., filed a registration statement (File 2-17076) with the SEC on September 21, 1960, seeking registration of 683,000 outstanding shares of common stock, of which 633,000 shares are to be offered for public sale by the present holders thereof through a group of underwriters headed by Smith, Barney & Co. The public offering price and underwriting terms are to be supplied by amendment. The remaining 50,000 shares are to be offered initially by the underwriters to officers and employees of the company.

The company is engaged in the publication and sale of textbooks and related educational materials for use in elementary schools, high schools and colleges. It has outstanding 2,230,000 shares of common stock, of which the descendants and family members of Erastus H. Scott (including John H. Scott, treasurer) own 600,000 shares and propose to sell 140,000 shares; the descendants and family members of Hugh A. Foresman (including Theron T. Chapman, president) own 550,000 shares and propose to sell 54,000 shares; the descendants and family members of William C. Foresman (including William A. Small and John R. Shafer, directors) own 550,000 shares and propose to sell 441,000 shares; and Robert C. McNamara, Sr., board chairman, and his family own 300,000 shares and propose to sell 48,000 shares. The Estate of Willis H. Scott owns of record 314,000 shares of the outstanding common stock. After sale of the 683,000 shares, the selling stockholder groups will continue to own 59.8% of the outstanding stock. According to the prospectus, the company contemplates reacquiring up to 50,000 common shares initially for reservation under its stock option plan. Of such shares the company plans to purchase from stockholders (who are not selling stockholders of this offering) 28,000 shares at or about the time of this offering at the same price per share to be paid by the underwriters.

NATIONAL AIRLINES PROPOSES RIGHTS OFFERING OF DEBENTURES. National Airlines, Incorporated, Miami International Airport, Miami, Fla., filed a registration statement (File 2-17082) with the SEC on September 21, 1960, seeking registration of $10,288,000 of Convertible Subordinated Debentures, due 1975. The company proposes to offer the debentures for subscription by its stockholders on the basis of $100 of debentures for each 18 common shares held. The interest rate, record date, subscription price and underwriting terms are to be supplied by amendment. Lehman Brothers is listed as the principal underwriter.

The company is engaged as a certificated airline in the domestic and international air transportation of persons, property and mail. Of the net proceeds of the sale of the debentures, about $5,000,000 will be used to make remaining payments on three Lockheed Electra turbo-prop aircraft and one DC-8B jet aircraft scheduled for delivery to the company between December 1, 1960 and March 1, 1961. In addition, $3,000,000 of the proceeds will be used to retire an equal amount of short-term indebtedness to banks. The balance will be added to the general funds of the company, supplying working capital said to be necessary in the performance of additional service to be rendered by the company's expanding fleet of aircraft.

In addition to indebtedness, the company has outstanding 1,851,823 shares of common stock, of which G. T. Baker, president, owns 11.28%. An additional 463,988 shares (25.06%) are held by Federation Bank & Trust Company of New York, as trustee for Pan American World Airways, Inc.

ADDITIONAL PACIFIC GAS TRANSMISSION SHARES IN REGISTRATION. The SEC News Digest of September 21st referred to the proposed public offering of 552,500 shares of common stock of Pacific Gas Transmission Company by the company and 40,050 shares by a company director. The 154,700 additional shares included in the registration statement are owned by Blyth & Co., Inc., one of the underwriters, which it purchased from the company for investment at $9 per share as one of the sponsoring companies.

DEL WEBB CORP. PROPOSES OFFERING. Del E. Webb Corporation, 302 South 23rd Ave., Phoenix, Ariz., filed a registration statement (File 2-17079) with the SEC on September 21, 1960, seeking registration of $8,000,000 of convertible subordinated debentures due October 1975, 640,000 shares of common stock, and warrants to purchase 320,000 common shares. It is proposed to offer these securities in 160,000 units, each consisting of $50 principal amount of debentures, four common shares, and warrants for two common shares. The public offering price and underwriting terms are to be supplied by amendment. Lehman Brothers is listed as the principal underwriter.

The company is engaged in the business of a general contractor in the building and construction field, as well as other aspects of property development, including development for its own account; and it also has

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interests in hotels, shopping centers, office and apartment buildings, community developments and a manufacturing company. According to the prospectus, the completion of the development of properties now in process of development and the acquisition and development of properties under option or contract, but not yet under development, will require substantial expenditures during the next two and one-half years. The company also expects other opportunities to arise for the acquisition of interests in additional properties. Of the net proceeds of this financing, the company expects to make expenditures on these developments prior to December 1962 as follows: hotels, $4,000,000; property development, $3,000,000; apartments and trailer parks, $1,500,000; shopping centers, $2,000,000; and office buildings and industrial areas, $1,000,000.

In addition to various indebtedness, the company now has outstanding 3,599,874 shares of common stock, of which 75% is owned by Del E. Webb, president and board chairman and 25% by L. C. Jacobson, executive vice president.

IDAHO POWER FILES FINANCING PROPOSAL. Idaho Power Company, 1220 Idaho Street, Boise, Idaho, filed registration statements (Files 2-17080 and 2-17081) with the SEC on September 21, 1960, seeking registration of (1) 100,000 shares of common stock and (2) $15,000,000 of First Mortgage Bonds due 1990. The bonds are to be offered for public sale at competitive bidding. The public offering price and underwriting terms for, and the names of the underwriters of, the common stock are to be supplied by amendment.

The net proceeds from the sale of the bonds and common stock will be used for partial payment of short-term bank loans incurred for interim financing of construction of new operating facilities. During the period from January 1, 1955 to July 31, 1960, total gross additions to electric plant were $174,723,139, gross plant retirements were $6,743,376, resulting in net plant additions of $167,979,763. The company's construction budget for the balance of 1960 and its preliminary budget for 1961 aggregate $26,370,000.

MODEL ENGINEERING & MANUFACTURING FILES FOR OFFERING. Model Engineering & Manufacturing Corp., 50 Frederick Street, Huntington, Indiana, filed a registration statement (File 2-17077) with the SEC on September 21, 1960, seeking registration of 140,000 shares of common capital stock, of which 130,000 shares are to be offered for public sale through a group of underwriters headed by Raffensperger, Hughes & Co. The public offering price and underwriting terms are to be supplied by amendment.

On August 8, 1960, 5,000 of the company's common shares were issued and delivered to Montek, Inc., of Utah, in exchange for 102,525 shares of Montek's common stock. This gave the company a majority holding of Montek's outstanding stock, subscribed for and reserved for conversion. The company's stock split of September 3, 1960 increased the stock holdings of Montek to the additional 10,000 shares included in the offering. Such stock will be offered by Montek to all of its approximately 100 stockholders, other than the company, in exchange for their Montek stock.

The company is engaged primarily in the manufacture and sale of electronics, precision mechanical and electro-mechanical products and equipment serving principally the electrical, avionics, electronics, aircraft, missile and automotive industries. Of the net proceeds from the stock sale, $500,000 will be applied to reduce the $1,450,000 balance of a V loan and the balance will be used for working capital.

In addition to indebtedness and $25 par preferred stock, the company has outstanding 344,270 shares of common capital stock, of which latter George E. Manis, president, owns 222,340 shares, Joseph H. Lesh, board chairman, owns 67,124 shares, and Horace McKay Steele, a vice president, owns 40,500 shares.

ROTRON MANUFACTURING FILES FOR OFFERING AND SECONDARY. Rotron Manufacturing Company, Inc., 7-9 Hasbrouck Lane, Woodstock, New York, filed a registration statement (File 2-17078) with the SEC on September 21, 1960, seeking registration of 130,000 shares of common stock, of which 65,000 shares are to be offered for public sale by the company and 65,000 shares, being outstanding stock, by the present holders thereof. The principal underwriter is listed as W. E. Hutton & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is a producer of electro-mechanical air and gas moving devices which are components of military and industrial electronic equipment. These devices are used principally for the forced air cooling of components used in such electronic equipment as aircraft and missile guidance systems; computers; automation controls; radio, television and radar equipment. A subsidiary also produces and sells vortex velocity flowmeters which measure and record the flow of liquids, air and other gases. Of the net proceeds from the company's sale of additional stock, $450,000 will be used for tooling for the production of new cooling devices, for expansion of production and sales of vortex flowmeters, and to replace certain of Government-owned equipment, $350,000 for inventory needed for expanded operations, and $200,000 to repay outstanding short-term bank loans. The company also proposes to issue and sell $350,000 of mortgage notes to two institutional investors, the proceeds to be used to finance the construction of a new engineering and development building at Woodstock.

In addition to certain indebtedness, the company has outstanding 321,000 shares of common stock, of which J. Constant van Rijn, president, owns 306,000 shares and proposes to sell 60,000 shares, and Christiane van Rijn, his wife and company secretary, owns 15,000 shares and proposes to sell 5,000 shares.

UNITED AIR LINES MERGER PROPOSAL FILED. United Air Lines, Inc., 5959 South Cicero Ave., Chicago, filed a registration statement (File 2-17083) with the SEC on September 21, 1960, seeking registration of securities to be issued under and pursuant to an August 11, 1960, agreement for the merger of Capital Airlines, Inc., into United.

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Such merger is conditioned upon the continued effectiveness of an agreement of the same date between the two companies and Vickers-Armstrong Limited. According to the prospectus, Capital was indebted as of June 30, 1960, in the amount of $33,717,583 on its Secured Promissory Notes issued in payment for its fleet of Viscount aircraft and related spare engines and parts. All of Capital's aircraft and certain related items are pledged under a chattel mortgage to Vickers-Armstrong, as trustee for the holders of the notes, to secure the payment of the notes. Under the said agreement, Vickers will cause to be substituted for the said notes of Capital, in full settlement of Capital's unpaid indebtedness thereon as of July 19, 1960 (including $33,677,967 principal and interest to the effective date of the merger), the following: 159,000 shares of United's $100 par preferred stock, 5½% Series of 1960; 60,000 shares of United's common stock; warrants to purchase 200,000 shares of United's common stock, exercisable during a period ending seven years and six months after the merger at a price of $45 per share; and 15 Vickers' Viscount aircraft presently owned by Capital, together with certain spare engines and propellers. All such United securities are included in the registration statement except the 60,000 common shares.

Under the merger agreement, each share of United common outstanding will remain unexchanged. Each share of Capital common is to be converted into and exchanged for one-seventh of a share of United common and a five-year warrant to purchase three-fourteenths (3/14th) of a share of United common at $40 per share. It is a condition to the merger that holders of at least 85% of the outstanding $12,000,000 of 4¼% Convertible Subordinated Debentures due July 1, 1976 of Capital shall accept an offer of United to exchange such debentures for United common on the basis of 20 shares of United common for each $1,000 of such debentures; and for this purpose 240,000 shares of United common are included in the registration statement.

Also included in the registration statement are 129,951 shares of United common and warrants for 194,927 shares which are to be issued under the merger to shareholders of Capital, plus 60,000 shares of United common to be issued in substitution of secured promissory notes of Capital.

On the effective date of the merger (which will be the date the agreement of merger is filed with the Secretary of State of the State of Delaware after all necessary actions have been taken, including the obtaining of an order from the Civil Aeronautics Board approving the merger), all property, assets, business, rights and interests of United and of Capital will be vested in United, and all debts, liabilities and obligations of United and of Capital will become debts, liabilities and obligations of United, except the Secured Promissory Notes of Capital and the debentures of Capital for which securities of United are to be substituted. The management of Capital believes that after the merger United "will be a stronger airline with an expanded and more flexible route system providing a greater profit potential." The management of Capital believes that the benefits of the merger to holders of securities of Capital will be reflected in the value of the securities of United to be received by them "and that the merger into United is the only realistic alternative to bankruptcy available to Capital." The Chairman of Vickers-Armstrong has stated that, unless the proposed merger proceeds expeditiously, he can see no alternative for Vickers than to press forward with its pending action to foreclose the lien of its chattel mortgage on Capital's flight equipment.

TRADING IN SKIATRON ELECTRONICS SUSPENDED. The SEC has ordered the further suspension of trading in the common stock of Skiatron Electronics and Television Corporation, of New York, on the American Stock Exchange and the over-the-counter market, for the ten-day period September 23 to October 2, 1960, inclusive (Release 34-6372).

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