

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 November 5, 1956

Statistical Release No. 1414

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 2, 1956, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956</u>	
	<u>11/2/56</u>	<u>10/26/56</u>		<u>High</u>	<u>Low</u>
Composite	344.5	340.7	+ 1.1	366.2	319.0
Manufacturing	440.8	435.3	+ 1.3	468.6	398.6
Durable Goods	423.4	419.6	+ 0.9	437.6	369.4
Non-Durable Goods	457.2	450.1	+ 1.6	500.8	425.2
Transportation	317.3	319.2	- 0.6	353.0	303.2
Utility	153.0	152.3	+ 0.5	161.5	151.6
Trade, Finance & Service	300.6	297.1	+ 1.2	325.5	290.7
Mining	344.2	332.1	+ 3.6	383.2	326.8

Holding Company Act Release No. 13298

Commonwealth Natural Gas Corporation and its subsidiary, Bottled Gas Corporation of Virginia, both of Richmond, Va., have received SEC authorization for Bottled Gas to acquire the outstanding shares of the common capital stock of Henrico Gas Service Corporation, also of Richmond, Va., for a purchase price of 191/200ths of \$60,000, plus the net retained earnings of Henrico from November 30, 1955, to the end of the month prior to the date of closing.

Holding Company Act Release No. 13299

The Columbia Gas System, Inc., and its subsidiary, Natural Gas Company of West Virginia, Pittsburgh, have received SEC authorization for Natural Gas to sell and convey certain utility assets to The Manufacturers Light and Heat Company, also a subsidiary of Columbia, whose operations adjoin those of Natural Gas. The assets to be sold, which are located in the Ohio-Pennsylvania border area and are already integrated with Manufacturers' eastern Ohio operations, consist of 25 operating wells, associated well lines, drilling and other equipment, and transmission lines.

Natural Gas will sell the properties to Manufacturers at the book value (original cost) less the book reserves for depreciation and depletion applicable thereto. At June 30, 1956, such net amount was stated to be \$127,935. Manufacturers will pay for

the properties with cash from its general funds.

The Proposed conveyance of properties constitutes an intermediate step in Columbia's system-wide property realignment program.

Holding Company Act Release No. 13300

Ford Motor Company (Detroit) has made application to the SEC requesting, on behalf of itself and its wholly-owned subsidiary, Henry Ford and Son, Incorporated, an exemption from the provisions of the Holding Company Act applicable to them as a holding company and as a subsidiary thereof; and the Commission has issued an order giving interested persons until November 19, 1956, to request a hearing on the application.

The application states that Henry Ford and Son, Incorporated, owns and operates an electric generating plant situated on Green Island, New York, at the junction of the Mohawk and Hudson Rivers. The company sells substantially all the electric energy generated by this plant to Ford Motor Company, which consumes a major portion thereof at its manufacturing plant situated on Green Island. A minor portion of the energy is resold each year by Ford Motor, as surplus power, to Niagara Mohawk Power Corporation a public utility company rendering electric service in the State of New York.

Electric energy is sold by Henry Ford and Son to Ford Motor at a price so fixed as to yield a return to the former equal to its expenses and depreciation on the generating plant, resulting in no profit or loss to Henry Ford and Son. During the years 1951 through 1955 the energy generated by the plant ranged between 27.8 and 39.0 million KWH per annum, and the amounts paid by Ford Motor for such energy ranged from \$135,211 to \$153,282 per annum. The electric energy resold by Ford Motor to Niagara Mohawk during the period ranged between 5.7 to 9.6 million KWH per annum, and represented from 20.7% to 30.4% of the energy generated in these years by Henry Ford and Son. Ford Motor received in payment for energy sold to Niagara Mohawk amounts ranging from \$11,737 to \$21,926 annually during this period.

According to the application, Henry Ford and Son, Incorporated, is the only subsidiary company of Ford Motor Company which might be considered a public utility company within the meaning of the Holding Company Act.

Securities Exchange Act Release No. 5391

The Securities and Exchange Commission has granted a request of Fred McDermott, doing business as Fred McDermott & Co., Chicago, for withdrawal of his broker-dealer registration under the Securities Exchange Act of 1934; and it has discontinued proceedings on the question whether McDermott's registration should be revoked.

The proceedings, authorized by order dated October 5, 1956, were based upon the registrant's failure to file the required report of financial condition. Subsequently, by letter dated October 22, 1956, McDermott requested withdrawal of his registration. McDermott also submitted a financial statement and an affidavit to the effect that he has not engaged in the business of a broker-dealer since being registered and does not owe money or securities to customers.

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Securities Act Release No. 3712

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by J-T-J Company, Inc. of Dallas, Texas. The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

J-T-J Company, Inc. filed its Regulation A notification with the Commission on September 11, 1956 proposing the public offering of 60,000 shares of its 10 cent par value common stock at \$1 per share. The company was organized under Texas law on February 22, 1955 for the purpose of establishing and maintaining garages with authority to deal in automobiles and their accessories. It has sold approximately \$80,000 of investment contracts or profit-sharing agreements involving a sale of trailers to investors, coupled with an agreement in each case whereby the company will lease the trailer from the owner, and the profits derived from the rental of the trailer will be shared by the trailer owner and the company.

The Commission asserts in its suspension order that these contracts were sold without registration under the Securities Act of 1933 and that the notification under Regulation A fails to state any exemption from the registration requirements of the Act; that the notification and offering circular filed by the company are inaccurate and incomplete in respect of material facts; and that an offering of the company's stock under the notification and by means of the offering circular would be in violation of Section 17 of the Securities Act of 1933.

More particularly it is alleged in the order that the offering circular fails to (1) disclose a contingent liability incurred by the company by reason of the sales of the unregistered investment contracts; (2) disclose information in the balance sheet as to doubtful accounts; (3) provide for depreciation of fixed assets; (4) correctly state the source of "Profit for Current Period"; (5) disclose information concerning prior transactions between the company and its promoters, officers, and directors, concerning dilution of the equity of stockholders purchasing shares as a result of the issuance of shares to the promoters, officers, and directors, and concerning the extent of control retained by such persons in the event all shares proposed to be offered are sold; and (6) disclose that the only profits realized from the trailer rental division arose from the sale of trailers to investors under investment contracts and not from trailer rental operations.

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Ling Electronics, Inc., Los Angeles, California, filed a registration statement (File 2-12888) with the SEC on November 5, 1956, seeking registration of \$1,000,000 of 6% Convertible Debentures, due December 1, 1966, and of 183,333 shares of its Common Stock, par value 50¢ per share. The offer will be underwritten by a group headed by Perkins & Company, Inc. The Common Stock is to be offered to shareholders on the basis of one share for each 6 shares of Ling Electric, Inc. stock held of record. The offering price, record date and expiration date will be supplied by amendment.

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Detroit Steel Corporation, Detroit, today filed a registration statement (File 2-12889) with the SEC seeking registration of 200,000 shares of its \$1 par common stock, to be offered for sale to certain officers and employees of the company and its subsidiaries under the company's Restricted Stock Option Plan and Employee Stock Purchase Plan

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