

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 December 3, 1956

Statistical Release No. 1420

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 30, 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>11/30/56</u>	<u>11/23/56</u>		<u>High</u>	<u>Low</u>
Composite	333.7	334.4	- 0.2	366.2	319.0
Manufacturing	424.7	425.2	- 0.1	468.6	398.6
Durable Goods	408.9	413.3	- 1.1	437.6	369.4
Non-Durable Goods	439.6	436.6	+ 0.7	500.8	425.2
Transportation	305.5	307.6	- 0.7	353.0	303.2
Utility	151.9	152.0	- 0.1	161.5	151.6
Trade, Finance & Service	287.3	292.7	- 1.8	325.5	290.7
Mining	368.0	367.5	+ 0.1	383.2	326.8

Securities Exchange Act Release No. 5412

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of W & M Oil Co., Lincoln, Nebraska, should be revoked. The hearing therein is scheduled for January 3, 1957, in the Commission's Washington Office.

According to the Commission's order, information reported by its staff tends to show that W & M Oil failed to file a report of financial condition during the year 1955, as required by Rule X-17A-5, and that it failed to file a supplement on Form BD to its application, as required by Rule X-15B-2.

At the January 3rd hearing, inquiry will be conducted into the foregoing matters to determine whether the reported information is true and, if so, whether W & M Oil has wilfully violated provisions of the Act and the specified Rules thereunder and whether its broker-dealer registration should be revoked.

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Third Avenue Transit Corporation, New York, filed an application (File 22-1991) with the SEC on November 30, 1956, for qualification under the Trust Indenture Act of a trust indenture pursuant to which \$3,528,000 of First Mortgage 6% Bonds are to

for a better-than-usual uranium price (because of the low grade quality of the ore in this area) and that contracts of this type are no longer available; and (9) whether or not Brutona has qualified or could qualify the proposed offering in Ontario, and the omission from the offering circular of information relating to (a) the requirements of Ontario law for the escrow of promoters' shares and the limitation on consideration to promoters and (b) whether or not Brutona could presently meet such requirements, and the effect thereof upon possible future financing by the issuer.

The Commission's order with respect to Hawker asserts that that company's notification and offering circular are false and misleading in the following respects: (1) the notification fails to disclose each predecessor and each affiliate of the issuer, in that a predecessor company, Hawker Uranium Mines, Inc., a Delaware corporation, was a predecessor of Hawker, and that North Country Uranium and Minerals Ltd. was an affiliate under common control with Hawker; (2) the offering circular represented S. Donald Moore and Augustus R. Hawker were the founders of Hawker, received 2,300,000 shares in exchange for certain properties, and transferred 15,000 shares to other individuals in consideration for services rendered, but failed to disclose that Joseph Nastasi is a promoter, that an agreement existed between Nastasi and Moore pursuant to which Nastasi was entitled to 30% of the initial shares issued by Hawker, and that Nastasi was to assist in the distribution of the Hawker shares; (3) the offering circular represented Moore as owning 1,691,501 shares and Augustus R. Hawker 576,000 shares but failed to disclose the percentage of shares issued to them which it was agreed would be issued to Nastasi; and (4) the offering circular represented Degaetano Securities Company, New York, as the principal underwriter of the issue but failed to disclose that the promoter, Nastasi, was to participate actively to assist Degaetano in the sale of the securities.

Holding Company Act Release No. 13324

Power Reactor Development Company, Detroit, Michigan ("PRDC"), has applied to the SEC for an order declaring it not to be an electric utility company within the meaning of that term as used in the Holding Company Act; and the Commission has issued an order scheduling the application for hearing on December 18, 1956.

PRDC is organized for the purpose of advancing the art and technology of producing power by the use of fissionable materials; and its sole business is the development of an atomic reactor for the purpose of demonstrating that such reactor or reactors may be relied upon to provide an economical source of heat. In pursuit of this end, it is presently constructing, under a provisional construction permit issued by the Atomic Energy Commission, a fast breeder atomic reactor at Lagoona Beach, Michigan, to be known as the Enrico Fermi Atomic Power Plant. This reactor will produce both steam and plutonium. It is estimated that the steam will be sufficient to supply at least 100,000 kw (electrical) of motive power. The steam will be sold to The Detroit Edison Company for use in a turbine to be owned by that company on adjacent premises, the sales price of the steam to be the cost of producing an equivalent amount of steam through conventional means. The plutonium produced by the project will be delivered to the U. S. Government pursuant to the Atomic Energy Act of 1954, and it is expected that the proceeds received from such delivery will exceed the proceeds from the sale of the steam. The proceeds received from the sale of plutonium and steam will be used to meet the expenses of PRDC and to pay interest and principal on any loan obligation which it may incur. Any excess monies received will be devoted to research and development.

It is expected that the cost, direct and indirect, of the facilities to be owned by PRDC will exceed \$40,000,000. This cost will be supplied in part by contributions from companies which may become members, in part from loans, and in part from technical contributions by Atomic Power Development Associates, Inc. ("APDA"), a non-profit membership corporation now engaged in some of the initial research and development work which will be utilized in the construction of the proposed reactor.

PRDC is a non-profit corporation organized under Michigan law. Its members consist of executive officers of the following companies:

Central Hudson Gas & Electric Corporation
The Cincinnati Gas & Electric Company
Potomac Electric Power Co.
Alabama Power Company
Georgia Power Company
The Detroit Edison Company
Burroughs Corporation
Delaware Power & Light Company
Long Island Lighting Company
Combustion Engineering, Inc.
Rochester Gas and Electric Corporation
Holley Carburetor Company
The Babcock & Wilcox Company
The Toledo Edison Company
Consumers Power Company
Columbus and Southern Ohio Electric Company
Westinghouse Electric Corporation
Philadelphia Electric Company
Allis-Chalmers Manufacturing Company
Southern Services, Inc.
(as representative of The Southern Company,
Alabama Power Co., Georgia Power Co., Gulf
Power Co. and Mississippi Power Co.)
Wisconsin Electric Power Company
Iowa-Illinois Gas and Electric Company

These companies have made commitments to make contributions to PRDC in the aggregate amount of \$13,540,000; and it is expected that the total commitments for contributions will be \$23,540,000. Arrangements have been made with six New York banks for loans aggregating \$15,000,000; payment of the loans will be severally and unconditionally guaranteed by certain of the companies which become members.

Securities Exchange Act Release No. 5414

The Securities and Exchange Commission today announced the issuance of two orders under Section 19(a)(4) of the Securities Exchange Act of 1934 summarily suspending trading in the capital stocks of Great Sweet Grass Oils Limited and of Kroy Oils Limited, respectively, on the American Stock Exchange for a period of ten days from December 5, 1956 to December 14, 1956, inclusive, and it declared that such action necessary and appropriate for the protection of investors and to prevent fraudulent, deceptive or manipulative acts or practices.

The summary suspension orders heretofore entered on November 23, 1956 against trading in the two stocks expire at the close of business this date. The result of the new orders is that it will continue to be unlawful under Section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule X-15C2-2 thereunder for any broker or dealer to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction, in, or to induce or attempt to induce the purchase or sale of, such securities otherwise than on a national securities exchange.

The Commission's action was taken because the questions raised in the Commission's orders and notices of hearings under Section 19(a)(2) of the Act as to alleged false statements in reports filed by both companies with the Commission have not been resolved. The Commission ordered the hearings in the two cases consolidated in order to expedite a final determination, and the consolidated hearing commenced on November 26, 1956 in Washington, D. C., and is still in progress.

Under these conditions, the Commission is of the opinion that it would be impossible for the investing public to reach an informed judgment at this time as to the value of the companies' securities, or for trading in such securities to be conducted in an orderly and equitable manner.

In light of the foregoing and other factors, the Commission is of the opinion that the public interest requires the summary suspension of trading in such securities on the American Stock Exchange and that such action is necessary and appropriate for the protection of investors and is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices under the Act.

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The Sunrise Fund, Inc., New York City, filed a registration statement (File 2-12935) with the SEC on December 3, 1956, seeking registration of 500,000 shares of its Capital Stock, to be offered for public sale at \$5 per share. Organized under New York law on June 30, 1955, the company will operate as a diversified management investment company. It is presently a closed-end investment company but will become an open-end company in March, 1957, or on such earlier date as all the shares the subject of this offering are sold.

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Louisiana Power & Light Company (New Orleans) today filed a registration statement (File 2-12936) with the SEC seeking registration of \$20,000,000 of First Mortgage Bonds, Series due 1987, to be offered for public sale at competitive bidding. Net proceeds will be used for property additions and improvements, for paying off bank loans in the amount of \$7,280,000 and for other corporate purposes. The company's construction program is expected to result in expenditures of approximately \$17,000,000 for the year 1956 (of which approximately \$13,200,000 had been spent through October 31, 1956), and \$28,000,000 for the year 1957.

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