Statistical Release No. 1489

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended October 18, 1957, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1957, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>(1939 = 100)</th>
<th>Percent Change</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite</td>
<td>299.4*</td>
<td>-1.6</td>
<td>365.0</td>
<td>299.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durable Goods</td>
<td>378.2*</td>
<td>-1.6</td>
<td>472.5</td>
<td>378.2</td>
</tr>
<tr>
<td>Non-Durable Goods</td>
<td>347.9*</td>
<td>-1.9</td>
<td>438.7</td>
<td>347.9</td>
</tr>
<tr>
<td>Transportation</td>
<td>406.1*</td>
<td>-1.4</td>
<td>503.5</td>
<td>406.1</td>
</tr>
<tr>
<td>Utility</td>
<td>234.4*</td>
<td>-2.3</td>
<td>317.5</td>
<td>234.4</td>
</tr>
<tr>
<td>Trade, Finance &amp; Service</td>
<td>148.0*</td>
<td>-0.7</td>
<td>163.5</td>
<td>148.0</td>
</tr>
<tr>
<td>Mining</td>
<td>259.6*</td>
<td>-3.6</td>
<td>292.1</td>
<td>259.6</td>
</tr>
<tr>
<td></td>
<td>285.6*</td>
<td>-3.0</td>
<td>402.3</td>
<td>285.6</td>
</tr>
</tbody>
</table>

* New Low

TRADING IN BELLANCA STOCK SUSPENDED

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the $1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, October 22, 1957, to October 31, 1957, inclusive.

The action was based upon Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings are in progress. (See Securities Exchange Act Releases Nos. 5500, 5544 and 5589.)

For further details, call ST. 3-7600, ext. 5526 (OVER)
HYCON MFG. CO. FILES FOR COMMON STOCK OFFERING

Hycon Mfg. Company, Pasadena, California, filed a registration statement (File 2-13697) with the SEC on October 18, 1957, seeking registration of 400,000 shares of its 10c par Common Stock, to be offered for public sale through an underwriting group headed by Dempsey-Tegeler & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its wholly-owned subsidiaries, Hycon Aerial Surveys, Inc. and Hycon Electronics, Inc., are engaged principally in the design, development, and manufacture and sale of special and general purpose electronic test equipment, aerial cameras and photographic instruments, and in furnishing aerial survey and photogrammetric engineering services to public agencies and industrial clients. Another, majority-owned subsidiary, Hycon Eastern, Inc., is engaged in the design and development of precision electronic components and systems engineering in the communications, data processing and instrumentation field. Net proceeds of this financing will be applied as follows: $500,000 to repay a note payable to The Marine Midland Trust Company of New York; $80,000 for research and development costs; $120,000 for various capital improvements, principally machinery and equipment; and the balance to working capital. The $500,000 note is endorsed by Trevor Gardner, company president, and was executed so that $400,000 could be obtained for working capital and used primarily to pay current trade creditors and the balance to refund a $100,000 note the proceeds of which were paid over to Hycon Eastern for working capital purposes.

AMERICAN NATURAL GAS PROPOSES PREFERRED STOCK PURCHASES

American Natural Gas Company, New York, has applied to the SEC for authorization to make additional purchases of its outstanding non-callable 6% Cumulative Preferred Stock, $25 par; and the Commission has scheduled the application for hearing on November 19, 1957.

American Natural has outstanding 27,481 shares of the preferred stock. In 1948, under a prior order of the Commission, the company acquired 505,770 shares of the preferred at $33 per share (and accrued dividends) under a tender program, thereby reducing the number outstanding to 30,554. Thereafter, 3,073 additional shares were purchased in the open market under a rule of the Commission permitting a registered holding company to acquire up to $50,000 of its securities (other than a common stock) during any calendar year. The authority granted by this rule has been exhausted by American Natural for the year 1957, and it has applied for authorization to make additional purchases from time to time. It is proposed to purchase such additional shares at such prices as are considered by American Natural's management to be reasonable in relation to current market quotations for the stock and other factors. Preferred stockholders will be given prior notice of the company's intention to acquire such shares as may be available. (See Holding Company Act Release No. 13565.)

DOUGHERTY SUSPENDED FOR UNPROFESSIONAL CONDUCT

The Securities and Exchange Commission today announced the issuance of a decision in which it ruled that William A. Dougherty, New York attorney, had engaged in "improper professional conduct" by giving false testimony with respect to a $5,000 certified check which was deposited in a private bank account of Orville E. Hodge, then Auditor of Public Accounts of the State of Illinois.

(Continued)
Upon the basis thereof, Dougherty was denied "the privilege of practicing before the Commission until he obtains the approval of the Commission." Dougherty serves as general counsel and a director of Mississippi River Fuel Corporation, a natural gas pipe line company which sells gas at wholesale to Union Electric Company, of St. Louis, for distribution in an Illinois city. He is also general counsel and board chairman of Consolidated Natural Gas Company, a registered holding company, and acts in a legal or executive capacity with respect to a number of other gas companies.

The testimony of Dougherty was given early in 1957 during the course of a Commission investigation to determine whether Union Electric, also a registered holding company, had made political contributions in violation of the prohibitions of Section 12(h) of the Public Utility Holding Company Act of 1935. The $5,000 check dated February 15, 1955, had been drawn by Dougherty on the account of his law firm to his own order and indorsed by him; and it was deposited in the Hodge account on March 2, 1955. In his testimony of January 18, 1957, Dougherty said that he drew the check in response to a request by a "friend" for a loan; that his friend had some obligations, which Dougherty suspected were gambling debts, and requested that the transaction be kept confidential; that Dougherty personally delivered the check to his friend at the St. Louis airport; that the loan had been repaid; and that he would not disclose his friend's name in order to protect him. He further testified that his friend had never been a public official and was not connected with the state government, and he indicated that he did not known how the check had reached Hodge's account.

When asked if he knew or had ever met Hodge, Dougherty replied that he had met him on only two occasions, and had not seen or talked to him since May 17, 1954. In addition, he stated that he had at no time, directly or indirectly, done anything looking toward influencing the passage or defeat of any pending legislation in Illinois.

Upon his recall for further testimony on March 5, 1957, Dougherty again refused to identify his friend, claiming his privilege against self-incrimination. He was directed to testify, whereupon he identified the friend as Hodge and stated that he had drawn the check in response to Hodge's request for a loan in February 1955, that Hodge telephoned him later that month concerning the disposition of the check, that he left it at a club in St. Louis in a sealed envelope addressed to Hodge, and that the loan, which was a personal one, had never been repaid.

Dougherty further testified that in making this loan he took into consideration the fact that Hodge, because of his official position and Dougherty's expectation that he would eventually become governor of Illinois, could be influential in preventing a certain company from building a line in Illinois which would result in competition with Mississippi Fuel, and in preventing passage of any legislation in Illinois which would subject Mississippi Fuel to the jurisdiction of the Illinois Commerce Commission. Dougherty further testified that Hodge knew he was counsel for Mississippi Fuel, and that Hodge in requesting the loan said to let him know if he could be of any help, to which Dougherty replied that he might call on him for help on legislation.

Dougherty sought to explain some of his earlier testimony concerning his contacts with Hodge by stating that when he said he received repayment of the full amount of the loan, he meant in experience, not in cash; that he suspected Hodge had gambling debts because he lived in an area which had two race tracks; and that when he had said that Hodge was not a public official or connected with the state government, he had been speaking as of the time of such testimony, at which time Hodge had already been convicted of embezzling state funds and was no longer in office.

(Continued)
In the proceedings resulting in the Commission's decision which were conducted privately before a hearing examiner, Dougherty challenged the relevancy to the Commission's investigation of the questions put to him. The Commission ruled, however, that such questioning was within the scope of the investigation and stated: "Our investigation must of necessity embrace inquiry into all situations which may indicate that the violations alleged in the order for investigation have been committed. . . To hold otherwise would hamper if not frustrate our investigations and defeat the purpose of the statutes." In determining the sanction, the Commission took into consideration the nature of Dougherty's misconduct as well as the fact that he is over 60 years of age and has had an active and substantial practice for a period of about 37 years (including some 20 years before the Commission) without having been involved in any other case of improper professional misconduct.

The full text of the Commission's decision (Release No. 13567) may be obtained on request.

* * * *

Chairman Edward N. Gadsby of the Securities and Exchange Commission announced the promotion of Charles T. Kappler from the position of Attorney-In-Charge of the Salt Lake City Branch Office of the Denver Regional Office to the position of Acting Assistant Regional Administrator of the Denver Region, effective November 18, 1957.

Mr. Kappler joined the Commission's staff in June, 1955, as an Attorney in the Division of Trading and Exchanges in Washington, D. C. He transferred to the Salt Lake City Branch Office in August, 1956, and was designated Attorney-In-Charge of that Office in November, 1956.

Prior to coming with the Commission, Mr. Kappler was engaged in the private practice of law in Washington, D. C. From 1942 to 1946 he was on active military duty in the U. S. Army, and at the time of his discharge he held the rank of Captain. He was awarded the Bronze Star for meritorious achievement in carrying out his responsibility for censorship control of approximately 75,000 troops.

Mr. Kappler received an A. B. Degree from Yale College in 1942 and an LL. B. Degree from George Washington University in 1950. He was admitted to the District of Columbia Bar in 1951. (See Release No. U-254.)

SOUTHWESTERN CHEMICAL STOCK OFFERING SUSPENDED

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 proposed public offering of securities by Southwestern Chemical & Mineral Corporation, New York, for alleged failure to comply with the terms and conditions of the Regulation. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

(CONTINUED)
Southwestern filed its Regulation A notification with the Commission on September 3, 1957, proposing the public offering of 300,000 shares of its 10¢ par common stock at $1 per share. The Commission's order asserts that a Regulation A exemption is not available for the proposed offering for the reason that the issuer's principal business operations will be in countries other than the United States or Canada; that the notification failed to disclose certain required information and contained certain inaccurate information; and that the company's offering circular is incomplete, inaccurate or misleading in respect of various material facts.

More particularly, the order of the Commission challenges the accuracy of a statement in the notification filed by Southwestern that the States of Delaware, New Jersey and New York are the jurisdictions in which its principal operations are conducted, when, in fact, the company's offering circular indicates that the company's operations are presently being conducted in Texas and its proposed operations are to be conducted in Canada, the Middle East and Argentina. Furthermore, according to the order, the notification fails to contain the required information with respect to the promoters, predecessors and affiliates of Southwestern; the issuance of 295,000 shares of Southwestern common, prior offerings of securities by Southwestern, its predecessors and affiliates, and stock issued to officers, directors and promoters; and the proposed sale of 60,000 shares of Southwestern's stock by International Oil & Nuclear Exploration Corp. to the underwriter of the proposed offering.

With respect to Southwestern's offering circular, the Commission's order questions the accuracy and completeness of various informational disclosures contained therein. Among these are (1) the description of the company's Texas properties, the production history of the properties, and the actual participation of Southwestern in the gross production and its percentage of the working interest in each lease; (2) the references to acreage owned in Northwest Territory, Canada, more particularly, the terms and provisions of any interest in oil and gas interests have not been set forth, and the distances from such acreage to the nearest production of oil, to the nearest production of gas, and to the nearest dry hole of consequential depth have not been disclosed; (3) the discussion of Middle East possibilities, in particular the omission to state that the geologic province in which Syria is located is entirely separate from the geological province containing the prolific oil fields in the Near East, and the misleading character of the statement with respect to the prolific oil fields of Turkey, since the average oil well in Iraq produces approximately as much oil as all the wells in Turkey; (5) the reference to $10,000 yearly revenues on certain Texas properties, in particular the failure to disclose that such amount represented gross income or to disclose the net income to the company from such properties; and (6) the failure to include a statement of cash receipts and disbursements, the financial statements of subsidiaries, and the financial statements for the predecessor company. (See Securities Act Release No. 3849.)

NOTE: Copies of the Foregoing release also available in the New York and Fort Worth Regional Offices.