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CHAIRMAN GARRETT OUTLINES NEW CHALLENGES FOR THE SECURITIES MARKETS

Chairman Ray Garrett, Jr., reiterated and amplified the SEC's position on fixed commission rates last night in a speech before the Investment Association in New York. He urged the investment community to take up the challenge of restructuring their business to conform with the evolving securities market in the years just ahead. Mr. Garrett indicated that there was evidence that such thinking had already begun, "but only begun because I think that a realistic vision of an unfixed world comes rather slowly to most of you that have spent so many years in another system." Fixed commission rates on stocks are to be phased out by April 30, 1975.

"The Commission's decision to end fixed rates is based on a number of facts, not the least of which is the realization that the markets of the future, no matter what we do in the rate area, will surely be radically different by 1975," Mr. Garrett said. He pointed out that the market would be different because of changes in the technology available for the conduct of business both in this country and abroad and that it was these changes not governmental action that would bring it about.

"Factors such as individual member firm profitability," said Mr. Garrett, "or lack thereof, will not prove a persuasive argument for those seeking to have us abandon or delay the clearly-defined course toward competitively-determined commission rates we have chartered." He said that it was not inconceivable "that if a major alteration in the industry's structure, if palatable to all concerned, including the Congress, can be found -- as opposed to mere changes in member firm profitability -- our conclusion on fixed rates might warrant another look". He indicated that such a restructuring would necessarily involve architectural revamping far more drastic than the SEC's present blueprint for a central market system.

Mr. Garrett reviewed the SEC's plans for the central market system which will link multiple market-makers in different market centers of the country through electronics. He said that it would be supported by a nationwide depository system with regional clearing and regional depositories in major financial cities. Cost efficiency for all broker-dealer firms would be improved as a result of these refinements said Mr. Garrett.

Some of the disagreements of the central market system involve the status of third market makers. The New York Stock Exchange objects to third market-makers being allowed to deal directly with institutional purchasers, a practice forbidden by NYSE Rule 113 to NYSE specialists. "The NYSE wants equal treatment for specialists and third market makers if they are to share in the central market system," Mr. Garrett remarked. Their suggestion is to apply Rule 113 to all market makers in the system. "The Commission, on the other hand. . . has suggested that the rules be repealed when the regulatory need that prompted their adoption ceases to exist," Mr. Garrett pointed out.

Another area of debate involves the question of priority. It has been suggested that "prior to implementation of the composite tape it would be desirable . . . that a set of equal or at least comparable rules be applied to all markets that will be reporting on the tape," Chairman Garrett stated.

In yet another area, Mr. Garrett said, it is hoped that within perhaps a year there will actually be in existence a national clearing system for securities, which would include depository arrangements, based upon the National Clearance Corporation of the NASD and the Stock Clearing Corporation of the several exchanges including the arrangements recently announced by the Securities Industry Automation Corporation.

COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN HANLEY CONSOLIDATED AND LANGIS SILVER & COBALT MINING CO.
Suspension of over-the-counter trading has been initiated in the securities of Hanley Consolidated, Inc., of Elizabethton, Tenn., and Langis Silver & Cobalt Mining Co., Ltd., of Toronto, Ont., Canada, for a ten-day period beginning on October 3 and terminating at midnight (EDT) on October 12, 1973. The suspensions were initiated because the companies failed to comply with the reporting provisions of the securities laws. (34-10418)

C. E. COOK & CO.: C. EUGENE COOK CITED. Administrative proceedings under the Securities Exchange Act of 1934 have been instituted against C. E. Cook & Co., of Grand Rapids, Michigan, and C. Eugene Cook, president of the firm. The proceedings are based upon allegations of the Commission's staff that the firm, aided and abetted by Cook, violated the anti-fraud provisions of the Federal securities laws in the offer and sale of various bonds and debentures; and in failing to comply with credit requirements under Regulation T of the Federal Reserve Board. The firm and Cook are also charged with failing to properly supervise salesmen and other employees of the firm.

A hearing will be scheduled by further order to take evidence on the staff charges and afford respondents an opportunity to offer any defenses. (Rel. 34-10419)

COURT ENFORCEMENT ACTIONS

JOE GEBRON, JR., ALAN M. WEISS, GUILTY OF CRIMINAL CONTEMPT. The Fort Worth Regional Office announced the filing of a criminal information on September 26 in Federal District Court, Dallas, Texas, alleging Joe Gebron, Jr., and Alan M. Weiss, both of Dallas, are guilty of criminal contempt of an injunction. In October, 1972 Gebron and Real-Tex Enterprises, Inc., Dallas, Texas, its officers and directors and others were permanently enjoined from violating the registration and anti-fraud provisions of the securities laws in the sale of investment contracts issued by Real-Tex Enterprises, Inc. (LR-6084)

SECURITIES ACT REGISTRATIONS FILED

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC., 4 Irving Place, New York, N.Y. 10003 - \$150 million of first and refunding mortgage bonds, Series NN, due 2003, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. 10006. (File 2-49025 - Sept. 11)

SUMMIT PROPERTIES (the Trust), 1129 Second National Bldg., Akron, Ohio 44308 - 275,000 shares of beneficial interest, to be offered for sale through underwriters headed by Fulton, Reid & Staples, Inc., 2100 East Ohio Bldg., Cleveland, Ohio 44114. The Trust invests in real estate; it owns industrial properties, motor carrier terminals, apartment complexes and other real estate. (File 2-49026 - Sept. 11)

MEXICO FUND, 1150 Anchorage Lane, San Diego, Calif. 92106 - 100,000 shares of common stock, to be offered for sale at \$100 per share. The Fund is a closed-end, diversified investment company, whose objective is income and preservation of capital. Mexico Fund Management Company is investment adviser. (File 2-49027 - Sept. 11)

PUGET SOUND POWER & LIGHT COMPANY, Puget Power Bldg., Bellevue, Wash. 98009 - 150,000 shares of preferred stock (\$100 par), to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, New York. (File 2-49029 - Sept. 11)

CALDERONE-CURRAN RANCHES, INC., 4749 Willis Rd., Grass Lake, Mich. 49240 - \$8 million of polled hereford cattle managed breeding herds and \$12 million of herd management contracts. The offering is to be made at \$20,000 per herd through selected NASD members. Each investor may enter into a maintenance contract for the care and breeding of the cattle. (File 2-49031 - Sept. 11)

CARRIER CORPORATION, Carrier Tower, P. O. Box 1000, Syracuse, New York 13201 - \$40 million of debentures, due 1998, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York 10006. The company produces air conditioning equipment. (File 2-49034 - Sept. 12)

MASSACHUSETTS ELECTRIC COMPANY, 20 Turnpike Rd., Westborough, Mass. 01581 - 200,000 shares of cumulative preferred stock (\$100 par), to be offered for sale at competitive bidding. (File 2-49035 - Sept. 12)

COMMERCIAL BANCORPORATION OF COLORADO, 220 Main St., Sterling, Colo. 80751 - \$2,500,000 of 8-1/2% delayed convertible subordinated debentures, due 1993, to be offered for sale at 100% of principal amount through underwriters headed by Katz, Needelman & Co., Inc., 600 New Hampshire Ave., N.W., Washington, D. C. 20037. The company is a bank holding company. (File 2-49036 - Sept. 12)

NATIONAL PATENT DEVELOPMENT CORPORATION, 375 Park Ave., New York, N.Y. 10022 - 45,500 shares of common stock. These shares may be offered for sale from time to time by certain shareholders at prices current at the time of sale. The company engages primarily in research, development and commercial marketing of Hydron polymer products. Hydron polymer is a plastic capable of absorbing and encapsulating liquids, which is soft and flexible when moist and rigid when dry. (File 2-49037 - Sept. 12)

KENAI DRILLING LIMITED, 551 Fifth Ave., New York, N.Y. 10017 - 425,000 shares of common stock and warrants to purchase 425,000 shares of common stock, to be offered for sale in units, each consisting of one share and one warrant. The offering is to be made through underwriters headed by W. E. Burnet, Inc., 88 Pine St., New York, N.Y. 10005. Organized in April, the company proposes to acquire two companies to engage in oil and gas drilling operations. (File 2-49038 - Sept. 12)

AMERICAN GENERAL LIFE INSURANCE COMPANY OF DELAWARE, 2727 Allen Pky., Houston, Tex. 77019 - \$1,000,000 of variable whole life insurance policies. The company proposes to hold the assets of the policies in a separate account to be invested wholly in shares of the American General Growth Fund, Inc., a no-load mutual fund. (File 2-49040 - Sept. 13)

THE ALL'S FAIR COMPANY, 430 East 63 St., New York, N.Y. 10021 - \$625,000 of partnership interests. The purpose of the partnership is to produce a dramatico-musical play entitled "All's Fair." Dick Stern is author, Lou Carter is composer and Dick Stern and Lou Carter are lyricists. Joja Productions is producer of the play. (File 2-49041 - Sept. 12)

INTAROME FRAGRANCE CORPORATION, 429 West 53rd St., New York, N.Y. 10019 - 120,000 shares of common stock and warrants to purchase 120,000 shares of common stock, to be offered for sale in units, each consisting of one share and one warrant. The offering is to be made at \$2.50 per unit by Braun, Hess & Co., 25 Broadway, New York, N.Y. 10004. The company blends and sells "fragrance compounds" for toiletries and cosmetics. (File 2-49043 - Sept. 13)

HOUSEHOLD FINANCE CORPORATION, Prudential Plaza, Chicago, Ill. 60601 - \$100 million of Series 2R debentures, due 1999, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. The company is a consumer finance company. (File 2-49045 - Sept. 14)

PURITAN-BENNETT CORPORATION, Puritan-Bennett Bldg., Kansas City, Mo. 64106 - 450,000 shares of common stock, to be offered for sale by certain shareholders through underwriters headed by Smith, Barney & Co., Inc., 20 Broad St., New York, N.Y. 10005. The company manufactures and distributes specialized medical products for use in hospitals, clinics and nursing homes and by patients for home care treatment. (File 2-49049 - Sept. 14)

FIRST AT ORLANDO CORPORATION, First National Bank Bldg., Orlando, Fla. 32801 - 981,370 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of capital stock of four banks as follows. 11.0 shares for each Wilton Manors National Bank share, 6.5 shares for each Lauderdale Beach Bank share, 8.5 shares for each Peoples Bank of Auburndale share and 2.5 shares for each Palmetto Bank and Trust Co. share. First at Orlando owns 94% or more of the outstanding capital stock of 34 Florida commercial banks. (File 2-49050 - Sept. 14)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Federal-Mogul Corporation, Southfield, Mich. (File 2-49028) - 70,000 shares
 Del Monte Corporation, San Francisco, Cal. (File 2-49030) - 300,000 shares
 Schaak Electronics, Inc., Minneapolis, Minn. (File 2-49039) - 50,000 shares
 Horizon Corporation, Tucson, Ariz. (File 2-49042) - 95,700 shares

SECURITIES ACT REGISTRATIONS. Effective October 2: Charter New York Corp., 2-48876.
 Effective October 3: AVX Corp., 2-49082; Carrier Corp., 2-49034; McDonald's Corp., 2-49071; National Farming Program/1973, 2-48352; National Patent Development Corp., 2-49083; Newmont Mining Corp., 2-48565; Pet Inc., 2-49103; Pioneer Hi-Bred International, Inc., 2-48941 (40 days); Province of Ontario, 2-49067.

NOTE TO DEALERS: The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has initiated exchange and over-the-counter trading in the securities of Equity Funding Corp., Giant Stores Corp. and Sanitas Service Corp., and over-the-counter trading in the securities of Trionics Engineering Corp. and Industries International for the further ten-day period October 4-14, inclusive.

RECENT FORM 8-K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes in control of the registrant, acquisition or disposition of assets, legal proceedings; changes in securities (i.e., collateral for registered securities), defaults upon senior securities, increase or decrease in the amount of securities outstanding, options to purchase securities, revaluation of assets, submission of matters to a vote of security holders, and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photo-copies may be purchased from the Commission's Public Reference Section (*in ordering, please give month and year of report*). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
NDS FINANCIAL CORP	13	08/73
NEW ENGLAND POWER CO	11	08/73
NORTH AMERICAN WATCH CORP	13	07/73
OLD KEY FINANCIAL CORP	7	08/73
UMFSA ALPINE INC	2,14	08/73
PENINSUL OFFSHORE GAS OPERATORS INC	2,14	07/73
PETROLEUM INC	10,14	08/73
KAI INC	2,12,13,14	08/73
SANTA ANITA CONSOLIDATED INC	12,14	08/73
SEABOARD OIL & GAS CO	3,4,7,8,10,12	06/73
SFO HELICOPTER AIRLINES INC	1,3,4,8,10,11,12,14	08/73
STANDARD OIL CO OF INDIANA	3,7,14	08/73
STERLING COMPUTER SYSTEMS INC	11	09/73
SYSTEMS ENGINEERING LABORATORIES INC	13,14	08/73
TERMINAL COMMUNICATIONS INC	4,7,14	08/73
TERRA IRON CORP	1	08/73
HERMOS KINETIC CORP	8	08/73
TYSON FOODS INC	2,14	07/73
UNIFI INC	2,7,14	08/73
UNITED STATES ENVELOPE CO	10,14	08/73
UNITED STATES NATURAL RESOURCES INC	2	08/73
UNITED STATES SHELTER LTD PARTNERSHIP	2,14	08/73
UTAH SHALE LAND & MINERALS CORP	13,14	09/73
VISUAL GRAPHICS CORP	11,14	08/73
WALKER B D CO	8,14	09/73
WESLEY JOHN CORP	2	08/73
WESTINGHOUSE CREDIT CORP	7,14	08/73
WHITE HAT JR CORP	4,14	02/73
WNS LIQUIDATING CORP	2,11,14	08/73
WOODS COMMUNICATION CORP	12,14	09/73

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail, \$8.25 additional for foreign mailing, \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail, \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.