

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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FOR RELEASE April 3, 1959

SEC ORDERS ISSUED RE DELISTING AND UNLISTED TRADING APPLICATIONS

The SEC has issued orders under the Securities Exchange Act of 1934 (Release 34-5925), as follows: (1) Order granting application of the Philadelphia-Baltimore Stock Exchange to delist the common stock of Bankers Securities Corporation, effective at close of trading session April 10, 1959; (2) Orders giving interested persons until April 14, 1959, to request hearings upon applications of the Midwest Stock Exchange to delist the common stocks of Automatic Washer Company and Industrial Development Corporation, an application of the New York Stock Exchange to delist the \$5.50 Cumulative Preferred Stock of Spear & Company and an application of the American Stock Exchange to delist the capital stock of Trunz, Inc.; and (3) giving interested persons until April 17 and 14, 1959, respectively, to request hearings upon applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of Apex Corporation and Johnson & Johnson, and an application of the Detroit Stock Exchange for such privileges in the common stock of Columbia Broadcasting System, Inc.

OIL, GAS & MINERALS INC. PROPOSES OFFERING

Oil, Gas & Minerals, Inc., 513 International Trade Mart, New Orleans, filed a registration statement (File 2-14938) with the SEC on April 2, 1959, seeking registration of 260,000 shares of 35¢ par common stock. The stock is to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by Assets Investment Company, Inc., of New Orleans, which will receive a selling commission of 30¢ per share. In addition, the underwriter will receive an option to buy up to 41,700 shares at \$1 per share.

Organized in March 1958, the company owns a 1/24th working interest in 122 contiguous acres known as the Vasser-Howard Tract in the Leeville Field, Lafourche Parish, La., said to have nine producing wells. It also owns the south side of the 3000 block of St. Charles Ave., between 7th and 8th sts., New Orleans. An affiliate, American Investors Syndicate, Inc., which is managed by officers of Oil, Gas & Minerals, Inc. has leased the property for 99 years and an apartment is to be built on this site.

Of the net proceeds of the stock sale, \$17,500 is to be applied to the retirement of a bank loan and \$125,000 to retire a bank loan on the purchase of the St. Charles Ave. property. The balance of the funds will be used to buy investments which the management feels will tend to produce income and capital gains; the investment policy will tend toward the acquisition of real estate and natural resources.

The company has outstanding 167,000 shares. James A. Lindsay is president and the owner of 12,000 shares.

CORRECTION

Idaho Power Company proposes to make a public offering of \$15,000,000 of bonds, not \$10,000,000 as stated in the News Digest of April 2, 1959.

OVER

For further details, call ST. 3-7600, ext. 5526

MAGMA POWER FILES FINANCING PROPOSAL

Magma Power Company, Virginia & Truckee Bldg., Carson City, Nev., today filed a registration statement (File 2-14939) with the SEC seeking registration of 100,000 6% Convertible Preferred Shares, \$10 par, and 500,000 Common Shares, 10¢ par, to be offered for public sale in units consisting of one preferred and five common shares and at an offering price of \$10.50 per share. J. Barth & Co. is listed as the underwriter; and the underwriting commission is to be \$1.05 per share.

The company's securities are regarded as "speculative" because the company intends to engage in an entirely new and unproven business venture, to wit, the discovery, development and production of geothermal steam for the purpose of generating electric power. Organized in December, 1954, its activities to date have consisted of leasing lands believed to contain geothermal steam, and conducting certain experimental and development work. It has entered into a number of leases covering lands believed to be favorable for the development of geothermal steam, and intends to seek other such leases. The company has an undivided one-half leasehold interest in one such property known as The Geysers situated in the Counties of Sonoma and Lake in California. According to the prospectus, Pacific Gas and Electric Company has agreed, subject to requisite state commission approval, to install at its expense a 12,500 kilowatt turbine-generator unit at The Geysers, at an estimated cost (including transmission lines) of \$2,000,000. Magma and its joint venturer, Thermal Power Company, each of whom has a one-half interest in the lease, have agreed to drill and maintain all necessary steam wells to deliver adequate quantities of steam to this turbine-generator unit, and Pacific Gas and Electric Company has agreed to pay for the steam at the rate of 2½ mills per net kilowatt hour of electrical energy produced.

Of the net proceeds of the stock sale, \$230,000 will be applied as Magma's one-half share of the cost of additional drilling and development work on The Geysers Lease, including construction of facilities to gather and process steam; \$450,000 for exploratory drilling and related exploratory and development work; \$123,500 for working capital and general corporate purposes; and the balance for lease rentals, engineering and geology, and miscellaneous expenses, including salaries.

The company has outstanding 6,787,500 common shares. B. C. McCabe, president, is listed as the owner of 2,707,000 shares (only 1,612,500 beneficially). Officers and directors as a group owned of record or beneficially 3,454,900 shares.

SOUTHERN ITALY DEVELOPMENT FUND PROPOSES OFFERING

Southern Italy Development Fund (Cassa per Opere Straordinarie di Pubblico Interesse nell'Italia Meridionale) today filed a registration statement (File 2-14940) with the SEC seeking registration of \$30,000,000 of Guaranteed External Loan Bonds (guaranteed by the Republic of Italy). The bonds are to be offered for public sale in three series, through an underwriting group headed by Morgan Stanley & Co. The interest rates, public offering price and underwriting commissions are to be supplied by amendment.

The lire equivalent of the net proceeds of the sale of the bonds will be applied toward the Fund's general program of economic development and rehabilitation in southern Italy, including the extension of credit for industrial development. No allocation of any part of such lire equivalent has been made to any specific project. Concurrently with the offering of bonds, the World Bank and the European Investment Bank are entering into loan agreements with the Fund, each of which provides for a loan of up to the equivalent of \$20,000,000 in various currencies. Proceeds of these loans are to be used to finance a portion of the cost of (a) a power project of Societa Meridionale di Elettricitá in the province of Lucania; (b) a polyethylene and ethylene oxide derivative project in Sicily; and (c) a petrochemical and caustic potash project of Societa Industriale Catanese S.p.A (SINCAT) in Sicily. In addition, the World Bank is considering a further loan to the Fund of the equivalent of about \$40,000,000 in various currencies, the proceeds of which would be applied to construction of a 150,000 kw atomic energy plant north of Naples by Societa Elettronucleare Nazionale (SENN), owned principally by a Government holding company.

ALABAMA POWER PROPOSES BOND OFFERING

Alabama Power Company, 600 North 18th St., Birmingham, today filed a registration statement (File 2-14941) with the SEC seeking registration of \$20,000,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding.

Net proceeds of the sale of the bonds and \$7,500,000 of the \$16,500,000 received in February 1959 from the sale of additional stock to The Southern Company, parent, will be used for property additions and improvements. The \$9,000,000 balance of the stock sale was used for the purchase of additional stock of Southern Electric Generating Company. Construction expenditures are estimated at \$156,000,000 during 1959, 1960 and 1961, exclusive of investments in the stock of Southern Electric Generating Company.

ADVANCE - FOLLOWING FOR RELEASE MORNING NEWSPAPERS APRIL 6, 1959

CENTRAL PUBLIC UTILITY CORPORATION GRANTED
EXEMPTION FROM THE HOLDING COMPANY ACT

The Securities and Exchange Commission today issued a decision exempting Central Public Utility Corporation ("Cenpuc"), of New York City, as a holding company and every subsidiary company thereof as such from the provisions of the Public Utility Holding Company Act of 1935.

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The Commission modified a previous order directing Cenpuc to take appropriate steps to terminate the existence of its subsidiary, The Islands Gas and Electric Company ("Islands"), an exempt holding company.

Cenpuc, organized in 1932 under the laws of Delaware, is solely a holding company and has been registered as such under the Act. It has disposed of all its domestic public-utility subsidiaries and has simplified its capital structure pursuant to a number of plans consummated in accordance with the Act. Its holdings are now comprised exclusively of domestic non-utility subsidiaries and of public-utility subsidiaries none of which operates within the United States; and its only outstanding securities consist of common stock.

Cenpuc intends to merge or consolidate within six months with one or more industrial corporations. No merger or consolidation can be effectuated unless, as required under Delaware law, the holders of two-thirds of the total number of shares of its stock vote for its adoption. Any shareholder of Cenpuc who does not desire to become a shareholder in the surviving company is afforded a procedure to obtain \$28.00 cash per share for his stock from the company. The Commission found that this was an appropriate basis upon which shareholders, at their election may terminate their interest in the company.

Cenpu has agreed that if the merger or consolidation is effectuated, the Commission may revoke the exemption if the circumstances that will then exist prove to be detrimental to the public interest or the interest of investors.

In connection with the modification of the order directing the termination of the existence of Islands, the Commission noted that, at the time of the entry of that order in 1952, Islands served no useful purpose and unduly complicated the Cenpuc holding company system. Islands now proposes to merge with an industrial company having assets with a net book value of at least \$8,000,000. In view of this change of the function of Islands, the Commission revoked its 1952 order.

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