

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.

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The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 12, 1958, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958, is as follows:

	<u>1939 - 100</u>		Percent <u>Change</u>	<u>1958</u>	
	<u>9/12/58</u>	<u>9/5/58</u>		<u>High</u>	<u>Low</u>
Composite	357.6*	353.7R	+1.1	357.6	299.0
Manufacturing	449.6*	443.8	+1.3	449.6	373.3
Durable Goods	409.8*	401.9	+2.0	409.8	332.2
Non-Durable Goods	477.6	473.9	+0.8	478.6	402.2
Transportation	284.7	282.6	+0.7	285.6	219.7
Utility	176.0*	175.3	+0.4	176.0	155.5
Trade, Finance, & Service	335.2*	334.8	+0.1	335.2	263.2
Mining	338.1	341.6	-1.0	346.2	261.3

*New High

ONE WILLIAM STREET PURCHASE OF LOUETTA INVESTMENT SHARES CLFARED

The SEC has issued an order permitting One William Street Fund, Inc., New York investment company, to issue shares at net asset value for substantially all of the cash and securities of Louetta Investment Company. According to the application, the net assets of William Street Fund, as of July 31, 1958, amounted to \$240,673,874, and there were then outstanding 20,500,330 shares of stock. Louetta is a personal holding company with ten stockholders. Under an agreement with the latter's stockholders, substantially all of the cash and securities owned by Louetta, with a total value of about \$1,400,000 as of July 31, 1958, will be transferred to William Street Fund in exchange for shares of stock of William Street Fund.

PEOPLES GAS LIGHT AND COKE PROPOSES SUBSCRIPTION OFFERING

The Peoples Gas Light and Coke Company, Chicago, filed a registration statement (File 2-14363) with the SEC on September 12, 1958, seeking registration of 447,346 shares of its capital stock, \$25 par. The company proposes to offer this stock for subscription by holders of its capital stock of record on October 2, 1958, at the rate of one share for each eleven shares then held. Glore, Forgan & Co. and The First Boston Corporation are listed as the principal underwriters. The subscription price and underwriting terms are to be supplied by amendment.

Of the net proceeds to be received from the sale of the stock, \$13,000,000 will be used to pay a like amount of bank loans incurred by the company in connection with the purchase by it of additional equity securities of subsidiaries. The balance will be added to other funds in the

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company's treasury for use from time to time for its general corporate purposes, including the construction requirements of the company and advances to or additional equity investments in its subsidiaries. The company and its subsidiaries currently contemplate capital expenditures totaling approximately \$125,000,000 during the period August 1, 1958, to December 31, 1959.

NORTHWESTERN STEEL AND WIRE FILES FOR COMMON STOCK OFFERING

Northwestern Steel and Wire Company, Sterling, Ill., filed a registration statement (File 2-14364) with the SEC on September 12, 1958, seeking registration of 125,000 outstanding shares of its common stock, \$5 par, held by eight present stockholders. These stockholders propose to make a public offering of the shares through an underwriting group headed by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company has outstanding 2,502,113 shares of common stock, \$5 par. Offerings proposed under the registration statement consist of the following: W. Martin Dillon, director, president, and treasurer, 20,833 of 83,926 shares held; Helene R. Dillon, 20,833 of 84,290 shares held; Crete D. Bowman, 17,270 of 97,440 shares held; John W. Bowman, director and vice president, 8,800 of 48,970 shares held; Crete B. Harvey, 5,436 of 145,786 shares held; Jon G. Bowman, 10,161 of 148,511 shares held; Jane D. Goddard, 7,295 of 104,210 shares held; and Alpheus J. Goddard, 34,372 shares (all of his holdings).

HAWAIIAN ELECTRIC PROPOSES PREFERRED STOCK OFFERING

The Hawaiian Electric Company, Limited, filed a registration statement (File 2-14365) with the SEC on September 12, 1958, seeking registration of 225,000 shares of Series G Cumulative Preferred Stock to be offered for sale to the public through an underwriting group headed by Dillon Read & Co., Inc., and Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

The net proceeds to be received from the sale of the Series G Preferred Stock will become part of the general funds of the company and will be applied toward the cost of its construction program. The company's construction budget for 1958 calls for total estimated expenditures of \$11,459,000, and its planned expansion program for the four-year period 1958-1961 calls for total estimated expenditures of \$44,172,000. According to the prospectus, the company anticipates raising additional funds for its construction program through an offering in the near future of 42,350 shares of common stock to its common stockholders. It is expected that such offering will not be underwritten. No representation is made that any of such shares will be issued. It is anticipated that additional funds for the construction program will be obtained from depreciation and other accruals, consumers' contribution, sundry realizations, retained earnings, temporary bank borrowings, and the sale of additional securities when and as required, the nature and amount of which are not now determined.

CORN PRODUCTS SEEKS QUALIFICATION OF INDENTURE

Corn Products Company, New York, N. Y., has applied to the SEC for qualification under the Trust Indenture Act of 1939 of an indenture covering \$40,854,800 of 4-5/8% Subordinated Debenture due 1983. The debentures are to be issued under this indenture pursuant to an agreement for a statutory merger, under New Jersey law, of Corn Products Refining Company and The Best Foods Company, Inc., New Jersey corporation, into Corn Products Company, which latter company was organized in August, 1958, for the purpose of becoming a party to the agreement of merger.

The application states that no public offering, as such, will be made of the debentures, which are to be created upon conversion of preferred stock under the merger, which is expected to become effective on September 30, 1958. According to the application, the agreement of merger

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be submitted to the vote of the stockholders of Corn Products Refining Company, The Best Foods, Inc. and Corn Products Company, respectively, at special meetings of stockholders of each of these corporations to be held on September 30, 1958. Under the merger agreement, each outstanding share of Corn Products Refining preferred stock will be converted into \$175 principal amount of debentures.

SEC PROPOSES NEW RULE IN MERGER-TYPE TRANSACTIONS

The Securities and Exchange Commission today announced that it has under consideration a proposed amendment of its Rule 133 under the Securities Act of 1933 which, while retaining the present exemption from registration in connection with the issuance of securities to stockholders in connection with certain mergers, consolidations and related transactions, would provide safeguards against subsequent large-scale distributions of such securities to the public. Views and comments thereon may be submitted not later than November 14, 1958.

In October 1956 the Commission published a proposed revision of Rule 133 which would have had the effect of rescinding the rule and the exemption it provided from the registration requirement of the Securities Act in the so-called "merger-type" transactions. A public hearing thereon was held in January 1957; and two months later, on March 15, 1957, the Commission announced that it was deferring action upon the proposal pending further study.

The amendment proposal announced today, based upon the Staff's further study of the problem and the comments received upon the original proposal, would leave the existing Rule 133 in its present form but would add thereto certain provisions designed to clarify the applicability of the rule in line with principles laid down in certain Commission decisions and other pronouncements (including the decisions in Great Sweet Grass Oils Limited and Kroy Oils Limited). Among other things, the new amendment proposal would provide as follows:

1. Any person who, pursuant to a contract or arrangement with the issuer or with any person in a control relationship with the issuer, purchases securities of the issuer from security holders who received securities in a Rule 133 transaction for the purpose of making a public distribution of such securities is to be deemed an "underwriter" within the meaning of that term as used in the statute. Thus, any redistribution of the securities by such an underwriter would require prior registration under the Securities Act, which would provide disclosure of the financial and other information essential to investor protection.

2. Any corporation, other than the issuer, which is a party to the merger-type transaction, or any person in a control relationship with such corporation, who acquires securities of the issuer in connection with a Rule 133 transaction for the purpose of making a public distribution thereof, also is to be deemed an "underwriter" of such securities.

3. Persons who dispose of securities received in such transactions in ordinary brokerage transactions and within prescribed limitations, would be excluded from the definition of "underwriter." This exception to the definition of underwriter would apply to sales which, together with all other sales of securities of the same class by or on behalf of such person within the preceding six months, will not exceed the following:

(A) if the security is traded only otherwise than on a securities exchange, approximately one percent of the shares or units of such security outstanding at the time of receipt by the broker of the order to execute such transactions or

(B) if the security is admitted to trading on a securities exchange, the lesser of approximately (i) one percent of the shares or units of such security outstanding at the time of receipt by the broker of the order to execute such transactions or (ii) the largest aggregate reported volume of trading on securities exchanges during any one week within the four calendar weeks preceding the receipt of such order.