

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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SURINAM CORP. FILES FOR COMMON STOCK OFFERING

Surinam Corporation, Houston, Texas, filed a registration statement (File 2-13701) with the SEC on October 21, 1957, seeking registration of 10,000,000 shares of its 1¢ par Common Stock. The company proposes to offer these shares for public sale at \$1 per share. The offering is to be made on a "best efforts" basis by T. J. Campbell Investment Company, Inc., of Houston, for which Campbell Investment will receive a selling commission of 20¢ per share. Campbell Investment also has an option to buy at \$1 per share 20% of the number of shares sold publicly, the option to run for five years.

Surinam was organized on May 8, 1957, under Delaware law "for the purpose of engaging principally in the exploration and exploitation of oil, gas and sulphur properties. The net proceeds of the sale of the 10,000,000 shares are to be used to finance the exploration and exploitation of property in Surinam, S. A. (formerly Dutch Guiana)." The company's subsidiary, Colmar Surinamse Olie Maatschappij (Colmar Surinam Oil Company) is said to have an exclusive 40-year concession to all oil, gas, and sulphur in an area composing about 3,700,000 acres in the northern part of Surinam.

According to the prospectus, Surinam has outstanding 13,000,000 common shares, which were issued in exchange for 3,150 shares (of 3,200 shares outstanding) of the Colmar Surinam Oil Company. Of the 13,000,000 shares, 11,668,000 were issued to Edward J. Hanlon, Jr., of Winter Garden, Fla., Secretary of Colmar, Prentiss H. Clayton, of Orlando, Fla., and Marts Oil Company, of Bartelsville, Okla., who are said to have contributed \$6,924.90 in cash to Colmar Surinam Oil Company since its formation in 1956. The remaining 1,332,000 shares were issued to their designees. In addition to the issuance of the 13,000,000 shares in exchange for the Colmar Surinam Oil stock, there is a contingent liability upon the part of Surinam to pay an additional \$400,000 to the vendors of such stock if the proceeds of this underwriting exceed \$2,000,000. The prospectus lists E. C. Loy of Houston as President and Ira Brinkerhoff, also of Houston, as a director and consulting geologist.

The prospectus further indicates that, if all of the 10,000,000 shares are sold, the public will acquire 43.5% of the common stock then outstanding for an investment of \$10,000,000, whereas the promoters will hold 13,000,000 shares (or 56.5%) for which the company received services plus the 3,150 shares of Colmar Surinam Oil stock. Of the net proceeds of the public offering, \$400,000 will be reserved for payment of the contingent liability to the vendors of the Colmar Surinam Oil stock and \$1,000,000 for geophysical exploration. In the event that such exploration is successful, according to the prospectus, \$350,000 will be used for initial drilling on shore, \$2,000,000 for initial drilling of offshore wells, \$1,000,000 for development of shore wells (if oil is located as result of drilling)

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and \$3,150,000 for development of offshore wells (if oil is located as result of drilling. If no oil is found as a result of drilling, the balance of the proceeds will be applied to exploration and development of other prospects to be acquired by the company.

AMERICAN GAS PROPOSED \$52 MILLION BANK BORROWINGS

American Gas and Electric Company, New York holding company, has applied to the SEC for authorization to make bank borrowings over a 21-month period in the aggregate amount of \$52,000,000; and the Commission has issued an order giving interested persons until November 7, 1957, to request a hearing thereon. (See Holding Company Act Release No. 13571.) Proceeds of such borrowings are to be invested by American in common stocks of subsidiary operating companies to assist them in financing the costs of their respective construction programs for the four-year period 1957-1960, inclusive, the total amount of which is estimated at \$672,900,000. American expects to supply \$84,300,000 of such total amount, including \$30,720,000 of retained earnings, \$1,580,000 of cash on hand, and \$52,000,000 from the bank loans. The subsidiaries are expected to supply the balance of \$588,600,000 as follows: funds from internal sources, \$301,900,000; sale of long-term debt securities, \$274,300,000; use of short-term bank loans, \$12,400,000.

MERRIMACK-ESSEX ELECTRIC BOND ISSUE CLEARED

The SEC has issued an order (Holding Company Act Release No. 13572) authorizing Merrimack-Essex Electric Company, Salem, Mass., to issue and sell, at competitive bidding, \$20,000,000 of First Mortgage Bonds, Series B, due 1987. Net proceeds of the bond financing are to be applied (a) to the redemption of securities of two of the constituent companies of Merrimack heretofore assumed in a merger and (b) to the payment, in part, of short-term indebtedness amounting to \$14,600,000 as of September 1, 1957, of which \$8,075,000 is payable to banks and \$6,525,000 is payable to New England Electric System, Parent.

BELLANCA CASE SET FOR FINAL ARGUMENT

At the request of Milton S. Gould, counsel for Bellanca Corporation, the Securities and Exchange Commission has set Monday, November 4, 1957, at 2:00 P.M., as the date of final argument before the Commission in the administrative proceedings pursuant to Section 19(a)(2) of the Securities Exchange Act of 1934 to determine whether the common stock of Bellanca should be suspended for a period of not to exceed 12 months, or withdrawn, from listing and registration on the American Stock Exchange.

CONSUMERS COOPERATIVE OF KANSAS CITY FILES FOR PREFERRED STOCK SALE

The Consumers Cooperative Association, Kansas City, Mo., today filed a registration statement (File 2-13702) with the SEC seeking registration of 240,000 shares of its 5½% Preferred Stock (Cumulative to extent earned before patronage refunds), and 4,000 shares of 4% Second Preferred Stock (Cumulative to extent earned before patronage refunds). The Association proposes to offer these shares for sale at \$25 per share each. No underwriting is involved. Net proceeds will be added to the general funds of the Association and will be used for general corporate purposes, including the retirement of maturing Certificates of Indebtedness, redemptions on request of Certificates of Indebtedness prior to maturity and of 5½% preferred stock, the possible improvement and expansion of present facilities, and the acquisition of manufacturing plants and crude oil properties if favorable opportunities arise.

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CATERPILLAR TRACTOR PROPOSES DEBENTURE OFFERING

Caterpillar Tractor Co., San Francisco, today filed a registration statement (File 2-13703) with the SEC seeking registration of \$65,000,000 of Sinking Fund Debentures, due November 1, 1977. The company proposes to offer the debentures for public sale through an underwriting group headed by Blyth & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds from the sale of the debentures will be added to the company's general funds and will be available for general corporate purposes. These will include repayment of short term indebtedness to domestic banks which was incurred for a temporary period to assist in meeting expenditures under the capital expenditure program of the company and its subsidiaries and increased working capital requirements. Such corporate purposes also include payments in connection with the capital expenditure program of the company and its subsidiaries (presently estimated to require \$215,000,000 for the three years 1957-59 - of which \$37,200,000 was expended during the first eight months of 1957), and strengthening of working capital. The 1957-59 capital expenditure program embraces construction of two new domestic plants, a plant at Glasgow, Scotland, a plant at Sao Paulo, Brazil, additions to the Decatur, Joliet and Australian plants, two new domestic parts sales warehouses, a research center and a general office building; modernization and expansion of existing plant in England; and additions and replacements of machinery and equipment in all plants.

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