

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.

March 8, 1957

FOR RELEASE

Holding Company Act Release No. 13408

The SEC has issued an order authorizing General Public Utilities Corporation, New York holding company, to issue and sell an additional 646,850 shares of its common stock. GPU proposes to offer the shares for subscription by holders of its outstanding common stock of record March 8, 1957, at the rate of one additional share for each fifteen shares then held, at a price related to the closing price of the stock on the New York Stock Exchange on the day prior to the record date. The rights offering will not be underwritten, but GPU will utilize the services of security dealers to solicit the exercise of the subscription rights.

Net proceeds of the sale of the stock will be used by GPU to repay outstanding bank loans and to make additional investments in its domestic subsidiaries, or to reimburse the company's treasury for such investments heretofore made, and for other corporate purposes.

Holding Company Act Release No. 13409

The SEC has issued an order authorizing Indiana & Michigan Electric Company (Ft. Wayne, Ind.) to make bank borrowings during 1957 in the amount of \$5,800,000 in addition to \$10,700,000 of borrowings which have been or may be made under an exemption from the Holding Company Act. Proceeds will be used to pay part of the costs of the company's construction program, which is presently estimated will amount to \$35,000,000 in 1957.

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The Columbia Gas System, Inc., New York, today filed a registration statement (File 2-13141) with the SEC seeking registration of 1,675,415 shares of its no par Common Stock. The company proposes to offer this stock for subscription by holders of its outstanding common stock at the rate of one additional share for each thirteen shares held of record on April 3, 1957. The offering will be underwritten by means of competitive bidding.

Net proceeds of the sale of the stock will be added to the general funds of the company and, together with funds available at the beginning of 1957, cash to be generated from operations during 1957 and funds to be obtained from debt financing, will be used to satisfy certain demands in 1957 upon such general funds. The most important of such demands is the financing of the 1957 construction program of Columbia Gas' subsidiaries. This program for 1957 is presently estimated to require expenditures of approximately \$84,000,000, exclusive of approximately \$3,000,000

(Over)

estimated for the portion of the hydro-carbon extraction plant to be built in 1957. In addition, Columbia Gas will advance \$6,000,000 to Gulf Interstate Gas Company, which company transports gas from the southwest for a subsidiary of Columbia Gas. This advance, together with approximately \$30,000,000 to be obtained by Gulf Interstate from other sources, will permit said company to enlarge the capacity of its transmission system and thereby deliver additional quantities of gas which the Columbia Gas System has under contract in southern Louisiana.

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The Flintkote Company, New York, today filed a registration statement (File 2-13142) with the SEC seeking registration of \$10,000,000 of Sinking Fund Debentures, due April 1, 1977, to be offered for public sale through an underwriting group headed by Lehman Brothers. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds will initially be added to the general funds of the company. From these funds, approximately \$9,200,000 will be used to meet presently authorized commitments for the construction and equipment of three new plants and the balance will be added to working capital and used for general corporate purposes. The company is engaged in the business of manufacturing, mining, distributing and selling various products for construction, industrial and consumer uses. The three new plants consist of a Gypsum manufacturing plant at Sweetwater, Texas, an asphalt roofing plant and other manufacturing facilities at Ennis, Texas, and a new Insulrock plant at North Judson, Indiana. The construction of all three plants was commenced in 1956.

Holding Company Act Release No. 13410

The SEC today ordered a hearing for Wednesday, March 13, 1957 at 10:00 A. M., with respect to proxy soliciting material filed by Union Electric Company, St. Louis, Mo.

In a declaration filed by Union, that company states that it proposes to make three solicitations in connection with its annual meeting of stockholders scheduled for April 20, 1957. It further states that the initial solicitation material to be sent out will include a notice of the meeting, a proxy statement, a form of proxy and a one page communication entitled "The Union Electric Record of a Decade." According to the filing, in addition to the initial material, it is the present intention of Union's management to include a short statement with the checks for the quarterly dividend on its common stock to be mailed on March 29, 1957, which statement would simultaneously be mailed to preferred stockholders, and, on or about April 5, 1957, to send out a follow up letter and proxy, to be accompanied by a short statement. Copies of such solicitation material have been submitted as part of the aforesaid declaration.

Union further states that the cost of soliciting proxies for the management will be borne by the company to the extent permitted under the Commission's Rule U-65(b) and estimates that such expense will be \$22,850. Additional expense, estimated to be \$3,950, will be paid by those directors of the company, who are not and who have not been officers or employees of the company, from their personal funds without reimbursement by the company.

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At the hearing, inquiry will be conducted into the questions whether the proposed solicitations are in accordance with the Holding Company Act and rules of the Commission thereunder; whether it is in the public interest or for the protection of investors to permit any solicitation of proxies to be voted in connection with a resolution submitted by a common stockholder of Union which resolution, if approved by Union's stockholders, would authorize Union's Board of Directors to reimburse expenses of any directors who might be elected in opposition to Union's slate of candidates; whether the proposed expenditures by Union are appropriate under the Act and rules; and whether all the transactions proposed by Union's declaration are appropriate under the Act.

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