

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.

FOR RELEASE September 26, 1956

Carolina Power & Light Company, Raleigh, N. C., filed a registration statement (File 2-12807) with the SEC on September 25, 1956, seeking registration of 500,000 shares of Common Stock, without par value, to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Beane and R. S. Dickson & Company, Incorporated. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be used to repay bank loans of \$4,500,000 (the proceeds of which were used for construction purposes), for the construction of new facilities, and for other corporate purposes. The company estimates that its construction expenditures will be \$18,000,000 during 1956 (of which approximately \$9,800,000 was expended in the seven months ended July 31, 1956) and \$24,000,000 during 1957. Of the total amount of \$42,000,000, it is estimated that \$20,000,000 will be expended for additional generating capacity and the balance for transmission and distribution facilities and miscellaneous additions and improvements. In carrying out its construction program, the company expects to complete the installation of a 140,000 kilowatt unit at the Cape Fear Steam Electric Generating Plant near Moncure, N. C., in December 1956. Construction of an additional 175,000 kilowatt unit at the Cape Fear Plant, started in 1956, also is under way. It is expected that this unit will be placed in operation by mid-1958.

The prospectus states that, to complete the 1956-1957 construction program, the company contemplates the raising of approximately \$10,000,000 of funds through bank loans or the sale of additional securities, the amount and character of which will be determined at the time of sale. The balance will be provided from internal sources.

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Texas Calgary Company, Abilene, Texas, filed a registration statement (File 2-12808) with the SEC on September 25, 1956, seeking registration of 3,700,000 of the outstanding 25¢ par Capital Stock of the Company. These shares are to be offered for public sale by the present holder thereof, A. P. Scott. Scott is listed as the owner of 3,707,500 shares, or 46.2% of the outstanding stock. He has entered into a voting trust agreement wherein he has agreed to execute voting proxies to Ray McGlothlin, company president, empowering the latter to vote the shares owned by Scott as McGlothlin deems to be in the best interests of the company. Scott proposes to offer the shares at the market price from time to time on the American Stock Exchange or the Toronto Stock Exchange or by private sale. No underwriting is involved. None of the proceeds of sale will accrue to the company.

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Bucyrus-Erie Company, South Milwaukee, Wisconsin, filed a registration statement (File 2-12809) with the SEC on September 25, 1956, seeking registration of 311,040 shares of its Common Stock, \$5 par value. The company proposes to offer these shares for subscription by its common stockholders at the rate of one share of additional stock for each five shares held of record at the close of business on October 16, 1956. The First Boston Corporation is named as the principal underwriter.

The net proceeds from the financing will be added to the company's general funds and will be used to finance the construction and equipment of a new plant in the Indiana-Illinois area at a cost of approximately \$12,000,000. This plant is scheduled for completion during the latter part of 1957 or early 1958. The remainder of the proceeds will be used for working capital and for such other corporate purposes as the company may determine.

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Georgia-Pacific Corporation, Portland, Ore., filed a registration statement (File 2-12810) with the SEC on September 25, 1956, seeking registration of a maximum of \$17,500,000 of its \$1 par Common Stock. The number of shares is dependent on market conditions at the time of the offering, and will be determined with a view to providing the company with net proceeds of approximately \$15,000,000 after the deduction of underwriting discounts and commissions and other expenses of issuance and distribution; but the number of shares to be offered would not exceed 500,000 shares based on present market conditions. Blyth & Co., Inc., is named as the principal underwriter; and the public offering price and underwriting terms are to be supplied by amendment.

The company intends to use approximately \$8,000,000 of the net proceeds, in conjunction with additional funds, for the acquisition of all of the assets (except cash) of Hammond Lumber Company. Purchase of the common shares by the underwriters is contingent upon the simultaneous acquisition of such assets by the company and Hammond-California Redwood Co., a wholly-owned subsidiary organized for that purpose. The balance of the proceeds of the financing will be available for general corporate purposes, including the construction of a new mill at Toledo, Ore., for the manufacture of unbleached kraft (sulphate) pulp, paper and containerboard.

An agreement for the sale of the assets of Hammond for a net purchase price of approximately \$75,388,800, plus the assumption of certain liabilities, is to be voted on by stockholders of Hammond on October 15, 1956. Of the purchase price, \$60,000,000 is to be paid in cash and \$15,388,800 by the delivery of 5% Subordinated Debentures due 1976 of Georgia-Pacific. In addition to the \$8,000,000 proceeds of this financing, \$46,500,000 is to be obtained from the proceeds of \$45,000,000 of 20-year 4½% timber purchase term loans from two insurance companies to Hammond-California and of \$3,500,000 of 25-year 5% notes of Hammond-California purchased by the same companies; and approximately \$5,500,000 of the purchase price will be represented by U. S. Government securities owned by Hammond at the time of the sale. Hammond is engaged primarily in the manufacture and sale of California redwood lumber and specialties, and in the sale through its retail lumber yards of Douglas fir lumber, other forest products and building materials.

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Georgia-Pacific also has filed an application (File 22-1956) under the Trust Indenture Act of 1939 for qualification of a trust indenture pursuant to which it proposes to issue the \$15,388,800 of 5% Subordinated Debentures due 1976 as part consideration for the purchase of the assets of Hammond.

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Wasserwirtschaft Im Rheinisch-Westfalischen Industriegebiet (Ruhrkohlenbezirk) G.m.b.H. (Rhine-Ruhr Water Service Union) filed an application (File 22-1955) with the SEC on September 25, 1956, for qualification of a trust indenture under the Trust Indenture Act of 1939 pursuant to which \$2,144,000 of 4½% Debt Adjustment Debentures, due January 1, 1973, are to be issued. According to the application, these debentures are to be issued in exchange for the company's Twenty-Five Year Sinking Fund External Gold Debentures due January 1, 1953.

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Counselors Investment Fund, Inc., Los Angeles investment company, filed an amendment on September 25, 1956 to its registration statement (File 2-9869), seeking registration of an additional 300,000 shares of Capital Stock, \$1 par value.

Investment Company Act Release No. 2414

The SEC has issued an order exempting from the Investment Company Act the purchase by Manhattan Bond Fund, Inc., of Peabody Coal Company debentures. Peabody is making a public offering of \$35,000,000 of its Sinking Fund 5¼% Debentures, due 1976. Manhattan Bond Fund is the owner of \$612,000 of outstanding 4-7/8% Sinking Fund Debentures of Peabody, due 1966, which are to be retired in connection with Peabody's present financing; and Manhattan Bond Fund desires to replace the debentures to be retired with new debentures and proposes to purchase not exceeding \$750,000 of the new debentures. One of the directors of Manhattan Bond Fund is a partner of one of the underwriting firms. Because of this intercompany affiliation, the acquisition of the new debentures of Peabody by Manhattan Bond Fund is prohibited by the Investment Company Act unless exempted from such prohibition by the Commission.

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