

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.

NOVEMBER 21, 1956

FOR RELEASE

General Telephone Corporation (New York) filed a registration statement (File 2-12914) with the SEC on November 20, 1956, seeking registration of 800,000 shares of its \$10 par Common Stock, to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis, Stone & Webster Securities Corporation, and Mitchum, Jones & Templeton. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be used (1) to make additional investments in common stock equities of General's subsidiaries and temporary advances to the subsidiaries for reduction of their bank loans and for use in connection with the 1957 construction program and (2) for other general corporate purposes. During 1956, gross additions to telephone plant are estimated at \$149,900,000; and for 1957 they are estimated at \$167,500,000.

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Northeast Airlines, Inc. (Boston) filed a registration statement (File 2-12915) with the SEC on November 20, 1956, seeking registration of \$7,500,000 of its \$1 par Common Stock, to be offered for public sale through an underwriting group headed by Carl M. Loeb, Rhoades & Co. The public offering price and underwriting terms are to be supplied by amendment. The number of shares is to be supplied by amendment.

Approximately 44% of the shares are to be offered for subscription by common stockholders other than Atlas Corporation (such stockholders owning approximately 44% of the 999,287 shares presently outstanding). Approximately 6% of the shares are to be offered to Atlas (which presently owns approximately 56% of the outstanding shares). The balance of the shares, or 50% of the offering, will be offered to the public. The shares are to be offered to stockholders including Atlas at the initial public offering price. The record date of stockholders' subscriptions, and the rate of subscription, also are to be supplied by amendment. Atlas may purchase a portion of shares offered to other stockholders which remain unsubscribed by them.

Net proceeds of the financing, estimated at \$7,000,000, are to be used for expenditures by Northeast in connection with its expansion of operations as a result of the extension of its route system south of New York City to Miami, Florida. It is estimated that approximately \$5,500,000 of such proceeds will be applied toward the payment for ten DC-6B aircraft and related equipment being acquired by the company. The remaining proceeds have not yet been allocated but will be added to the funds of the company and will be available for general corporate purposes.

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

Title Guarantee and Trust Company (New York) today filed a registration statement (File 2-12916) with the SEC seeking registration of shares of its \$8 par Capital Stock, as follows: 26,152 shares to be offered to stockholders of Abstract & Title Insurance Corporations, of Buffalo, Rochester and Lockport, N.Y.; and 35,750 shares to be offered for subscription by stockholders of Title Guarantee.

The 26,152 shares are to be offered to stockholders of Abstract & Title in connection with an offer of Title Guarantee to acquire all but not less than 85% of the issued and outstanding shares of that company's stock. This offer is to be made on the basis of \$15.25 in cash plus 4/10ths of a share of Title Guarantee stock for each share of Abstract & Title stock.

In the event that Title Guarantee acquires at least 85% of the outstanding Abstract & Title stock, it will offer its stockholders the right to subscribe for the 35,750 additional shares, on terms to be announced upon consummation of the acquisition of Abstract & Title stock. This subscription offer is to be made at the rate of one share of additional stock for each eight shares of Title Guarantee stock held on the record date, which will also be announced later. Proceeds of the sale of these shares will be used to replenish in part the cash which will have been used to purchase the stock of Abstract & Title.

Holding Company Act Release No. 13314

The SEC has issued an order granting an application of Ford Motor Company for an exemption of itself and its wholly-owned subsidiary, Henry Ford & Son, Incorporated, from the provisions of the Holding Company Act. According to the application, Henry Ford & Son, Incorporated, the only subsidiary of Ford Motor which might be considered a public utility company within the meaning of the Holding Company Act, owns and operates an electric generating plant situated on Green Island, New York, at the junction of the Mohawk and Hudson Rivers. It sells substantially all the electric energy generated by this plant to Ford Motor, which consumes a major portion thereof at its manufacturing plant on Green Island. A minor portion of the energy is resold by Ford Motor, as surplus power, to Niagara Mohawk Power Corporation. Payments by Ford Motor for this electric energy ranged from \$135,211 to \$153,282 per annum during the past five years, while payments received by it from Niagara Power for surplus energy ranged from \$11,737 to \$21,926. The Commission concluded that the exemption standards of Section 3(a)(3) of the Act are satisfied and that the granting of the exemption will not be detrimental to the public interest or the interest of investors or consumers.

Holding Company Act Release No. 13316

Central Massachusetts Gas Company (Webster) has joined with its parent, New England Electric System, in the filing of an application with the SEC for an order authorizing Central to issue and sell an additional 14,000 shares of its capital stock to NEES for \$25 per share, or \$350,000; and the Commission has issued an order giving interested persons until December 3, 1956, to request a hearing thereon. Proceeds of the stock sale are to be applied by Central to the discharge of a like amount of bank notes incurred in connection with its construction program.

Holding Company Act Release No. 13317

New England Electric System, Boston, has applied to the SEC for authorization to make additional purchases of the outstanding shares of common stock of three of its subsidiaries; and the Commission has issued an order giving interested persons until December 4, 1956, to request a hearing thereon.

The subsidiaries in question, and the present stock interest of NEES therein, are as follows: Haverhill Electric Company, 99,564 shares (68%); Lawrence Electric Company, 255,033 shares (90%); and The Lowell Electric Light Corporation, 99,504 shares (59%). According to the application, the three subsidiaries of NEES, together with Amesbury Electric Light Company and Essex County Electric Light Company, two additional subsidiaries, are contemplating a merger. On the basis of the exchange ratios now being considered in connection with this merger, NEES would own somewhat less than 80% of the voting securities of the resulting company. NEES desires to make the proposed stock acquisitions so that, based on the contemplated exchange ratios, it will own over 80% of the voting securities of the merged company and will thereby be able to extend to this resulting company certain tax benefits through inclusion of its income and expenses in the consolidated Federal income tax return of NEES and its subsidiaries.

The application further indicates that NEES proposes to expend not to exceed \$300,000 in the purchase of the additional outstanding common shares of the three subsidiaries. The purchases are to be made through brokers in the over-the-counter market or pursuant to unsolicited offers to sell, at prices not in excess of the asked prices on the over-the-counter market on the day of purchase.

Holding Company Act Release No. 13318

The SEC has issued an order authorizing Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, to issue \$25,000,000 of unsecured promissory notes, maturing September 30, 1957, to certain banks. The proceeds of the bank borrowings are to be used in furtherance of the company's construction program. (Note: The Commission's Findings and Opinion with respect to this matter will be issued in due course.)

Holding Company Act Release No. 13319

The SEC has issued an order granting an application of Blackstone Valley Gas and Electric Company (Pawtucket, R. I.) for an exemption from competitive bidding with respect to the issuance and sale of 25,000 shares of its Series 5.60% Cumulative Preferred Stock. The underwriting was negotiated with Salomon Bros. & Hutzler, which has agreed to pay \$100.07 per share for the stock and to make a public offering thereof at \$101.82 per share. Of the 25,000 shares, 1,430 shares will first be offered for subscription at \$101.82 per share by Blackstone's public common stockholders of record November 20, 1956. Eastern Utilities Associates, the owner of 99.17% of Blackstone's outstanding common stock, has waived its subscription rights to the new shares. Proceeds of the stock sale are to be used by Blackstone to retire in part its outstanding short-term bank notes.

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By SEC order of September 5, 1956, Blackstone was authorized to issue and sell the new preferred stock at competitive bidding. Pursuant thereto, Blackstone publicly invited the submission of bids for the purchase of the stock on September 11, 1956; three groups of underwriters qualified, but no bids were received; the date for receiving bids was postponed until October 11, 1956; and upon further consideration Blackstone withdrew the invitation for bids and sought permission of the Commission to enter into negotiations with underwriters for the sale of the stock.

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Texas Eastern Transmission Corporation, Shreveport, La., today filed a registration statement (File 2-12917) with the SEC seeking registration of \$40,000,000 of Debentures due December 1, 1976, to be offered for public sale through an underwriting group headed by Dillon, Read & Co. Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the financing will be used to prepay \$28,000,000 of Revolving Credit Notes; and the balance will be used in connection with the Company's gas expansion and reconversion programs. The total cost of the reconversion program is estimated at \$99,000,000, including approximately \$35,000,000 to reconvert and extend the Little Big Inch for the transportation of petroleum products and approximately \$64,000,000 to construct substitute facilities to replace the gas capacity of the Little Big Inch. The cost of the current construction program of Texas Eastern and its subsidiary, Texas Eastern Penna-Jersey Transmission Corporation, is estimated at \$147,000,000, of which \$8,000,000 is Penn-Jersey's portion.

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