

Honolulu Oil Firm Sells For Tidy \$362 Million After 53 Years In Business

SAN FRANCISCO (AP)—An oil company which started 53 years ago because Capt. William Matson wanted the scarce new fuel for his pioneer shipping fleet is selling out Wednesday for the tidy sum of \$362 million.

The reason: Oil has glutted the modern world's markets.

Since Matson drilled his first California well in 1908, his Honolulu Oil Corp. has grown to be the third largest independent producer in America, with properties in six states, including Alaska, and in Canada.

The liquidation deal—beset for weeks by a federal antitrust suit and tax-ruling uncertainties—is scheduled to be completed in contract-signing ceremonies at Wilmington, Del.

Deciding to sell the producing and reserve properties and negotiating the purchase agreements with Tidewater Oil Co. and Pan American Oil Co., a Standard Oil (Ind.) subsidiary, proved far simpler for Honolulu Oil's management and stockholders than winding up the deal.

With no refineries or retail marketing, Honolulu Oil depended almost entirely on selling its crude oil production to integrated companies.

With crude prices depressed by high world production and increased foreign oil imports, Honolulu Oil's management and stockholders chose to sell out to integrated companies rather than risk trying to go into refining and marketing on its own.

Purchase bids were called for last February, and Honolulu Oil directors approved last May the offer by Tidewater, Pan American Oil, and other companies totaling \$362.1 million.

L. A. Cranson, president, advised stockholders the liquidation return would amount to about \$100 a share on 3,748,000 outstanding shares.

Honolulu Oil's management had made a condition of the sale agreements that the proceeds be taxed at the capital gains rather than income rates.

On Sept. 15 this issue was clarified by an Internal Revenue Service announcement that it would resume rulings on transactions with arms-length bargaining between unrelated parties. Honolulu Oil's stock bounded up 10 points to 92 on this news.

On Sept. 19 the federal government filed an antitrust action to block the sale. The suit claimed that Tidewater and Standard of Indiana, among the largest U.S. integrated oil companies, would acquire with Honolulu Oil's properties "a decisive competitive advantage over their nonintegrated or less diversified competitors."

Honolulu Oil's stock slipped down to 72½ on this news. Five days later Honolulu Oil stockholders, in a long delayed meeting on the sale proposal, overwhelmingly voted to proceed despite the antitrust action.

The issues were argued before federal Judge Lloyd H. Burke on Oct. 11 on the government's request for a preliminary injunction to block the sale pending full-scale trial.

Judge Burke denied the injunction from the bench after hearing all-day arguments. Burke said the injunction would offer "no advantage to which the government is entitled" and probably would "result in irreparable harm and unreasonable financial loss to the Honolulu Oil Corp."

Burke said the assets involved were easily identifiable and could be ordered divested by Tidewater and Pan American if the government should win in trial of the suit.

By that time, of course, there would be no Honolulu Oil Corp. remaining to take back its former properties.

The Department of Justice has declined comment on its next course of action.

After Judge Burke's ruling, Honolulu Oil's stock climbed to a new high of 97 last Friday and held there through Monday's trading.

Honolulu Oil's largest individual shareholder is Lurline Roth, daughter of Capt. Matson and wife of William P. Roth, board chairman of Matson Navigation Co. She holds 218,796 shares.

Alexander & Baldwin Ltd., holds 240,990, and Castle and Cooke 230,307 shares. Both are Hawaii factoring firms in the sugar business.

Massachusetts Investors Trust is another large holder with 232,000 shares.

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Wednesday, October 18, 1961

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98c Size PREPARATION "H" Hemorrhoidal Suppositories 79c

Reg. 25c GEM NAIL CLIP 17c

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JUNIOR VITAMINS For Growing Children Reg. 3.99 Bottle of 100 2.66

Reg. 2.39 2-Inch Oak 16x20 Unfinished PICTURE FRAMES 1.99

98c JOHNSON'S BABY OIL 79c

1.88 Value ALUDROX ANTACID TABLETS Box of 100 99c

6.75 Value 1½ Quart REVERE SAUCE PANS With Lid \$4.66

Reg. 69c Pack of 72 WOODEN CLOTHES PINS 47c

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4.00 TOY POWER SHOVEL STRUCTO-METAL SMOOTH EDGES \$3.47

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10c SNICKER OR MILKY WAY BARS Bag of 5 for 39c

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Reg. 1.00 GILLETTE SUPER BLUE BLADES 79c

Reg. 3.95 ELECTRIC HEAT PADS 3 Separate Heats 2.97

G.E. Automatic Toaster \$17.95 List All Chrome Finish 14.77

Reg. 4.88 Pioneer THERAPEUTIC VITAMINS Highly Potent Formula 100 For 2.99

3.00 Size PAINT A NUMBER SET 2.44

Reg. 1.96 1 A DAY MULTIPLE VITAMINS 1.49

\$1.00 CHINA CHECKER SET 87c

Reg. 79c Bridge or Pinochle PLAYING CARDS 49c

Reg. 1.00 Size JERGENS LOTION 79c Plus Tax

REG. 59c MEN'S HEAVY GYM TYPE SOX Blend of Wool, Nylon, Cotton 39c

Publisher Apologizes For Article

LOS ANGELES (AP)—The publisher of Life magazine has apologized for a life article which criticized an anti-communism school headed by Dr. Fred C. Schwarz.

Speaking before a crowd of 10,000 at the Hollywood Bowl Monday night, C. D. Jackson, a vice president of Time Inc. and Life's publisher said:

"Dr. Schwarz will be subject to over simplified misinterpretation. Regrettably, my own magazine recently published an oversimplified misinterpretation. I believe we were wrong and I am profoundly sorry."

Jackson came here from New York primarily to address the "Hollywood's Answer to Communism" rally at the Hollywood Bowl.

"It's a great privilege to be here tonight," Jackson said, "to align Life magazine with Sen. Dodd, Rep. Judd, Dr. Schwarz and the rest of these implacable fighters."

Earlier, Sen. Thomas Dodd, D-Conn., told the audience, "the only alternative to total defeat in the struggle against Communism is total victory."

Dodd was backed up by a platform full of Hollywood stars, including John Wayne, Cesar Romero, Pat O'Brien, Lloyd Nolan, Jimmy Stewart, Linda Darnell, Robert Stack, Roy Rogers and Dale Evans.

Dodd called on Americans to do more than reject communism. "We must offer a solution of our own," he declared.

Rep. Walter Judd, R - Minn., warned that Russia is well organized. "No power," he said of the Soviet Union, "was ever so near to world mastery."

"I'm convinced Mr. Khrushchev is confident his military apparatus and his propaganda apparatus are so well disciplined that he can start a riot or a strike in any major city any time he wants to," Judd declared.

W. Cleon Skouson, former FBI agent and presently an author, urged the United States to sever diplomatic relations with Russia, reorganize the U.S. State Department, and revise the U.N. charter "or we get out."

Skouson also asked for recognition of Communism as "an international criminal conspiracy."

Girl Knifed In Her Bed

WOODSIDE (UPI)—The blonde, 18-year-old daughter of a wealthy advertising executive was viciously slashed and raped at her home early today by an assailant who broke into the house while she slept.

San Mateo County sheriff's deputies said the girl, who was not immediately identified, had been slashed with a knife at least 14 times across the face and neck.

After the attack, her assailant telephoned police, gave them the address, and said, "There's a girl badly hurt and needs help." He hung up before officers could trace the call.

The victim was found lying nude in a pool of blood in her bedroom, tied up with her stockings. Officers said she had apparently been attacked, then slugged unconscious and slashed.

The girl's family was on vacation and she was alone in the house at the time. Police received the phone call about 3 a.m.

She was able to tell officers she awoke shortly before dawn and found a man in her bedroom.

She told officers he was young, white, and spoke in a soft voice. She said she lost consciousness after she was attacked.

Her father owns an advertising agency in San Francisco.