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Big MAC: Calling in the markers

The central question surrounding the New York City financial crisis has been whether the city is a cancer, a financial malignancy that would infect — "contaminate" is the phrase bond traders have used in recent weeks — anyone who went to its rescue. A number of authorities are on record as believing that the city could bring down the State's credit, if the State tried to swallow the city debt load.

On the basis of last week's evidence, however, these fears may be exaggerated. It was a week in which, with \$792 million of short-term notes due on Wednesday, the city went the closest it has been to the abyss in many of its recent skirtings on the edge of the ultimate abyss.

But at the last minute, 11 clearing house banks stepped into the breach with an emergency loan. At the same time Wall Street had a new name to conjure with: Big Mac, meaning the new Municipal Assistance Corp., which is designed to retire about half the city's \$6 billion plus in short-term debt and convert it to long-term.

Big Mac's bankers originally intended a public offering of Big Mac notes, until they realized that to most investors the notes were still city obligations under another name. As originally envisioned, Big Mac would make a public bond issue in the \$500 million to \$750 million range, with these State-backed notes receiving at least a single "A" rating from Standard & Poor's, and offering an interest rate ranging between 5% and 7 per cent.

The envisioned offering, while not the bluest of the blue chips, would have both an attractive rate and a healthy guarantor. However, the banking and investment community soon woke up to the realization that if this course was followed, very little of the issue could be sold. "Do you know anyone crazy enough to buy anything that is remotely connected with New York City?" one banker replied, when asked how he thought a Big Mac note offering would go.

See MUNICIPALS, page 14

The 'Big Government' syndrome debunked

By PETER L. BERNSTEIN

All things considered, most people would agree that the major policy decisions made in Washington over the past 10 years add up to little short of disaster. Or even disaster upon disaster. Whether it was in war, peace, economics, or social relationships, our leaders seem to have made the wrong choices at the wrong time and then failed to extricate themselves and us from the mess they created.

Because of this sorry record, people today tend to view government with a combined sense of fear, revulsion, and uncertainty. Accordingly, there is no shortage of those who'd warn us about the growing power of government and the terrible consequences of our ballooning budgets and deficits.

Much of this concern is obviously valid. On the other hand, much of it also rests on oversimplification and half-truths. Many of these matters appear quite different when we shut our ears to the shouting and take the time for more objective analysis.

Let us look carefully at the facts about presumed Big Government, and six familiar criticisms, or prejudices.

Question No. 1

Aren't too many people on the government payroll?

The facts are that the growth in public employment over the past twenty years has been less than most people have been led to believe. Furthermore, much of it has been a consequence of social and demographic change within this country, rather than an uncontrollable urge to feed at the public trough.

Twenty years ago, in 1955, the federal government employed 2.2 million people, while state and local units employed 4.7 million. Since total civilian employment in 1955 was some 62 million, the government employed about 11 per cent of all the people who were working in 1955.

Let us compare this with 1973 which, like 1955, last year was one in which the private economy was running strong and unemployment was close to its manageable minimum. In 1973, total civilian employment amounted to 84.4 million people,

of which only 2.6 million were working for the federal government. This means that the federal share actually shrank from 3.5 per cent in 1955 to only 3.1 per cent in 1973.

The real growth in public employment from 1955 to 1973 was at the state and local level. The figure in this sector more than doubled, rising to 11.0 million, and its share of the total expanded from 7.6 per cent to 13.0 per cent.

Of course state and local employment is still public employment and still depends upon the taxpayer's generosity. Nevertheless, people do feel differently about public expenditures made within their own communities and tend to believe that, despite the usual grumbles about graft and inefficiency, they are both less of a threat to their freedom and more of a visible contribution to their daily comfort.

About 40 per cent of state and local spending goes for education, and another 11 per cent for highways — two areas dear to the hearts of most Americans. From this source, too, comes our police and fire protection, parks, museums, a good deal of health care, and so on.

Much of this rapid growth in state and local government employment is the result of demographic factors that we can hardly blame on the politicians. The major consumers of state and local government services — the young and the old — have increased much more rapidly than the total population has expanded.

While our total population has risen about 25 per cent over the past 20 years, the 5-19 age group and the group over 65 have grown by 50 per cent. The 20-24 group has almost doubled.

At the same time, the citizenry has continued to move outward from the inner cities toward the suburbs. This has meant, first, that population is spread more thinly, thus creating extra requirements for roads, schools, hospitals, sewers, policemen, and so forth. Second, the inner cities, with a continuously shrinking tax base, have eroded into slums that have become increasingly dependent on governmental units.

See BIG GOVERNMENT, page 4

Insider Trading

Pittston: Some do, some don't

By SUSAN ROBBINS

"Pittston's 1974 performance looked like a tough act to follow. But with stepped-up demand for coal — particularly metallurgical grades — keeping prices firm, first quarter results indicate that the company could come close to doubling last year's record profits of \$6.35 a share," says Brian Haskins, portfolio manager at Meridian Research Corp., a Manhattan-based money manager. The firm, which recommended the stock at \$36 in January, still has the shares on its buy list as do a number of brokerage houses.

Paradoxically perhaps, there's less unanimity on the part of corporate insiders. During the merry month of May, to illustrate, a trio of officers unloaded 3,120 shares worth almost \$220,000. About the same time, however, two directors picked up 800 common shares at a cost of nearly \$53,000. The following trades were reported to the Securities and Exchange Commission:

—Walter H. Schnakenberg, vice president-finance and treasurer, sold 1,000 shares of common stock at a price of \$68.25 on May 24; the trade reduced his position to 15,080 shares.

—On May 27, John S. Buscema, assistant treasurer, disposed of 1,000 common shares at \$70, thereby reducing his holdings to 4,859 shares.

—Controller George L. Philip sold 1,120 shares of common stock at \$72.50 on May 28; his holdings now amount to 4,090 shares.

—Samuel F. Pryor Jr., an outside director and consultant, bought 600 shares of common stock on May 22 at a price of \$67.375; his position is now 4,542 shares.

—On April 30, William F. Craig, a director and vice president of Irving Trust Co., purchased 200 shares of common stock at \$62.50. His holdings are now 505 shares.

None of the buyers or sellers contacted would comment on their transactions. But insiders control roughly 8 per cent of the 1.75 million common shares outstanding. In addition, at yearend 1974, there were 188,180 options outstanding to buy common stock at an average price of \$30.25 a share.

The Pittston Co. ranks fourth among domestic coal producers. From its

See INSIDER TRADING, page 19

An outsider looks in at banking

No single industry has been as much in the news these past few years than the banks. At home and abroad banks have been an object of feverish, sometimes panicky concern. They have been villified as public enemies. Some of them have gone bust, in spectacular fashion. Others very nearly toppled, threatening also to topple or at least undermine the whole Western financial structure.

At this moment, the worst fears haven't been realized—the big money center banks seem safe for the time being — although there are many lingering alarms and doubts about the health of the banking industry, about some of its business practices, about how it should be reformed.

Most of the speechifying and pronouncements on this subject come from bankers themselves, or from bank analysts, bank regulators, and a few legislators. Many of them are not disinterested parties to the problem. But there is one eminent author who has fairly objective position. And that's Martin Mayer, author of the recently published "The Bankers".

This has been a phenomenally successful business book. It has sold 55,000 copies at \$15.00 each, and is scheduled to be a Book-of-the-Month-Club selection soon. Mayer has in the past written notable books about lawyers, Madison Avenue and Wall Street.

The result of painstaking research and dogged interviewing, "The Bankers" has received critical brickbats as well as praise for its thoroughness and analytic know-how. Whatever the various controversies about the book, it has unquestionably established Mayer as an authority on what ails the banking industry which was why Chronicle editors Thackray and Wax sat down for a frank discussion with him last week.

CHRONICLE: What do you think of "The Bankers's" reception by the banking fraternity?

MAYER: The big banks, which includes Morgan and First National City, have not been entirely happy about it.

CHRONICLE: Your conclusions are fairly alarming, as far as pointing the blame in their direction.

MAYER: I think liability management is a trap. The suspension of Reg Q on big CD's was a very serious mistake.

CHRONICLE: The banks were agitating for that for a decade weren't they?

MAYER: Look what they did with it once they got it!

CHRONICLE: They overleant?

MAYER: Sure. That became obvious when the Franklin failed. The Fed wouldn't let any of the buyers of Franklin CD's lose their principal. This meant that the Fed had given the banks a piece of paper, that was in effect, a government guaranty with which they could go out and bid money away from everybody else in the economy, getting whatever they wanted. Meanwhile, they had variable rate loans so they could take a markup on it and sell it elsewhere. It was an extremely poor way to run the financing of American industry and commerce in the 1970's.

CHRONICLE: Did you ever think last year that the banking system might actually crack?

MAYER: No. But what would happen if some of the consortium banks in London went belly up today, I don't know. And we are by no means entirely out of the woods on those situations. There are a lot of bad loans outstanding and then there are the oil tankers. There's a lot of bank money sunk into these hulks, that are lying at anchor and losing money every day.

CHRONICLE: What about the domestic problem with real estate investment trusts?

MAYER: That's a serious problem, too. In this country, the way the Controller of the Currency inspects banks has enabled them not to write off their REIT losses. In general, the Controller won't question mortgage loans unless the bank appears to have become a mortgagee in possession. And that means all of these REIT loans and all of these non-accruing loans do not appear on their books as questioned loans by the Controller.

CHRONICLE: The Controller just doesn't even bother looking at them. He doesn't check them? That's really surprising!

MAYER: Their position is that real estate doesn't run away. But in reality the values in real estate can run away very rapidly. But the tradition in bank examination in this country is that unless the situation has gotten to the point where the bank should've foreclosed, the mere fact that it's not accruing interest does not in itself mean that it has to be a questioned loan. However, in the case of a commercial loan, of course, they'll immediately question it. So there are still substantial losses to be taken in this system. I never thought it would crack, because the Fed's power to print money to avoid that fate is limitless.

CHRONICLE: Knowing this, you still didn't think the banking system would get unstuck?

MAYER: I didn't think it would really bust. Yet I thought there would be a big push to inflation from the Fed's need to keep the banks from going belly up. Inflation is still a danger. I don't really think the lesson's been learned. I don't think the Fed should have pulled in their

horns even more than they did on the money supply. They pulled their horns in very far. But I think that was a spasm reaction.



'It couldn't be done'

Martin Mayer's latest opus, "The Bankers," which is outselling the best of his previous works, "The Lawyers," was not a task he chose for himself. It was an assignment from his publisher, a one-man operation called Weybright and Talley that is part of the David McKay publishing organization.

"I told my publisher that the book couldn't be done and he said it could," Mayer says. "This dispute went on for some six to eight months before Mayer gave in and began the more than three years it took to produce "The Bankers."

Mayer's principle objections to doing the book concerned the question of getting bankers to talk. Mayer, no stranger to the world of finance, was once a reporter on the Journal of Commerce and has written two books on Wall Street—"Wall Street: Men and Money" (1955) and "The New

Breed on Wall Street" (1968.)

Mayer says these experiences had shown him that bankers were as stingy with information as they were with money. But Mayer's efforts were made easier, largely as the result of the bank holding company movement. "The banks took a great interest in the price of their stock and got into the public relations business in a big way," Mayer notes.

He was also aided by Tom Waage, a former senior vice-president of the Federal Reserve Bank of New York, who at one time used the desk adjacent to Mayer at the Journal of Commerce. "Now it can be told publicly that Tom was my organizer for the Newspaper Guild," Mayer says. Waage was instrumental in getting Mayer in touch with persons the Fed's various operations and some bankers that were needed for the book.

CHRONICLE: They're not going to keep up the money restraint?

MAYER: I think they'd go back to it once the economy turns up again, particularly if we get into a situation where the banks are asset heavy with short-term Treasury paper. Liability management will be a little while coming back, simply because asset management will be so easy in '77-'78. They'll have this enormous amount of Treasury paper they can sell which the Fed will have to buy.

CHRONICLE: You have rather mixed feelings toward banks. What do you really think of Walt Wriston and Citibank and the revolution they started in market share competition?

MAYER: I borrow a lot of what Hyman Minsky of the University of Washington at St. Louis says. I think that making the banking structure fragile is a bad idea. It really was pretty fragile and it's getting fragile again.

CHRONICLE: Don't you think that if Walt Wriston has his way it will get more fragile? There will be more aggressive competition for market share.

MAYER: Walt Wriston is a very very smart man.

CHRONICLE: But he's also blameworthy by your criteria.

MAYER: I guess I'm pretty old fashioned about financial markets. I don't think a lot of banks can do what First National City has done, for several reasons. To begin with, they compete with unfair advantage. Because they can create money and, also, because they have the government guarantee behind what they do. I think their judgement on the longer term is very poor; I don't think bankers are good at that. As they move out on the terms of their loans they get inefficient. Moreover, I don't want networks of banks all operating on the same information. I think that there's a systematic problem in society. We were all brought up in economics to believe that perfect information leads to good markets. In the financial markets perfect information makes terrible markets—very rapidly outdated markets—because everybody gets the same information, feeds it into the same computers using the same programs and comes out with the same answers and wants to go do the same thing.

CHRONICLE: What about loans made by foreign branches of U.S. banks?

MAYER: I think that's still dangerous. I think we'll get out of this one without very much harm done, but the next one's going to be a lot worse. I don't see the structure in place to keep people from doing the same thing again. They're not out of these foreign loans — they're not out of the Eurodollar loans. Then there's the theory that governments, which are big Eurodollar borrowers, always pay back. But what with the reports of bribes all over the business world coming out, I think that it would be very easy for some revolutionary government, of left or right, to say that certain loans the predecessor government had undertaken are not obligations of the new state.

CHRONICLE: Do you think bank stocks are a good investment?

MAYER: I've never owned a bank stock.

CHRONICLE: Maybe you think they should be worth nothing?

MAYER: No. I think it varies enormously. If anybody gets out of the situation, Wriston will get out of it.

CHRONICLE: Is he worth 12 time earnings for that?

MAYER: Morgan and First National City in my observation are run by very able people who would see the crack of doom before other people, and get out of it way if they could. I would love to know how much New York City paper the Citibank sold in the last four weeks. I'd love to know what their holdings were in the past, how much they got out from under. If they now have only 9 per cent of the city's paper — that's a very small amount for a local bank to have of a locality's indebtedness. They may get stuck, I guess, with some of this MAC paper. And when the city goes, which it will, because nothing can prevent it, they will find this alleged first call on the city's sales tax revenues will not be honored by the city. This is a very bad piece of paper. I think it's a very serious matter for the state which has now participated in a Ponzi game. The state has very carefully insulated itself. This may be used to buy time in the city to organize a proper bankruptcy and a composition of debts. But it's a most unwise thing for the state, which is sovereign and can't go bust, to get itself involved even to this extent, because the city as a municipal corporation can go bust. It's very distressing. I don't think anything fundamental can be done. As early as the fall the city will have to sell some more paper.

See MAYER, page 8

The remarkable resilience of soft drink makers

By ROBERT BREWIN

Last year a fading old dowager who lives on Manhattan's Upper West Side went to the supermarket to buy a six pack of Coca-Cola. She looked at the price — \$1.50 for six cans that she might have paid 99 cents for a month or two earlier — and decided right then and there to become a beer drinker. Now this might not have been the typical reaction of every consumer to the stiff price increases on soft drinks, (due to the hectically rising cost of both sugar and packaging materials) but enough investors assumed that it was the way the consumer would react to drive the price of Coke stock from a year high in January 1974 of 127½ to a low of 44½ in the fourth quarter.

When investors were not bailing out of Coke stock, they were busy getting rid of their holdings in other soft-drink companies, notably PepsiCo which saw its stock price sink to 39½ in the fourth quarter of last year from a high of 89 in the preceding fourth quarter.

Market Judgement Correct

For a while it seemed the Market's judgement on the growth potential of soft drink companies was correct. People definitely would buy five, ten, 15 or even 25 cent Cokes in ever increasing quantities, but when the price reached 35 cents a bottle, the Street reasoned that they would switch to iced tea, or an alcoholic beverage.

Data on last year's soft drink consumption seems to bear out the fact that the industry, which had been growing by almost geometric progression since 1849, had finally reached its peak. According to figures compiled by the National Soft Drink Association, an industry trade group, consumption of soft drinks last year was 3,798,011,000 cases, a bare increase over the 3,771,610,000 cases consumed in 1973. Even worse, to adherents of the growth cult, per capita consumption of eight-ounce containers fell from 429.6 in 1973 to 429.4 last year.

Looking at these figures the investor who managed to bail out of Coke, Pepsi, the other syrup makers such as Dr. Pepper, or any of the publicly held bottlers, could comfort himself with the fact that he had made a good decision.

Further confirmation came from the earnings reported last year by both the syrup manufacturers and bottlers. Coke's net dropped to \$3.28 a share in 1974 from \$3.60 in 1973 (this includes 52 cents from a

change in accounting to FIFO from LIFO on sugar, but whether or not this was an exercise in bookkeeping, the drop was still sugar related.) Pepsi's earnings climbed to \$3.69 a share from \$3.36 a share, but it was not exactly the kind of performance to warrant the high price it sold for at the beginning of the year. Among the bottlers, Coca-Cola Co of New York, the only company in the industry to be listed on the NYSE, saw its earnings drop to 43 cents a share from 70 cents.

Too Harsh?

But lately some analysts and industry observers are beginning to question whether the investment community was too harsh with the beverage stocks, especially Coke and Pepsi. Admittedly the soft drink industry was hit with the double whammy of higher costs and lower sales, but at the same time it certainly did not suffer as much in a recessionary economy as, say, the auto industry. Also, while Coke, Pepsi, or Dr. Pepper may not be absolute necessities of life, Americans are still wedded enough to the soft-drink habit to make the downturn in consumption minimal.

The total wholesale value of soft-drinks sold last year jumped, thanks to the price increase, to a startling \$8,089,000,000 from \$6,223,156,500 in 1973.

This jump showed that the industry is not as price-sensitive in the short term as many investors believed. In fact, at least one expert in the field of consumer psychology argues that the industry can handle short-term price swings quite easily. Dr. Thomas Juster, of the University of Michigan's Survey research center contends that "the effect of pricing, especially on a low cost item, takes a long time to impact on the consumer. Income levels always will have more of an impact on purchasing than higher prices."

Some analysts argue that the industry's performance last year is probably a good reason to buy, rather than sell soft drink stocks. For example, analyst Michael Hofkin of Dain, Kalman & Quail is astounded by the performance shown by the group. "Hell, how many business can raise their prices 40 to 50 per cent in a recession and do as well as this business did! It's remarkable that consumption isn't down a lot more. It proves that soft drinks are not a product, they're a habit."

Another reason that the soft-drink industry weathered its problems so well, is that the cost of a can of soda is still



Expansion

You can say Coke in all these languages, and that's a good thing because with domestic consumption down, growth will have to come from abroad more and more.

relatively low in price. Lawrence Mock, former Financial Vice-President of Royal Crown Cola Co. and a Conference Board member says that "price resistance will be done away with sooner or later because soft-drinks are still relatively low priced. It's just a matter of time."

"Besides the average person requires about 80 ounces a day of fluid, and he's going to get it somewhere, and it's not going to be all water."

Remembering Depression

Moreover, certain types of consumption become more, not less attractive in hard times. According to Thomas Baker of the National Soft Drink Association, "Consumption really was not hurt in the Depression. We were one of the last industries affected then."

Baker contends that the turn-around in the industry has already begun, and will continue for the rest of the year. "We are getting reports from our bottlers that the industry is showing renewed signs of life every day. We are sure we will regain everything we lost," he says.

Last year's events may be the best thing that has ever happened to the soft drink industry: because it establishes new thresholds for prices. And as the price of sugar comes down all of it is not being passed on to the consumer. Some is being kept by the bottlers, and this new, better margin will probably show up on the bottom line.

Joseph Frazzano, an analyst at Edwards and Hanly subscribes to this theory. "I think they will keep that margin. At the beginning of the year, sugar was about 55 cents a pound. Now its down to 25 cents a pound. Every penny drop in the price of sugar gives the bottler the flexibility to cut the price of a case by two cents. The drop in the price of sugar so far this year has been roughly 13 per cent but the bottlers have only cut prices by six to eight per cent and 'margins for the industry are the best they have ever been.'"

Dain, Kalman's Hofkin goes along with this analysis and says "they have been widening their margins all along to such an extent that we should see earnings at all time highs this year." Baker, of the industry's Association, also goes along with this view. "Now that we have established some good margins, I think we are going to keep them."

Yet, will the industry return to its historical five to six per cent growth rate (which if it were extrapolated we'd all be guzzling an average of about 1,000 bottles of soda a year, five or six years down the road). But this is unlikely to happen. The likelihood is that domestic consumption will go down.

Baker candidly admits "Consumption is going up, but I don't know if we are ever going to get back to that historical five or six per cent plus-a year. Dain Kalman's See SOFT DRINKS, page 32

Can Pitney Bowes succeed where IBM failed?

By ALAN J. WAX

Bantam-weight Pitney Bowes is succeeding where mighty IBM failed: it's battling Xerox for a share of the plain-paper copier market. Last week the company boasted it had booked more than 1,000 orders since February — far exceeding expectations. PB Chairman Fred Allen crowed: "This is the most significant Pitney Bowes product since we introduced the postage meter."

"So far little PB has done far better with its machine than did IBM after the giant introduced its copier. Pitney Bowes is doing pretty well, while Xerox is having some difficulty in placements. They've gained some market share at Xerox's expense," says Steve Axelrod, analyst with Paine, Webber.

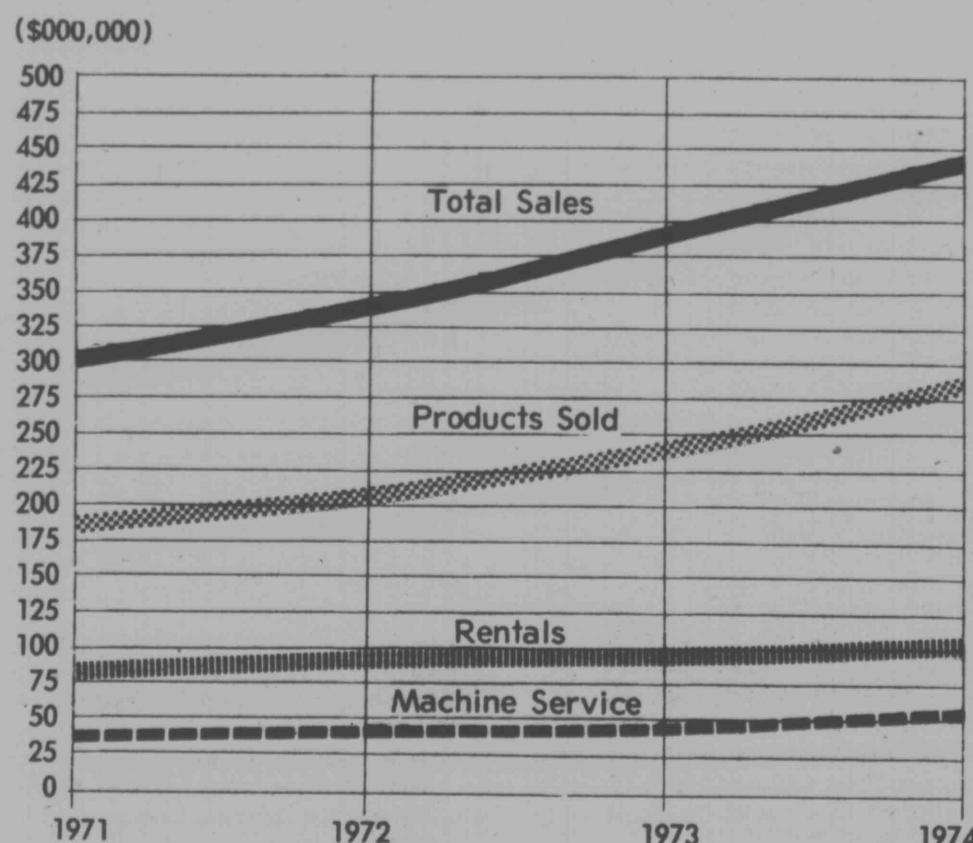
PB's orders are continuing at a high rate, the company claims that the reliability of the machines in service is excellent. Thus PB has accelerated its plans for increased production.

However, PB's initial success with the copier could go to its head. "I just hope they don't bite off more than they can chew," says Paine Webber's Axelrod. "Things should go well if they maintain a smooth progression of sales."

PB's success in marketing the copier is attributed to a combination of price and performance (see box). It turns out its first copy in eight seconds and multiple copies at a rate of 37 per minute. "The machine is excellent," says Michael Cristados of G. A. Saxton & Co. "It's reliable and cheaper than competitive machines from Xerox and IBM."

Nonetheless, the company doesn't see the copier having much impact on the bottom line this year. It is the rest of the product line that will, as in 1974, create impressive results. Most analysts expect the company to earn \$2 a share this year, up from 1974's \$1.80. That's pretty good

Pitney Bowes' sales continue upward



progress, considering the economic environment and in contrast to other companies producing business equipment."

"Shell-Shocked"

It's even more encouraging when viewed in the shadow of the company's failure in the point-of-sale terminal business in 1973. With substantial profits unlikely in this highly competitive market, PB decided to withdraw completely and wrote off investments and costs of \$37

million, or \$2.85 a share. This interrupted the cash dividend in November 1973, but the payout was resumed in February 1974 and increased from 10 cents to 15 cents a quarter last September.

"The company was shell-shocked two years ago," says Saxton's Cristados, "but it's coming out of it." He gives most of the credit to Pitney Bowes Chairman Fred Allen.

After the 1973 debacle, PB, a one-time institutional favorite, rebounded in 1974 to

achieve the highest revenues and net in its 54 years in business. Revenues increased 16 per cent last year to \$446,644,000, while earnings rose 26 per cent to \$25 million-or \$1.90 per share.

Although first quarter sales of mailing equipment and metering equipment — the company's No. 1 business — were flat, total net earnings for the three months were up 7 per cent, while total revenues were up 6 per cent. For the quarter, revenues from rentals of the company's equipment were up 10 per cent and revenues from service gained 10 per cent. Says a company official: "Sales are continuing below our targets, but service and rentals keep moving up — they're very stable."

This steadiness in PB's basic business makes it fairly recession resistant. However, there are some areas that could check PB's spectacular turnaround.

The company's mailing and metering equipment represents high priced items hard to sell in the present economy. The company sees some small gains in sales. "But they're not strong enough to define as a trend," says a company official.

International Problems

The international scene is another worry. There could be a bottom line impact from the strengthening of the U. S. dollar in foreign markets and continuing inflation abroad.

The company has passionately talked up its stock on the Street. During 1974, the company formally met with analysts a dozen times. This year, half that many meetings have already been staged and it's likely that six more will be added to Fred Allen's calendar. "I've substantially broadened the base of security analysts and other investment professionals who actively follow Pitney Bowes," Allen told shareholders at last month's annual meeting. "The combination of our im-

See PITNEY BOWES, page 30

The crime: Raging inflation... The accused

Continued from page 1

Question No. 2

But isn't government growing so big that we just can't support it much longer?

This is a question in the class of "When did you stop beating your wife?" Because it begins with a presumption of guilt on the part of public expenditures.

The answer to it falls into two parts. First, the government's actual take out of the private sector has shown little or no tendency to increase over the past 20 years.

In 1955, the government bought 19 per cent of all the goods and services produced in the U. S. and only 17 per cent of the total in 1973. Perhaps more significantly, the private sector—namely, the total gross national product other than the share accounted for by government—has just about doubled since 1955, as it grew four times as fast as population.

As a matter of fact, since unemployment averaged above 5 per cent in ten

individuals need the money. Thus, they include social security payments to the aged, veterans' benefits, unemployment compensation, Medicare and Medicaid, food stamps, public assistance to the blind and disabled or to families with dependent children, and pensions to retired civil servants.

No one can deny that transfer payments seem to be skyrocketing. On the federal level, they currently amount to some \$130 billion, having doubled in the past five years and quadrupled in the past ten. More than 10 cents out of every dollar of pretax income accruing to individuals comes from transfer payments. This compares with only about 5 cents in 1955.

If we extrapolate these trends out into the indefinite future, as those people most alarmed by them are fond of doing, we unquestionably arrive at a spectacle of a swelling crowd of idle folk being supported by a small and shrinking group of over-

the social need rather than serve a real one. But that is entirely different from believing that legitimate burdens on society will go away if we just stop providing for them through the government.

Question No. 3

When we add it all up, isn't government still a drain on the economy?

Advocates of this position start from the assumption that all activities financed by government outlays are non-productive and that all activities financed by private spending are productive.

Neither is wholly true. One can hardly argue that health and education are non-productive. After all, these expenses improve and maintain our human productivity. Moreover, government expenditures on highways and other communication facilities, on dams and flood control, on scientific research, and on the care of our public lands and forests all contribute to the productivity of our economy.

By the same token, not all private sector outlays add to our standard of living. Can it be true that the Procter & Gamble Co.'s 11-year research into the development of a new potato chip technology should have equal social priority with the cancer research funded by the federal government at the National Institute of Health?

We might also wonder if the automobile industry in recent years have been productive or counterproductive for our society. And should the gross national "product" continue to include the effluent wastes that have killed off life in Lake Erie and that were part of the output of private industry? Naturally, we can find many other examples of the extravagant use of energy or of environmental pollution that are the by-product of the activities of the private sector. Indeed, one could fairly ask whether it is not wasteful to find four gasoline stations at a road crossing, as is so often the case; or to go into a supermarket and see shelf after shelf of different labels—all of which must be advertised—on boxes containing essentially the same kinds of goodies inside of them.

Furthermore, the most outspoken critics of government spending seldom refer to our massive defense outlays. Yet this is highly unproductive, a drain on the economy, and inflationary. On this score, however, many critics of government spending tend to be silent or, on the con-

But precisely the same thing is true of an increase in demands from consumers or businessmen. For example, prior to 1965, the biggest dose of peacetime inflation in the postwar period occurred from 1954 to 1957, when a broad measure of price change in the economy showed an increase of about 9 per cent altogether.

On the other hand, federal government expenditures, after adjustment for inflation, actually declined during this period, and state and local spending rose no faster than the economy as a whole. Even during our recent rugged bout with inflation, from 1968 to 1974, when prices rose some 50 per cent, total government purchases of goods and services after adjustment for inflation also declined, while demands of the private sector expanded by about 20 per cent and exports in real terms soared 56 per cent.

If inflation's ultimate cause is an imbalance between demand and supply, then the record shows that any increase in demand, regardless of source, will be inflationary in a burgeoning economy.

At such times, society has to make hard choices and decide which sector and which activities deserve priority, and which should be held in check. But that is quite different from arguing that government spending is always a source of inflation—one could just as well argue that private demands are always too big relative to the needs of the public sector.

Furthermore, a great deal of the inflationary consequences of spending depends upon how that spending is financed. Expenditures financed by borrowing tend to have a greater inflationary impact than expenditures financed out of the current flow of income (although even that is not always the case).

Borrowing financed through the commercial banking system in such a way as to increase the amount of money in the economy is likely to be more inflationary than borrowing financed outside the banking system (although, again, even that is not always the case).

So the growth of debt has a lot more to do with the likelihood of inflation than the growth in spending. And the participation of the banking system has more to do with it than the volume of borrowing itself.

Yet if spending—that is, demand—is

"The facts are that the growth in public employment over the past twenty years has been less than most people have been led to believe.

Furthermore, much of it has been a consequence of social and demographic change in this country."

out of the past twenty years (or seventeen years if we exclude the Vietnam escalation of 1966-68), much of what the government took presumably would never have been bought by the private sector in any case.

Thus, even if you take the extreme position that all government spending is a dead weight on the economy, it can't be persuasively argued that its allegedly massive bite has reduced our standard of living.

The second part of the answer involves what the government accountants call "transfer payments." Transfer payments have nothing to do with the goods the government buys or the services the government provides. Consequently they neither add to nor subtract from government's share of GNP.

On the contrary, they are payments made by the government to individuals just because the government believes that these

burdened workers.

The growth of transfer payments has in many ways been unavoidable. Inflation has of course been a major factor in their explosion, particularly since, by their very nature, they offer no opportunity for productivity improvement or any way to reduce the impact of higher prices on the needs they meet. The cost of living has risen 50 per cent since 1967, with little or no way to cushion its impact on the growth of transfer payments.

Perhaps less apparent, but equally important, demography has also increased the number of both older and younger people in the U. S. Both groups have greater needs and less ability to care for themselves than the working population.

On this score, however, the future holds out some hope. We have already noted the 50 per cent growth in the numbers over 65 and those below the age of 24 since 1955. The number of people in the 45-64 age group is currently growing at an annual rate of less than 300,000—only about half as great as the growth during the 1950's and 1960's.

Furthermore, as a result of our plunging birth rate, the under-16 group has actually been shrinking for the past seven years. Thus, while the older population will continue to grow, the rate of expansion is at least moderating. And at the younger end of the demographic spectrum, the drain on the public purse should be diminishing.

Those who would like to see us "cap" these social programs imply that the burdens imposed on the working sector of our population will decrease as a consequence. That is just simply not the case. Older people do become less productive as the years go by, while at the same time, they need increasing amounts of medical attention—far more medical care than people below the age of 65 or 70.

Poor people of any age feel the terrible blows of inflation more than the affluent feel them. Indeed, inflation brutally shoves increasing numbers of formerly self-supporting people into a state of poverty. People who live in the ghettos and slums receive a lower level of education, tend to have significantly higher unemployment rates, and have much greater difficulty moving up the ladder of society than those who go to college and live in pleasant suburbs.

Civil servants are surely as much entitled to retirement benefits as are employees of General Motors or U. S. Steel. Finally, can society deny its debt to the veteran who lost earning power—and possibly limbs as well—while in the service of his own country?

In other words, we cannot "cap" the social needs that are satisfied through transfer payments. If the needs remain, while the transfer payments dry up, then all we are doing is shifting the burden of caring for those needs from society as a whole to the affected individual or to his family and to organized charities. This would condemn these individuals to lives of pain and sorrow from circumstances that are mostly not of their own making.

This is by no means to argue that all of these programs are absolutely essential or perfectly administered. Indeed, in a few cases the program may artificially create

"Even if you take the extreme position that all government spending is dead weight on the economy, it can't persuasively be argued that its allegedly massive bite has reduced our standard of living."

trary, to be hawks and hard-liners. Does this mean, then, that they are really opposed to inflationary governmental activities—or only to those activities that support social programs designed to smooth out the inequities in our society?

Question No. 4

Even so, isn't government spending always the ultimate source of inflation?

Except for wartime periods, no one has ever put together a satisfactory correlation between the size of a nation's government budget and its rate of inflation. Some countries whose budgets are a smaller percentage of the economy than ours have a rate of inflation that is higher than the U.S. In others, such as Germany, the opposite is the case.

Too many variables come into the picture for any simple answer to emerge—particularly because the activities financed by public spending differ so much from country to country, not the least important of which is the size of the military establishment it chooses to support.

The key element in the inflationary impact of government spending is the trend in government demands for goods and services relative to the trend in private sector demands. Another element is the manner in which both sectors finance their expenditures. Here the relationships are clearer—although still far from simple, or beyond debate.

In an economy with a large volume of unemployed physical and human resources, an increase in government demands is less likely to be inflationary than if—as in 1965—the economy is booming along close to its physical output limits.

what causes inflation, and if spending requires borrowing, then any borrowing may be inflationary, not just government borrowing.

Indeed, during the 1955-57 inflation, the federal government ran a surplus. Since 1968 the national debt has grown only about 20 per cent while all private sector debts have nearly doubled.

Significantly, during the only other major peacetime bout with inflation in our history—from 1897 to 1913, when the cost of living rose 50 per cent—the government also ran a surplus in most years, and the national debt was lower at the end of the period than at the beginning.

Question No. 5

Isn't government really the basic factor in our inflation, because politicians tend to favor consumers over business and profits? And doesn't such political favoritism starve business of the means and motives for expanding our productive capacity to produce goods and services?

We hear this thesis frequently these days. Yet it both fails to square with the facts, and rests on some shaky economic reasoning.

First of all, the tax burden on consumers has been growing steadily, despite tax cuts in 1964 and 1971. Our progressive tax structure has taken increasing percentage bites, as the average family dollar income has grown.

In 1955, personal tax payments amounted to 11.4 per cent of personal incomes. By 1965, it was up to 12.2 per cent. In 1973, it was 14.3 per cent, and last year it hit 14.8 per cent. In addition, consumers have

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Big Government... The verdict: Not guilty

Continued from page 4

suffered from regressive and rising sales taxes.

Meanwhile, the effective tax rate on corporate profits has shown no tendency to increase. Rather it has tended to decline, due to various tax reforms and the search for tax shelters. In 1955, corporations paid income taxes equal to 44.4 per cent of their pretax profits. In 1974 this ratio was down to the 40 per cent level.

Corporate taxes as a percentage of cash flow—pretax profits plus accruals for depreciation and depletion—have fallen from 32.4 per cent in 1955, to about 26 per cent currently.

Furthermore, in years of approximately equivalent levels of prosperity, the share of our total output going into business structures and equipment has shown no tendency to diminish. In real terms, we put 10.0 per cent of total GNP into nonresidential, fixed investment in 1955, 10.7 per cent in 1965, 11.0 per cent in 1973, and 10.8 per cent in 1974.

Some authorities claim that this ratio should be even larger, mostly because it is larger in other, more rapidly growing industrial countries like Germany and Japan—but they devote an infinitesimal portion of their GNP to defense, while we allocate about 6 per cent of ours.

The history of the past twenty years doesn't demonstrate any tendency for this capital spending ratio to decline. In fact, between 1966 and 1970 the production of plant and equipment for business was much larger relative to the production of consumer goods than it was between 1960 and 1965. During the 1973-74 period it was

once again relatively high.

Clearly our economic policies have not been favoring the consumer at the expense of the business sector. Perhaps more important, basic economics also suggests that there are limits to how far we could go in favoring the business sector over the consumer, regardless of how much businessmen and economists may all agree on the desirability of expanding our capacity to produce goods and services at the highest possible rate.

Nowadays there are many who say we should tax consumers more heavily, or that we should distribute less to them in transfer payments, and at the same time we should give profits an offsetting benefit. But this implies simply a reallocation of resources away from consumption and toward building capital.

This thesis forgets the dynamics of a free enterprise market economy such as ours: in which businessmen will be unwilling to take the risks of sinking money into new plant and equipment unless they expect to be able to sell the additional goods and services this new capacity will provide.

If the government reduces consumer purchasing power (or exhorts consumers to save more so that they will release resources to the business sector), no one would buy all the additional output of the new factories except the government, or foreign countries—whose take from us is in any case too small a percentage of the total to be the swing factor.

This chain of events happened during the capital goods boom of the mid-1950's, and again after the capital goods boom of the late 1960's, and once more during 1973-

74. In each instance, spending for new plant and equipment surged forward for a while, with profits rising and consumer purchasing power lagging behind, until businessmen recognized that they were reaching a point where they could produce more goods than they could profitably sell. Consequently, additions to capacity flattened out and ultimately began to decline.

Admittedly, a lower corporate tax burden might encourage businessmen to invest, even though their pretax rate of profit were declining. If this is carried so far, however, that the result would be much heavier taxes on consumers or a significant reduction in transfer payments, businessmen would soon find that they could expect no profits on their new investments, so that a lighter tax rate on corporate profits would be meaningless.

Short of transforming our system into a fully planned, socialist-type economy, the best assurance that businessmen will expand their productive capacity lies in a steadily growing effective demand from consumers for this output.

Question No. 6

Where do we turn if we want to view this whole matter objectively?

Granted that too much governmental activity—like private activity—is poorly conceived, badly planned, and inefficiently executed. It is also true that civil servants—like bureaucrats in private industry—tend to build satrapies and to protect vested interests long after their activity may have become obsolete.

It is also true that errors in public policy can ramify broadly throughout the

economy, and leave a long trail of sorrows in their wake — just as the failure of the automobile industry in recent years to recognize the complex set of developing environmental, sociological, and energy problems is profoundly disrupting and will continue to plague us for a long time to come.

In addition, it is true that surging government demands, badly financed, can bring inflation down on our heads—just as surging private demands can.

But it is untrue that a massive reduction in government spending and taxes will be the solution to all our problems. Grave social needs will remain that some one or some force will have to meet.

Even deep surgery on our defense establishment would leave millions of people and thousands of factories idle. Such a dislocation would require planning, time, and transfer payments before these defense workers could find an appropriate niche in the private sector. Finally, the productivity of our economy would wither fatally without government assistance to education, health, transportation, communication, and public safety.

In conclusion, big government cannot reasonably be called the culprit for all, or even most of the ills that plague the economy. There are far too many people within the business community at present who are providing an accusatory finger in this direction. Yet their conclusions, and their policy recommendations are both oversimplified and ultimately, dangerous.

The venture capital industry's troubled psyche

By JOHN THACKRAY

Second of Two Parts

Spring was still in the air in Washington, D.C. when the National Venture Capital Association held their annual convention in early June. The collective mood of the event was, all things considered, cheerful and up-beat — mainly because the venture managers had seen the public values of their portfolios soar since December.

Except for this good news, it is not exactly springtime in the venture capital industry these days. In fact, it is a winter of discontent — in which the industry is seeking new essences, new directions, mutations.

The single greatest frustration for venture managers is the lack of a wild public market for new common issues. Such a market—last seen very briefly in 1972 — is the pre-requisite to the fat capital gains that venturer capitalists hunt for. And the second most frustrating aspect about venture capital is that the great institutional well-springs of money from the mid-and-late Sixties seem to have dried up entirely.

The spirit of contentment at the meeting was quickly dampened when a poll was taken of those present: asking how many had committed money to new venture situations in 1974. Only three guys held their hands up.

The liquidity bind is only part of the problem. Venture capital is, by nature, a long-term affair. The big rewards go only to the players with heavy doses of cash, time and endurance. But the present is a critical time for most of those venture pools formed in the mid and late Sixties. Future monies, and future jobs for venture managers very much depend on the performance of the next few years.

One of the chief focal points in the industry is Ned Heizer, who in the late Sixties garnered \$81 million of institutional funds. Heizer's success triggered dozens of imitators. But he has always remained the most visible of the venture managers. He has always had a good press. As a rival venture manager put it: "Heizer is a pivotal figure for the industry. He has a lot of money and a lot of stature. How he does will very much affect the whole venture field — for better or for worse."

Management Problems

Venture capitalists' already shaken nerves are inclined to tremor a little more at this prospect. Most authorities in the industry are inclined to feel that Heizer and his imitators created an oversupply. Too much money ended up chasing too few good deals. On top of this, the size of some of the bigger pools of funds created management

problems. "Many of the pools have made so many different investments that they haven't the time resources to devote to the proper management of all these businesses," says John Dulaney, of First Century Partnership.

Yet a second problem has been the growing size of each single investment. As the intake of funds swelled, many venturers decided that the way to optimize their management time was to invest on a scale far greater than previously.

There are economic trends at work here, too, of course. A lot of today's popular technologies require greater inputs before

"Ned Heizer is in trouble," says a leading venturer. "Part of his problem is that he doesn't have the background needed to be a lead investor, instead of a following one." To a certain degree, Heizer's problems are concealed by the private status of these companies, about which there is little reliable information. "It is rare that the outside world gets any information that these funds are in trouble, which they are," says an old-time venture manager. "It ain't true that things are going jim dandy for everyone in the business."

The problem for Heizer and his coun-

"It is rare that the outside world gets any income information that these funds are in trouble, which they are. It ain't true that things are going jim dandy for everyone in the business."

a venture reaches the blast-off stage. For instance, it took only some \$600,000 of venture money to get Damon Corp. rolling in the early Sixties. By the late Sixties, it required \$2 million in venture funding to start Measurex Corp.

The keep-your-eyes-on-Ned-Heizer syndrome has come about, in part, because of these two factors. Two major Heizer investments that the venture capital community is particularly curious about are a \$2.4 million bet on Federal Express Corporation, and a \$9.2 million stake in Amdahl Corp. These are relatively gigantic plays. A single venturer normally invests no more than between \$100,000 and \$500,000 in a single deal.

Amdahl is a maker of big, mainframe computers, which has yet to prove out its first commercial product. Scheduled to go into production in 1973, to compete head-to-head with IBM, the Amdahl machine was late. The company suffered from bad management decisions. Heizer and Fujitsu, the two main investors, who had already put up around \$30 million, bailed Amdahl out with another \$15 million. The company is still losing money heavily, and is hurriedly looking around for new investors.

Heizer's Albatross?

Federal Express is another mammoth venture deal. It is a cargo airline that specializes in handling small packages nationwide. Federal Air was founded a year before the energy crisis and the 1974-75 recession. Right now, although volume has hit a respectable \$50 million, the company is hanging on by its fingernails.

terparts in other similar funds is not so much the ultimate survival of these companies — although with today's recession and tight money total extinction may hover over Amdahl and Federal Air — but what they will be worth upon sale either to the public, or in an upstream merger with a larger company. In today's climate, and for the foreseeable future, it is hard to see how the investors in the airline can get out at a price that remotely justifies the risks.

Put another way, the risk-reward ratios of the venture business have shrunk at the reward end, and expanded at the risk end. No wonder, then, that last year more and more venture groups were minimizing risk by staying away from speculative technologies and eschewing companies that lacked cash flow. The favorite game was the leveraged buy-out — usually of divisions of larger companies — where the venturers put up the equity and borrow against the value of the company at the bank.

Still, there are some brave souls who are sticking to traditional tactics. Frederick Adler, the main venture force behind Data General, is still eager for opportunities — particularly in the fields of medical instrumentation, and EDP. Smith Barney's First Century Partnership holds to its founding conception by investing only in start-ups or near start-ups, often in high technology areas. This fund has deployed \$6 million over eight different deals.

Indeed, the venture field, troubled though it may be, still has a few new entrants. These are typically very large corporations which, because of their

stature and wealth, aren't preoccupied with the capital values in the public stock market. Time Inc., GTE, and Xerox have all founded venture groups in recent years.

But even this cluster of new money will inevitably be less speculative than in previous years. In any case, pure venture managers tend to think corporate venture funds are somehow unauthentic. In practice they are often used as windows on technology, or to fulfill other, diverse corporate purposes. One large bank in the venture game keeps its venture fund alive partly as a management training ground for young executive talent. Were it not for these ancillary effects, it might very well quit the field entirely.

Old and New Money

There is a certain semantic confusion about the whole venture industry. There's very old, very crusty and venerable venture money, like the Whitneys, the Phipps and Rockefellers, who have played the game for generations. There are the new "start-up only" boys — albeit a diminishing band. Then there are the funds that only do financing at the second, third and fourth stage. Others stick to leveraged buy-outs.

This pot-pourri of styles and attitudes have one thing in common: all are dependent on public valuations of equity, and on support from banks and insurance companies. Lately it's the credit squeeze that has been as damaging as the stock market. "Other, non-venture sources of capital aren't as available to small companies as they used to be — so venture

See VENTURE CAPITAL, page 6

Dividend on common shares

The Board of Directors of Columbus and Southern Ohio Electric Company, on June 6, 1975, declared a dividend of 50¢ per share on the outstanding Common Shares of the Corporation, payable on July 10, 1975 to shareholders of record at the close of business on June 25, 1975.

G. C. SHAFFER
Secretary

COLUMBUS AND SOUTHERN
OHIO ELECTRIC COMPANY

The 'better mouse traps' don't sell so well

Continued from page 5

capital groups must back companies for a longer period of their growth," says Paul "Pete" Bancroft, of Bessemer Securities. "The hardest part of putting deals together in 1974 was not so much getting the equity — for good equity deals money was still available — but in finding the long term debt. The insurance companies didn't have a lot of money. The banks were strapped

for cash," says Dean Fenton of Sprout Capital Corp. Sprout backed off from sinking equity in a number of deals, when the banks insisted on onerous terms.

One abiding hope of the venture industry is that somehow, somewhere, new sources of venture funds will be discovered. In this regard, there is a chance — albeit not a very big probability — that foreign money may descend from the skies. "I think you

will start to see some of the Petrodollar money that is now stuck in the banking system going more long-term, and into a more venture-like time frame," says Sprout's Fenton. Already there are at least two Japanese venture funds that have made investments in the U. S.; and more are in the wings.

The next best hope for redemption, many venturers feel, lies in legislative

changes. This was one reason they have banded together in the National Venture Capital Association, and why their annual meeting was symbolically held in Washington. On the grounds that it would improve the liquidity in an industry that currently has hardly any, venturers have appealed to the SEC to liberalize registration requirements for investors who are insiders, and at the same time to give non-insiders a break when selling letter stock.

On the political front, venture capitalists are presenting themselves as an essential national industry. They claim to be a vital factor in small business formation, an economic lubricant to technological growth and expansion, so much so that they should be given preferential tax treatment. "Capital gains taxes have gone from 25 to 35 per cent," Bessemer's Bancroft complains. "Because of this the after-tax rates of return on venture capital have gone down, and the risk-reward ratios also."

Be Nice, Mr. Taxman

Bancroft's argument is that a dollar invested directly in a young company is of greater potential social benefit than the same dollar put into the stock market in a secondary transaction. Venture capitalists therefore say they should be made to pay only half the regular capital gains rate. And they are also agitating for legislation that would permit pension funds to invest a small percentage of their portfolios in small, speculative businesses, and still conform to the "prudent man" guideline of their fiduciary responsibilities.

In times past, venture capital used to be one of the more important roles of the more famous Wall Street partnerships. Today, however, the number of Wall Street firms in the venture game are much fewer. Lehman, Oppenheimer, Carl Marks, Becker, E. F. Hutton, and Weiss, Peck & Greer are the only ones left in the game. As for the latter, its subsidiary, Westven, is one of the funds that is reportedly in the same boat as Heizer.

But even on Wall Street, the enthusiasm seems to be declining. Oppenheimer's fund, New York Plaza Associates, invested \$3.6 million between 1972 and 1974, some of this customer money, the rest from the Oppenheimer partnership. "Today it would be difficult to set up a successor fund," says Opco's Ken Rind. "Our partners aren't knocking down doors to get into venture capital." Some years ago, the Wall Street firms of Kuhn Loeb and Salomon Brothers played at venture capital. But they haven't been heard from for a long time. Nor has the trust department of Morgan Guaranty, nor the Prudential Insurance Co. — both of which were once active in this investment area.

In these times of trouble, venturers are inclined to have a wide range of different strategies. "We are structuring our deals so we can get our capital back from the operating companies," says T. A. Associates' Peter Brooke. "We are inclined to take a combination of notes and common. We are not buying straight equities, like in the past."

Bessemer's Bancroft takes a different tack. "Where we go into start-ups, we don't give the company a loan. It makes no sense to have them return your capital to you," he says.

Bancroft is perhaps one of the more venture capitalists around, principally because his Phipps-backed Bessemer group has been at the game for generations. On an operating basis the 19 Bessemer venture companies had a fairly spectacular performance last year. Their sales rose 35 per cent to \$432.9 million; profits soared from \$2.9 million to \$15.3 million.

The better run pools of money can claim almost similar operating gains. Sprout's companies, for instance, had an excellent year. But consoling as such operating performances might be, they don't allow their sponsors to rest easy. In fact, their contrast with the public valuations of these deals is depressingly dramatic, and worrisome.

Talking It Out

As for remedies, there seem to be few. "I think there's a strong inclination for venture capitalists to talk out their problems; to figure out where the business is going; at what level they should be venturing in, the size, the type of technology; and discussing the fearsome problems of financing small companies these days," says Stanley Rubel, editor of

See VENTURE CAPITAL, page 7

The great venture capital depression

Why is there so much soul-searching going on among venture capitalists? The following table shows why. For although there have been some handsome price appreciation in some OTC stocks held by venture groups, the vast majority of such companies are selling far, below their issue prices and their historic highs.

Portfolio Company Name	Most recent offering price	High	1971-75 Low	6-11-75 Bid Price
Advanced Memory Systems		\$15	\$13 3/8	5 1/4
Advanced Micro Devices	\$15 1/2	22 3/4	2	9 3/4
Alpine Geophysical		6	1/8	9-16
American Micro Systems	43	57 1/4	3 3/8	13 3/8
American TV & Communications	19 3/8	52	5 3/4	16 1/2
Applied Materials	10	18 1/2	2 3/4	7 3/4
Archon Pure Products	15	23 3/8	3/8	1 3/8
ARI Industries	6 1/2	6 1/2	1/2	7/8 †
Aut-Ex Inc.	18	25	1	5
Auto Train Corp.		56	4	5 7/8
Behavioral Research Labs	15	17 1/8	1/4	7 3/8
Bentley Laboratories	22 1/4	50	11	17
California Microwave	10	13 1/4	2 3/4	8 1/2
Cambridge Memories	12	17 1/2	2 3/4	4 3/8
Childcraft Education		6 1/2	1/4	1 3/4
Cobe Laboratories	24 1/2	39 3/4	7 1/4	15 3/4
Codex Corp.		29 1/2	3 1/8	32 3/4
Coherent Radiation	16	20 1/4	4 1/2	10 3/4
Computer Automation	13 3/4	22	2 3/8	6 3/4
Computer Election Systems Inc.	12	12	2 5/8	5 1/2
Computervision Corp.	17 1/4	20 5/8	2 7/8	6 3/4
Cordis Corp.	42	86	23 1/2	43 1/2
Data Disc Corp.	7	10	1 1/4	3
Data General Corp.	7	46	6	28
Data 100 Corp.	10	18 1/8	4 5/8	12 7/8
Data Point Corp.		18 1/4	4 1/4	19 1/2
Datascope Corp.	13	23	6 5/8	17 1/2
Decision Data Computer Corp.	14 1/2	35 1/2	3 1/2	6
Docutel Inc.	40 1/4	58 3/4	2 1/2	8 3/4
Elsclint Ltd.	10	18 1/2	1 3/4	3
Fotomat Inc.		9 1/8	2	7 1/2
General Automation	18	47	6	7 3/4
General Data Comm.	13	13 1/4	1/2	1 7/8
General Semi Conductor	6	7	1 3/8	4 3/4
Glasrock Products		11 1/8	1 3/4	2 3/4
Health Advancement Inc.	8	13 1/4	1 3/4	2 1/8
Hospital Financial Co.	12 1/2	17	1	2 3/4
Incoform Corp.	14	14	1 3/8	8 5/8
Inforex	17 1/2	42	1 1/2	3 3/8
Information Magnetics	5 1/2	8 1/2	1 1/2	2 5/8
Intel Corp.	10 3/8	76 1/2	6 1/4	65 1/2
Intersil Inc.	14	18 1/8	1 3/8	7 3/8
International Video	15	15	1 1/4	2 1/2
James River Corp.	12	12 1/2	8 3/4	11 1/2
Lexitron Corp.	\$10	\$12 1/2	\$3	6
MSI Data Corp.	14	14	5 3/8	7 7/8
Materials Research Corp.		17 3/4	3 1/2	6 3/8
Measurex	20	35	10 1/2	21 3/4
Metalized Ceramics	15	8 3/4	3/4	1 3/4
Microform Data Systems	4 1/4	8	1 7/8	5 3/4
Minnetonka Laboratories		47	1/2	1 1/8
Modular Computer	8	14	4 3/4	13 3/4
Mostek	7 1/2	58 3/4	4 1/2	13 1/4
Pandick Press	11	23	1 1/4	5 3/8
Pertec Corp.	24	24	1 5/8	6 1/8
Plantronics	7	36 1/4	8 1/4	19 1/2
Prime Computer	7	8	1 1/2	4 1/2
Quantor		10	1 3/4	6 3/8
RSR Corporation	11	11	2 1/2	4 1/4
Redacron Corp.	15 3/4	19	2	2 5/8
Rixon-Firemark	8 1/2	11	2 1/2	3 1/2 †
Scan Data	8 3/4	14 3/4	3/4	1 7/8
Scientific Energy Systems		18	4	3
S.F.M. Corp.		14	3/4	2 1/2
Solid State Scientific		28	6 1/2	11
Spectra Physics	5 3/8	26	3	12 1/4
Standard Microsystems	5	8	1/4	3/4
Storage Technology	12	35	6	13 5/8
Systems Engineering Labs		18 1/4	7/8	3 1/8
Taylor Rental	18	30	7	19
Telco Marketing Services Co.	21	42	5/8	1 3/4
Tele-Communications, Inc.		33 3/4	7/8	3 5/8
Telesciences		20 1/2	3 1/4	4 1/2
Thermo Electron		102	6 5/8	9 1/4
Theftford Corp.	17	27 1/4	1/2	7 1/4 †
Tymshare Inc.		14 3/8	3 1/2	17 1/4
Velo-Bind Inc.	27 1/2	36	1 5/8	2 1/2
Wangco Inc.	7	12 1/4	3 5/8	5 7/8
Water Associates	10	30 1/2	10	34
Worthington Bio Chemical	14	19 5/8	3 1/2	8 3/4

† Price as of June 8, 1975

Source: "Venture Capital" and Chronicle Statistical Dept.

Lodging is still bleeding from energy crisis

By STEPHEN H. COLLINS

No business is likelier to be any happier when the energy crisis and recession ends than the lodging industry. The industry was rocked by these calamities last year, after an excellent 1973.

Until late fall of '73, a surging economy, rising personal income and heavy spending on leisure activities crammed the hotels, motels, and watering places. Expansion plans of business, requiring heavy capital expenditures, seemed firm enough to carry the demand for lodging well into 1974 and even 1975.

For 29 months, beginning in mid-1972 until December 1973, room occupancy rates showed a steady and encouraging rise, with each month being better than the previous one. In October, 1973, the occupancy rate was 73 per cent for the hotels in Laventhol Krekstein Horwath & Horwath's company index—the highest point since October 1959.

Then it happened. The mounting scarcity of gasoline and an uncertain business climate drove the occupancy rate to 46 per cent in December and kept the rate below year-earlier figures for several months.

The final tally for 1973 was a modest seven per cent rise in lodging industry sales. Price increases, however, accounted for a substantial part of that rise. And in constant dollars, sales were up only about two per cent. As in every year since 1970, the portion of GNP represented by lodging industry receipts showed a steady decline.

Energy Woes

The shortage of gasoline and fears of shortages were more destructive for pleasure travelers than a moderate rise in gas prices. "A man with three kids is going to think twice before beginning a 1,000-mile trip if he thinks getting gas will be a problem," says one institutional analyst.

But an increase of 20 to 30 cents per gallon "will have a small impact" on pleasure travelers, says Roy Burry of H.C. Wainwright. However, rising gasoline prices will result in shorter trips and more careful gas consumption. "That means two or three day stopovers, rather than four or five," says Al Kudle of the American Hotel and Motel Association.

The national trend is for shorter hotel stays, says Kudle. "A hotel owner today has to sell twice as hard to remain at the same level," he adds.

One of the tactics that the hotels and motels have come up with to attract travelers within the radius of a full gastank is the package deal for the weekend. Mini-vacations are also being pushed along with other promotions, with emphasis on family discounts.

Those hotels and motels that can be reached by air and public transportation have felt the energy crisis to a lesser degree, says Kudle. "It is the ones in outlying areas that are most severely impacted by the gasoline shortage," he adds.

Increasing Competition

The industry also faces competition on two fronts, notes Laventhol: (1) new facilities, both those built for travelers, and those built primarily as second homes, and (2) price. This primarily brought about the advent of budget motels. "Rate cutting is back again even in more serious proportions than during the depression," says Laventhol partner John Lesure.

Lesure, however, warns that it is virtually impossible to recover losses due to price cutting unless there is a substantial

backlog of demand. "Lower rates aren't going to create a demand that doesn't exist," he says. "Unfortunately, the guests aren't out there waiting."

The largest chain of budget motels in the U.S. is Motel 6, Inc., a division of City Investing. For all of last year, their occupancy rate was 74 per cent, down sharply from 85 per cent in 1973. Revenues increased by 47 per cent in 1974, but operating income fell to \$1.7 million from \$2.4 million.

The motel chains were also adversely affected by having to raise prices 20 per cent in May, 1973. The day of the \$5 to \$6 standard budget motel room may soon be over, say industry officials.

Another problem facing the industry is a glut of rooms. "There are simply too many hotel and motel rooms in America," says one institutional analyst, who cites the vast building boom in the 1960's as the main reason. "Expansion now has dried up considerably, partially because of the tremendous costs involved and because of the low returns on investment, he adds. Profit margins are being squeezed since competitive pressures put a lid on the maximum room price available.

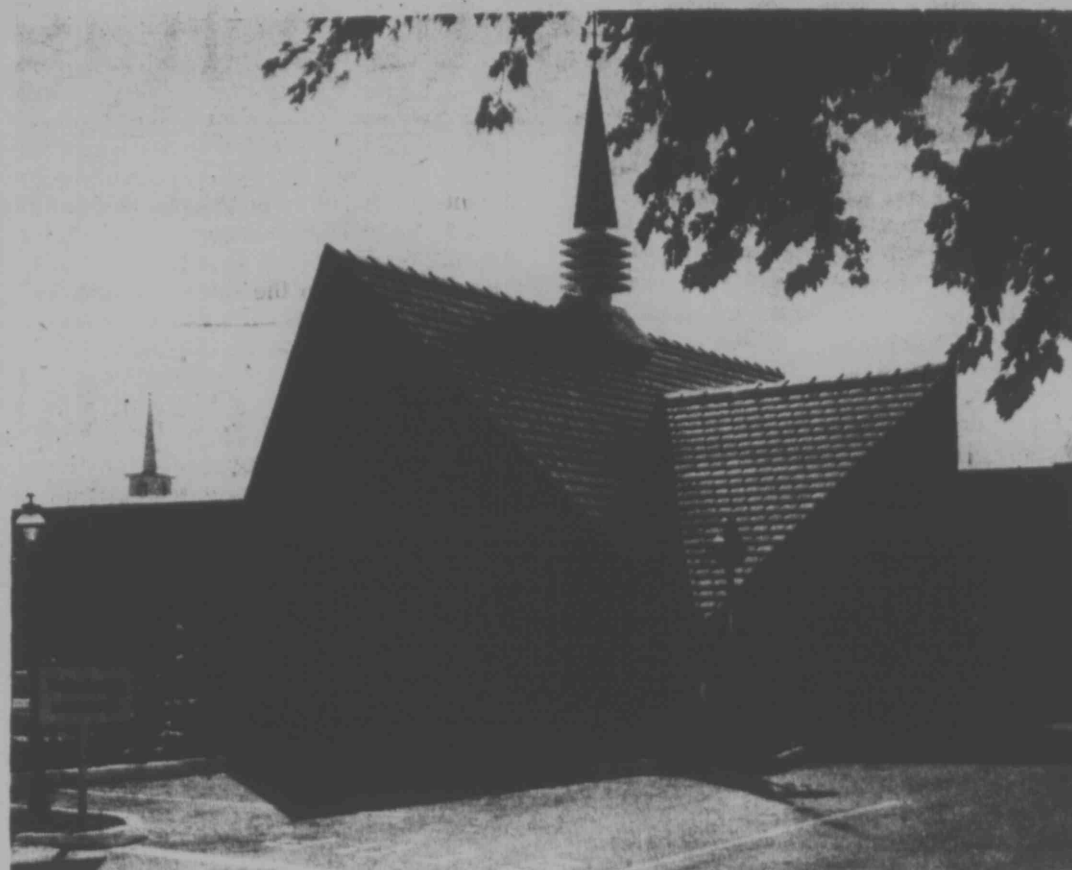
Prospective hotel builders are then faced with problems finding prime locations when the supply is diminishing. "If you don't find a good location, you don't build," says Wainwright's Burry.

Industry Leaders

Although certain industry leaders such as Howard Johnson reported strong first quarter earnings, certain analysts were not entirely wild about the event. "You have to put it in perspective—look where they're coming from," said one analyst.

Compared to the first quarter of 1974, the time of the oil embargo and the ban on Sunday driving, Howard Johnson's sales increased 20 per cent to \$89.4 million from \$74.4 million. Net income for the 1975 quarter rose 278 per cent to \$3.4 million, compared to \$906,000 in 1974. Earnings per share were 16 cents, compared to 4 cents in 1974.

Wainwright's Burry favors Holiday Inn as well as Marriott Corp. However, there's no great sense of optimism in the analyst community. "Our impression is that the outlook is not that fantastic," says one institutional analyst, who is concerned about a weakness in business travel, rather than pleasure traveling. "In business, if things get tough, one of the first areas cut is



Comeback?

The energy crisis caught the lodging industry at the peak of its form and profits. Since then, hotels and motels have been on the slow path to recovery.

travel and entertainment," he adds.

Despite the present recession, Holiday Inn managed to report strong first quarter results. Revenues were up eight per cent, to \$234 million from \$216 million. Net earnings were up dramatically—\$11.9 million, compared to \$4.9 million. Earnings per share were 23 cents versus 9 cents for the year-earlier period.

One exception to the upbeat earnings trend was the first quarter earnings for Ramada Inns, which didn't bounce back from the year-earlier period. Ramada reported slightly lower earnings, a lower net—1 million versus \$1.8 million—and lower earnings per share—four cents as compared to eight cents.

Hilton Hotels, however, reported a much stronger first quarter. With relatively flat revenues, net income jumped to \$30.6 million from \$4.7 million, and earnings per share rose to \$3.71 from 58 cents. The results were adjusted to include the sale of a 50 per cent interest in six

Hilton hotels to the Prudential Insurance Co. for over \$83.3 million. The gain for the quarter resulting from this sale was \$40 million.

Marriott Corp. reported a 23 per cent drop in earnings for the quarter ended May 2—earnings fell to \$5.4 million from the \$7 million of the year-earlier period. During the quarter, the hotel group absorbed a one-cent a share write-off due to certain projects being cancelled.

Summer Months

Despite a lackluster outlook for many of the lodging industry leaders, there's some comfort that the traveling public will be back on the road this summer. "Summer should be fairly good," says the Association's Kudle. "The money that consumers have now, what with the tax rebate, will be spent on vacation. Another rise in gasoline prices will slow it down a bit, but probably not significantly," he adds.

Timber! Forest profits are falling

The stocks of the big forest products companies rose late last year as investors began anticipating an improved climate for housing starts.

And, as it turns out, they were correct in this assumption, although there is now a growing belief that the housing start increases may be a little tardy. Specifically, while the savings and loan associations and the savings banks are awash in money these days as the interest rates they offer have become more competitive with such things as treasuries, new home buyers are just not showing up in the kind of numbers that some on Wall Street had been expecting.

At the same time, an important number of new homes have already been built and are awaiting owners.

For this reason, analyst Larry D. Hollis at the Provident National Bank in Philadelphia says he thinks that housing starts this year will be flat to down from 1974, although the rate will increase in the third and fourth quarter.

He calculates that housing starts for this year will total approximately 1.2 million to 1.3 million units, compared to 1.34 million units last year. During the first two quarters, he says, they are running at a one million unit annual rate and he expects starts to increase to 1.4 million unit annual rate in the third quarter and 1.6 million unit annual rate in the final three months.

Then too, most housing observers feel inflation has priced the 1960s-style new home—with two-car garage, four bedrooms and central air-conditioning—out of most families' budgets.

So smaller homes are in the offing. And this, of course, means that less lumber and plywood will be used.

On the plus side, analysts believe that the current cost-push influences on lumber—a result of increased labor costs and the price that trees are getting at auction—will help increase the value of the holdings

of such giants as Champion International, Crown Zellerbach Corp., Georgia-Pacific Corp., Scott Paper, and Weyerhaeuser Co.

These cost-push increases as they are called, are in direct contrast with the increases that lumber products brought in 1972 as a result of increased demand—or so-called demand-pull increases.

This is not to say that there will be a decline this year in lumber consumption. In fact, analysts now feel that consumption could increase this year by one per cent, which, they note, is not all that bad by historic standards.

Still, this is hardly the kind of scenario that investors were hoping for when they bid the prices of the lumber stocks up substantially from their lows last year, analysts say.

For this reason, analysts wouldn't be all that surprised to see some profit-taking on

the short-term developing in the lumber stocks, although some analysts such as Penn Siegel of Drexel Burnham and Co. feel that the cost-push prices in the value of lumber and plywood that he expects to show up in the next 12 months should insulate the companies that own trees.

Further out, of course, there is still the belief that housing starts will recover from toward the end of the year, and that next year could see a much improved situation.

As for earnings, Hollis now sees Champion's earnings at \$2.60 this year, as compared with \$3.24 a share in 1974. Crown, Zellerbach will come in this year with 4.00, as against \$5.06 and Georgia-Pacific will earn \$2.50, as compared with \$2.91 last year. For its part, Scott Paper is expected to earn \$1.85, as against \$2.00; and Weyerhaeuser \$1.00 compared with \$2.17.

Venture capital

Continued from page 6

the "Venture Capital" newsletter. "I think, too, that there is a lot of conversation about the merits of keeping companies private, rather than taking them public."

Staying private, of course, would be tantamount to a revolution in the U. S. venture game. It would put U. S. small company formation on a par with countries that have far less developed capital markets. But when one considers that such is the case in Japan and Germany—no slouches at industrial management and technical and business innovation—it is hard to see that America should grieve unduly at this possibility.

On the exchanges

New York Stock Exchange

Airborne Freight Corp. 3,113,860 common shares authorized for listing. Tentative admission date June 27.

Financial Federation of Santa Barbara. Application received to list 1,945,173 shares.

Sangamo Electric Co. Common stock suspended from trading June 5 due to tender offer.

American Stock Exchange

Century Industries Co., Inc. Name changed June 6 to Century Factors, Inc.

Guardman Chemical Coatings, Inc. Name changed June 2 to Guardman Chemicals, Inc.

Midwest Rubber Reclaiming Co. Dealings in common stock suspended June 2.

Rio Algom Mines, Ltd. Name changed June 5 to Rio Algom, Ltd.

Security Plastics, Inc. Dealings in common stock suspended June 2.

Transport Pool Corp. Due to merger shares suspended from trading June 3.

Toronto Stock Exchange

Dataline Systems, Ltd. Common shares admitted to trading June 9.

Fidelity Trust Co. Common shares admitted to trading June 5.

Big banks too fragile for comfort

Continued from page 2

CHRONICLE: Won't the bank's losses on the city notes be a catastrophe?

MAYER: Yes, but it's part of a larger problem of credit overexpansion. It seems to me that the control mechanisms that had been developed in the banking system as a result of the experience at the end of the Twenties was taken for granted. We haven't lived with monetary problems for a generation. All through 1907, 1913 and the founding of the Fed, the problems of the first war, the Twenties, crash money had been a major political issue in this country. The legislators of bank regulation in the Thirties, like Steppell, really thought about it carefully. Unfortunately, the machinery they set up was not sufficient to handle the problems of the Sixties and the Seventies.

Nevertheless, the principles that underlay it were the principles of thoughtful men who lived through hell and knew more about money in a funny way than we know now. We had assured there was an autonomous stability mechanism down at the Fed, and it turned out that wasn't true.

CHRONICLE: On the question of inflation, it seems that if the banks are culpable—why aren't you angrier?

MAYER: I do not think it is the task of business to refrain from profit maximization. I think they were behaving rationally along the regulatory framework and technical framework in which they live. The problem is that the Fed was looking at the wrong thing and did not have the toolkit necessary, and the notion, to control the money supply. To attempt such control through capital adequacy is insane, but that's really what they were trying to do with the only weapon they had left. Once the banks could buy money out in the market, they'd move it as fast as they could through the CD mechanism, and then through the various transfer mechanisms into time deposit form and get it out again. Once the Fed could see things move from the savings and loan associations into the Fed funds market, into the overnight purchasing of bank funds, we were clearly in violation of the prohibition of interest on demand deposits. But the development of term loans with variable rates moved the whole risk and interest rate changes onto the back of the industrial consumer and freed the banks to play almost any game they wanted. In the old days, when interest rates went up and they had to pay. Money was a cost problem for them. But to an increasing extent it's not a cost problem for them now. All of this was a structural mistake, but I'm not angry with people. I don't think anything crooked was done. I don't think anything antisocial was done. I think that the institutional structure within which they operated was wrong for the times, and nobody did anything about it.

CHRONICLE: What about reforms? You're not a great fan of the Hunt Commission report, but what do we do now?

MAYER: I do not believe anyone person has answers to big questions like that let alone myself. I do think that it would be necessary for the Fed to have banks hold a certain portion of their assets in Treasury paper in 1977-78 to prevent a sort of '51-'52 situation arising again.

CHRONICLE: What happened in 1951-52?

MAYER: That was our biggest depression up to last year, and it was funded by the banks selling their Treasury paper. On short-term paper the Fed had to keep interest rates right through the roof, to prevent the banks from selling Treasuries in order to fund loans. I think that for a transition period the Fed will have to have the power to force banks to hold Treasuries regardless of yields.

CHRONICLE: What other reforms?

MAYER: I think that some control like Reg. Q is a good idea. You can't count on the market to handle the pricing of money—not when the banks can compete with CDs against all other markets. I think it's very important to revive the equity markets. We really cannot live on debt to the extent that we do. What happened in '74 was that the banks disintermediated the stock exchange due to the price of CDs. High interest rates are crippling to a society because they cripple everything. If a guy, who wants to raise money to start his business, has to promise a 30 per cent profit to somebody who can get 13 per cent on a CD, then you really put an end to the economic system as we have known it. That's the real harm done by high interest

Bank profits to tumble

Amsterdam — Gaylord Freeman, chairman of First National Bank of Chicago says U.S. banks will suffer some reduction of income and will experience loan losses resulting from problems in the textile and retail industries.

He told the American Bankers Association International Monetary Conference it was likely that additions to loan loss reserves for this year as a whole will again exceed losses actually sustained, as they had generally done for the past 15 months.

Thus, he said, bank earnings in the second half of this year, and perhaps early in 1976, would show smaller in-

creases than in the early months of 1975.

Freeman said while U.S. banks' assets now provide less liquidity than in the past, "the Federal Reserve has demonstrated its willingness to provide large banks with funds needed to meet any period of temporary illiquidity."

And while strains developed in the U.S. economy as both inflation and recession began to operate, he said the impact on the banking system had been remarkably modest.

"We have had rapid rises in commodity prices and then even more dramatic declines. Despite these declines, the larger banks have not suffered any significant losses as a result," he said.

developed in '73-'74 then I think to bail these people out does a great deal of harm.

CHRONICLE: There are some people, Senator Proxmire for example, and some Fed governors, who'd like to see just one banking regulatory agency on the federal level. Do you think this is wise?

MAYER: I think I don't. I don't know who would be the regulator. I think the Fed has enough to do. I don't think the Fed's response to the holding company legislation is so admirable that one would want to give the Fed more authority to regulate. I don't think they're good at that. And I certainly don't want the powers that the Fed possesses now given over to the Controller of the Currency.

CHRONICLE: Why?

MAYER: I think that there's a bifurcated regulation, which is a good idea. And if a you had a single agency and you had to bifurcate it inside, you may as well keep things as they are. However, as far as there's a need for a separate insurance fund operation, I'm not sure. I'd have no objection seeing that folded into one or the other, but I would like to see some air between the money management and the regulation. I think they're different bodies.

CHRONICLE: At least one Fed member says that the Fed should be that single bank regulatory agency.

MAYER: It might be. U.S. National of San Diego was a member of the Fed; Parson was allowed to do what he did at Commonwealth, because they kept the discount window open for a long time. Their role in the Franklin situation isn't particularly impressive. And their examiners are management consultants to banks. Now, that's all right, but I wouldn't want the attitude of the Fed carried over to a bank supervisory role. Maybe they could do it.

CHRONICLE: We spoke of your administration for Winston, what do you think of the management at the Chase?

MAYER: I'm not terribly impressed with David Rockefeller. I don't know anybody who is.

CHRONICLE: What about Chase's Butcher?

MAYER: He's a nice guy, but he's got an awful job. If anything Rockefeller does is wrong, you're going to have to get blamed for it. It's very hard to be president of that bank.

CHRONICLE: What about Chase, and its exposure to the REIT industry and its municipal bond portfolio problems?

MAYER: I think we've only seen the tip of the iceberg of Chase's problems. A very good friend of mine says that's a non-managed bank. It's been a non-managed bank for years. The back office problem is very severe. The quality of the loan portfolio is very real—they gave all sorts of hostages to fortune. Their involvement in Battery Park City and in the Wall Street area in general was very costly. I don't think they've begun to pay the cost of that. That was done for reasons that were non-banking reasons, that were Rockefeller family reasons.

CHRONICLE: Chase, as well as other banks around the nation in the last few years have been attempting to compete with the brokerage community by offering stock investment plans. Wall Street is understandably upset over this and has sought legislation updating the Glass-Steagall Act. What's your feelings on this?

MAYER: I'm a great believer in Glass-Steagall. I don't want that wall breached.

CHRONICLE: But there's another part—the banks want to have their tax-exempt underwriting authority expanded to include revenue issues.

MAYER: Considering their indulgence to New York City and their willingness to underwrite the garbage that New York City has been issuing for the last two years, I would be very dubious about extending their power to underwrite revenues. I would want an awful lot of legal liability from them of an SEC nature, in terms of their selling procedure, literature and what they said about it. Even then I don't think I'd like it. They are responsible in part for New York's troubles. They were indulgent lenders' because they were able to get their customers to buy the paper.

CHRONICLE: What are your feelings about the state-owned bank proposed by New York Assembly Speaker Stanley Steingut?

MAYER: I think the boys would unload all their bad municipal paper on it immediately. When it first came up I thought the banks were behind it. It has so many advantages for them in terms of unloading the paper, particularly now that they're going to be stuck with MAC paper.

CHRONICLE: Alfred Hayes, outgoing president of the Federal Reserve Bank of New York suggests that it would be worthwhile for banks to dilute their existing equity interest by issuing more stock to build a stronger equity base. Do you agree?

MAYER: I think so. I don't believe banks should be very highly leveraged. They're leveraged enough in their normal operation. There should be a degree of public safety in the banking system, which of course, lies with the Fed.

CHRONICLE: What about the up and coming electronic funds transfer systems? It seems that this will open up a whole new ball game.

MAYER: I think it's a very difficult problem. We don't have a regulatory structure ready for it. Most of what I've heard seems to be slogans. I imagine that ultimately people will be coming up with concrete proposals. I haven't seen anything yet that seems to meet the need.

CHRONICLE: Some of the critics of your book suggest that you were gullible. You mention a junior loan officer making a \$30 million loan on impulse. Banking Magazine said this could never be true.

MAYER: That incident is quite true. Anybody who wants to say I was gullible, can call the bank involved himself and they will confirm it. Nonetheless, I'm sure I'm gullible. I'm sure that there are things that people told me that I put in print that are wrong, where I was suckered. One always is to some extent, but one tries not to be.

Suspended sentence

San Diego — Financier C. Arnholt Smith, former chairman of the now-defunct U. S. National Bank, was fined \$30,000 and given five years probation after pleading no contest to four felony charges involving the collapse of his bank and his Westgate-California Corp. empire.

U. S. District Court Judge Robert Schnacke suspended a two-year prison term for Smith. Smith was sentenced an hour after entering his plea.

Philip A. Toft, a co-defendant and former U. S. National Bank president, was fined \$25,000 and placed on five years probation, after having pleaded no contest to three felony counts arising from the same case.

Financial News Digest

IN MINUTES — What other financial publications are covering that you should know.

What the Digest is . . .

The Financial News Digest is a weekly feature edited by J. Robert Sherman.

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Time
U.S. News & World Report

Semi-Monthly:

Forbes

Monthly:

Fortune
Institutional Investor

Every two months:

Harvard Business Review

Digest briefs

Business Week

Issue of June 16

The Emerald Isle

Ireland is not only green and lovely, lad, but it is also profitable for the likes of the giant pharmaceutical companies. Indeed, a chemicals boom has come to the old sod, and among those participating in it are: **Merck & Co.**, building a \$40 million plant at Clonmel. **Schering-Plough Corp.** will start work on a \$60-million antibiotics plant next year near the Merck operation. Also named among 19 companies that have set up plants in Ireland: **Syntex Corp.**, **Asahi Chemical Industry Co.**, **Courtlands, Ltd.**, **Warner-Lambert Co.**, **E. R. Squibb & Sons, Inc.**, **Olin Corp.**, **Armour Industrial Chemical Co.**, **Pfizer, Inc.**, **SmithKline Corp.**, **General Mills Chemicals, Inc.**, **A. B. Leo**, **Boehringer**, **Mitsui Denman**, **Eli Lilly & Co.**

[Business Week, p. 14A]

Plunk!

That was the sound of the economic slump you heard. It hit bottom. Now for the way back, the road to recovery looks wide, long and curvy. It may be a slow journey due to a limitation on acceleration until fall. But then the pace is expected to quicken and continue through next year. The annual growth rate in the real gross national product for the next four quarters is expected to be slightly under 7 per cent.

[Business Week, p. 15]

Not so-great dream

A little cottage by the side of the road, vine-covered and pretty with a garage beside it, perhaps, and a porch, if you please. The Great American Dream. No more. Now builders are cutting out those pleasant little amenities, the frills: porches, dishwashers, refrigerators, finished basements and more, as they try to lure people back to the housing market to buy what they have been unable to sell to 85 per cent of U. S. families priced out of the market. They are following the pattern adopted with success after World War II. It may work. Otherwise, they'll not be able to find enough buyers for the government's estimated \$41,300 median price for a new home. Named: **Kaufman & Broad, Inc.**, **Pulte Home Corp.**, **Detroit**; **Sanford Construction Co.**, **Needham, Mass.**; **Gerald**

Building Co., **Detroit**. **Zale Construction Co.**, **Chicago**.

[Business Week, p. 17]

Those floating notes

The concept of floating rates on notes issued by financial institutions and corporations was a good one, and exciting for investors when they were introduced about a year ago, but the return to the issuers has been somewhat doubtful. Results are in for the first, **Citicorp**. Its initial interest rate was set at 9.7 per cent and the float began June 1, at 6.45 per cent. It will be revised again in December. **Citicorp's** notes guaranteed the 9.7 per cent until June 1, after which the rate would be adjusted to 1 per cent above the prevailing average rate of the three-month Treasury bills. Also named: **Chase Manhattan**, **Standard Oil [Ind.]**, **Continental Illinois**, **Mellon National**, **Crocker National**.

[Business Week, p. 20]

Golden compromise

Apparently the U.S. and France have come to an agreement on what to do about the International Monetary Fund's big hoard of gold, which seems to have been the principal issue against their opposing positions about what is to be done about gold's role in the IMF. They may return some of that gold to the nations that contributed it in the first place, and place a token of it on sale in world markets. If they resolve the issue, it will probably lead to revaluation of gold now held by central banks and its use in the settlement of international payments, to the tune of \$160-billion. There are attendant problems, mainly what to do with the fund's gold valued at \$7-billion but worth \$28-billion at today's market prices.

[Business Week, p. 20]

Time . . . waits . . .

For **Bulova Watch Co.**, time hasn't stopped, but it has slowed considerably. While all around it other watchmakers are coming out with a flood of digital solid-state watches, Bulova feels that it simply isn't ready for that market yet. Furthermore, when it is ready, it feels that the market will still be there. However, it may already be too late. Bulova has its back to the wall. It is expected to announce fiscal 1975 results soon and they are not expected to be good. Bulova recently slashed its dividend from 17.5 cents to 5 cents a share to conserve cash.

[Business Week, p. 22]

Electronics crowded

For companies engaged in making products such as calculators for consumers, the market is overcrowded. **Bowmar Instrument Corp.** showed that last week by announcing that it is getting out of the consumer area. It had filed for Chapter XI reorganization last February. Bowmar was the leading marketer of hand-held calculators two years ago. The condition of the industry was even more pronounced at the consumer electronics show last week, not by those in attendance, but by those who were not, all former giants. Among the big ones, only **General Electric** was on hand. Mostly small companies took up the exhibition spaces. Named: **Texas Instruments, Inc.**, **RCA**, **Zenith**, **Admiral**, **Philco**, **Belk Bros. Stores**, **Diamond's Department Store**, **Litronix, Inc.**, **Benrus Corp.**, **National Semiconductor Corp.**, **Sharp Electronics Corp.**

[Business Week, p. 23]

Fertilizer grows

Remember the hefty shortages of fertilizer around the world last year? No more. It is almost as if what little there was fertilized itself to grow and grow and grow. For now there is a big glut of the stuff overseas, such places as Brazil, with 900,000 too-many tons, Singapore overloaded, the Philippines with enough for the nine or more months. Of course, demand is falling fast now, and prices are going down too. What happens? The buyers bought too much. Named: **Mitsui Toatsu Chemicals, Inc.**, **CF Industries Inc.**, **Agrico Chemical Co.**, **Williams Cos.**, **Commodities Export Co.**

[Business Week, p. 24]

Going outside oil

A company that has been heavily into foreign crude and almost undiversified, **Standard Oil Co. of California** has finally moved to diversify with the purchase of 20 per cent of **Amax, Inc.**, a mining giant based in New York. **Socal** is buying 3-million **Amax** shares for \$169.5-million and will get another 2.9-million shares in exchange for \$163.8-million in preferred shares of its California Oil Co. subsidiary.

[Business Week, p. 25]

Russian cars coming

Soviet automobiles may soon be seen on America's highways. They are being tested now in a serious effort to compete here. Ten Lada sedans are the test vehicles. They were built at the Soviet Togliattigrad plant and the tests are to determine what modifications if any are needed to meet U.S. emission control standards. It is possible that they can begin to market them by next March. Their agent, in New York, is **Satra Industrial Corp.** The Lada will probably sell for \$3500.

[Business Week, p. 30]

Seeing the light

Itek Corp. of Lexington, Mass., increased its unit sales of eyeglass frames 34 per cent by a simple ploy: it took them out of paper boxes and put them into all sorts of attractive containers, including wine baskets, tennis ball cans, etc. The rest of the industry was increasing its market share only by 6 per cent while Itek was growing at 20 per cent. Also named: **Univis**, **B&L**, **Textron**, **American Optical**, **Bausch & Lomb**.

[Business Week, p. 32L]

Tranquilizer anyone?

Embattled Adolf W. Jann, chairman and president of the drug giant, Swiss-based **Hoffman-La Roche**, is in the middle of an international controversy over its pricing policies, and although his company makes and sells

Bargain tranquility in Britain

	Librium	Valium
	Price to wholesaler*	
Britain	\$.14	\$.11
West Germany	4.38	5.35
Switzerland	4.75	5.44
United States	5.80	6.89

*Librium 100 10 mg.—capsules; Valium 100 5 mg.—tablets, as of March 1, 1975

Data: F. Hoffmann-LaRoche & Co.

millions of tranquilizers, it is not likely that he needs one. Instead, he seems to thrive on the fight. Usually tight-lipped, Jann only began to tell the public through the press what his company was doing sales and profit-wise. Its financial results for 1974 were released this week, and showed sales of \$1.9 billion, up from \$1.4 billion in 1974. Earnings were \$205-million vs. \$170 million the year before. Also named: **Merck & Co.**

[Business Week, p. 50]

Petrodollar spread

Petrodollars will be invested on a cooperative basis by **KAIT Investment Co.** which is 50 percent owned by the government to spread out its surplus of oil dollars. Participating will be banks from Japan, Australia, Brazil, and Canada. They are setting up an investment company, **Kuwait Pacific Finance Co.**, in Hong Kong. Investments will be made in oil and mining in the Pacific nations. Named: **Industrial Bank of Japan**, **Bank of New South Wales**, **Banco do Brasil**, **Canadian Imperial Bank of Commerce**, and Japan's **Yamaichi Securities**.

[Business Week, p. 36]

Take the bus

While the automobile industry is suffering greatly from a multitude of unfavorable con-

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Digest briefs

Continued from previous page

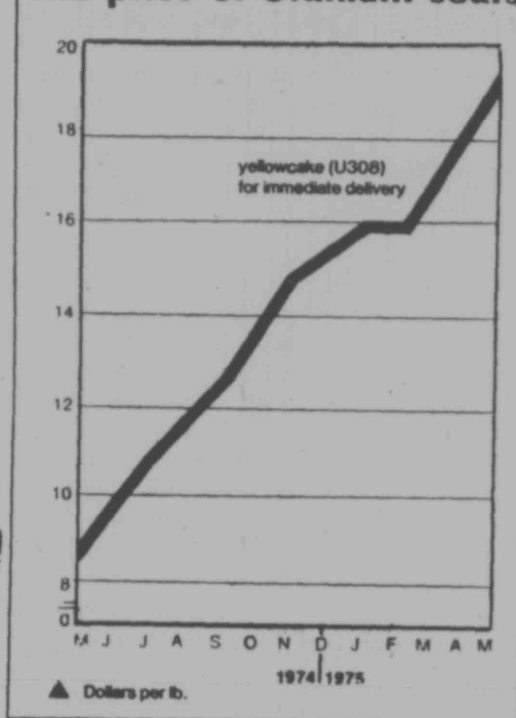
ditions, the industry's cousin, the U.S. bus manufacturing industry, is thriving. Business last year for three bus makers was up 50 per cent over 1973, after they delivered 4800 city transit and suburban buses to customers. Named: **Truck & Coach Div., General Motors Corp., AM General Corp., American Motors Corp., Flxible Co., Rohr Corp., British Leyland Motor Corp., Maschinenfabrik Augsburg-Nürnberg [MAN],** of West Germany.

[Business Week, p. 38]

Uranium comes back

If you mentioned uranium in the recent past, people were inclined to look the other way. They would much rather have discussed the weather. But now, there's a revival of interest and uranium stocks are getting a play again, oddly enough from the investors who were burned back in the days when Geiger

The price of Uranium soars



counters were in vogue. But now that utilities companies are firmly committed to a commercial demand for uranium, some smart mutual funds and others are buying. U.S. uranium production last year was in the vicinity of 11,500 tons, but will grow to a demand of 50,900 tons by 1985. And the needs for yellowcake are, even more extreme in Australia, Canada, France, and Africa. Named: **United Nuclear Corp., Ranchers Exploration & Development Corp., American Nuclear Corp., Nuclear Dynamics, Inc., Reserve Oil & Minerals Corp., Anaconda, Phelps Dodge Utah International, and Kerr-McGee Corp.**

[Business Week, p. 60]

Dunking the dunkers

A federal judge in Philadelphia is going to take a look at franchise companies and how they operate, particularly in the sale of goods to holders of their franchises, such things as "secret spices" and paper supplies and ovens. District Judge Edward R. Becker has decided that **Dunkin' Donuts of America, Inc.**, may have violated the Sherman antitrust law by offering to sell equipment and designating vendors to its franchisees. One lawyer says that it could ring the death knell of franchising if upheld. Also named: **Chicken Delight, McDonald's Corp., Pizza Hut, Inc., Shakey's Inc., Kentucky Fried Chicken, Heublein, Inc., Convenient Industries of America, Inc.**

[Business Week, p. 82]

The Economist

Issue of June 7

After the referendum

Britain's vote, if it is in favor of remaining in the European Economic Community (EEC), can provide a fresh start for Britain. America can help. Europe can help. Indications before the votes were in were that the pro-marketters were leading by two-to-one. After the referendum, the government would have to face the worsening inflation, and a need for wage freezes as it stares 1.5 million unemployed in the face, and the need to savage public spending. A yes vote is not for a European federalism, but a

mandate to make that which already exists, work. And as for the Americans, now that they have won the great aircraft competition, it is time that Europe make them some arms offers they can't refuse. But European arms makers will have to get themselves moving on development, cut out duplication of research, compete strongly within Europe itself and let the losers, the massive economy-weakening subsidies, die off. And they'll have to give up the idea of competing with the Americans in every area of the defence technology.

[The Economist, p. 11]

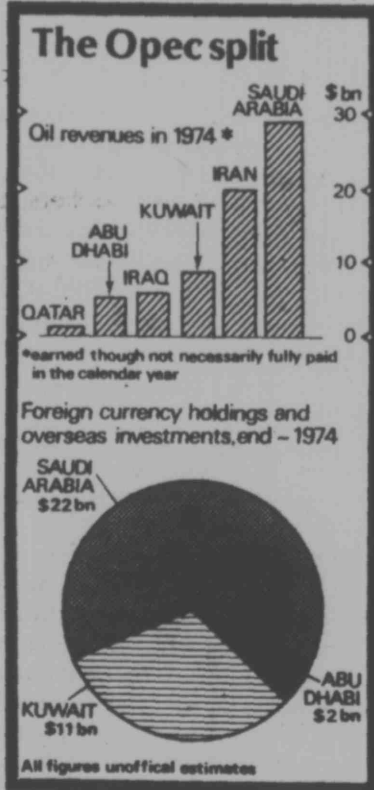
Keeping N.Y.C. afloat

Governor Hugh Carey of New York, has advanced the City of New York \$200 million in emergency aid to keep the behemoth from sinking in its financial difficulty so that time can be bought to work out acceptability of its securities in the money markets. He has provided a monetary lifebelt until the end of the month. Meanwhile, the city's problems are the center of a political tug of war over control of its future. Mayor Abraham Beame seems to be out front, having drawn up a "crisis" budget that would cause the sacking of more than 20 per cent of the municipal work force. He is making excessive reductions in health, public safety, and education and blaming it on other politicians, and callous and unrelenting, flint-hearted bankers. But the governor and the legislature are not on Beame's side of villainy, and are trying to keep the city from forced bankruptcy, at the same time seeking to make certain that the city discontinues spending beyond its means. Mr. Beame's draconian budget could lead to strikes and civil breakdowns that might send control of the city's finances over to the state. He has named four New Yorkers to a committee to work out a scheme for rescue on an orderly basis.

[The Economist, p. 39]

Not so independent

Although the oil-rich nations of the Gulf have no wish to be told by other nations what to do with their money, they are nevertheless still dependent upon western financiers and private bankers, as they continue to find ways to develop internally and invest their surpluses outside. Kuwait, for instance, still has foreign banks handle the bulks of its foreign holdings. Saudi Arabia, richest of all, is still managed by its Sama (Saudi Arabian Monetary Agency),



which is both the central bank and state investment institution. Abu Dhabi is having a cash-flow problem, and for several reasons may have no surplus this year.

[The Economist, p. 46]

The "door" is opened

With the reopening of the Suez Canal, ships, mostly Arab, were waiting in line to pass through. Rates for tankers are \$3.70 a ton, double what they were when the canal closed eight years ago. But no American or British ships were in sight yet. The insurer, **Lloyd's** has some encouraging news in that it has halved the levy on risks now that the helpful attitude of Israel and the fear of war has lessened. But the edge of fear shadowed by slight possibility of war will deter many shipowners from using the canal for now. Townships along the canal have been almost repopulated, and Egypt has a master plan containing the possibility of spending up to \$7 billion. The Shah of Iran has come up with \$250m to make Port Said a free zone for foreign investment.

[The Economist, p. 53]

Oil for the world

It appears that the Organization of

Petroleum Exporting Countries (Opec) will continue to be awash in oil at least for the next decade. At least the OECD believes that to be the case as it revises its forecasts for 1985 energy prospects. For one thing, demand is going to fall more sharply than previously expected and by 1985, the United States will be exporting 2.8m barrels a day. It also is expected to be importing a minimum of 4.5 mbd. And Canada may become a net importer of oil in the early eighties of about 1.5mbd, due to expectations of several energy sources failing to materialise. It all adds up to good news for now for the Opec members, who are having another meeting in Gabon, where they continue to be confident about their continuing power to dictate oil prices. Mr. Kissinger was hoping for an early producer-consumer dialogue, but that may be rejected. At least some of the members of Opec may not be willing to index their wealth to other commodities, so the oil lever may not be used that way. But it is almost a certainty that the oil producers will kick up the price of oil again, probably after their nine-month freeze thaws in September.

[The Economist, p. 53]

A good deal

Although the French tried to make it appear that their loss of the fighter aircraft contract in "the arms deal of the century" that went to the Americans, would sound the death knell for all future European cooperation, the Europeans are going to benefit. They will share in the Americans' cake, sharing in work to the value of 40 per cent of the sales of the **General Dynamics F-16** fighter to the Netherlands, Norway, Denmark and the Belgians. They will also share 10 per cent of the sales to the American armed forces and 15 per cent of any other sales. The sales of 1000 aircraft includes 650 to the American Air Force, 350 in Europe and work that will amount to \$1.25 billion starting in 1977. The Danes will make small airframe parts, electronic and hydraulic components, and engine gearboxes. The Norwegians will make fuel tanks and wheels, brakes and electronics; the Dutch [**Fokker-VFW**] will make larger airframe parts and undercarriage and radar equipment. The Belgians will assemble and flight-test the European aircraft. Two British companies, **Marconi-Elliott**, displays for the pilot worth 8m pounds now and eventually possibly 50m pounds, and **Dowty Fuel Systems**, which is supplying engine parts.

[The Economist, p. 54]

Financial Post

Issue of June 7

Capital spending

There are some good reasons to believe that Canada's economy will start to recover this summer, but there's a small problem—capital spending. Consumer spending, wages helped by tax reductions, are expected to rise, but the spending plans for new plant and equipment by business are a major uncertainty, which could eventually hurt to the extent of pushing inflation to a double-digit level by 1977. Some 200 companies, contrary to Ottawa's forecasts of 18 per cent, plan to increase capital outlays by 30 per cent. The problem is that those are only good intentions that are far from reality. The worry is not for now but for 1976 and beyond.

[Financial Post, p. 1]

Bountiful forecast

By all indications, farmers will enjoy brimming bins of grain crops from this year's harvest, which is expected to be plentifully bounteous in the United States, Europe, and Russia. And consumers may get a price break too. In Canada, spring seeding on the Prairie has gone along well even though delayed two weeks by rain that in the long run will prove beneficial. Canada's farmers are expected to seed 25.1 million acres for wheat, up 7 per cent over last year. In Chicago, July wheat futures dipped under \$3 a bushel compared to a season high of \$5.09 a bushel. The USDA sees possibilities that the price could be down around \$3 per bushel at harvest time. Retail food prices in 1975 are expected to be kept to no more than 7 per cent.

[Financial Post, p. 1]

Wage bombshell

Baker's want their doughmen to get wage hikes from \$12,607 to \$18,964; meat cutters want the head cutter to go to \$22,412 from \$14,768. And grocery clerks want to see a cashier's yearly pay to rise by 51.4 per cent, from \$10,920 to \$16,536. So the supermarket

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Digest briefs

Continued from previous page

chains where these people work are calling such demands outrageous and are seeking and getting some public sympathy in the Vancouver, B. C. area where the union threatens a strike. Named: **Canada Safeway Ltd., Kelly Douglas & Co., Independent Grocers' Alliance, Overwaitea Foods Ltd., Stong's Markets Ltd., and Woodward Stores Ltd.**

[Financial Post, p. 3]

Canada-USSR trade

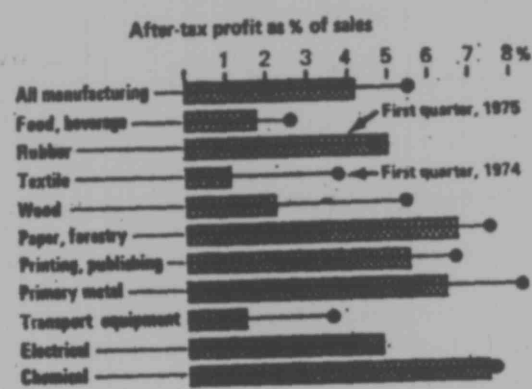
A \$500 million line of credit was recently extended by the **Export Development Corp.** There is evidence that trade between Canada and Russia may soon begin to increase, as a Soviet trade delegation last week looked at things they could buy—and at things they could sell here. The trade mission members were particularly interested in buying whole paper and pulp mills, and plywood factories. They were interested in some technological developments too.

[Financial Post, p. 3]

The profits decline

Corporate profits started to decline in the fourth quarter of 1974 and continued into this year. After-tax profits for all industrial corporations were down 10 per cent from a year

The message sinks in



ago. Canadian manufacturers have experienced a fall in net income of 17 per cent. And capital spending got nicked because depreciation allowances are based on low historical costs and not current replacement value. It is hoped that some offsetting measures will show up in Ottawa's upcoming budget.

[Financial Post, p. 8]

A big prize

The consortium that makes up **Canadian Arctic Gas Ltd.**, will get its telecommunications from **Telesat Canada**. It will apparently sign a 20-year contract for an estimated \$4 million a year to lease a single satellite channel and 56 earth stations, such being essential for pipeline operations, including monitoring and transmission of data. Also named: **CN Telecommunications, Alberta Government Telephones, Saskatchewan, Telecommunications, British Columbia Telephone Co., RCA Alascom.**

[Financial Post, p. 8]

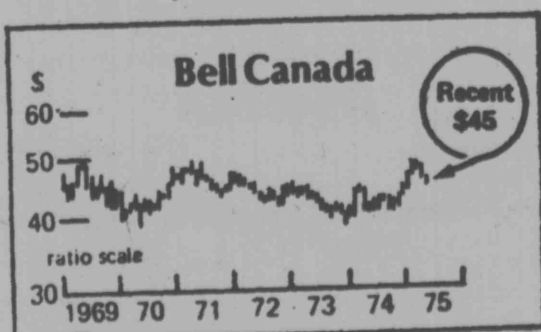
Farm machinery sales

The Canadian Farm & Industrial Equipment Institute reports that a survey reveals sales of farm machinery will not match last year's record sales. Farm incomes are moderating, down 8.5 per cent from last year. At the same time, farm machinery prices will rise. Named: **Massey-Ferguson Industries Ltd., John Deere Ltd.**

[Financial Post, p. 10]

Ring the bell

Capital spending plans of **Bell Canada** for this year are described as nothing less than



"stupendous" as it goes for a record \$836 million, up from last year's record \$783 million.

It can get this money through the capital markets only if conditions are right, and that means that Bell will have to get some more rate increases, one now and another shortly, its rate of return on common equity this year will be 10.3 per cent. Last year it was 9.6 per cent and will deteriorate .3 per cent if those telephone rate increases aren't granted by the Canadian Transport Commission.

[Financial Post, p. 211]

Time

Issue of June 16

Commodities war

It appears that the next big "war" in the world will be between the North and South, and the prize will be raw materials. The nations in the southern hemisphere will attempt to squeeze the northern industrial nations into paying higher prices for such things as copper, cocoa and rubber. Their prices doubled and even tripled from 1972-74, but now they have collapsed in the face of a decline in world demand. This, of course has helped industrial nations, whose inflationary fires were fanned by increased commodities costs. The industrial nations have a dilemma and in either case they may lose. But at least some consensus seems to be forming to get the world off the price roller coaster, smooth out the wild swings and get them stabilized.

[Time, p. 74]

Looking ahead

The economy's confused position was mirrored in a new batch of statistics that seemed to be pointing several ways at once. While the slump has apparently reached bottom, there are indications that the turnaround will be very slow in getting the recovery solidly started. In spite of bearish signs, the indications for economic survival are clear.

[Time, p. 75]

Jobless kids

Not so all-of-a-sudden, some 2.7 million boys and girls and young men and young women aged 14 to 21 are inundating the labor force in search of work for the summer at least. Most of them won't find it. The unemployment rate among teen agers is expected to be well above its already 21.8 per cent. Some of the young hopefuls are not only trying to put money into their own pockets, but are aiming to help out at homes where older members are unemployed. The National Alliance of Businessmen expects 200,000 job offers nationally, 25,000 fewer than last year.

[Time, p. 76]

The consumer's RX

If you use drugs, and almost everyone does at one time or another, you may have the opportunity soon to shop around for the best price. The Federal Trade Commission last week proposed new rules to allow drug stores to advertise prices for prescription drugs. Thirty three states currently ban such advertising. The pharmacists are in favor of the ban, for they feel that otherwise, cut-price chains also cut many throats and probably force some 40,000 independent pharmacies out of business. There are about 10,600 chain outlets.

[Time, p. 78]

Lighting the light

Surely the utilities companies are feeling better now than they were a short while ago in the midst of their increasing fuel costs and rate increase battles, falling profitability and in some cases discontinued dividends. But even though their tight financial bind has loosened, they are still listening to the howls of consumers but the regulators are allowing bigger, quicker rate hikes. For instance, they got \$1 billion more in such increases in this year's first quarter. That's more than they got for all of 1974 combined. However, their outlook for the long-term is not too terribly bright, for interest rates on bonds are still high. They will be laden with the high rates they had to accept in 1974, for years to come. They are showing some profits, but at the expense of cutting back on capital improvements and expansion plans. They'll be short of capacity and that will lead to brownouts or even blackouts when the demand for power comes back. Some help may be forthcoming from the government by allowing utilities a larger tax credit than the 10 per cent they now get on their investments.

[Time, p. 78]

Digest major stories

Barron's

Readin' and writing

The business of publishing textbooks may be a crashing bore in comparison to producing novels, especially best sellers, but publishers and their people have been able to suffer it through, particularly because it makes for a nice bottom line. And that, in the final analysis, is their favorite reading.

For the public, weary of the recession and its blues, reading has revived some spirits and at least provided some escape. At the same time, college students, have decided to put down the picket signs and take a crack at studying.

You can believe that when you hear it from the campus itself. A librarian says that his bailiwick used to be the loneliest of places, now attracts almost as much attention, although no revelry, as the local beer parlors on Saturday nights.

As far as book publishers are concerned there was no business slump. Sales last year rose 10.5 per cent for the industry, to a record \$3.53 billion. High among them were trade books, up 13.6 per cent to \$522.7 million, and college textbooks, up 15.6 per cent to \$453.4 million.

The job market has had something to do with it. High school graduates, finding few jobs, are going on to higher education, especially to the less expensive state colleges, and many in college who might otherwise have dropped out are staying put. And they are studying in earnest, having discovered perhaps, from their predecessors who were more interested in rebellion, that one must feed oneself after the formal educational process has run its course.

Publishers, ever aware of trends, have been keeping on top of things, updating their lists and profiting thereby. They have also brought out many new titles, eliminating unprofitable areas and doing more careful market studies. As a result of their business-like approach to the business, plus 8 to 10 per cent price mark-ups, they are boosting profit margins.

Among the publicly-owned firms are the following:

Turning a good profit

	Sales (Millions)		Earnings Per Share	
	1974	1973	1974	1973
Addison-Wesley (a)	\$50.7	\$37.3	\$1.55	\$1.01
Harcourt Brace Jovanovich	204.6	176.7	3.11	2.81
Harper & Row (b)	72.5	69.3	1.12	1.00
Houghton Mifflin	89.3	81.2	1.64	1.74
Richard D. Irwin (c)	19.5	17.0	1.81	1.68
Lippincott	38.1	31.0	.86	.60
Macmillan	466.6	420.4	1.22	1.27
McGraw-Hill	510.4	470.3	1.22	1.11
Prentice-Hall	176.1	153.2	1.88	1.85
Putnam's Sons (e)	21.3	19.6	1.96	1.90
Scott, Foresman (f)	120.2	89.0	2.36	1.80
Simon & Schuster	51.7	45.2	.57	.43
Western Publishing	215.6	205.5	2.60	2.54
John Wiley & Sons (f)	42.8	35.6	2.34	1.72

a-Fiscal years ended November 30. b-Fiscal years ended April 30, 1974 and 1973. c-Fiscal years ended February 28, 1975 and 1974. d-Fiscal year ended January 31, 1975. e-Nine months through January 31, 1975.

[Barron's, 6-9, p. 3]

Business Week

The crunch is coming

Get your equity early, if not often. If the market gets up to around 850 or 900, you might otherwise get crushed in the crunch that an equity financing rush may bring. So says Peter L. Bernstein, a consulting economist, market theoretician and money manager. He sees it as potentially similar to what happened in the bond market.

Mr. Bernstein apparently expects the demand for new stock to be far less than the supply. He looks for the return of individuals to the stock market, in which case the supply-demand problem might be solved. An excessive supply otherwise might limit the next bull market, he says.

Mr. Bernstein is well positioned for forecasting major economic and market developments because of his professional activities. He has called some shots accurately, notably last fall when he predicted that the real gross national product would fall below \$800-

Continued on the next page

Digest major stories

Continued from previous page

billion (at an annual rate) in the first quarter of this year, and he called the end of the "shortage thesis" accurately.

Over the next decade he sees a minimum of \$250-billion equity requirement (as suggested by the New York Stock Exchange), in an environment of a possible bull market that presupposes a prosperous economic condition.

If there is no improvement in debt-equity ratios, it will become increasingly difficult for corporations to finance future growth, and the burden will come on external equity. Where will the \$25 billion a year come from? As double the amount ever raised before, it will wipe out per-share earnings gains. You can't count on pension funds, which could hardly get hold of enough equities in the good years. They may very well start to scale down their equities. Even so, he sees a potential \$10-billion a year from them, another 5 or \$6-billion from state and municipal pension funds, \$6-billion from life and fire and casualty companies. Still, there would be a need for another 3 to \$6-billion. Individuals have been and are expected to continue to liquidate stocks. Foreigners may not be much help in filling the gap. But the individuals may change their attitude if the recession ends, real growth is around 4 per cent and inflation at about 4 per cent. He believes there is a 55 per cent chance that they will prevail.

He sees the necessity of the equity market becoming a major source of finance for business...or alternatively, "economic growth may be vulnerable in the extreme."

[Business Week, 6-16, p. 58]

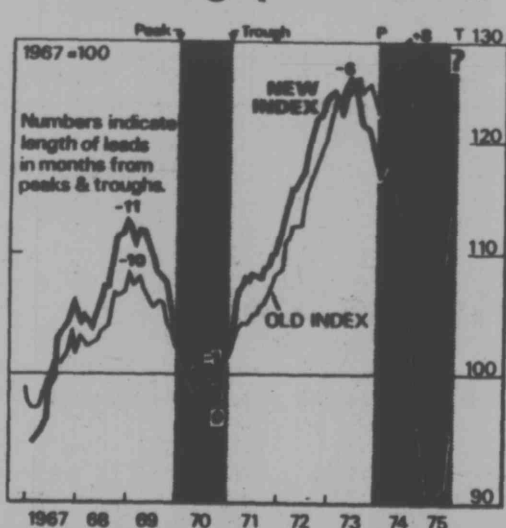
The Economist

A different view

No better time than the present could have been chosen to unveil a new series of indicators that paint the picture of the economy's standing. The new index of leading economic indicators has shown a heartening rise, and if it continues, the Administration will be able to proclaim the end of the recession right on schedule.

The new list compiled by the Commerce Department has 12 leading series and 10 are quite positive. The index had its largest monthly rise—4.2 per cent—in April than it has had in the 25 years since such records began to be

Forecasting ups and downs



* Series in new index: average workweek in manufacturing, net business formation, stock prices, building permits (all included in old index) and speed of deliveries, layoff rate in manufacturing, money balances, orders for new plant, change in liquid assets, change in stocks, new orders for consumer goods, percentage change in sensitive wholesale prices.

kept. It had risen by 1 per cent in March, a first sign of turning after 11 months of decline.

Best of all, the sharpest increase came in the issuance of housing permits. Housing, of course, historically has led the economy out of all previous slumps. This is the first sign it has shown of a repeat (maybe) performance. The new indicators point to recovery soon.

For people who are unemployed, it is another story. Relief for them is not near at hand. Unemployment stood at 8.9 per cent in April. According to the midyear economic review of the Administration, unemployment is expected to average 8.7 per cent for the rest of

1975, and 7.9 per cent next year even amidst an expected growth rate of 6.3 per cent. Mr. Ford vetoed a \$45.3 billion jobs bill, claiming that the bill would have choked off economic growth.

The manner in which the indicators revealed information is blamed in part for the failure of economic policy, and for continuance of tight money a long time after it should have been eased. The new index began in 1972 and has eight new economic series in it, with expression in 1967 dollars which accounts for any distortions that might occur from inflation. The new and the old indices will continue to be published until the end of the year for purposes of comparison.

Now that the leading indicators have been revised with apparent success, there is hope that similar attention will be turned to other statistical reporting devices. They include the manner in which unemployment figures are dealt, and measurements of the balance of international payments.

[The Economist, 6-7, p. 43]

Financial Post

The good times roll

For the banks, a pleasant surprise as far as earnings are concerned. They were almost 30 per cent higher for the six months to April 30, for nine out of ten banks vs. last year's numbers for the same period, and the second quarter was a record time.

That may send some analysts scurrying to wipe off their crystal balls, for they had been

Some per-share earnings

	1975 Estimate	1974 Actual
Bank of B.C.*	2.00	1.71
Bank of Montreal	2.25-2.40	1.65
Bank of Nova Scotia*	4.95-5.40	4.01
Banque Canadienne	2.80-3.10	2.61
Banque Provinciale	2.25-2.30	2.16
Mercantile*	1.35-1.50	0.89
Royal Bank*	3.70-4.40	3.22
Toronto Dominion*	4.50-4.70	4.09
Unity Bank†	up to 0.08	(0.17)

* Based on a larger number of shares in 1975 than 1974.

† Loss in 1974.

forecasting earnings gains of no more than 5 or 10 per cent overall for 1975's fiscal year, and some even predicted a worse performance. Now an advance of 20 per cent over last year is not unrealistic as far as they are concerned.

One of the principal reasons for better earnings both at home and abroad this year is the spread of interest rates, that is, the interest earned on loans and securities compared to that paid on deposits and debentures.

The Canadian banks are doing well in a strong position in international banking, with margins up to 1.25 per cent compared to a quarter to one half of one per cent a year ago. The heavy hitters are the banks with international operations.

They are doing well on the home front too, on very attractive margins. Loan rates now are ranging from 9 per cent prime to 13 and 13.5 on consumer loans. They are also doing well on fees in various facets, and on commissions for instance, on Canada Savings Bonds.

There's a problem creeping up: loan losses are increasing and will be greater this year than last. However, adequate provision is believed to have been made for loan losses in 1975, according to the analysts. One among the banks, Banque Provinciale du Canada hasn't had all that good a year. But for the rest, it has been a very satisfying year indeed.

[Financial Post, 6-7, p. 21]

Newsweek

About those electrics

When the Arabs imposed their embargo in late 1973, attention naturally turned to alternative sources of energy for fueling automobiles and other vehicles, since it was apparent that the old order for oil would never be the same again.

There was a rash of proposals, potentials and possibilities. Now there is a new possibility, this time through the House energy subcommittee which held hearings last week on a bill that would provide \$120 million over the next three years for a good, solid look at electrics as one answer to energy conservation.

The committee heard from a parade of people concerned with electric-powered cars, trucks and buses. The problem with such

vehicles is that they are too limited in range and speed. Too slow. The \$120 million that legislation would provide would be used for research and development of electrics.

The subcommittee got some help from the Electric Vehicle Council, which staged a demonstration of 18 electrics of all shapes and sizes. They looked at the Sundance coupe of ESB, Inc., a luxury sedan with plenty of room and called EVA, by Electric Vehicle Associates, Inc., of Brook Park, Ohio; also the Delta of General Electric, the Fiat roadster of Die Mesh Corp., a CitiCar, shaped like a wedge of cheese, from Sebring Vanguard, Inc., of Sebring, Fla. Another is the Italian, snub-nosed Elcar of Elcar Corp., of Elkhart, Inc. It and the CitiCar are the only two that are being marketed widely now, and even those have big drawbacks among their obvious advantages such as no pollution, quietness of operation, not to mention economy. But you go 50 miles in the CitiCar, for instance, and you are ready for a recharge of eight hours. And then only after having achieved a top speed of 35 miles per hour.

An oddity among oddities is a two-seater prototype put together by the Copper Development Association. And yes, it's a copper car appropriately called the Copper Electric Town Car which has a range of 120 miles at top speed of 55 mph but cruises at 40 mph.

The big problem of these electric vehicles is that they are powered by lead-acid batteries. For a car about the size of a Ford Pinto, it would require a battery weighing 3000 pounds to move the vehicle about 100 miles in city driving. Maybe what this country needs—as it once was said to have needed a good five-cent cigar—is a good small battery.

[Newsweek, 6-16, p. 69]

U.S. News & World Report

Uncertainties ahead

Don't get too euphoric as you read the evidence about the end of the recession and the beginning of recovery. It will not be a bed of roses. Business is concerned that there will be some thorns in the recovery period before it comes to full blossom.

Officials in Washington, namely Treasury Secretary William E. Simon, have sounded warnings that the recovery may be slow and undramatic. At the same time, some of the numbers indicate conflicts that seem to be saying: "maybe, but" and "if" and "either-or".

While capital spending plans have been cut back, inventories have been reduced and there has been an increase in new orders for factory goods.

Even though auto makers enjoyed a slight sales increase in May, and as a result decided to make more cars, unemployment is still high at 9.2 per cent in May, and will remain high for some time to come.

Another big problem is energy and what will happen to prices. It is not helping consumer confidence, which has already been eroded by uncertainties in the economy. They haven't been buying new houses, appliances or cars.

As they look at declining corporate profits, a still sliding construction industry (housing, especially), and an economy that is bottoming yet not turning around, businessmen have reason for some jittery moments.

Perhaps their sentiments are summed up by a Dallas-based builder, Frank M. Crossen, chairman of Centex Corp. He feels that the lack of consumer confidence is the primary problem. "Recovery will begin," he says, "when the consumer's fears are gone and he knows there's not going to be a collapse."

However, it is noted that some of the consumer-killing factors have eased. Inflation is one, having fallen to 6 per cent from 11 last year. And real personal incomes are no longer sliding downhill, people are more secure in their jobs, and layoffs have abated considerably.

As far as tax rebates are concerned as being helpful, give the consumer a 1 per cent reduction in inflation, and you'll give him something of more value than all the tax rebates combined, according to Gene Conatser, chief economist at the Bank of America.

Down the road, the outlook for autos is doubtful because of uncertainty about energy, emission standards, fuel-economy measures and not least of all, the cost of new cars in the 1976 model year. Ford has already written off 1975's model year as a disaster.

Housing is again doubtful. Other weak spots expected to slow the recovery include industrial production, business investments, unemployment, real personal income, and auto sales generally.

[USN&WR, 6-16, p. 15]

False alarms, fake spectres in world finance

By MICHELE SINDONA

The human mentality, a marvelously creative mechanism, has so much inventive power that it often produces myths and phantoms as easily as new truths and realities. One of the most recent phantoms has been the Petrodollar, which many so-called experts have said is a serious threat to future world economic stability.

The Petrodollar is an illusion. It is not, as some imagine, a new material substance we have produced. Moreover, this illusion cannot precipitate the decay, and eventual ruin, of our international monetary system.

To be sure, the quadrupling of oil prices by the OPEC bloc has resulted in serious economic dislocations among the western industrialized nations. The quantum increase in energy costs last year immensely complicated the problem of dealing with worldwide inflationary pressures.

Similarly, the Petrodollar has made it more difficult to cope with worldwide deflation this year. But to admit that the problems of the oil-consuming nations have become greater is one thing; to say that we are all confronted with economic calamity is something else again, and untrue.

Over the past year, there has been a common tendency to view economic speculations as valid forecasts. It seemed that the gloomier these predictions, the more readily they have been believed.

One of the more pessimistic predictions in the air has been that the United States, in a few years, might be on the verge of bankruptcy. This notion stemmed from the problems of financing petroleum imports. Foreign countries would have to borrow dollars heavily and they'd soon be unable to repay these funds. This, in turn, would destroy all credibility in the U. S. dollar as an international reserve asset. Without such credibility the U.S. would go bankrupt.

Part and parcel of this theory was the prediction that there would also be a continuing, massive build-up of OPEC surplus funds. It was forecast that the surplus would reach a cumulative figure of some \$650 billion by 1978. This position was based on the assumption that the demand for OPEC oil would continue to rise at historic rates.

Contrasting Realities

But the reality of the past year has been in marked contrast to these predictions. The oil-importing nations have reduced not only oil consumption but also, and perhaps equally important, have cut their reliance on the OPEC bloc as a source of oil supplies.

In the five years through 1973, oil consumption in Western Europe increased at an average annual rate of 7 per cent. Western European consumption is at present more than 6 per cent below the pre-embargo level. In the U. S., the world's biggest user of oil, consumption is 3 per cent below historic levels.

As a result of intensified and expanded exploration efforts in non-OPEC areas, the free world's accumulation of known oil reserves has been increased by 33 billion barrels. Some petroleum geologists have pointed out that there is a real possibility that during the next decade or so, new discoveries of oil reserves outside the OPEC bloc will be greater than the

reserves known to exist in the OPEC areas today.

The dramatic divergence between what actually has taken place and the pessimistic predictions of a year ago has caused considerable recasting of the old financial forecasts about the size of the OPEC surplus. The \$650 billion figure for 1978 has been cut to something between \$200 and \$250 billion by many experts. Some authorities even think \$200 billion is far too high.

The Morgan Guaranty Bank, for example, says that in contrast to earlier estimates that the OPEC surplus for 1975 would be between \$60 and \$70 billion it now looks as though the actual surplus in 1975 may be as low as \$35 billion, compared with an OPEC surplus of \$62 billion in 1974.

This bank's experts feel that if the OPEC nations continue to increase their imports at an annual rate of 75 per cent, while their oil exports continue to diminish, by 1979 their trade balance actually would be in deficit.

In reality, the long-term economic strengths of the western industrialized nations far outweigh the short-term economic advantages which have accrued to the OPEC bloc as a result of the sudden quadrupling of oil prices. The bastion of free-world economic strength remains the U. S. economy. And if there is one nation in all the world that is the least threatened by the possibility of future bankruptcy it is the United States.

Payments Evidence

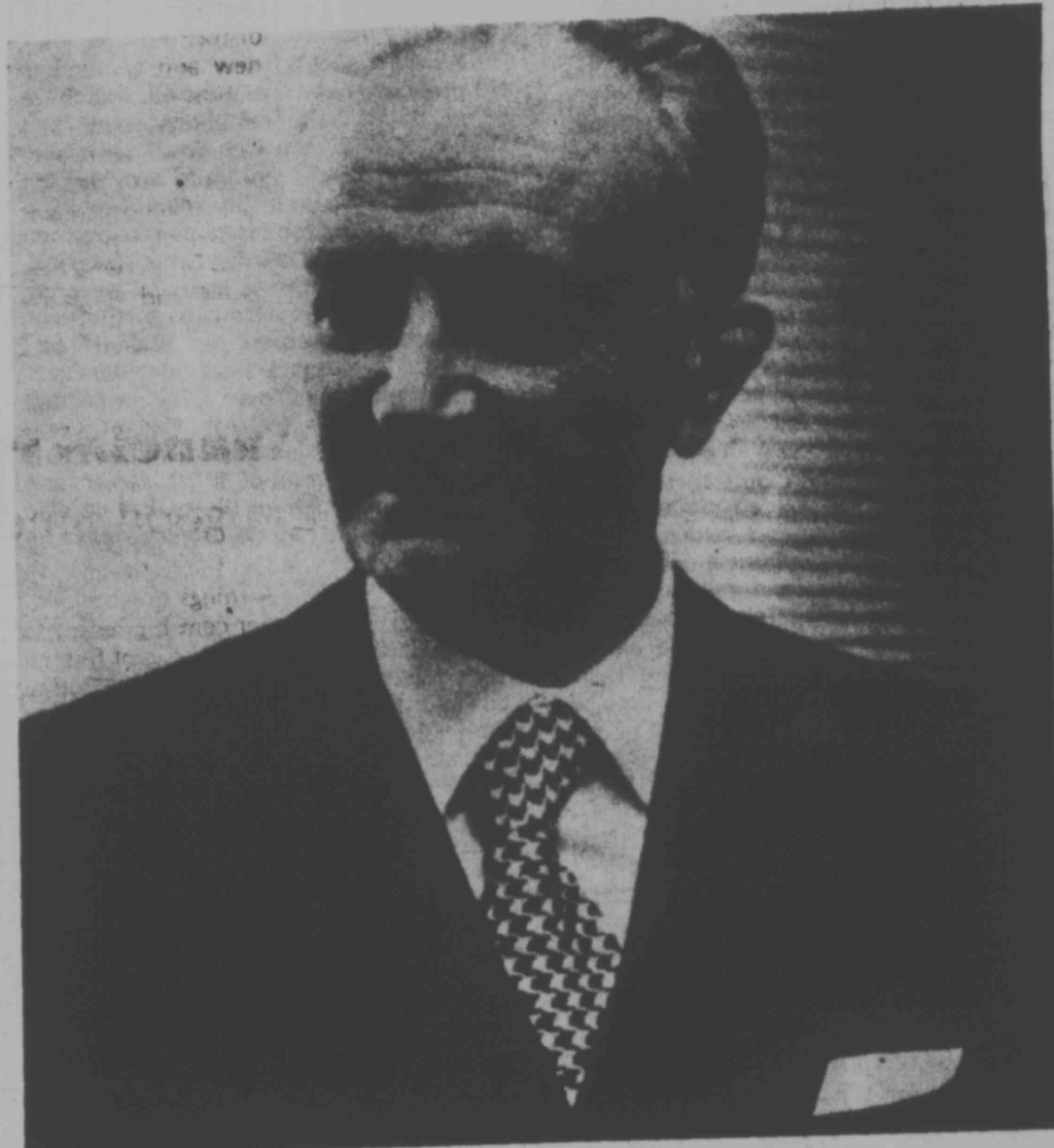
Critics point to the recurring U. S. balance of payments deficits as evidence that the world's biggest economy is deteriorating. Actually, in the past ten years America's payment deficits amounted to about \$50 billion in total. Compared to the size and productive capacity of the U.S. economy, this is hardly an alarming figure.

Still other critics say that the outflow of U. S. dollars into foreign hands has enabled foreign investors to increase their ownership of American industry and business significantly, thus diminishing the control of the U. S. over its own economic destiny. But the evidence does not support these fears. At the end of 1973, the book value of all foreign-owned or controlled business in the U. S. totaled about \$40 billion; the book value of U. S.-owned business overseas was about \$100 billion.

In my view, the most laudable economic achievement of this century has been the ability of the U. S. to expand its productive capacity at home to a degree unmatched in history—and at the same time provide major assistance to other nations in strengthening their own economies. The net result has been a vast improvement in the free world's standard of living—not excluding the OPEC nations.

During our generation, world trade and investment have continued to expand explosively, an accomplishment largely made possible by the de facto development of an international payments system based on the credibility of the U. S. dollar.

As the events of the past few years have made clear, the keystone of the Bretton Woods agreement that produced our international monetary system was not the convertibility of dollars into gold, but the intrinsic acceptability of dollars as the



Sindona

Until recently, Michele Sindona was a mysterious and ubiquitous figure in international financial circles — his dealings were the talk of two continents, especially when he bought a major interest in Long Island's Franklin National Bank, which nearly went bankrupt. In Europe, Sindona was involved with a number of scandalous business failures. As part of an effort to rehabilitate his image, Sindona offered some thoughts on international finance a few weeks ago to students of the Wharton School. The following article, written especially for The Chronicle, is based on those remarks.

principal medium of exchange. If this were not true, when the gold exchange standard ended in 1971, world trade and investment would have ground to a halt. Instead, it has continued to grow.

Despite all the myths and illusions to the contrary, there is only one kind of U. S. dollar. Only the U. S. can issue its dollar, and when it does, the U. S. commits itself to honor it. The U. S. stands behind its commitment whether dollars are in European hands, and are therefore called Eurodollars, or whether they are dubbed Petrodollars.

Bewildering Request

People may imagine Eurodollars and Petrodollars exist as some separate currency. But they have no real independent existence. Ask the manager of any banking office in London to give you 25 Petrodollars and 25 Eurodollars in exchange for a \$50 bill, and all you will get in reply is a look of bewilderment.

It is going to take some time and effort to demonstrate that the difficulty of

recycling Petrodollars is more illusory than real. It was only a year ago that the problem seemed quite intractable. Many authorities feared that the national monetary system would be incapable of managing the recycling problem.

Before the oil price increases, OPEC's annual revenues were about \$25 billion. The alarmists predicted that in 1974 these revenues would increase to at least \$100 billion, and therefore the international banking network would collapse or be paralyzed in any attempt to handle this massive increase in international capital transactions.

In one sense, the alarmists were almost right. OPEC revenues in 1974 rose to \$95 billion. But the international payments system has hardly fallen apart. Although OPEC purchases from other nations increased some 75 per cent last year, to \$47 billion, and while OPEC foreign investments last year rose to \$30 billion, the huge resulting financial transfers were completed successfully.

This is not to say that the oil-price increases have not created problems that are as yet unsolved. But now the dust has settled, we can recognize that past fears were unwarranted. Perhaps, therefore, some of our present fears about the future are unjustified.

Last week, national finance ministers met in Paris under the auspices of the International Monetary Fund to consider how our international monetary system can be improved. It would have been unrealistic to expect that major adjustments of the I.M.F. would be agreed to during this meeting. The problems that require solutions are immensely complicated and worldwide in scope.

But we can hope that the Paris meeting marked the beginning of a new era of cooperation and understanding among the 126 I. M. F. member states. Perhaps there will come from this a new harmony among oil producers and oil consumers alike, and a recognition of their common interest.

Quarterly flows in OPEC liquid investments

(in billions of dollars)

	1974					1975 *
	Total for year	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
Dollar bank deposits and government securities in the United States	10.5	1.1	2.6	4.3	2.5	1.7
Sterling bank deposits and government securities in the United Kingdom	6.0	0.8	1.4	1.8	2.0	1.3
Euro-currency deposits	20.5	3.8	6.7	5.0	5.0	2.0
TOTAL	37.0	5.7	10.7	11.1	9.5	5.0

* Estimated

Why Big MAC will sell private placement

Continued from page 1

As a result they will probably not make a public offering of Big Mac notes, but a private placement instead. According to most Wall Street sources contacted by The Chronicle, the buying of this placement will hardly be voluntary.

As one bank source put it, "When those notes are sold, someone down here will have a list of what every bank, and every insurance company, and every investment banking house will have to buy. They're all going to be told 'Here's your share, swallow it.'"

This blunt allocation tactic, plus a hard sell, is probably the only way that the investment community can get itself off the hook. If a public offering of Big Mac bonds was a failure, the confidence in the municipal area — severely eroded in the past few weeks — would sink to new lows, driving premiums for such bonds to astronomical levels and depressing the market for new issues.

What makes this forced placement of the Big Mac notes possible is the prestige and standing in the investment community of Big Mac's parents and godparents. As one bank source said: "When those notes are sold, everyone is going to be calling their markers. Look, you've got Felix Roythan in on these negotiations, you've got the chairman of Met Life, you've got Citibank, Chase and Morgan Guaranty. They're going to call all their friends, and tell them, to the nearest penny, what their share is going to be. And if you think

The day the world ends, half of Wall Street and a goodly number of politicians will probably be at some fat cat, black tie dinner, lapping up too much booze and eight courses of too rich food. Well, last week the world did not quite end, but the finances of New York City were "teetering on the brink," as too many newspapermen have put it. Amidst all this brink teetering, all the people who were trying to save the City (not to mention their jobs, portfolios or whatever) gathered at the Waldorf for, what else? — a black tie dinner dance.

The ostensible purpose of the gathering, sponsored by the Citizens Budget Commission, was to give a gold medal to Peter Grace, the chairman of W. R. Grace and Co. But in as much as the gathering was held on the same day (last Wednesday) as

they're doing this just to save the city, you're crazy. They're doing it to save themselves — because who holds all the city notes anyway, and who is going to be hurt if most of the bond market falls apart?"

The banks, obviously. But the fact that

"Big Mac" was born; the corporation formed to buy up all that City paper no one else wanted, a lot of the people at the gathering used it as an excuse for rounds of hearty self-congratulation.

And when the bankers and the brokers weren't slapping themselves on the back, they were slapping the various politicians present, including Mayor Beame, who, while not too happy with all the back slapping, took time out from his war with the bankers, to manage at least a smile or two. The mayor, unlike the bankers however, decided to display a bit of fiscal conservatism by showing up not in black tie but in his workaday suit.

A rumpled suit, a face etched with worry, looking somewhat out of place among the lushly upholstered bankers and

their Birds of Paradise wives, the Mayor, we felt, just by the plain ordinariness of his presence, spoke thousands of words about what this City is really about. We asked the Mayor what would happen to the City now. He replied, in his light, twangy voice: Son, this is a great place, it's going to be here forever.

During the dinner Peter Grace made a speech wondering why he was given a gold medal. But he did humorously note that the recipient of last year's award now has the country's biggest financial headache — none other than Abe Beame. "I hope the same thing doesn't happen to me that happened to him," quipped Peter Grace. We hope so too Peter, but if so, we hope you can handle it with the forbearance that Abe has shown.



Eliot Janeway

America's virtue: Its consistency

Special to the Chronicle

Consistency is emerging as the conspicuous virtue of America's grand strategy for ordering her economic affairs and supporting her foreign relationships. She is doing neither one nor the other.

The cause of the trouble is not the weakness showing up in the economy; it is the perverse and systematic genius of the government for boomerang-throwing. The body economic in America has a nervous system all its own. The money nerve tying it together has been pinched without relief for half a decade. Too many Americans have been in money trouble for too long to permit recovery to blossom. It will not until the pinch on the money nerve is eased.

The peculiar structure of the American economy threads the oil nerve into the money nerve. The American economy is animated by such enormous vitality that it has demonstrated unusual resistance to the pinch on its money nerve. While chronic money trouble may be a barrier to a resurgence of prosperity, it alone will not plunge the economy into panic as in the past. But resilient though the economy would be if freed from money trouble, and resistant though it still is in the face of money trouble, it cannot hold out for long against an additional pinch on its oil nerve.

The Republican Administration and the Democratic congressional leadership seem hell bent on doing just this. That's the plain meaning of the stubborn unreasoning bipartisan push to raise the price of oil by taxing it up just when the market would otherwise be pricing it down. The only difference between Tweedle Dum in the White House and Tweedle Dee on Capitol Hill is whether the consuming public is to be taxed a lot more, or just a little more, by its benevolent big uncle.

Perverse Timing

Internationally, the timing of this crack-down on the American economy by its own government is unfortunate to the point of being perverse. It coincides with the discovery by a sense-making minority of Washington policy-makers that a foreign policy functioning in the national interest could blow the whistle on the oil stickup. So burdensome has the world oil glut become, and so dependent are the producers in the pirate countries becoming on the follow-on flows of American technology, that bargaining the price of world oil down would not be an easier exercise for America's negotiators—if she had any—

than acquiescing to another price hike.

Domestically, the damage is even more costly. The fate of every economy throughout the world hinges on the ability of the American government to let the American economy get moving again. But if there's any sure way to keep the American economy stalled, it's to load higher oil costs on her sick construction industry and higher gasoline costs on her hardly convalescent auto industry.

At the present cost of oil (let alone after higher taxes are passed through to users) no builders would have the slightest chance of coming out even on any new projects they could finance. Moreover levies of pennies on gas pumps will cost Detroit tens of billions of dollars in sales on new cars and replacement parts.

These onerous and counter-productive gas sales taxes stand to cost Washington billions in income-tax collections. Federal borrowings of revenue shortfalls threaten to push interest rates up in an economy continuing to spin its wheels without developing forward motion. It's not as though the automotive cycle of consumer resistance, management miscalculation and workforce layoff could be limited within a purely domestic U.S. framework.

Consumer Protest

American consumers voted their preference for foreign models by buying more of them right through the height of the rebate fad even though foreign manufacturers were not offering them. The conclusion is inescapable that American car buyers, in voting their preference for foreign cars, are voicing their protest against the high cost of keeping American cars on the road.

The economic consequences of renewed auto-plant shutdowns would be dire. But the political consequences would be catastrophic. It would force a protectionist crackdown on the free flow of car imports. Exporting depression to Europe and Japan would not be the worst of it. Importing enmity from Canada would hurt even more. Plants of the big three auto makers north of the Great Lakes would not be allowed to continue running full with domestic plants shut down.

If Washington starts to force gas prices up, it will end by locking Canadian-made cars and parts out. Bargaining the higher oil and gas flows out of Canada at the lower prices America needs would then become a lost cause.

Letters

Reader's new formula for success

To the editor:

I want to congratulate you on the article you published on Booz Allen in the May 19th issue of *The Commercial and Financial Chronicle*. I found it very interesting and well written. The insider column is the first thing I look over when *The Chronicle* arrives at my brokers office.

I was doing rather well using the Value Line Service and had been in the process of writing a book on a formula I worked out that was giving me profits on stocks sold year after year from 1968 on. As you know these were very bad years.

Since introduced to *The Chronicle* I have worked out a new method for the formula, based on your insider trading listings with substantial success. I have proven to myself how valuable *The Chronicle* is to me in finding good buys in stocks.

The other information carried within the pages of *The Chronicle* help me in analyzing and evaluating possible stock purchases. I am rewriting the book that I started a few years ago; in it I will be stressing the importance of insider trading and reading of *The Chronicle* each week.

Harvey Rendelman
Miami Beach, Florida

Old subscriber likes new Chronicle

To the Editor:

As a subscriber to the *Chronicle* since the late 1890's (incidentally we still have all copies, bound), I would like to compliment you on the recently inaugurated "Insider Trading" column. I find it most helpful in keeping up on a more timely basis with insider transactions, and appreciate the speed as compared to the regular monthly SEC mailings.

All in all, I find the *Chronicle* a far better publication than was the case four or five years ago.

William A. Friedlander, CFA
Managing Partner
Benj. D. Bartlett & Co.
Cincinnati, Ohio

GCA's 'considerable accomplishment'

To the editor:

Your article from the May 19 issue of *The Chronicle* in which you discuss a possible upturn for instrument makers has been called to my attention. In this article you include a comment that "a break even performance in fiscal year 1975 would represent a considerable accomplishment" for GCA Corporation.

As a matter of fact, it appears that GCA Corporation will do much better than break even. In the enclosed Six Months Report you will see that we have reported 9 cents per share for the first six months of the fiscal year and the President stated in this report that the prospects for the rest of the year are for gradually improving earnings.

I enjoyed your article and I shall look forward to future articles on the same subject.

Warren R. Davidson
Director of Corporate Relations
GCA Corporation

The Stock & Bond

Market Chronicle

Transactions, Daily, Weekly, Yearly New York Stock Exchange

	Stocks	Warrants	Bonds
Mon. June 9	20,666,710	137,000	23,343,000
Tues. June 10	21,125,550	156,400	24,686,000
Wed. June 11	18,229,300	87,500	26,972,000
Thurs. June 12	15,966,010	148,400	22,085,000
Fri. June 13	16,299,190	230,100	20,104,000
Total	92,286,760	759,400	\$117,190,000
Week ending June 13			
	1975	1974	1975
Stocks	92,286,760	58,648,986	2,430,674,190
Warrants	759,400	769,400	60,379,900
Total All Bonds	\$117,190,000	\$69,712,000	\$2,589,267,000
Jan. 1 to June 13			
	1975	1974	1974
Stocks	92,286,760	58,648,986	1,592,382,455
Warrants	759,400	769,400	13,369,400
Total All Bonds	\$117,190,000	\$69,712,000	\$1,761,308,100

Transactions, Daily, Weekly, Yearly American Stock Exchange

	Stocks	Bonds
Mon. June 9	2,732,745	1,385,000
Tues. June 10	2,569,585	1,067,000
Wed. June 11	2,270,075	997,000
Thurs. June 12	2,054,655	1,189,000
Fri. June 13	2,006,970	644,000
Total	11,639,030	\$ 5,282,000
Week ending June 13		
	1975	1974
Stocks	11,639,030	7,495,540
Bonds	\$ 5,282,000	\$ 3,417,000
Jan. 1 to June 13		
	1975	1974
Stocks	11,639,030	280,739,630
Bonds	\$ 5,282,000	\$128,629,000

Standard & Poor's Stock Price Index

	Industrials 425 Issues	Rails 15	Utilities 60	Total 500
June 9	102.39	39.16	42.71	91.21
June 10	101.50	39.10	42.41	90.44
June 11	101.63	39.31	42.44	90.55
June 12	101.06	39.05	42.48	90.08
June 13	101.55	39.01	42.48	90.52

American Stock Exchange Index System

	High	Low	Last	Net change
June 9	90.96	89.83	89.90	Dn 0.79
June 10	89.92	89.13	89.27	Dn 0.63
June 11	89.69	89.27	89.51	Up 0.24
June 12	89.55	88.98	89.01	Dn 0.50
June 13	89.44	88.89	89.43	Dn 0.42

Over The Counter Stock Averages, NQB

	Industrials 35 Stocks	Insurance 15 Stocks
June 9	434.42	84.50
June 10	449.01	82.28
June 11	450.29	82.68
June 12	448.62	82.39
June 13	448.01	82.39

New York Stock Exchange Common Stock Indices

	June 9	June 10	June 11	June 12	June 13
Composite					
High	49.11	48.16	48.46	48.32	48.19
Low	48.54	47.97	48.18	47.95	47.84
Close	48.54	48.12	48.18	47.95	48.19
Industrial					
High	54.55	53.43	53.85	53.43	53.44
Low	53.93	52.23	53.48	53.16	53.02
Close	53.93	53.41	53.48	53.16	53.44
Transportation					
High	32.74	32.09	32.37	32.28	32.14
Low	32.39	32.99	32.16	32.00	32.89
Close	32.39	32.09	32.16	32.00	32.07
Utility					
High	32.36	32.03	32.09	32.07	32.14
Low	32.16	31.98	32.03	32.01	32.05
Close	32.16	32.03	32.03	32.05	32.14
Finance					
High	51.34	50.59	51.03	50.98	51.21
Low	50.85	50.45	50.79	50.78	50.68
Close	50.85	50.59	50.79	50.80	51.21

NASDAQ Daily Closing OTC Indices

	Composite 2394	Industrial 1732	Bank 92	Insurance 141	Other Finance 379	Transportation 66	Utility 184
June 9	84.01	88.13	77.53	89.25	85.38	84.61	66.74
June 10	83.40	87.29	77.15	88.60	85.01	84.06	66.26
June 11	83.60	87.34	77.35	89.93	85.26	83.79	66.55
June 12	84.24	88.94	78.10	89.00	84.87	85.70	66.67
June 13	83.43	87.38	77.79	88.92	84.66	83.90	66.79

Dow Jones Closing Stock Averages

	30 Industrials Close	20 Transportation Close	15 Utilities Close	65 Composite Close
June 9	830.10	Dn 9.54	170.07	Dn 0.45
June 10	822.12	Dn 7.98	168.88	Dn 1.19
June 11	824.55	Up 2.43	169.21	Up 0.33
June 12	819.31	Up 5.16	167.69	Dn 1.52
June 13	824.47	Up 5.16	167.53	Dn 0.16

Dow Jones Monthly and Yearly Closing Stock Averages

	High and Date	Low and Date
May 1975	846.61 June 2	819.31 June 12
Industrials	170.52 June 6	167.53 June 13
Transportation	83.01 June 4	80.71 June 2
Utilities	258.58 June 3	252.73 June 12
Composite		
Year 1975	858.73 May 14	632.04 Jan. 2
Industrials	174.12 May 5	146.47 Jan. 2
Transportation	83.01 June 4	72.02 Jan. 2
Utilities	260.95 May 14	205.32 Jan. 2
Composite		

Dow Jones Closing Bond Averages

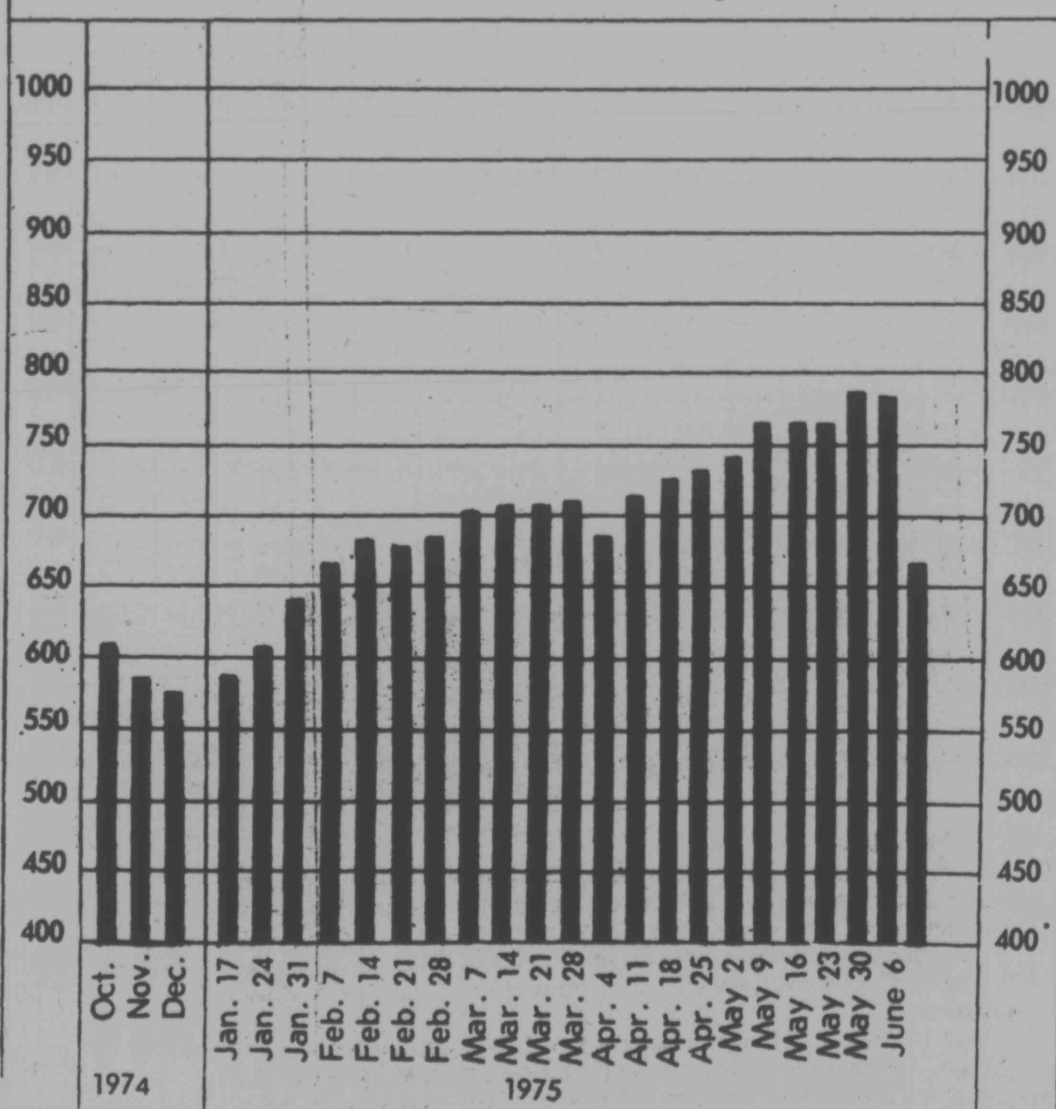
	10 Indus.	10 First Grade Rails	10 Second Grade Rails	10 Utilities	Total 40 Bonds
June 9	76.37	48.85	61.52	85.41	68.04
June 10	77.02	49.00	61.44	85.42	68.27
June 11	77.46	49.16	61.52	85.70	68.46
June 12	77.46	49.16	61.52	86.17	68.76
June 13	77.53	49.73	61.56	86.22	68.76

The Market Chronicle Index

New York Stock Exchange Prices	1A
American Stock Exchange Prices	12A
Chicago Board of Options	19A
New York Stock Exchange—Bond Prices	20A
Pacific Stock Exchange	28A
American Stock Exchange—Bond Prices	29A
Toronto Stock Exchange	30A
Midwest Stock Exchange	35A
O-T-C (NASDAQ) Prices	36A
O-T-C Public Utility Preferred	38A
Insurance Companies	39A
Mutual Funds	40A
Banks and Trusts	40A
American Exchange Options	40A

This index applies to the full edition of the Chronicle only; not the newsstand edition. For information, phone our subscription department, (212) 344-4242.

Weekly O'Brien Index



The Weekly O'Brien Index is an all equity-capitalization, weighted index comprising all New York and American Stock Exchange stocks and approximately 2,500 over-the-counter stocks. The index is provided by O'Brien Associates Inc. of Los Angeles, an independent consulting firm.

* Paid in Canadian funds R- Revised Announcement

[illegible]

Company Name	Per	Share	Par Value	Dividend
DUNN TEST CORP				
PPD CONV BS				
JUSTBANE ENTERPRISES LTD				
INC CORP				
CASEY ST LOUIS-INTERURBAN MTR				
PPD				
EAST SULLIVAN MINES LTD				
CL A CONV				
CL B CONV				
ESSEX BANCORP INC				
ESSEX CHEM CORP				
PPD SER A CONV 80-85				
INVESTMENT FD BOSTON INC				
FARMERS & MCHN WBS FREDERICK				
FEDERAL RLY INVT TR				
SH BEN INT				
UNIT 1 SER & 1 MT 76				
FIREBRAND CORP				
PPD SER A 82-50				
FIDELITY BK & TR CO N J				
FIDELITY CORP OKLA				
FIDUCIARY EXCHANGE FD INC				
FIDELITY MRS INC				
FINANCIAL INOL FD INC				
FINGER CO MERCHANTS CORP				
FIRST CONGR RLY INVT				
SH BEN INT				
FIRST CMNTY BANCORPORATION				
FIRST FD VA INC				
FIRST PCH BK CORP				
FIRST ATL BK NTH PEKIN ILL				
FIRST ATL BK CARBONDALE ILL				
FIRST ATL BK HOLLYWOOD FLA				
FIRST AS LAURENCE CNTY PA				
FIRST ATL BK MARYSVILLE PA				
FIRST ATL BK N J TOWNA				
FIRST ATL BK SALEM OHIO				
FIRST AS SULLIVAN CNTY TENN				
FIRST SEC CORP DEL				
PPD SER A CONV 83-15				
LOUISIANA CYPRESS GARDENS INC				
SH BEN INT				
FRANKLIN CORP				
FRENCH B CONV 83				
LUNEN RLY NTH GREENE MARS				
FREDERICKTOWN B-T FREDERICK				
FISCHS RESTAURANTS INC				
FISCHS RESTAURANTS INC				
FJJI RK JAPAN				
ADR				
FJJI PHOTO FILM				
ADR				
FJITSU LTD				
ADR				
ALTON MKT COLD STORAGE CO				
IND U S GRVY SECS INC				
A & H STL INDS LTD				
APARANT OHN INDS INC				
TEL TEL CORP				
NATIONAL AMERN OIL CR TEX				
NERAL FINL SVCS INC				
NERAL GERTH POTYS				
NERAL MAGNUMPLATE CORP				
NERAL REFRACTORY CORP				
PPD CONV 85				
NERAL TEL CR ILL				
NERAL TEL CR OHIO				
FD 81-25				
FD TEL CR PA				
ESSEE BREWING INC				
ADR				
HLGOS LTD				
ADR				
ESSE Pubs				
REICH ELEVATOR & TRAN CA				
MEATRY				
WILLCOX CR				
WIC CYS CORP				
LAKES REC CO				
WESTON UTD CORP				
DR 81-88				
ALTY BK & TR GRETHA LA				
STIAN HUT FD INC				
FINVEST S INC				
TR CARP CDA LTD				
SER A 50-50				
CHY CHEM CR				
CARPETS LTM				
ADR				
A				
S				
J & S SONS LTD				
R CORP				
RBS INCOME SECS INC				
CRF FURNITURE INDS INC				
HI LTD				
WALDOFF CORP				
SER A CONV 84				
REINER EN STAALFAHRIEKEN				
FABRICS INC				
PLD FIN CORP				
CONV 82-37%				
CONV 82-50				
A XAT GAS CARP				
L HARVEY INC				
ADR				
PPD A CONV 81-7%				
PPD B CONV 81-7%				
UTD BK UNIVR CITY N J				
INSTR BANCQUARES INC				
TALS INC				
NO 80-60				
LTD				
S PWR CO				
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Name of Company	Per Share	Date Payable	Date of Record
NEBA PETE CORP			
SP FPD CONV 82-20	.85	7-1	6-16
MEYER BLANKIE CO	.044	8-15	8-1
MOY AMER HUT FD INC	.15	6-18	6-10
MIDLAND P & CO INC	.07	6-6	6-5
MILLER BROS INDS	.028	7-8	6-20
MINERS & MECHS SVCS & TR BN	.7	7-15	6-30
MITE CORP	.165	8-27	8-6
MO SER A CONV 80-80	.04	7-15	6-27
MITSUBISHI BK LTD JAPAN	.20	7-15	6-27
ADR			
MITSUBISHI ELEC CORP	.062	6-13	3-27R
ADR			
MITSUBISHI ESTATE LTD	.062	6-13	3-27R
ADR			
MITSUBI BK LTD JAPAN	.077	6-13	3-27R
ADR			
MOBILE GAS SVC CORP	.065	6-13	3-29R
PPD 8-908	.21	7-1	6-20
MOORE SAMPUEL & CO	.1225	7-1	6-20
MORGAN P & CO INC	.04	7-14	6-27
MUNICIPAL INVT TR FD	.85	7-15	6-13
UN CTF SER F	9-06	9-5	6-23
UN CTF SER Y	6-10	8-5	5-30
UN CTF SER T	8-03	9-5	6-18
UN CTF SER Q	1-08	7-5	5-30
MURRAY BROS NFG CO	.25	7-1	6-16
MUTUAL BHAMA INT SMS INC	.11	7-1	6-20
NASHVILLE & DECATUR RR CO	.25	6-30	6-13R
ATO STOCK	.937	7-1	6-20
NATIONAL BK CBNMUTH IND PA	.85	7-10	6-2
NATIONAL BK LONGSPORT INC	.30	7-1	6-20
NATIONAL CITY CORP	.02	6-1	5-27
NATIONAL COLOR LABS INC	.03	7-16	6-20
NATIONAL DISTNG PRPTS INC	1-25	7-15	6-27
NATIONAL WESS ED INSGR LTD	.05	6-30	6-6R
NATIONAL INVS CORP HD	.04	6-30	6-6
NATIONAL LUMBERMAN BY MUSKE	.16	7-1	6-20
NATIONAL SEA PRODS LTD			
PPD 5-505	.137	7-2	6-13
ATL TR LTD EAST TORONTO BLT	.112	7-2	6-13
ATL GAS PIPELINE CO AMER	.17	7-2	6-12
PPD 5-253	1-775	7-1	6-13
PPD 7-90X	1-975	7-1	6-13
PPD 9-20X	2-17	7-1	6-13
PPD 8-12X	2-03	7-1	6-13
TFW ENGLAND PWP CO			
PPD 4-568	1-14	7-1	6-13
PPD 6-60X	1-15	7-1	6-18
PPD 6-08X	1-50	7-1	6-18
PPD 6-68X	1-52	7-1	6-18
PPD 8-40X	2-17	7-1	6-18
PPD 7-24X	2-10	7-1	6-18
MCNEX HDLOS LTD	1-81	7-1	6-18
NB S	.21	6-27	6-19
NORIN ELEC LTD	.2-90	6-2	3-27R
PPBN PATENT LTD	.181	6-16	3-27R
ADR			
SSAN MTRS	.088	6-16	3-27R
LEIC CORP	.106	6-13	3-27R
RYSTAN RESH & OFV CO	.2	7-21	7-7
RYSTAN TEL LTD	.07	7-11	6-27
RYSTAN STEEL CO	.038	7-2	6-20
RYSTAN SINR INC	.10	8-31	8-8
PPD SER A CONV 81-40	.8	8-1	6-13
SCOTIA SVCS & LA CO	.25	7-1	6-13
SCOTIA LIFE INSGR CO N C	.03	6-20	6-6
SHAW DRILLING & EXPL CO	.81	7-15	6-1
SHAW FD INC	.98	7-30	7-10
SHAW GAS & ELEC CO	.70	7-15	6-30
PPD 4-24X	1-06	7-15	6-30
PPD 5-34X	1-325	7-18	6-30
REP INS CO	1-59	6-13	6-6
REAR INC			
PPD CONV 4-20X	.105	7-1	6-20
REYER CORP	.07	7-1	6-20
REYER MINOR & HENKIN INC	.50X	6-30	6-16
TAX EXEMPT RR FD	.06	6-30	6-16
1ST SER	5-00	7-15	6-3
1ST SER	4-25	7-15	6-3
1ST SER			
1ST SER	1-09	7-15	6-20
1ST SER	1-10	7-15	6-20
1ST SER	1-125	7-15	6-20
1ST SER	1-187	7-15	6-20
1ST SER	1-91	7-15	6-20
1ST SER			
1ST SER	.7	1-1	6-19
1ST SER	.15	7-1	6-19
1ST SER	.05	6-30	6-16
1ST SER	.05	6-30	6-16
1ST SER	1-50	7-1	6-16
1ST SER	.38	8-1	7-11
1ST SER	.625	8-1	7-11
1ST SER	.40	8-1	7-11
1ST SER	.80	7-1	6-16
1ST SER	.05	6-30	6-18
1ST SER	.05	6-30	6-18
1ST SER	.05	8-15	7-31
1ST	.05	8-15	7-31
1ST	.05	8-15	7-31
1ST	.275	8-6	7-28
1ST	.03	8-29	8-8
1ST	.23	8-29	8-8
1ST	1-80	10-1	9-8
1ST	.15	6-30	6-17
1ST	.50	8-1	7-18
1ST			
1ST	.064	8-28	8-5
1ST	.075	8-28	8-5
1ST	1-75	7-15	6-25
1ST	.05	8-25	8-11
1ST	.07	6-13	6-16
1ST	.15	8-25	8-8
1ST	.05	6-27	6-17
1ST	.03	8-15	8-1
1ST	.25	7-1	6-16
1ST	.562	7-1	6-16
1ST			
1ST	9-00	7-16	7-7
1ST	.20	7-1	6-13
1ST	.18	7-8	6-19
1ST	.20	7-1	6-18
1ST	.22	6-30	6-16
1ST	.337	7-1	6-16
1ST			
1ST	.12	6-20	6-11
1ST	.25	8-1	6-16
1ST	.875	10-1	9-12
1ST	1-00	10-1	9-12
1ST	.05	8-1	6-20R
1ST	.5X	6-1	2-21R
1ST	.25	6-30	6-11
1ST			
1ST	.075	7-1	6-20
1ST	.185	7-9	6-20
1ST	.35	7-1	6-20
1ST	.20	7-1	6-20
1ST	.27	7-1	6-13R
1ST	.10	8-15	7-15
1ST			
1ST	.30	9-1	8-15
1ST	.145	1-31	1-6
1ST	.80	7-30	7-22
1ST	100X	7-3	6-16
1ST	.25	7-31	7-15
1ST			
1ST	.125	7-2	6-17
1ST			
1ST	.60	7-1	6-18
1ST	.60	7-1	6-18
1ST	2-00	7-1	6-20

[illegible]

U.S. Gov't Securities & Agencies

Farmers Home Administration (FDHA) Insured Notes

Rate-maturity	Bid	Ask	Yield to maturity
6.625% 08/31/1976	99 1/4	100 1/4	6.41
6.350% 03/31/1977	97 3/8	99 3/8	6.73
6.450% 06/30/1977	97 3/8	99 3/8	6.79
6.875% 08/31/1977	99	100	6.87
6.550% 12/29/1977	96 1/2	98 1/2	7.21
7.200% 03/21/1978	98	100	7.20
7.250% 05/12/1978	98	100	7.25
7.300% 12/28/1978	98	100	7.30
8.900% 01/31/1980	102 1/2	104 1/2	7.71
7.000% 11/30/1980	94 5/8	96 5/8	7.78
6.400% 03/31/1981	91 3/4	93 3/4	7.78
7.875% 06/30/1981	98 1/4	100 1/4	7.82
7.100% 01/04/1982	94 1/8	96 1/8	7.88
8.625% 07/31/1985	100	102	8.33
7.500% 08/31/1986	92 1/4	94 1/4	8.31
7.125% 12/29/1987	88 7/8	90 7/8	8.32
7.500% 03/21/1988	91 1/4	93 1/4	8.38
7.500% 05/12/1988	91 1/4	93 1/4	8.37
7.750% 12/28/1988	93 1/4	95 1/4	8.35
9.000% 04/23/1989	102 1/2	104 1/2	8.44

Values are as of
Friday, June 13, 1975"

Federal National Mortgage Association Part. Certificates

Rate-maturity	Bid	Ask	Yield to maturity
4.500% 07/01/1975	99	100	4.50
4.700% 12/01/1975	98 3/4	99 3/4	5.24
5.450% 04/01/1976	99	100	5.45
4.500% 07/01/1976	97 1/2	98 1/2	6.00
4.700% 12/01/1976	97	98	6.18
5.200% 01/19/1977	97	98	6.53
5.450% 04/01/1977	96 1/8	98 1/8	6.57
4.500% 07/01/1977	94	96	6.61
4.700% 12/01/1977	93 5/8	95 5/8	6.64
5.400% 04/01/1978	93 1/2	95 1/2	7.20
4.500% 07/01/1978	90 3/4	92 3/4	7.18
6.125% 08/14/1978	94 7/8	96 7/8	7.24
4.700% 12/01/1978	90 1/4	92 1/4	7.26
5.350% 04/01/1979	91 3/8	93 3/8	7.38
5.400% 06/23/1979	91 1/4	93 1/4	7.36
4.500% 07/01/1979	88	90	7.40
4.700% 12/01/1979	87 7/8	89 7/8	7.40
5.300% 04/01/1980	89	91	7.57
5.400% 06/23/1980	89	91	7.58
4.500% 07/01/1980	85	87	7.65
4.700% 12/01/1980	84 3/4	86 3/4	7.71
5.250% 04/01/1981	86 7/8	88 7/8	7.66
5.375% 06/23/1981	87 1/8	89 1/8	7.66

United States Treasury Bills

maturity	Bid	Ask	Equivalent bond yield
06/12/1975	99.99	99.99	4.55
06/17/1975	99.91	99.93	4.62
06/19/1975	99.88	99.90	4.62
06/26/1975	99.78	99.81	4.58
06/30/1975	99.73	99.76	4.62
07/01/1975	99.72	99.75	4.64
07/03/1975	99.69	99.72	4.69
07/10/1975	99.59	99.62	4.80
07/17/1975	99.50	99.52	4.87
07/24/1975	99.40	99.43	4.90
07/29/1975	99.33	99.36	4.93
07/31/1975	99.30	99.32	4.99
08/07/1975	99.20	99.22	5.03
08/14/1975	99.11	99.12	5.04
08/21/1975	99.00	99.03	5.04
08/26/1975	98.93	98.97	5.02
08/28/1975	98.91	98.94	5.03
09/04/1975	98.82	98.85	5.00
09/11/1975	98.74	98.76	5.00
09/18/1975	98.62	98.66	5.01
09/23/1975	98.53	98.58	5.04
09/25/1975	98.50	98.56	5.04
10/02/1975	98.39	98.43	5.15
10/09/1975	98.28	98.33	5.18
10/16/1975	98.17	98.22	5.21
10/21/1975	98.09	98.14	5.23
10/23/1975	98.06	98.12	5.23
10/30/1975	97.96	98.01	5.25
11/06/1975	97.85	97.91	5.25
11/13/1975	97.74	97.81	5.28
11/18/1975	97.67	97.74	5.28
11/20/1975	97.64	97.70	5.38
11/28/1975	97.52	97.58	5.33
12/04/1975	97.44	97.49	5.39
12/11/1975	97.37	97.40	5.33
12/16/1975	97.26	97.35	5.28
01/13/1976	96.77	96.87	5.44
01/31/1976	96.50	96.54	5.55
02/10/1976	96.29	96.40	5.55
03/09/1976	95.86	95.98	5.59
04/06/1976	95.42	95.53	5.65
05/04/1976	94.98	95.11	5.65
06/01/1976	94.62	94.68	5.68

General Services Administration

Rate-maturity	Bid	Ask	Yield to maturity
7.125% 11/01/2002	87 1/4	89 1/4	8.11
7.200% 11/01/2002	88	90	8.12
7.250% 11/01/2002	88 1/2	90 1/2	8.12
7.300% 11/01/2002	89	91	8.12
7.400% 11/01/2002	90	92	8.13
7.150% 12/15/2002	85	87	8.36
7.500% 03/01/2003	88 5/8	90 5/8	8.38
8.100% 07/31/2003	95	97	8.38
8.125% 07/31/2003	95 3/8	97 3/8	8.37

Federal Home Mortgage Association

Rate-maturity	Bid	Ask	Yield to maturity
5.200% 01/19/1982	85 1/4	87 1/4	7.70
5.100% 04/06/1987	78 5/8	80 5/8	7.61
6.400% 12/11/1987	87 5/8	89 5/8	7.71
6.050% 02/01/1988	83 3/8	85 3/8	7.90
6.450% 04/08/1988	86 5/8	88 5/8	7.87
6.200% 08/12/1988	84 3/8	86 3/8	7.88

Federal Intermediate Credit Banks

Rate-maturity	Bid	Ask	Yield to maturity
5.700% 07/01/1975	99.91	100.03	4.95

Inter-American Development Banks

Rate-maturity	Bid	Ask	Yield to maturity
4.250% 12/15/1982	82	83	7.23
4.500% 04/01/1984	78 1/2	79 1/2	7.76
4.500% 11/01/1984	77 1/2	78 1/2	7.77
8.250% 01/15/1985	99 5/8	100 1/4	8.23
8.000% 03/01/1985	98 1/4	98 3/4	8.14
5.200% 01/15/1992	72 1/4	73 1/4	8.17
6.500% 11/15/1992	82	83	8.37
6.625% 11/01/1993	82 5/8	83 5/8	8.37
8.625% 10/01/1995	97 3/8	98 3/8	8.76

Bank for Cooperatives

Rate-maturity	Bid	Ask	Yield to maturity
8.050% 06/02/1975	--	--	--
7.400% 07/01/1975	100	100 1/8	4.74
7.050% 08/04/1975	100.16	100.28	4.96
6.050% 09/02/1975	100.09	100.22	4.96
5.850% 10/01/1975	100.03	100.16	5.26
6.150% 11/03/1975	100 1/8	100 1/4	5.45
5.800% 12/01/1975	100 1/8	100.19	5.38
7.700% 04/04/1977	101 1/4	101 3/4	6.65
8.000% 10/01/1979	102	102 1/2	7.31

United States Postal Service Bonds

Rate-maturity	Bid	Ask	Yield to maturity
6.875% 02/01/1997	81 1/2	83 1/2	8.56

Tennessee Valley Authority Issues

Rate-maturity	Bid	Ask	Yield to maturity
4.400% 11/15/1985	--	74 1/2	8.05
4.625% 07/01/1986	--	74 7/8	8.10
4.500% 02/01/1987	--	72 5/8	8.20
5.700% 05/15/1992	--	73 5/8	8.70
6.375% 11/01/1992	--	79 3/8	8.70
8.250% 10/15/1994	--	98	8.46
9.000% 03/15/1995	--	104 3/4	8.50
7.300% 10/01/1996	--	87 7/8	8.55

Gold & Silver Quotes

	June 6	June 9	June 10	June 11	June 12
N.Y. Comex Gold	\$165.60	\$166.60	\$165.40	\$165.20	\$164.70
N.Y. Comex Silver	4.39	4.58	4.52	4.56	4.77

Gold Coins, Lots of 10	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
Mexican 50-Peso	\$2120	\$2200	\$2130	\$2200	\$2120	\$2200	\$2120	\$2200	\$2130	\$2190
Austrian 100-Corona	1630	1700	1640	1710	1630	1700	1640	1700	1640	1700
U.S. \$20 St. Gaudens	2400	2520	2400	2520	2400	2520	2400	2520	2450	2550
British Sovereign	490	530	460	530	480	530	480	530	490	530
South African Kruggerand	1700	1760	1700	1770	1690	1750	1690	1750	1750	1750
Austrian 4-Ducat	740	780	740	790	740	790	740	790	750	790

Silver Coins	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
\$1,000 Face Value Bag	\$3000	\$3150	\$3070	\$3220	\$3060	\$3210	\$3080	\$3230	\$3030	\$3180
\$1,000 Circ. Silver \$1	3800	4100	3800	4150	3850	4150	3850	4150	3850	4150

NOTE: Premiums above actual metal content of Gold and Silver Coins generally range from 5 percent to 15 percent except for U.S. \$20 St. Gaudens and British Sovereigns which are collector's items and have a higher percentage mark-up. N.Y. Comex Gold and Silver prices are "Spot" quotes.

Previous Week	May 30	June 2	June 3	June 4	June 5
N.Y. Comex Gold	\$164.50	\$164.30	\$165.60	\$164.20	\$165.20
N.Y. Comex Silver	4.49	4.38	4.44	4.39	4.37

SOURCE: Perera F.H. & Sons, Inc. Numismatic Division

Foreign Exchange Rates

Country and Monetary Unit Noon Buying Rate for Cable Transfers in New York (Value in US Dollars)

		June 5	June 6	June 9	June 10	June 11
Australia	Dollar	1.3415	1.3415	1.3405	1.3400	1.3380
Austria	Schilling	.0602	.0602	.0601	.0602	.0604
Belgium	Franc	.028635	.028590	.028575	.028645	.028660
Canada	Dollar	.9747	.9751	.9738	.9747	.9769
Denmark	Krone	.1842	.1841	.1835	.1837	.1840
Finland	Markka	.2631	.2635	.2629	.2633	.2635
France	Franc	.2496	.2488	.2494	.2489	.2501
Germany	Deutsche Mark	.4272	.4264	.4260	.4273	.4289
India	Rupee	.1235	.1235	.1235	.1235	.1235
Ireland	Pound	2.3225	2.3197	2.3170	2.3160	2.2815
Italy	Lira	.001604	.001604	.001600	.001600	.001602
Japan	Yen	.003422	.003427	.003427	.003426	.003426
Malaysia	Dollar	.4412	.4413	.4401	.4401	.4397
Mexico	Peso	.0800	.0800	.0800	.0800	.0800
Netherlands	Guilder	.4166	.4163	.4136	.4160	.4180
New Zealand	Dollar	1.3170	1.3185	1.3160	1.3160	1.3135
Norway	Krone	.2037	.2039	.2030	.2036	.2045
Portugal	Escudo	.0411	.0412	.0410	.0411	.0412
South Africa	Rand	1.4710	1.4710	1.4710	1.4710	1.4710
Spain	Peseta	.017925	.017935	.017900	.017935	.017945
Sri Lanka	Rupee	.1540	.1540	.1540	.1540	.1540
Sweden	Krona	.2552	.2554	.2541	.2550	.2558
Switzerland	Franc	.4009	.3995	.3989	.3999	.4013
United Kingdom	Pound	2.3225	2.3197	2.3170	2.3160	2.2815

U.S. Gov't Securities & Agencies

Values are as of Friday June 13, 1975

Federal National Mortgage Association Debentures

Rate-maturity	Bid	Ask	Yield to maturity
6.800% 09/10/1975	100 1/4	100 3/8	5.14
7.500% 09/10/1975	100.41	100.53	5.17
5.700% 12/10/1975	99 7/8	100 1/8	5.43
8.250% 12/10/1975	101 1/8	101 3/8	5.37
5.650% 03/10/1976	99 5/8	100	5.64
7.125% 03/10/1976	100 3/4	101 1/8	5.54
5.850% 06/10/1976	99 5/8	100 1/8	5.72
6.700% 06/10/1976	100 3/8	100 7/8	5.78
10.000% 06/10/1976	103 1/2	104	5.79
5.850% 09/10/1976	99 1/4	99 3/4	6.05
6.125% 09/10/1976	99 5/8	100 1/8	6.01
7.500% 09/10/1976	101 1/4	101 3/4	6.00
6.250% 12/10/1976	99 1/2	100	6.25
7.450% 12/10/1976	101 1/8	101 5/8	6.29
8.450% 12/10/1976	102 1/2	103	6.31
4.500% 02/10/1977	96 1/8	96 7/8	6.51
6.300% 03/10/1977	99 1/8	99 5/8	6.52
7.050% 03/10/1977	100 3/8	100 7/8	6.50
6.375% 06/10/1977	100	100 1/2	6.10
6.500% 06/10/1977	99 1/4	99 3/4	6.44
7.200% 06/10/1977	99 7/8	100 3/8	6.99
6.875% 09/12/1977	99 1/2	100	6.87
7.850% 09/12/1977	101 7/8	102 3/8	6.69
7.250% 12/12/1977	100 3/4	101 1/4	6.70
7.550% 12/12/1977	101 3/8	101 7/8	6.72
6.700% 03/10/1978	99 1/4	99 3/4	6.80
8.450% 03/10/1978	103 3/8	103 7/8	6.87
7.150% 06/12/1978	100 1/4	100 3/4	6.87
7.450% 06/12/1978	101 1/8	101 3/8	6.93
7.150% 09/11/1978	100	100 1/2	6.97
6.750% 12/11/1978	98 3/4	99 1/4	7.00
8.950% 12/11/1978	105 3/8	105 7/8	7.02
7.250% 03/12/1979	99 3/4	100 1/4	7.17
7.850% 06/11/1979	101 1/4	101 3/4	7.34
9.800% 06/11/1979	107	108	7.45
6.400% 09/10/1979	96 1/2	97	7.23
7.800% 09/10/1979	101 1/8	101 5/8	7.34
6.550% 12/10/1979	96 5/8	97 1/8	7.31
7.750% 12/10/1979	101.28	101.41	7.38
6.875% 03/10/1980	97	98	7.38
7.250% 03/10/1980	98 7/8	99 3/8	7.40
7.625% 04/10/1980	99	101	7.38
8.500% 06/10/1980	103 5/8	104 1/8	7.44
7.500% 09/10/1980	99 3/4	100 3/4	7.32
6.600% 12/10/1980	95 1/2	96 1/2	7.39
7.050% 03/10/1981	96 3/4	97 3/4	7.54
7.250% 06/10/1981	97 1/2	98 1/2	7.57
7.250% 09/10/1981	97 3/8	98 3/8	7.58
9.700% 09/10/1981	108 3/8	109 3/8	7.77
7.300% 12/10/1981	97 5/8	98 5/8	7.57
8.875% 03/10/1982	105	105 1/2	7.81
6.650% 06/10/1982	93 1/4	94 1/4	7.73
6.800% 09/10/1982	93 7/8	94 7/8	7.73
7.350% 12/10/1982	97 1/4	98 1/4	7.66
6.750% 06/10/1983	93 5/8	94 5/8	7.66
7.300% 06/10/1983	97	98	7.64
6.750% 09/12/1983	93 5/8	94 5/8	7.64
8.000% 12/12/1983	101.19	101.44	7.77
6.250% 06/11/1984	90	91	7.65
7.950% 09/10/1984	99 3/4	100 3/4	7.83
6.900% 12/10/1984	93 3/4	94 3/4	7.69
7.650% 03/11/1985	97 3/4	98 1/4	7.91
8.625% 10/01/1990	99	101	8.51
7.000% 03/10/1992	88 5/8	89 5/8	8.14
7.050% 06/10/1992	89 1/8	90 1/8	8.13
7.400% 10/01/1997	88 3/8	90 3/8	8.36
7.100% 12/10/1997	87 3/4	88 3/4	8.20

Federal Home Loan Banks

Rate-maturity	Bid	Ask	Yield to maturity
7.150% 08/25/1975	100 1/4	100 3/8	5.15
7.875% 08/25/1975	100.41	100.53	5.07
7.950% 08/25/1975	100.41	100.53	5.14
6.500% 11/25/1975	100.19	100.44	5.45
7.050% 11/25/1975	100.44	100.69	5.47
9.100% 11/25/1975	101.31	101.56	5.52
7.375% 02/25/1976	100 3/4	101 1/8	5.69
8.700% 02/25/1976	101 3/4	102 1/8	5.54
8.750% 02/25/1976	101 3/4	102 1/8	5.54
9.200% 02/25/1976	102	102 3/8	5.67
7.200% 05/25/1976	100 3/4	101 1/4	5.82
7.450% 05/25/1976	101	101 1/2	5.80
7.800% 08/25/1976	101 3/8	101 7/8	6.14
9.550% 08/25/1976	103 3/8	103 7/8	6.14
8.600% 11/26/1976	102 3/4	103 1/4	6.22
9.550% 11/26/1976	104	104 1/2	6.24
7.200% 02/25/1977	100 3/8	100 7/8	6.64
8.050% 02/25/1977	101 3/4	102 1/4	6.62
6.950% 05/25/1977	100	100 1/2	6.67
8.700% 05/25/1977	103 1/8	103 5/8	6.68
7.150% 08/25/1977	100 1/2	100 5/8	6.83
8.800% 08/25/1977	103 1/2	104	6.88
6.750% 11/25/1977	99 3/8	99 7/8	6.82
7.450% 11/25/1977	100 7/8	101 3/8	6.83
9.150% 11/25/1977	104 3/4	105 1/4	6.79
9.375% 02/27/1978	105 1/8	105 5/8	7.05
7.600% 05/25/1978	100 7/8	101 3/8	7.07
9.100% 11/27/1978	105 1/4	105 3/4	7.19
8.650% 02/26/1979	103 7/8	104 3/8	7.27
9.450% 02/26/1979	106 1/2	107	7.25
8.650% 05/25/1979	104	104 1/2	7.32
8.750% 05/25/1979	104 3/8	104 7/8	7.30
9.500% 08/27/1979	107 1/4	107 3/4	7.32
7.500% 11/26/1979	100 3/8	100 7/8	7.26
8.150% 11/26/1979	102 6/8	103 1/8	7.31
7.050% 02/25/1980	98 1/2	99	7.30
7.750% 02/25/1980	100 1/4	101 1/4	7.43
7.800% 10/15/1980	100 5/8	101 5/8	7.42
8.650% 11/25/1981	104 7/8	105 3/8	7.55
6.600% 11/27/1981	93 5/8	94 5/8	7.67
7.300% 05/25/1983	96 5/8	97 5/8	7.70
7.375% 11/25/1983	97 1/2	98	7.70
8.750% 05/25/1984	104 3/4	105 3/4	7.84
7.375% 11/26/1993	91 1/2	92 1/2	8.17
7.050% 08/25/1976	100 1/8	101 1/8	6.05
6.150% 02/25/1977	98 1/4	99 1/4	6.62
8.600% 11/27/1995	98 3/4	100 3/4	8.52
7.750% 08/24/1996	92 3/8	94 3/8	8.39
7.150% 05/26/1997	86 3/8	88 3/8	8.31
8.200% 03/15/2005	97 1/4	98 1/4	8.36

Government National Mortgage Banks

Rate-maturity	Bid	Ask	Yield to maturity
6.750% 09/30/2000	86 5/8	87 1/8	7.94
8.100% 09/30/2000	96 3/4	97 1/4	8.36
8.250% 09/30/2000	98 1/4	98 3/4	8.37
8.500% 09/30/2000	100 1/4	100 3/4	8.43
9.750% 09/30/2000	105	106	9.14
6.500% 01/01/2001	87 1/4	88	8.14
8.000% 01/01/2001	97 3/8	97 7/8	8.25
8.500% 01/01/2001	100 3/4	101 1/4	8.28
9.000% 01/01/2001	103 3/8	103 7/8	8.41
5.250% 06/01/2001	81 1/2	82	6.73
5.500% 06/01/2001	83 3/4	84 1/4	6.80
6.000% 06/01/2001	85	85 1/2	7.25
6.250% 06/01/2001	89	89 1/2	7.14
6.500% 06/01/2001	86 1/4	86 3/4	7.69
6.700% 06/01/2001	86	86 1/2	7.93
6.800% 06/01/2001	87	87 1/2	7.94
6.850% 06/01/2001	87 1/2	88	7.95
7.000% 06/01/2001	89 1/4	89 3/4	7.94
7.250% 06/01/2001	91 1/2	92	7.98
7.300% 06/01/2001	92	92 1/2	7.99
7.450% 06/01/2001	92	92 1/2	8.15
7.500% 06/01/2001	92 1/2	93	8.15
7.750% 06/01/2001	94 5/8	95 1/8	8.21
8.000% 06/01/2001	96 1/2	97	8.28
8.150% 06/01/2001	97 1/2	98	8.34
8.200% 06/01/2001	97 3/4	98 1/4	8.37

United States Treasury Bonds

Rate-maturity	Bid	Ask	Yield to maturity
4.000% 02/15/1980	87.69	88.69	6.87
3.500% 11/15/1980	84 1/4	85 1/4	6.83
7.000% 08/15/1981	98.44	99.44	7.11
6.375% 02/15/1982	94 7/8	95 7/8	7.31
3.250% 06/15/1983	80 1/2	81 1/2	6.22
6.375% 08/15/1984	94 1/2	95 1/2	7.05
3.250% 05/15/1985	80.31	81.31	5.75
4.250% 05/15/1985	82.31	83.31	6.57
6.125% 11/15/1986	91 1/4	92 1/4	7.13
3.500% 02/15/1990	80 3/8	81 3/8	5.35
8.250% 05/15/1990	103 3/8	103 5/8	7.83
4.250% 08/15/1992	81.31	82.31	5.90
4.000% 02/15/1993	80.56	81.56	5.66
6.750% 02/15/1993	91	92	7.58
7.500% 08/15/1993	97 3/8	98 3/8	7.67
4.125% 05/15/1994	80 5/8	81 5/8	5.72
3.000% 02/15/1995	80 1/2	81 1/2	4.42
7.000% 05/15/1998	91	92	7.75
3.500% 11/15/1998	80 1/2	81 1/2	4.83
8.500% 05/15/1999	104.56	105.56	7.98
7.875% 02/15/2000	99 1/2	100	7.87
8.250% 05/15/2005	102 1/2	102 5/8	8.00

Federal Land Banks

Rate-maturity	Bid	Ask	Yield to maturity
5.700% 07/21/1975	99.94	100.06	4.98
7.200% 10/20/1975	100 3/8	100 5/8	5.34
6.250% 01/20/1976	100.06	100.31	5.70
5.000% 02/24/1976	98 7/8	99 1/2	5.73
5.375% 07/20/1976	98 1/2	99 1/2	5.84
6.350% 10/20/1977	98 1/2	99	6.81
4.125% 02/20/1978	92	93	7.03
5.125% 04/20/1978	94 1/4	95 1/4	6.99
6.400% 07/20/1978	97 1/2	98 1/2	6.94
5.000% 01/22/1979	92 1/4	93 1/4	7.15
6.850% 04/23/1979	98 1/8	99 1/8	7.11
6.800% 10/23/1979	97 3/4	98 3/4	7.14
6.700% 04/20/1981	94 7/8	95 7/8	7.58
6.900% 04/20/1982	94 5/8	95 5/8	7.73

Twelve Federal Land Banks

Rate-maturity	Bid	Ask	Yield to maturity
8.300% 07/21/1975	100.22	100.34	4.86
7.400% 10/20/1975	100.44	100.69	5.35
9.200% 01/20/1976	101 3/4	102	5.76
6.250% 04/20/1976	99 7/8	100 3/8	5.78
8.250% 04/20/1976	101 1/2	102	5.80
7.050% 07/20/1976	100 5/8	101 1/8	5.97
7.150% 10/20/1976	100 5/8	101 1/8	6.26
7.450% 01/20/1977	101 1/8	101 3/8	6.53
8.250% 04/20/1977	102 1/8	102 5/8	6.71
7.500% 07/20/1977	101	101 1/2	6.72
8.700% 01/23/1978	103 1/2	104	6.99
7.600% 04/20/1978	100 7/8	101 3/8	7.05
9.150% 07/20/1978	105 5/8	106 1/8	6.92
7.350% 10/19/1978	100 5/8	101 1/8	6.96
7.100% 01/22/1979	99 1/2	100	7.10
7.150% 07/23/1979	99 1/2	100	7.15
6.700% 01/21/1980	96 3/4	97 3/4	7.28
7.500% 07/21/1980	99 5/8	100 5/8	7.35
8.700% 10/20/1980	104 1/2	105	7.54
9.100% 07/20/1981	106 1/4	107 1/4	7.59
7.800% 01/20/1982	100	100 1/2	7.70
8.150% 04/20/1982	102	102 1/2	7.67
7.300% 10/20/1982	97 3/8	98 3/8	7.59
7.300% 10/20/1983	97 1/2	98 1/2	7.54
8.100% 07/22/1985	101.44	101.69	7.85

Markets Section

- Weekly stock/bond analysis
- Insider trading
- 144 letter stock

Insiders

Pittston could approach last year's big profits

Continued from page 1

headquarters on Park Avenue in Manhattan, the firm oversees the operation of productive mines in Virginia, West Virginia, Kentucky and Wyoming that provided half of last year's \$1.15 billion in volume and 88 percent of profits. In addition, Pittston has interests in securities services, trucking, warehousing and the distribution of petroleum products, notably fuel oil.

In 1974, coal production was 17.4 million tons, down from the year-earlier level of 18.8 million. An industrywide strike and the shutdown of three mines with a combined annual output of 700,000 tons reduced realizations. Accordingly, the company's superior sales and earnings were almost wholly attributable to a more favorable pricing situation. During the current period, with a recently negotiated union contract in force and new properties coming on stream, Pittston could easily surpass its previous production peak of 20.6 million tons, established in 1972. Overall capacity is pegged at 27 million tons a year.

At the start of 1975, the company's recoverable coal reserves aggregated 1.5 billion tons. Of this total, about five-sixths is high-fluidity, hard-coking bituminous. This high-grade coal is valuable for its ability to combine with softer varieties, imparting strength so the resultant product can be used in steelmakers' blast furnaces. Pittston, which is the world's number one source, supplies an estimated 25 per cent of global needs. Increasing demand and diminishing supplies promise to keep quotes at lucrative levels. At present, well over 70 per cent of corporate coal volume is in premium-priced metallurgical grades, with the balance in utility (steam), industrial and brokerage sales. All told, more than half of revenues accrue from offshore markets.

Pittston is among the few beneficiaries of OPEC's aggressive pricing policies. Coal postings have risen in tandem with crude oil tabs—albeit in less dramatic fashion. However, the company has no royalties to pay Arab sheiks and can bring most hikes substantially intact below the line. Moreover, the firm's DISC (domestic international sales corporation), depletion allowances and investment credits provide a partial shelter for profits. The 1974 tax rate, to illustrate, was only 42 per cent.

Pittston is not sitting on its status quo. During the 1972-76 period, it is planned, seven new mines with a combined annual capacity of more than six million tons will be opened at a cost of approximately \$100 million. Two went into production last year, and the rest are reported on schedule. Not so incidentally, the company is less vulnerable than many of its industry colleagues to environmental structures

since just over 10 percent of its output comes from surface, or strip, mines.

Pittston has an 85 per cent interest in fabled Brink's, the oldest and largest armored car service in North America. In addition to transporting and safeguarding money and related valuables for a variety of industrial-commercial accounts, this subsidiary performs such collateral tasks as guard patrols, parking meter collections and providing safe rentals. Last year, Brink's accounted for 10 per cent of corporate volume and 6 per cent of net income. The affiliate operates in 17 foreign countries as well as the U.S. and Canada. Despite sluggish economic conditions in most key operating areas, it benefited from a higher volume of domestic gold shipments, plus stepped-up imports of platinum for use in pollution-control devices.

The small—2 per cent of revenues and 1 per cent of profits—truck and warehouse operation encompasses a short-haul common carrier system serving four metropolitan areas: New York City; Baltimore, Washington; Atlanta and Jacksonville. Generally, results mirror business conditions in the regions served; it is thus unlikely that this venture's contribution will be appreciable during the current period.

Through Metropolitan Petroleum, Pittston is a major factor in the marketing and storage of fuel oil throughout the Middle Atlantic States and New England.

Servicing both residential and industrial-commercial accounts, Metro moved 34 million barrels in 1974, against 41 million a year earlier. Customers' conservation efforts and warm weather during peak delivery seasons were the principal reasons for the slump. However, thanks to higher prices, revenues rose by 17 per cent. Altogether, oil distribution accounted for 38 per cent of Pittston's 1974 sales volume, contributing 5 per cent of profits.

Over the longer pull, the company's participation in this side of the energy business could prove more lucrative. Since 1971, it has been seeking to put up a captive facility to refine product from imported crude. Plans for a \$350 million refinery-terminal complex, to be financed off the balance sheet, have been drawn up and a site selected in Eastport, Me. In March, the state's Board of Environmental Protection approved the project, subject to certain conditions. One is that the company figure out a way to deliver its crude without using supertankers. At present, management is working on an amended proposal for the board.

In pursuit of an encore to last year's showing, Pittston got off to a great start. "We were pleased with first-quarter results (\$3.06 per share, versus 82 cents); they were a good deal better than the \$2.35 we

See INSIDER TRADING, page 28

Stocks

This index was devised by William Jiler, president of Commodity Research Bureau, Inc., as a realistic and sensitive measure of stock market movements. It is an unweighted index of more than 440 of the most active issues on leading exchanges as well as some over-the-counter stocks. These issues normally account for more than 50 per cent of NYSE volume and more than 25 per cent of Amex volume. When devised, the index was exactly aligned with the Dow Jones Industrial Average. This index takes into account all activity through June 12.



Prices up on ho-hum day of stock market trading

By FRANK W. SLUSSER

Encouraged by signs business was picking up, investors pushed prices higher Friday in late buying on the New York Stock Exchange. Overall, trading was slow.

The Dow Jones Industrial Average gained 5.16 points to 824.47. For the week, however, the closely watched average lost 15.17 points as investors worried about the size of the economy's recovery later this year.

Standard & Poor's 500-Stock Index rose 0.44 to 90.52. The average price of an NYSE common share increased 16 cents. Advances topped declines, 823 to 550, among the 1,801 issues crossing the tape.

Volume totaled 16,300,000 shares, compared with 15,970,000 traded Thursday—the slowest day in more than two months.

Investors began their late buying following reports Detroit's four automakers' early June sales nearly matched those of a year ago. It was one of the best performances of this year. Also, for the second consecutive month, the Commerce Department reported April

business inventories fell a record 0.7 per cent while sales climbed 2.1 per cent.

The news provided solid evidence the recession might have bottomed out and a recovery is in progress. However, the major problem on Wall Street has been trying to determine the strength of the recovery in the second half of the year.

Most of the day, the market drifted aimlessly as investors found little incentive. Prices closed higher in moderate trading on the American Stock Exchange. The average price of an AMEX share gained four cents. Volume totaled 2,006,000 shares, compared with 2,054,000 traded Thursday.

In the Amex options, 17,462 contracts were traded, compared with 14,059 Thursday. Gulf Oil July 20s led the actives, up 1/4 to 2 3/4 on 1,400 contracts. Walt Disney July 50s followed, unchanged at 2 3/4 on 495 contracts. Gulf Oil October 20s were third, up 1/4 to 3 3/4 on 377 contracts.

On the Chicago Board Options Exchange, 39,986 contracts were traded, compared with 42,859 Thursday. IBM July 220s led the actives, up 1/4 to 4 1/2. Polaroid July 30s followed, up 3/4 to 3. Xerox July 330s were third, off 1 to 1 1/4.

Largest insider trades reported this week

Sales			
Company	Shares	Total Reported Transactions	Total \$\$\$ Amount
Grainger (W.W.), Inc.	150,000	3	3,435,000
National Semiconductor Corp.	20,000	1	700,000 Est.
Minnesota Mining & Manufacturing Co.	6,000	1	401,250
Automatic Smith Co.	12,000	1	408,000
Eastern Gas & Fuel Associates	6,202	2	252,880 Est.
Fisher Scientific Co.	20,000	1	252,000 Est.
Carnation Co.	2,500	2	200,000
Purchases			
First United Bancorp., Inc.	44,000	2	704,000 Est.
Metromedia, Inc.	52,188	1	626,256 Est.

Bonds

Oh what a glorious week it was; billions gobbled up without pause

By PAMELA ARCHBOLD

The bond market suddenly blossomed into a full-fledged rally last week. One trader termed the turnaround art extraordinary, and said, "This is the best market I can remember, and I've been in the business 20 years."

The reason for such excitement was the fact that the market gobbled up \$1 billion in new issues, all of which fared well. Besides, demand was great enough to push the previous week's issues up two to three points by late Thursday. At the close on Thursday the market appeared to be slowing down, but that was to be expected. "You can't expect the bond market to move up four or five points and not burp a little," one trader explained.

There were a number of reasons for the turnaround. First of all, the lowering of the prime rate was a big plus. This started when First National City Bank cut its prime rate to 6 3/4 per cent from seven a week ago Friday. The other major banks decided to go to seven per cent from 7 3/4, which is the lowest since May 1973, and a long way from the two year high of 12 per cent. However, the lower prime rate was accompanied by many other positive factors.

One of the most important was the evidence that the Treasury will be needing less money than anticipated by the market. Another factor was the acceptance by the marketplace of the Fed's moderate growth policy. So that when it was announced a week ago that unemployment had hit 9.2 per cent, the market took the news in stride.

The new issue calendar also had a salubrious effect. Over the past month there have been a number of weeks when over a billion dollars has been raised. But this pace is due to slow down, and next week is expected to be the last billion dollar week for the foreseeable future.

All these factors make the outlook very bright for traders and underwriters. "I think the market will sustain the pace," explains one trader. The one possible drawback could be if corporate treasurers realize the rates are coming down, and a horde of them rush into registration with new issues. This is just a thin cloud on the horizon, which dealers are hoping will blow away.

The one corporate issue which seemed to be in trouble was the AAA rated Standard Oil of Indiana issue. The \$300 million in debentures was sold on Thursday, and dealers report it was moving slowly. One

Major Issues offered last week

UTILITIES							
Issues	Amt. (000,000)	Coupon (per cent)	Matur.	S&P	Rtg. M	Off'g Date	Yield (per cent)
Laclede Gas Co.	20	9½	1995	AA	AA	6-10	9.50
Long Island Lighting Co.	80	9¼	1983	A—	A	6-12	9.250
Portland General Electric	27	9¾	1985	BBB	Baa	6-12	9.875
Public Service of Okla.	50	8¾	2005	AA	AA	6-12	8.75
Texas Eastern Transmission	60	10	1985	AA	AA	6-12	10
Texas Electric Service Co.	50	8⅞	2005	AAA	AAA	6-10	8.923
CORPORATES							
G.D. Searle & Co.	150	8	1981	AA	Aa	6-10	8.05
Squibb Corp.	100	8	1985	AA	AA	6-11	8
Standard Oil Indiana	300	8¾	2005	AAA	AAA	6-12	8.4
Zapata Offshore Co.	50.6	8¾	1996	AAA	aaa	6-12	8.625
Zapata Offshore Co.	41.4	7⅞	1985	AAA	aaa	6-12	7.875
MUNICIPALS							
Issuer	Amt. (000,000)	Mat. Range		S&P	Rtg. M	Off'g Date	Reof'g Scale
Chicago	32	1986-1992		AA	AA	6-9	5.9-6.7
Connecticut	100	1970-1995		AA	AAA	6-11	3.5-6.1
Georgia	50	1976-2000		AA	AAA	6-10	3.5-6.3
Metro Water District of Southern Calif.	85	1977-2015		AA		6-10	4.1-6.84
Philadelphia	35	1977-95		A	A	6-11	5½-8
GOVERNMENTS							
Issuer	Amt. (000,000)	Matur.		S&P	Rtg. M	Off'g Date	Reof'g Scale
Commonwealth of Australia	50	1980		AAA	AAA	6-12	8.45
Commonwealth of Australia	50	1983		AAA	AAA	6-12	8.75
Province of Ontario	150	2005		AA	AAA		9.125
Province of Ontario	125	1982		AA	AAA		8.20

trader dismissed the slowness by explaining "300 million of anything is hard to get rid of in any market." All the other deals of the week were completely sold out, and selling at premiums at the week's close.

During the week, Moody's announced a number of rating changes. Kerr-McGee was the big winner. The company plans to sell a \$75 million note offer later this month, and Moody's upgraded its rating from Baa to AA. St. Regis Paper, which has no straight debt outstanding, but does have some industrial revenue bonds and a convertible debt issue also saw its rating improved. The revenue bonds are now A while convertibles are rated Baa.

The big loser of the week was scandal tainted, banana growing United Brands, which had its ratings cut from Ba to B,

because of what Moody's termed "deterioration in the company's cash flow and protection for fixed charges."

A new force entered the trading community this week, and one that could become very powerful. Oppenheimer, once primarily known as an institutional research house, is now branching out, and that includes beefing up its bond department. Opco said it hired Donald E. Cronin, formerly head of corporate bond trading at Morgan Stanley, to be the head of a new corporate bond department it is now forming.

Oppenheimer has been accused of forming the new department because the new negotiated rate rule on common stocks has hurt its profits. But Opco denies this. "This is meant to be a profit center in its

own right," a spokesman for the firm declared. Cronin anticipates that the new department will participate in the major bond issues and develop secondary bond trading capabilities.

The Municipal sector received a boost early in the week when the \$32 million Chicago offer was sold out before many banks had made their prime rate move and before the solution to New York City's financial problems was announced. Dealers were delighted to see the issue sold out in less than great circumstances, and were somewhat amazed that it was able to attract buyers at the same interest rate that the city paid a year ago. While this gave a tremendous lift to the municipal market, selectivity of buyers was still evident.

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New issue bonds

Issue	Type	Amount	Date Due	Call Features	Ratings	Syn. Manager	Coupon (Percent)	Date of Off'g.	Off'g. Yield	Mkt. Yield (Ask) 6-12
Arizona Public Service	Bonds	\$ 75,000,000	6-1-80	N-C 6-1-80	Baa(M)A-(S&P)A(F)	FB	9.80	6-5	9.80	9.76
Avco Financial	Notes	\$ 50,000,000	6-1-82	N-C 2-15-81	A(M)(S&P)	SB	10.50	5-22	10.60	10.55
Banque Francaise	Notes	\$100,000,000	5-15-80	N-C 11-15-79	Aaa(M)AAA(S&P)	WW	9.125	5-30	9.125	9.10
Brooklyn Union Gas Co.	Bonds	\$ 35,000,000	6-1-85	N-C 6-1-83	A(M)(F)A-(S&P)	WW	9.75	5-28	9.75	9.70
C.I.T. Financial	Debs	\$150,000,000	6-1-95	N-C 6-1-85	Aa(M)AA(S&P)	DR	9.50	6-5	9.57	9.25
Comm. of Australia	Bonds	\$ 50,000,000	6-15-83	N-C 1982	Aaa(M)AAA(S&P)	MS	8.75	6-12	8.75	8.75
Comm. of Australia	Bonds	\$ 50,000,000	6-15-80	N-C 1980	Aaa(M)AAA(S&P)	MS	8.45	6-12	8.45	8.45
Gen. Elec. Cr. Corp.	Notes	\$100,000,000	1-15-81	N-C 6-15-80	Aa(M)A(S&P)	MS	8.40	5-29	8.40	7.98
Gen. Elec. Cr. Corp.	Notes	\$100,000,000	1-15-84	N-C 6-15-82	Aa(M)A(S&P)	MS	8.65	5-29	8.65	8.31
Gen. Motors Acceptance	Debs	\$100,000,000	6-1-83	N-C 6-1-81	Aa(M)A(S&P)	MS	8.70	6-4	8.70	8.65
IC Products Co.	Notes	\$ 50,000,000	5-15-95	N-C 5-15-85	A(M)(S&P)	SB	10.25	5-29	10.30	10.25
International Tel. & Tel.	Notes	\$ 75,000,000	6-1-83	N-C 6-1-81	A(M)(S&P)	KL	9.125	6-5	9.125	8.82
International Tel. & Tel.	Debs	\$ 75,000,000	6-1-2000	N-C 6-1-85	A(M)(S&P)	KL	10.00	6-5	10.07	9.71
International Tel. & Tel.	Debs	\$100,000,000	6-1-2000	N-C 6-1-76	Baa(M)BBB(S&P)	KL	8.625	6-5	8.625	8.50
Long Island Lighting	Bonds	\$ 80,000,000	1983	N-C 1980	A(M)(F)A-(S&P)	SB	9.25	6-12	9.25	9.25
McDonalds Corp.	Notes	\$ 68,000,000	5-1-85	N-C 5-1-82	A(M)(S&P)	PWJC	9.00	5-30	9.11	9.00
New England Tel. & Tel.	Debs	\$175,000,000	6-1-2010	N-C 6-1-80	Aaa(M)AA-(S&P)	KP	9.50	6-3	9.475	9.42
Northern States Power	Bonds	\$ 80,000,000	5-1-2005	N-C 5-1-80	Aa(M)AA(S&P)	WW	9.50	5-21	9.55	9.50
Phelps Dodge Corp.	Notes	\$125,000,000	6-1-85	N-C 6-1-82	A(M)A+(S&P)	MS	8.50	5-22	8.54	8.50
Public Service of OK.	Bonds	\$ 50,000,000	6-1-2005	N-C 6-1-80	Aa(M)AA(S&P)	BED	8.75	6-12	8.75	8.75
Prov. of New Brunswick	Debs	\$ 75,000,000	5-15-2000	N-C 5-15-90	A(M)(S&P)	SB	10.00	5-22	10.11	10.00
Prov. of Ontario	Notes	\$125,000,000	6-15-82	N-C 6-15-81	Aaa(M)AA(S&P)	SB	8.20	6-11	8.20	8.20
Prov. of Ontario	Debs	\$150,000,000	6-15-2005	N-C 6-15-90	Aaa(M)AA(S&P)	SB	9.125	6-11	9.17	9.17
Revlon Inc.	Notes	\$100,000,000	5-1-85	N-C 5-1-82	A(M)A+(S&P)	LF	8.45	5-20	8.45	8.36
Searle (G.D.) Co.	Notes	\$150,000,000	6-15-81	N-C 6-15-80	Aa(M)AA(S&P)	SmB	8.00	6-10	8.05	8.00
Squibb Corp.	Notes	\$100,000,000	6-15-85	N-C 6-15-82	Aa(M)AA(S&P)	MS	8.00	6-11	8.00	8.00
Standard Oil IN.	Debs	\$300,000,000	6-15-2005	N-C 6-15-85	Aaa(M)AAA(S&P)	MS	8.375	6-12	8.45	8.45
Stokely-Van Camp	Debs	\$ 30,000,000	5-15-2000	N-C 5-15-85	A(M)BBB(S&P)	GS	10.25	5-22	10.25	10.20
Tektronix Inc.	Notes	\$ 35,000,000	5-15-83	N-C 5-15-81	A(M)(S&P)	LB	8.875	5-22	9.00	9.00
Texas Eastern Trans.	Bonds	\$ 80,000,000	7-1-85	N-C 7-1-85	Baa(M)BBB(S&P)	DR	10.00	6-11	10.00	10.00
Texas Elec. Service	Bonds	\$ 50,000,000	6-1-2005	N-C 6-1-80	Aaa(M)AAA(S&P)(F)	BED	8.875	6-10	8.92	8.92
Union Oil of CA.	Debs	\$150,000,000	6-1-85	N-C 6-1-82	Aa(M)AA(S&P)	DR	8.375	6-5	8.45	8.21

N-C Not Callable.

Tax-exempt dollar bonds

The following is a representative list of long-term dollar-quoted municipal revenue bonds, with bid prices for the latest week, the previous week, and the net changes.

Issue	Bid June 5	Bid June 12	Net Change
Bat. Park City 6½-14	52	53	+1
Chelan Co. PUD 5-13	74	74½	+½
Chicago O'Hare Airport 4¾-99	84	85	+1
Dallas Ft. Worth 6¼-02	82½	83	+½
Delaware River PA 6-10	78½	80	+1½
Florida Turnpike 4¾-01	79	78	-1
Kentucky Turnpike 6½-08	83½	83	-½
Mass Tpke. 3.3-94	74	74½	+½
Nebraska PPD 5.80-13	77	78	+1
NJ Turnpike 5.70-13	79½	80	+½
NJ Turnpike 7-09	108	108½	+½
NYS Power Authority 5¾-10	72½	73½	+1
NYS Urban Dev. 7-14	62½	63	+½
Oklahoma Turnpike 4.70-06	68	69½	+1½
Port Authority 6-08	76	78	+2

Recent corporate issues

The following is a list of recent corporate bond issues with offering prices, latest bid prices, and weekly changes.

UTILITIES					
Issues	Offering Price	Latest Bid	Weekly Change	Rtg.	Yield
Cleve. Elec. 8.85-83	100	103	+½	AA	8.44
Florida P&L 9¾s-84	100	101½	+2½	A	8.96
Northern NG 9-85	99½	101½	+¼	A	8.84
INDUSTRIALS					
Aloca 9.45-00	100	103%	+2	A	9.35
Asarco 9¾s-00	99¾	103¼	+3	A	8.70
G.E. Credit 8.4s-81	100	101%	+2¼	AA	8.40
NCR 9-85	100	101%	+1¼	A	8.98
NCR 9¾-00	99¾	103%	+2¼	A	9.75
Ph. Dodge 8½s-85	99¾	100½	+2½	A	

144 Letter Stock

Summarized below are significant notices of intent to sell or sales of restricted securities (also known as letter stock) recently filed on SEC Form 144. The date of sale given indicates an intent to sell the amount of shares listed on that date. It does not necessarily mean that the sale will be executed either in full or in part.

Restricted securities are issued directly by a company to so-called "sophisticated investors," who do not require information usually disclosed in a securities registration statement. These securities are usually sold at a discount to investors who are listed below as sellers. Also, the securities must be held for a certain period of time, usually two years.

Upon the filing of Form 144, these securities, when resold to the public, are no longer restricted. They are then included in this number of publicly-held outstanding shares.

Securities firms that handle these transactions almost always act as brokers, receiving their customary and traditional commission.

American Pacific International, Inc. 30,000 non registered letter stock at \$210,000 - intended sale on June 1 through Joseph Sebag, Inc. Acquired in Feb. 1973 from the company. Singer & Friedlander Ltd.

Arcata National Corp. 4,978 common shares at \$53,513 - intended sale on May 28 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in June 1971 from the company. C.F. Smith.

Arcata National Corp. 9,618 common shares at \$105,798 - intended sale on May 27 through Henry F. Swift & Co. Acquired in Jan. 1972 from the company. Elde V. Toly.

Armstrong Rubber Co. 8,420 common shares at \$92,520 - intended sale on June 2 through Goldman, Sachs & Co. Acquired between Dec. 1959 and Aug. 1974 from Frederick Machlin and his estate. Machlin Family Foundation.

Avon Products, Inc. 20,000 capital shares at \$960,000 - intended sale in May through Hornblower & Weeks-Hemphill, Noyes, Inc. Acquired prior to 1945 from Mr. and Mrs. Van Alan Clark. W. Van Alan Clark Jr., director.

Avon Products, Inc. 2,600 capital shares at \$124,150 - intended sale on May 27 through Hornblower & Weeks-Hemphill, Noyes, Inc. Acquired from W. Van Alan Clark Jr., who acquired shares prior to 1945. Tabor Academy.

Burlington Industries, Inc. 8,000 common shares at \$220,000 - intended sale on May 29 through White, Weld & Co., Inc. Acquired in July 1972 from the company. Robert A. Culler.

Carbon Industries, Inc. 5,600 common shares at \$268,800 - intended sale on within ninety days (form received at SEC on June 2) through Bache & Co., Inc. Acquired in Dec. 1960 from the estate of A.H. Boyd. A.H. Boyd, T-T for Ann Pritchard Jones,

Kanawha Valley Bank, N.A. and A. Boyd Pritchard, trustees. Co-trustee is director.

Carbon Industries, Inc. 5,600 common shares at \$268,800 - intended sale within ninety days (form received at SEC on June 2) through Bache & Co., Inc. Acquired in Dec. 1960 from the estate of A.H. Boyd. A.H. Boyd T-T for A. Boyd Pritchard, Kanawha Valley Bank, N.A. and A. Boyd Pritchard, trustees. Co-trustee is director.

Carbon Industries, Inc. 5,600 common shares at \$268,800 - intended sale within ninety days (form received at SEC on June 2) through Bache & Co., Inc. Acquired in Dec. 1960 from the estate of A.H. Boyd. A.H. Boyd T-T for Frances Pritchard Jordan, Kanawha Valley Bank, N.A. and A. Boyd Pritchard, trustees. Co-trustee is director.

Castle & Cooke, Inc. 7,000 common shares at \$111,090 - intended sale on May 29 through Shuman, Agnew & Co., Inc. Acquired in May 1973 from West Foods, Inc. Muriel West Paul.

Chicago Bridge & Iron Co. 3,000 common shares at \$240,000 - intended sale on May 15 through Blunt, Ellis & Simmons, Inc. Acquired in May 1972 from the company. Sidney L. Luce, officer.

Chicago Bridge & Iron Co. 11,344 common shares at \$907,520 - intended sale on June 2 through Bacon Whipple & Co. Acquired between April 1968 and May 1973 from John T. Horton. Rensselaer Polytechnic Institute gift of restricted shares from John T. Horton.

Continental Air Lines, Inc. 13,800 capital shares at \$69,000 - intended sale on May 28 through E.F. Hutton. Acquired between Feb. 1961 and Sept. 1969 from the company. Chris F. Whelan, officer.

Dart Industries, Inc. 4,000 common shares

at \$110,000 - intended sale (date not given, but form received at SEC on June 2) through J.C. Bradford & Co. Acquired in May 1973 from the company. Darrell Proctor.

Elixir Industries 12,000 common shares at \$90,000 - intended sale on May 30 through Stern, Frank, Meyer & Fox, Inc. Acquired in Oct. 1971 from the company. Howard F. Ward Trust, Howard F. Ward, trustee.

Emerson Electric Co. 5,000 common shares at \$200,000 - intended sale on May 30 through Benj. D. Bartlett & Co. Acquired in June 1969 from Louis N. Browning and in Dec. 1972 from Sheila B. Martin. The Central Co., trustee under agreement with Sheila B. Martin.

First International Bancshares 5,000 common shares at \$230,000 - intended sale on May 28 through White Weld & Co., Inc. Acquired in Sept. 1973 from the company. H.K. Allen, officer of subsidiary and director.

Flying Diamond Oil Corp. 15,000 common shares at \$315,000 - intended sale on May 29 through Wheat First Securities, Inc. Acquired in Jan. 1975 from the company. James S. Ray, executive vice president and director.

Fotomat Corp. 10,000 common shares at \$90,000 - intended sale on May 6 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired from Preston M. Fleet - no date given. San Diego Hall of Science.

Franklin Mint Corp. 4,950 common shares at \$148,500 - intended sale on May 29, or as soon thereafter as practicable, through Herzfeld & Stern. Acquired in May 1973 and May 1974 from the company. Gerald C. Dragonetti, officer and director.

Georgia-Pacific Corp. 10,000 common shares at \$426,250 - intended sale on May 20 through Blyth, Eastman, Dillon & Co., Inc. Acquired in the late 1930s from the company. Julian N. Cheatham, director.

Getty Oil Co. 21,000 common shares at \$3,633,000 - intended sale on May 30 through E.F. Hutton & Co., and Hamerslag

Kempner & Marks. Acquired in Dec. 1974 from J. Paul Getty, The J. Paul Getty Museum.

Gulf Oil Corp. 89,024 capital shares at \$1,780,480 - intended sale on or after May 30 through Salomon Brothers. Acquired between 1955 and 1966 from Sarah Mellon Scaife and Richard K. Mellon. Rolling Rock Club.

Gulf Resources & Chemical Corp. 6,800 common shares at \$166,600 - intended sale within ninety days of June 3 through Rotan Mosle, Inc. Acquired in April 1973 on the open market and in April 1974 from Pend Oreille Mines & Metals Co. J. T. Trotter, director.

Halliburton Co. 10,000 common shares at \$1,665,000 - intended sale on May 28 through Lehman Brothers, Inc. Acquired in Aug. 1951 on the open market and between July 1953 and Jan. 1969 from the company. Trustees of Halliburton Employees' Benefit Fund.

Harman International Industries, Inc. 10,000 common shares at \$165,000 - intended sale upon receipt of acceptable sale price, through Drysdale & Co. Acquired in July 1968 from the company. Walter Goodman, director and vice president.

Heinz (H.J.) Co. 70,650 common shares at \$3,912,243 - intended sale after May 30 through Morgan Stanley & Co., Inc. Acquired in Aug. and Dec. 1970 from the company. The Northwestern Mutual Life Insurance Co.

Humana, Inc. 7,529 common shares at \$82,800 - intended sale as soon as practicable (form received at SEC on June 2) through Paine, Webber, Jackson & Curtis, Inc. Acquired in Nov. 1970 from the company. Paul E. Prillaman Jr.

Humana, Inc. 16,196 common shares at \$178,150 - intended sale as soon as practicable (form received at SEC on June 2) through Paine, Webber, Jackson & Curtis, Inc. Acquired in Nov. 1970 from the company. Paul E. Prillaman Sr.

Intercontinental Energy Corp. 4,000 common shares at \$60,000 - intended sale (date not given, but from received at SEC on June 3) through Laidlaw-Coggeshall, Inc. Acquired in May 1972 from R.E. Ludt. Patricia A. Ludt.

International Flavors & Fragrances, Inc. 10,000 common shares at \$312,500 - intended sale between May 30 and Aug. 22 through R.W. Pressprich & Co., Inc. Acquired between 1959 and 1972 from A.L. van Ameringen and his estate. van Ameringen Foundation, Inc.

Kaiser Steel Corp. 10,000 common shares at \$360,000 - intended sale on May 27 through Dean Witter & Co., Inc. Acquired in July 1968 from the company. Viola Cooper.

Lockheed Aircraft Corp. 5,000 capital shares at \$60,000 - intended sale on May 30 through White, Weld & Co., Inc. Acquired in Dec. 1969 from the estate of Samuel Niedelman. Florence Shedroff.

Loehmann's, Inc. 10,000 common shares at \$124,375 - intended sale on June 2 through Brown Brothers Harriman & Co. Acquired in Nov. 1974 from Charles C. Loehmann who acquired shares in 1930. Charles C. Loehmann Charitable Unitrust under

See LETTER STOCK, page 31

Largest transactions reported this week

Company	Shares	Total Reported Transactions	Total \$\$\$ Amount
Heinz (H.J.) Co.	70,650	1	3,912,243
Getty Oil Co.	21,000	1	3,633,000
SmithKline Corp.	56,100	1	3,141,600
Northrup, King Co.	100,000	1	2,487,500
Gulf Oil Corp.	89,024	1	1,780,480
Halliburton Co.	10,000	1	1,665,000
McDonald's Corp.	29,138	4	1,576,452
Chicago Bridge & Iron Co.	14,344	2	1,147,520
Avon Products	22,600	2	1,084,150
Weyerhaeuser Co.	25,000	1	1,034,375
Carbon Industries, Inc.	16,800	3	795,000
Georgia-Pacific Corp.	10,000	1	426,250
U.S. Filter Corp.	38,000	1	380,000
Sea Containers, Inc.	18,800	1	374,325
Kaiser Steel Corp.	10,000	1	360,000
American Pacific International	65,000	2	332,500
Flying Diamond Oil Corp.	15,000	1	315,000
International Flavors & Fragrances, Incorporated	10,000	1	312,500
Humana, Inc.	23,725	2	260,950
First International Bancshares	5,000	1	230,000
Burlington Industries Inc.	8,000	1	220,000
Emerson Electric Co.	5,000	1	200,000

Market Letters Digest

Chase: Project Independence's setback

Project Independence was dealt a serious setback when profits of a representative group of petroleum companies declined an average of 38 per cent for the first quarter of this year, says Chase Manhattan Bank.

"The combined profits of the group of companies in the first quarter amounted to \$2.7 billion — \$1.6 billion less than in the same period last year," says the bank. "Because the group's ability to invest was reduced by the loss of the depletion allowance as well as by the decline in profits, the impact is particularly severe."

The bank further says that although gross operating revenue of the group of 30 companies rose by 20 per cent, "operating costs increased by a much larger 35 per cent. Consequently, the income remaining before direct tax payments was 17 per cent lower than a year ago."

Adds the bank, that largely, as a result of that reduction, the income liability declined by 13 per cent. Other direct taxes, however, were seven per cent higher. The total direct taxes paid amounted to \$9.6 billion — nearly quadruple the \$2.7 billion of profits.

The proportion of pretax income that must be utilized to pay income taxes has been growing steadily. For example, "in the first quarter of 1968, income taxes absorbed 40 per cent of the pretax income. In the first quarter of this year, as much as 72 per cent of the pretax income had been to be used to pay income taxes."

Also considered an "alarming trend" by the bank is the proportion of operating revenue remaining as profit after all operating costs and taxes have been paid. In the first quarter of this year, only 4.6 per cent of the money taken in remained as profit, which is the lowest proportion on record.

Because of the capital intensive nature of the industry and the global scope of its operations, its capital and other essential financial needs are huge, says the bank. "And they are rapidly becoming larger because of the world's petroleum requirements and also as a result of continuing inflation. A decline in profits, therefore, is a very serious matter."

Dean Witter: Under Florida sun

In the opinion of Dean Witter & Co. Inc., the investor can find attractive issues for participation in an improving economy in the Southwest, particularly Florida, as well as nationally.

Long a mecca for winter-weary vacationers and retirees, Florida has grown into an urbanized state with large population centers and expanding industrial and commercial growth. Manufacturing represents only 15 per cent of the state's economy, which is only about half the national average. Tourism and construction are still leading economic activities, and agricultural products — principally citrus fruits, cattle, and phosphate fertilizers — are important staples.

Florida continues to be the nation's fastest growing state, having a compounded rate of 3.2 annually over the last decade. Roughly 250,000 more people will be added each year during the next decade, thereby moving Florida upward from its current eighth-rank total of 8.2 million.

A cyclical slowdown in homebuilding in late 1973 and lack of mortgage availability last year impeded new home sales — leading to a significant increase in available units, particularly condominiums. Even so, says the firm, Florida has continued to hold economic activity at levels modestly above the national average during the current recession.

A rebound in the state's major tourism industry has been helpful. Record-high 1973 levels have been regained following last year's fall-off caused by the oil-embargo-induced gasoline shortages.

Companies either domiciled in Florida or linked to that state might therefore be attractive to investors. Particularly named are Walt Disney Productions, General Telephone & Electronics, Jim Walter Corp., Modular Computer Systems, Tampa Electric, Tropicana Products and Winn-Dixie Stores.

Babson's: Offshore drilling stocks

Most offshore drilling stocks have lagged behind the general market and are now well below the peaks of a few years ago, notes Babson's Reports.

These stocks have also been trapped by the oil industry's problems. For example, tax reform measures relating to the depletion allowance and taxes paid to foreign governments have figured prominently in the lower profits of oil companies thus far this year. Moreover, many foreign companies have been changing the ground rules—in their favor—relative to proportionate equity in petroleum properties, royalty payments, production participation and taxes on production and equity.

In the wake of all these developments, plus the decline in consumption due to high prices for petroleum products, most oil companies have been trimming projected expenditures for exploration and development work. This action has resulted in some concern in the investment community regarding excessive marine drilling equipment. Recently, a number of domestic and foreign companies have shelved plans to construct deep water rigs.

However, the report notes that offshore drilling activity remains at a brisk pace and the volume of potential business may experience no more than a slight bit of hesitation.

Wright: Higher stock prices ahead

President Ford's recent imposition of another \$1 a barrel tax upon oil imports focused fresh attention on oil supplies and prices. Other countries with exposure to the world's seas are also anxious to search for petroleum off their shores.

In light of these conditions, the report notes their opinion on several companies in the field. Noted are: Global Marine, Kerr-McGee, J. Ray McDermott, Offshore Co., Reading & Bates, Santa Fe International, Southern Natural Resources and Zapata Corp.

Although it is daily becoming clearer that economic recovery is not yet "just around the corner," Wright Investors' Service reports that it feels that the recent shift of stock market mood from euphoria to foreboding is not justified.

The magnitude of any short-range downward market correction is more likely to be moderate than severe, according to the report. "Stock market values still have a long way to go to full recovery despite the substantial initial recovery from last year's lows," Wright says.

Furthermore, Wright says that stock prices are "first, last and always the slaves of interest rates" and claims that the most significant consideration for investors is the evidence that interest rates are continuing to go down. His principal reasons:

(1) The realization that our slowly recovering economy will need continued stimulation during the next six to 12 months.

(2) The slow pace of economic recovery abroad and the continuing decline of foreign interest rates.

(3) The slackening in domestic bank loan demand and what is shaping up to be an uncrowded bond market calendar in the second half of this year.

(4) The decline in inflation and the growing realization that interest rates are still at levels that will stifle job-producing consumer and corporate borrowing; and

(5) The steady approach of the 1976 election year, with its accompanying pressures on and by Congress and the Administration for economic recovery.

The report states that stock prices may seek moderately lower levels over the short-term but further substantial price recovery is seen for after the interim correction.

Drexel Burnham: General Motors

General Motors has apparently come through the recession and energy crisis thus far with its market share and incremental profitability largely undamaged, notes Drexel Burnham & Co.'s The View. GM's financial condition and cash flow, although under some strain, is strong enough to permit a major redesign of its U.S. car line over the next two and a half years, says the firm. The redesign, which its smaller competitors will probably be unable to match because of their money woes, will involve major weight reductions and gasoline savings and will give the company a significant competitive and production cost edge in the 1976-78 period. Cyclical recovery in earnings, to be intensified perhaps by replacement demand caused by Arab and/or Congressional manipulation of gasoline economics, has probably already begun. GM's profits in 1976-77 "could prove surprisingly strong, and a dividend restoration is in prospect." Ford's recent operating losses and financial constraints, coupled with product problems in the gas mileage area are, says the firm, temporarily reducing the list of "institutional quality" auto equities to one, and the firm believes that GM's stock is likely — medium term — to outperform the remainder of the auto list. The stock is rated "a buy."

Argus: Boom in consumer spending

The recent increases in retail sales may be one of the truest signs that a recovery is now underway, says Argus Weekly Staff Report.

The trends in seasonally-adjusted monthly retail sales paint a gruesome picture of what has happened to consumer spending since last fall, especially when the effects of inflation are excluded. The report notes that it is much too early to conclude that recent increases in some of the figures are indicative of an "inchoate boom," and care must be taken in analyzing the data because of recent changes in the inflation rate. At the very least, claims the report, the data appears to confirm that a turnaround is in the making.

Double-digit inflation now seems to be licked, and on the basis of foreseeable Fed policies, it appears that price increases will settle in the six per cent area during the next year or so. The report also expects the growth in real balances to rise steeply in the months ahead, and if normal relationships prevail, a vigorous rise in consumer spending for goods should ensue later this year. "This means that Santa Claus will be working a lot harder this Christmas than he did on the last two," says the report.

And by next spring, real consumer spending on goods should be rising at about a five per cent annual rate. By the second quarter of next year, according to the report's analysis, dollar spending on durable goods will be up 14.8 per cent year-to-year, nondurable spending 9.9 per cent and spending on services 10.7 per cent. Furthermore, the financial muscle built up by consumers will provide a basis for a strong extension of the recovery into 1977.

Citibank: Signs of an upturn

While the overwhelming majority of economic forecasters expect business activity to be on the upgrade in the second half of the year, there is little evidence that the upturn is actually beginning, says First National City Bank.

The bank indicates that industrial production continued to decline in April, unemployment rose and auto sales remained gloomy. "All in all, the signs point to a future upturn, but the economy has not yet begun to stride up the indicated path," says the bank.

In noting that most other major industrial nations are going through the same wrenching process of recession, the bank points out that recoveries abroad will buttress the forthcoming upturn in the U.S.

"It is worth keeping in mind," says the bank, "for it adds perspective to such questions as when recovery will begin, whether the rate of inflation will fall farther and how soon capacity bottlenecks will re-emerge to disrupt growth and fan the fires of inflation."

If nothing else, the global slump has brought a general slowdown in price inflation. In the first quarter of the year, the rate of inflation slowed significantly in most countries and plunged in Japan and Italy. The only major country in which it accelerated was Britain, "but not enough to prevent the rate for the group as a whole from dipping below the double-digit level for the first time since the spring of 1973."

The range of extensive production shortfalls practically rules a swift return to conditions of chronic and widespread supply shortages. "Current shortfalls in production are not the result of bottlenecks in the production process but of weak demand... A glance around the industrial world suggests that it will be at least two to three years before output could recover sufficiently to strain available productive capacity which will continue to increase in the interim."

What will happen once that point is reached is uncertain, says the bank. There is possibility of renewed high rates of inflation if the various nations embark simultaneously on overly expansionary policies and each determines to hold to them until a return to full employment is attained.

Conolly: Recovery later this year

Economic and financial signs continue to point towards an economic recovery in the latter months of this year, says Conolly & Co.

The Illinois-based firm notes that in the future, there may be some short periods of higher rates due to isolated price jumps but, on balance, prices are headed downward. Crop estimates indicate a record year for agriculture. Inventories are also being whittled down at a satisfactory pace and retail sales figures have shown successive advances over the past several months. Reflecting the fact that sales and inventories are coming more into line, durable goods orders in April experienced the sharpest rise in over seven years. Orders in the non-defense capital goods sector climbed 10 per cent from the March levels. Capital and consumer buying also appear on the rise, concludes the firm.

Housing is showing signs of positive revival. In April, housing starts rose over two per cent, compared to the month-earlier figures. A more powerful indicator of the future tone of housing, says the firm, is found in the fact that new building permits jumped 27 per cent over the March level. The building permit rise was the highest since last August. Still, housing is well below the rates of past years, yet a whiff of revival appears to be in the wind.

Higher durable orders, diminishing inventories, rising retail sales and the recent boost in building permits are the strongest show of indicators to date, notes the firm. "They tend to support a bullish outlook."

Blyth Eastman Dillon & Co. Inc.

Following the bowling industry's debacle in the early 1960's, bowling has evolved into a very profitable and growing business, notes Blyth Eastman Dillon & Co. Inc.

As the leading independent operator of bowling centers, Fair Lanes, an OTC company, has achieved an impressive record of revenue and earnings growth in each of the past 10 years with gains averaging 17 and 33 per cent, respectively. Benefiting from the addition of new centers, higher prices, increased lane usage and the improved popularity of bowling, the firm believes that Fair Lanes is capable of 20 per cent annual earnings progress through 1980.

Fair Lanes is the second largest operator of bowling centers after Brunswick, currently operating 62 centers with a total of 2,374 lanes. This compares with 32 centers and 1,260 lanes in 1966. Initially concentrated in the Baltimore-Washington area, the company has expanded into the suburban areas of Chicago through acquisition and into the growing areas of Atlanta, Florida and Texas. The primary sources of revenues and profits is bowling centers, including food, beverage and amusement income which will account for over 75 per cent of sales and about 95 per cent of net income.

Moreover, the firm expects that Fair Lanes's expansions into indoor tennis facilities and operations of billiard and coin-operated amusement machines should aid revenues and earnings growth.

The shares of Fair Lane currently sell at about 5.8 times 1975 calendar-year earnings or one-half the projected p/e multiple for the S&P 425. This is the lowest such multiple in the last decade and more than 50 per cent below the 10-year multiple mean of 1.0.

Recognizing the past record of Fair Lanes, its leading industry position, strong management team, improving industry trends, and future potential for growth, the firm thinks the shares are undervalued. In addition, the stock could benefit from growing investor interest in (1) secondary companies and industries that have been relatively resilient to the current recession, (2) the over-the-counter market, and-or (3) low-priced stocks.

The firm, however, notes that the market for shares of Fair Lanes is thin and that care should be exercised in placing orders.

Dines: "Internal deterioration"

The stock market's "internal deterioration," which so far has been in a widespread number of stocks, is at last beginning to focus on some specific groups, says The Dines Letter.

The letter notes that the one area which is degenerating particularly rapidly is the entire transportation complex. It started with the airlines, and then began to spread into the truckers and then into the rails.

Another area is the real estate investment trust. The letter would not be surprised at some bad news coming into the real estate field soon. Other groups showing severe deterioration are the auto suppliers and stock brokers.

The letter has said on a number of occasions that the peak of volume was reached early this year, and the letter expects volume to move lower for the remainder of the year. The letter further thinks that volume will drop radically during the final phases of the bear market they anticipate within the next few years. Combined with negotiated rates, "this could send many to the wall."

The letter notes that pollster Albert Sindlinger, in his latest report, discovered that a lot of young, inexperienced and not very well-off individuals are moving into the stock market, especially between Feb. 12 and May 21, and among them, were the unemployed. Doctors and lawyers saw their number dwindle by 9.2 per cent during that period. Concludes Sindlinger: "This is a disaster. This new group is made up of people who can't afford to lose money, who have little experience — sometimes none — in the market, and who are, in general, considered immature investors."

Goldman Sachs: Big Three Industries

Goldman Sachs notes that Big Three Industries has many of the characteristics considered attractive in the current investment cycle. These, says the firm, include:

- Above-average unit volume growth in virtually all its operating divisions.

- A dominant position in supplying industrial gases in the Gulf Coast area where a majority of U.S. petrochemical plant expansion is occurring.

- High and rising returns on investment and revenues, with improving balance sheet ratios.

- Excellent exposure to the energy area, through its rapidly growing oil well service activities, which currently account for over 50 per cent of operating earnings.

- Insulation against recessionary periods by virtue of the "take or pay" provision in its contracts with industrial gas customers.

- An historical (1965-74) growth rate in earnings per share of 15 per cent per annum, with the likelihood of growth over the next five years averaging in the area of 20 per cent a year.

In the firm's opinion, these characteristics, coupled with a multiple of 17.7 times estimated 1975 earnings or 133 per cent of the S&P 425 multiple, make the stock attractive for purchase at the current time. Over the past decade, the stock's multiple has averaged about 150 per cent of the S&P 425 multiple, and the firm believes it should average higher in the future.

Despite the impact of the recession on Big Three's industrial gas customers, the company's earnings are being insulated by "take or pay" provisions in pipeline customer contracts, continued high demand for merchant (liquid) gas at higher prices than last year, and substantial earnings gains in oil well service activities. In fact, the firm expects record earnings of about \$3.00 per share this year, up from \$2.42 last year. The firm further looks for 1976 earnings of \$3.40 to \$3.60 per share, with growth over the next five years approximating 20 per cent per annum.

Richardson: Canada's monetary outlook

In recent weeks, the pressure on North American financial markets has again eased with U.S. short-term rates falling slightly and long-term rates in both Canada and the U.S. declining modestly from their recent peaks, notes Richardson Securities of Canada.

The firm says that this has resulted mainly from a modest easing of demand, particularly in the U.S. Meanwhile, a wide short-term interest rate differential between the U.S. and Canada continues with the blessing of the Canadian authorities in order to attract short-term capital inflows and hold the Canadian dollar relatively stable near current levels. This continued differential and the improved conditions in the U.S. bond market, says the firm, have encouraged a larger capital inflow into Canada in the past few weeks and served to hold the Canadian dollar in the 96 to 98 cent (U.S.) level. In the U.S., the Federal Reserve continues to take a more aggressive expansionary policy stance, whereas in Canada a somewhat less expansionary position has been forced upon the Bank of Canada by the exchange rate problems, particularly during the period when U.S. interest rates were rising. With the recent decline in U.S. rates, this pressure has eased modestly but the Canadian monetary authorities will probably be basing their monetary stance primarily on foreign exchange considerations over the next few months.

Stern: Hewlett-Packard

The price of Hewlett-Packard shares have more than doubled from their 1975 low of 56 and the stock is now selling at 35 times estimated fiscal 1975 earnings, says Stern Frank Meyer & Fox Inc. Nonetheless, Hewlett-Packard has traditionally sold from 40 to 50 times earnings during periods of market expansion. Moreover, the firm expects a premium of 2.5 times (to the S&P 425 multiple) to be maintained. On this basis, says the firm, the stock should continue to perform in line with the market and thus the stock is rated a "strong hold."

Because of second quarter earnings and orders, the firm is raising their fiscal 1975 estimate from the previously-maintained \$2.80-\$3.00 to \$3.30 per share. Revenues are now likely to reach \$960 million. Fiscal 1976 should be stimulated by a full economic recovery so the firm now feels that earnings should increase to \$3.75 to \$4.00 per share.

The firm notes that second quarter order strength was centered in the Data Products group. That strength resulted from the excellent reception of the \$125 HP-21, the newest hand-held calculator, and the very strong performance of the mini-computer sector.

Securities now in Registration

(N) indicates additions in since previous issue (R) items revised (I) initial public offering

Companies in Registration

ASSOCIATED DRY GOODS CREDIT CORP.

417 Fifth Ave., NY, May 20, 1975 filed \$50,000,000 of notes due June 15, 1983. The company, which is a wholly-owned subsidiary of Associated Dry Goods Corp., will use the proceeds to purchase customer receivables and to reduce commercial paper indebtedness. Goldman, Sachs & Co.; and Lehman Brothers, Inc., NY, will manage the underwriting. Offering expected about June 16.

BALCOR REALTY INVESTORS LTD.—75

One Concourse Plaza, 4711 Gold Road, Skokie, IL, March 21, 1975 filed 12,500 limited partnership interests, to be offered at \$1,000 per unit, with a minimum purchase of 5 units. Blyth Eastman Dillon & Co. Inc. NY; and Robinson-Humphrey Co. Inc., Atlanta, GA, will manage the underwriting, on a best-efforts basis. Offering expected July 1. V. 219 7440, p. 63.

BALDWIN (D.H.) CO.

1801 Gilbert Ave., Cincinnati, OH, May 13, 1975 filed \$10,000,000 of subordinated capital notes due 1980. The company, which is a financial holding concern and a manufacturer of musical instruments, will use the proceeds to repay debts. Edward D. Jones & Co., St. Louis, MO, will manage the underwriting. Offering expected in mid-June. V. 219 7436, p. 64.

BANKERS INVESTMENT CO.

820 North Main St., Hutchinson, KS, May 15, 1975 filed \$1,500,000 of 1975 series subordinated debentures due 1987; and \$1,000,000 of series 1975 capital notes due 1988, to be offered at 100 per cent. The company is engaged in finance and insurance businesses. Beecroft, Cole & Co., Topeka, KS, will manage the underwriting. Offering expected in June.

CAN-AM GOLD MINING CO.

629 Lincoln Bldg., Spokane, WA., Jan. 10, 1975 filed 1,125,000 shares of common. The company is engaged in old mining claims in Idaho. P.L. Sandberg & Co. Inc., Spokane, WA, will manage the underwriting.

CARTER HAWLEY HALE STORES, INC.

600 South Spring St., Los Angeles, CA, May 30, 1975 filed 2,500,000 shares of common, of which 2,000,000 shares will be offered by the company and the remainder by Hale Bros. Associates Inc. The company, which is engaged in retail business through general and specialty dept. stores, will use the proceeds for working capital. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering expected June 24. (N)

CAVENHAM (USA) INC.

Room 11, 4695 Main St., Bridgeport, CT, April 24, 1975 filed \$44,644,144 of sinking fund debentures to be offered for the common stock of Grand on Comlany. Cavenham, is a wholly-owned subsidiary of Cavenham Ltd., a British Corp., which operates food outlets. Lazard Freres & Co., NY, will manage the underwriting. Offering expected in June. V. 218, p. 805.

CITY OF MONTREAL

Montreal, Canada March 18, 1975 filed \$75,000,000 of sinking fund debentures due April 15, 1985. The proceeds will be used by the Canadian city for various public works programs. Morgan Stanley & Co. Inc.; A.E. Ames & Co. Inc., NY; and Molson, Rosseau & Cie Limitee, Montreal, Canada, will manage the underwriting.

COINS OF GOLD INVESTORS, INC.

Suite 2WS, 3000 Marcus Ave., Lake Success, NY, Jan. 15, 1975 filed 625,000 shares of common, to be offered at \$8 per share, in 5,000 units of 125 shares per unit. The company purchases US and foreign numismatic coins and non-numismatic gold coins and metallic bars. Muller & Co., NY, will manage the underwriting.

COMMONWEALTH OF AUSTRALIA

Australian Embassy, 1601 Massachusetts Ave., Washington, D.C., May 23, 1975 filed \$50,000,000 of bonds due 1983; and \$50,000,000 of bonds due 1980, all to be offered at 100 per cent. Proceeds will be added to Australia's international reserves and will form part of that Govt. loan program 1974-75. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering imminent.

CONSOLIDATED EQUITIES PARTNERS, LTD.

1280 West Peachtree St., Atlanta, GA, May 16, 1974 filed 10,000 units of limited partnership interests, to be offered at \$500 per unit, with a minimum purchase of 5 units. Financial Service Corp. of America, Atlanta, GA, is the depositor.

CONTINENTAL WESTERN INDUSTRIES INC.

11201 Douglas Ave., Des Moines IA, Sept. 17, 1974 filed an amendment for \$16,590,000 of floating-rate senior subordinated notes, due Feb. 1, 1989. The company, through two of its subsidiaries, is engaged in the businesses of insurance, production and distribution of electrical plumbing and other building supplies, and the production and distribution of lumber, will use the proceeds to repay debt. Shearson, Hammill & Co. Inc., NY; and R. G. Dickinson & Co., Des Moines, IA will manage the underwriting.

DATA GENERAL CORP.

Route 9 Southboro, MA, May 15, 1975 filed 1,000,000 shares of common. The company which is a manufacturer of small and medium sized computers, will use the proceeds for expansion. Halsey, Stuart & Co. Inc., Chicago, IL; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering imminent. V. 217, p. 739.

DAYCO CORP.

333 W. First St., Dayton, Oh, March 21, 1975 filed \$13,150,000 principal amount of 4.65 per cent convertible subordinated debentures due Aug. 1, 1982, for the account of certain security holders. The company is a diversified concern in rubber, plastics, and chemical technology. Lehman Brothers Inc., NY, will manage the underwriting.

DUNHILL BROWN CORP.

1801 Century Park East, Suite 1701, Los Angeles, CA, May 16, 1975 filed \$3,500,000 of capital notes, to be offered at 100 per cent, in denominations of \$1,000. The company acts as shipping and confirming agency, factoring import-export transactions. Capital Sheltered

Investments Inc., Chicago, IL, will manage the underwriting, on a best-efforts basis. Offering expected in June.

FIRST NATIONAL OF NEBRASKA, INC.

First National Center, 16th Dodge St., Omaha, NE, April 16, 1975 filed \$6,200,000 of floating rate notes due July 15, 1990. First Mid-America Inc., Lincoln, NE, will manage the underwriting. Offering expected in June.

GEO A. HORMEL & CO.

Austin, MN, May 29, 1975 filed \$25,000,000 of notes due June 15, 1985. The company, a meat packing concern, will use the proceeds to repay and reduce debts and loans. Smith, Barney & Co. Inc., NY, will manage the underwriting. Offering expected week of June 16. (N)

GRAPHIC CONTROLS CORP.

Buffalo, NY, May 13, 1975 filed 205,000 shares of common of which 150,000 shares will be offered by the company and the remaining 55,000 shares by certain stockholders. The company manufactures recording charts and data forms. C.E. Unterberg Towbin Co., NY, will manage the underwriting. Offering expected June 17. V. 220 7469, p. 36.

IBEX GOLD, INC.

The 1216 Old National Bank Bldg., Spokane, WA, April 18, 1975 filed 600,000 shares of common. The company is presently engaged in the mineral exploration business. Engler & Budd Co., Minneapolis, MN, will manage the underwriting on a best-efforts all-or-none basis.

IDEAL BASIC INDUSTRIES, INC.

821 Seventeenth St., Denver, CO, June 3, 1975 filed \$50,000,000 of sinking fund debentures due 2000. The company, which is the largest portland cement producer in the US and the second largest potash producer in North America, will use the proceeds to repay short term borrowings and to increase its funds. Blyth Eastman Dillon & Co. Inc., NY; and Boettcher & Co., Denver, CO, will manage the underwriting. Offering expected June 16. V. 218, p. 299. (N)

IMPERIAL CHEMICAL INDUSTRIES LTD.

Imperial Chemical House, Millbank, London, S.W.1, April 22, 1975 filed \$100,000,000 of guaranteed sinking fund debentures due June 1, 1995. The debentures, unconditionally guaranteed by the company, the first of its kind to be offered by the company in the US, will be issued by ICI North America Inc., a subsidiary. Proceeds will be used by this subsidiary for expenditures and investments. Goldman, Sachs & Co.; and Smith, Barney & Co. Inc., NY, will manage the underwriting. Offering expected June 18. V. 219 7449, p. 63.

INTERNATIONAL SPHERE

881 West 18th St., Costa Mesa, CA, April 30, 1975 filed 600,000 shares of common. The company manufactures hollow metal spheres for industrial use. DMR Securities Inc., Tucson, AZ, will manage the underwriting. Offering imminent. (I)

IRELAND

Minister-Consul General of Ireland in New York, 580 Fifth Ave., NY, Nov. 28, 1974 filed \$25,000,000 of notes due Jan. 1, 1980, to be offered at 100 percent. Proceeds will be used to finance building and construction, loans for agriculture, fuel and power, industry and for other national development programs. Merrill Lynch, Pierce, Fenner & Smith Inc.; and Warburg Paribas Becker Inc., NY, will manage the underwriting.

Important Notice

The tabulations excluded issues filed prior to Jan. 1, 1974 for which specific offering dates have not been announced. These issues will be reinstated when information regarding the dates when the offerings are to be made is available.

JOS SCHLITZ BREWING CO.

235 West Galena St., Milwaukee, WI, May 22, 1975 filed an amendment for \$75,000,000 of notes due May 15, 1985. The manufacturer of beer, malt liquor, animal feeds, table wines and other products, will use the proceeds to finance part of its capital expenditure requirements. Goldman, Sachs & Co., NY, will manage the underwriting. Offering expected early July. V. 219 7450, p. 58. (R)

KOMATSU LTD.

Komatsu Bldg., 3-6, 3-chome, Alasaka, Minato-ku, Tokyo, Japan. April 29, 1975 filed \$50,000,000 of convertible debentures due June 30, 1990. The concern, a manufacturer of heavy-equipment, will use the proceeds to increase working capital. The new debentures will be convertible into the company's stock or ADR, which represent shares owned in the US but in deposit in Japan. Merrill Lynch, Pierce, Fenner & Smith Inc.; and Nomura Securities International Inc., NY; and J. Henry Schroder Wagg & Co., will manage the underwriting. Offering expected June 17.

LUCKY STORES INC.

Dublin, CA, May 28, 1975 filed \$40,000,000 of convertible subordinated debentures due July 15, 2000, to be converted into the company's common stock. The diversified retailer will use the proceeds for store expansion and for its remodeling program. Merrill Lynch, Pierce, Fenner & Smith Inc.; Goldman, Sachs & Co., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. Offering expected June 24. V. 219 7437, p. 63. (N)

MERCK & CO. INC.

Lincoln Ave., Rahway, NJ, May 28, 1975 filed \$200,000,000 of notes due June 15, 1985. The company, which is a worldwide organization engaged primarily in the business of discovering, developing, producing and marketing products and services, will use the proceeds to increase its general funds and for working capital. Goldman, Sachs & Co., NY, will manage the underwriting. Offering expected June 19. V. 219 7419, p. 20.

METRO-GOLDWYN-MAYER INC.

1350 Ave. of the Americas, NY, Feb. 4, 1975 filed \$9,658,160 of 10 per cent subordinated debentures due 1994. Blyth Eastman Dillon & Co. Inc., NY, will manage the underwriting. V. 220 7457, p. 65.

MISSISSIPPI RIVER CORP.

9900 Clayton Rd., St. Louis, MO, May 23, 1975 filed \$25,000,000 of convertible subordinated debentures due 1995. The holding concern of three principal subsidiaries

will use the proceeds to repay bank borrowings. Blyth Eastman Dillon & Co. Inc., NY, will manage the underwriting. Offering expected week of June 16. V. 219 7404, p. 24. (N)

MONSANTO CO.

800 North Lindbergh Blvd., St. Louis, MO, May 23, 1975 filed \$150,000,000 of sinking fund debentures due June 15, 2000; and \$100,000,000 of notes due June 15, 1985. The company, which is a multi-national concern engaged directly and through subsidiaries in the research, development, manufacture and sale of a widely diversified line of science based products, will use the proceeds to increase its general funds for future capital expenditures. Goldman, Sachs & Co. NY, will manage the underwriting. Offering expected June 18. V. 220 7466, p. 69.

NATIONAL SECURITIES & RESEARCH CORP.

120 Broadway, NY, Dec. 17, 1974 filed 1,500,000 units of beneficial interest to be offered at \$20 per unit, with a minimum purchase of 100 units, in the National-Unit-Gold-Trust. The trust is organized to provide an economical and convenient method of owning gold bullion. Each unit will represent ownership of an amount of troy ounces of gold based upon the net asset value of the trust computed daily. Loeb Rhoades & Co.; Harris Upham & Co. Inc.; Hornblower & Weeks-Hemphill, Noyes Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting.

ORION SPORTS CENTERS, INC.

Sept. 3, 1974 filed an amendment for 200,000 units (comprising one share of common and one warrant), to be offered at \$5 per unit; 200,000 shares of common, to be offered at \$8 per share, reserved for issuance upon exercise of warrants; and 5,000 shares of common, to be offered at \$0.01 per share for sale to the underwriter. H. E. Simpson Securities, Inc. NY, will manage the underwriting.

PHILATELIC EXCHANGE INC.

65 Gail Dr., New Rochelle, NY; Dec. 6, 1974 filed 600,000 shares of common; 300,000 warrants, to be offered in units consisting of 2 shares of common and one warrant, at \$1 per unit; and 300,000 shares of common, to be offered at \$2.50 per share, reserved for issuance upon the exercise of the said warrants. The company, which intends to acquire stamps and to sell these stamps to dealers and collectors, will use the proceeds to acquire a stamp inventory and for capital expenditures. Aaron (E. L.) & Co. Inc., NY, will manage the underwriting. Offering expected in June.

PIZZA HUT INC.

10225 East Kellogg, Wichita, KS, June 6, 1975 filed \$25,000,000 of convertible subordinated debentures due 1995. The company, which is principally engaged in the operation, development, franchising and servicing of a system of restaurants, will use the proceeds to construct additional restaurants. White, Weld & Co. Inc., NY, will manage the underwriting. Offering expected June 23. (N) V. 219 7429, p. 79.

PULLMAN TRANSPORT LEASING CO.

200 South Michigan Ave., Chicago, IL, June 3, 1975 filed \$30,000,000 of equipment trust certificates, series 6, of which \$7,500,000 of serial certificates due 1978-80; and \$22,500,000 of sinking fund certificates due June 15, 1995. This wholly-owned subsidiary of Pullman Inc., involved in leasing freight cars to shippers, will use the proceeds to retire notes and to increase its general funds. First Boston Corp., NY, will manage the underwriting. Offering expected June 19. (N)

SQUIBB CORP.

40 West 57th St., NY, May 21, 1975 filed \$100,000,000 of notes due 1985. This holding company engaged through subsidiaries in the manufacturing and marketing of a broad line of professional and consumer products, will use the proceeds to repay debts and for general corporate purposes. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering imminent. V. 220 7469, p. 26.

STALEY (A.E.) MANUFACTURING CO.

2200 Eldorado St., Decatur, IL, May 21, 1975 filed 700,000 shares of common stock. The company, which is a major processor of corn and soybeans, will use the proceeds to finance the cost of construction of a new corn processing plant in Indiana. Loeb, Rhoades & Co.; and Kuhn, Loeb & Co., NY, will manage the underwriting. Offering imminent.

TECHNICON CORP.

Tarrytown, NY, May 9, 1975 filed 1,500,000 shares of common, of which 750,000 shares will be sold by the company; 637,500 by the board's chairman; and the remaining 112,500 by Whitehead Medical Research Institute. Proceeds will be used to reduce short-term borrowings. The company is a manufacturer of wet chemistry analytical systems for single or multiple test analysis of blood and a variety of other biologic liquids. Goldman, Sachs & Co.; and Lehman Brothers, Inc., NY, will manage the underwriting. Offering imminent.

VALLEY INDUSTRIES INC.

St. Louis, MO, May 7, 1975 filed 1,000,000 shares of common, of which 500,000 shares will be sold for stock and warrants holders and the remainder by the company. The company is a manufacturer of steel products. Loeb, Rhoades & Co., NY, will manage the underwriting. Offering imminent. V. 219 7402, p. 45.

WORLD FUTURES, INC.

277 Park Ave., NY, Jan. 3, 1975 filed 200,000 shares of common, to be offered at \$5 per share. The company, which is trading in commodity futures, will use the proceeds to margin deposits and operating expenses. J.J. Krieger & Co. Inc., NY, will manage the underwriting.

Oil-Gas Real Estate

AMERICAN PROPERTY INVESTORS V

16633 Ventura Blvd., Encino, CA, Jan. 16, 1975 filed 60,000 units of limited partnership interests, to be offered at \$500 per unit, with a minimum investment of \$2,500. The company will invest in improved commercial real estate. Kelly & Morey Inc., Denver, CO, will manage the underwriting on a best efforts basis. Offering expected in June.

ASHLAND OIL CO.

Ashland Drive, Russell, KY, April 1, 1975 filed an amendment for \$50,000,000 of notes due 1985; and

\$50,000,000 of debentures due 2000. Proceeds will be used to repay bank loans. Dillon Read & Co. Inc.; Blyth Eastman Dillon & Co. Inc.; and Lehman Brothers Inc., NY, will manage the underwriting. V. 219 7399, p. 44. (R)

BIG RIVERS FUND—1975

115 Saint Ann St., Owensboro, KY, Feb. 24, 1975 filed 1,250 pre-formation limited partnership interests, to be offered at \$1,000 per unit, with a minimum investment of \$5,000. The partnership will engage in oil and gas exploration and development. J.J.B. Hilliard, W.L. Lyons Inc., Louisville, KY, will manage the underwriting. Offering imminent. V. 219 7437, p. 63.

CALPLANS OIL & GAS PROGRAM

100 Webster St., Oakland, CA, Nov. 4, 1974 filed 3,000 units of limited partnership interest, to be offered at \$2,500 per unit, with a minimum purchase of 2 units. These partnerships will be formed from time to time as subscriptions equal to or in excess of the minimum amount of \$500,000 for each limited partnership has been subscribed. Proceeds will be utilized in a way that 50 per cent will go towards development activities; 45 per cent for exploratory activities, and the remainder for other projects. Calplans Securities Inc., Oakland, CA, will manage the underwriting.

CAN-AM DRILLING PROGRAMS, INC.

2100 Continental National Bank Bldg., Fort Worth, TX, March 19, 1975 filed 15,000 units of pre-organizational subscriptions in limited partnerships, to be offered at \$5,000 per unit. The company is engaged in the drilling for oil and gas. Can-Am Securities Inc., Fort Worth TX, is the distributor on a best-efforts basis.

CARLYLE REAL ESTATE LTD. PARTNERSHIP — 75

875 N. Michigan Ave., Chicago, IL, April 18, 1975 filed 12,000 units of limited partnership interests, to be offered at \$1,000 per unit, with a minimum investment of \$5,000. William Blair & Co., Chicago, IL, will manage the underwriting. Offering expected in June. V. 219 7394, p. 20.

IDS REALTY TRUST

IDS Tower, Minneapolis, MN, Nov. 19, 1974 filed \$50,000,000 of series F, variable yield subordinated debentures due Nov. 30, 1994. The company is a real estate investment trust. Investors Diversified Services Inc., Minneapolis, MN, is the investment adviser. V. 219 7401, p. 23.

MAY PETROLEUM PROGRAM 1975—1 & 2

One Energy Square, Suite 1000, 4925 Greenville Ave., Dallas, TX, Oct. 29, 1974 filed 2,500 units of participation and interests in drilling partnerships, including May Petroleum Inc.'s obligation to repurchase these units and interests under certain conditions at \$10,000 per unit, with a minimum subscription of 1 unit, and additional increments above minimum are available in multiples of \$1,000. May Securities Corp., Dallas, TX, is the dealer-manager on a best efforts basis.

MONTARA PETROLEUM CO.

2 Palo Alto Square, Suite 1031, Palo Alto, CA, Nov. 6, 1974 filed 1,500 units of limited partnership interests, with a minimum subscription of \$5,000. The proceeds will be used for acquisition, exploration and development of oil and gas properties. Pace Securities Inc., San Francisco, CA, will manage the underwriting.

STANDARD OIL CO. OF IN.

200 East Randolph Drive, Chicago, IL, May 28, 1975 filed \$300,000,000 of debentures due 2005. The company and its consolidated subsidiaries, which, forms one of the largest integrated organizations in the petroleum industry engaged in exploration for and development, production, purchase and transportation of crude oil, and natural gas, will use the proceeds to finance exploration programs and for capital. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering imminent. V. 219 7432, p. 70.

TEXAS EASTERN TRANSMISSION CORP.

Southern National Bank Bldg., Houston, TX, May 19, 1975 filed \$60,000,000 of first mortgage pipeline bonds due 1985; and 1,600,000 shares of preferred stock. The company is principally engaged in oil and gas exploration, petroleum manufacturing and marketing, and other business. Dillon, Read & Co. Inc., NY, will manage the underwriting. Offering imminent. V. 217, p. 1235.

TEXLAND DRILLING PROGRAM

April 29, 1975 filed 150 units of limited partnership interests, to be offered at \$10,000 per unit. McDonald & Co. Cleveland, OH, is the dealer-manager. Offering expected in June.

VARCO INTERNATIONAL INC.

Orange, CA, May 22, 1975 filed 500,000 shares of capital stock, of which 335,000 will be offered by the company and 165,000 by certain selling shareholders. The manufacturer of drilling equipment for the oil and gas industry, will use the proceeds to repay debts. First Boston Corp., NY, will manage the underwriting. Offering expected in late June. (I)

Utilities

ARKANSAS POWER & LIGHT CO.

Ninth & Louisiana Sts., Little Rock, AR, Sept. 27, 1974 filed 250,000 shares of cumulative preferred stock, to be offered at competitive bidding. Proceeds will be used to finance construction and to repay debt. V. 219 7434, p. 67.

ARKANSAS POWER & LIGHT CO.

First National Bldg., P.O. Box 551, Little Rock, AR, June 2, 1975 filed \$40,000,000 of first mortgage bonds; and 200,000 shares of preferred stock, all to be offered at competitive bidding. Proceeds will be used for debt repayment. Bids expected at 11 a.m. on the bonds; and at noon on the stock, on July 16. V. 219 7445, p. 64. (N)

CALIFORNIA PACIFIC UTILITIES CO.

555 California St., San Francisco, CA, May 14, 1975 filed 250,000 shares of \$20 par value cumulative preferred stock. Proceeds will be used to repay short term debts incurred for construction. Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. Offering imminent. V. 220 7470, p. 26.

CALIFORNIA WATER SERVICE CO.

San Jose, CA, May 14, 1975 filed \$26,000,000 of series T, first mortgage bonds due Nov. 2005. The proceeds will be used to redeem maturing bonds and to repay short-term debts. Dean Witter & Co. Inc., San Francisco, CA,

will manage the underwriting. Offering expected June 18. V. 220 7456, p. 65.

COLUMBUS & SOUTHERN OHIO ELECTRIC CO.
215 North Front St., Columbus, OH, May 29, 1975 filed \$50,000,000 of first mortgage bonds due 1982. The utility will use the proceeds to repay debts. Dillon Read & Co. Inc., NY; and Ohio Co., Columbus, OH, will manage the underwriting. Offering expected June 17. V. 220 7471, p. 26. (N)

CONSOLIDATED NATURAL GAS CO.
Four Gateway Center, Pittsburgh, PA, May 16, 1975 filed \$100,000,000 of debentures due July 1, 1995, to be offered at competitive bidding. Proceeds will be used for debt repayment. Bids expected June 23. V. 219 7450, p. 58.

DELMARVA POWER & LIGHT CO.
800 King St., Wilmington, DE, May 19, 1975 filed \$30,000,000 of first mortgage & collateral trust bonds; and 2,000,000 shares of common, all to be offered at competitive bidding. Proceeds will be used for debt repayment. Bids on July 1, at 4 p.m., on the common; and on July 2, at 11 a.m., on the bonds. V. 219 7439, p. 63.

EASTERN UTILITIES ASSOCIATES
P.O. Box 2323, Boston, MA, May 29, 1975 filed 310,000 shares of common. This public utility holding concern will use the proceeds to repay loan and to reduce short-term debts. Kidder, Peabody & Co. Inc., NY, will manage the underwriting. Offering expected July 1. (N)

EMERSON ELECTRIC CO.
8100 Florissant Ave., St. Louis, MO, Feb. 28, 1975 filed \$50,000,000 of notes due April 1, 1985. The company which is engaged principally in the design, manufacture and sale of a broad range of electric-electronic products and systems, will use the proceeds to retire short-term borrowings and for general corporate purposes. Goldman, Sachs & Co.; and White, Weld & Co. Inc., NY, will manage the underwriting. V. 220 7459, p. 5.

GAS SERVICE CO.
2460 Pershing Rd., Kansas City, MO, May 30, 1975 filed \$25,000,000 of first mortgage bonds due 1995; and 400,000 shares of common stock. The company, which is engaged principally in the distribution and sale of natural gas, will use the proceeds to repay short-term borrowings and to retire maturing debts. Blyth Eastman Dillon & Co. Inc., NY; and Stern Brothers & Co., Kansas City, MO, will manage the underwriting. Offering expected June 24. V. 220 7472, p. 26. (N)

GENERAL TELEPHONE CO. OF PENNSYLVANIA
150 West 10th St., Erie, PA, May 19, 1975 filed \$30,000,000 of first mortgage bonds, series J, due 2005, to be offered at competitive bidding. This unit of General Telephone & Electronics Corp., will use the proceeds to repay outstanding debts. Bids expected at noon, on June 18. V. 218, p. 361.

INDIANA & MICHIGAN ELECTRIC CO.
2101 Spy Run Ave., Fort Wayne, IN, May 14, 1974 filed 300,000 shares of cumulative preferred, to be offered at competitive bidding. Proceeds will be used to repay debt. V. 215 7407, p. 25.

IOWA-ILLINOIS GAS & ELECTRIC CO.
206 East Second St., Davenport, IA, May 29, 1975 filed \$20,000,000 of first mortgage bonds, to be offered at competitive bidding. Proceeds will be used to repay short-term debts and to finance the construction program. Bids expected on June 25. V. 220 7461, p. 65.

IOWA-ILLINOIS GAS & ELECTRIC CO.
206 East Second St., Davenport, IA, May 29, 1975 filed 1,000,000 shares of common. The utility will use the proceeds to repay debts and to finance its construction program. First Boston Corp., NY, will manage the underwriting. Offering expected June 24. V. 220 7461, p. 65.

JERSEY CENTRAL POWER & LIGHT CO.
Madison Ave. at Punch Bowl Road, Morristown, NJ, May 7, 1975 filed \$35,000,000 of first mortgage bonds, to be offered at competitive bidding. The company, a unit of Public Utilities Corp., will use the proceeds to repay outstanding debts. Bids expected June 19. V. 220 7467, p. 26.

JERSEY CENTRAL POWER & LIGHT CO.
Madison Ave. at Punch Bowl Road, Township of Morris, NJ, June 6, 1975 filed 250,000 shares of series G, \$100 par value cumulative preferred stock. The utility will use the proceeds to repay outstanding bank loans, and for other construction expenses. Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected about June 17. V. 220 7472, p. 26. (N)

KANSAS GAS & ELECTRIC CO.
201 North Market St., Wichita, KS, May 22, 1975 filed \$40,000,000 of first mortgage bonds due 2005, to be offered at competitive bidding. Proceeds will be used for debt repayment. Bids expected June 26. V. 220 7455, p. 69.

KANSAS GAS & ELECTRIC CO.
201 North Market St., Wichita, KS, May 22, 1975 filed 800,000 shares of common. Proceeds will be used for debt repayment. Goldman, Sachs & Co.; and E.F. Hutton & Co. Inc., NY, will manage the underwriting. Offering expected June 26. V. 220 7455, p. 69.

LONG ISLAND LIGHTING CO.
25 Old Country Rd., Mineola, NY, May 2, 1975 filed \$80,000,000 of general & refunding bonds. Proceeds will be used to repay short-term debts and refund maturing securities. Salomon Brothers; First Boston Corp.; Lehman Brothers Inc.; and Paine, Webber, Jackson & Curtis Inc., NY, will manage the underwriting. Offering imminent. V. 220 7461, p. 64.

MISSISSIPPI POWER & LIGHT CO.
P.O. Box 1640, Jackson, MS, March 27, 1974 filed 75,000 shares of cumulative preferred stock, to be offered at competitive bidding. Proceeds will be used for debt repayment, and for other corporate purposes. V. 219 7392, p. 18.

MONONGAHELA POWER CO.
1310 Fairmont Ave., Fairmont, WVA, May 15, 1975 filed \$30,000,000 of first mortgage bonds, to be offered at competitive bidding. The proceeds will be used to finance construction and for other corporate purposes. Bids expected on June 19. V. 219 7442, p. 63.

NATIONAL FUEL GAS CO.
30 Rockefeller Plaza, NY, May 13, 1975 filed \$21,000,000 of debentures due June 15, 1984, to be offered at competitive bidding. Proceeds will be used to repay debts. Bids expected June 18. V. 219 7434, p. 66.

NORTHEAST UTILITIES
174 Brush Hill Ave., West Springfield, MA, May 14, 1975 filed 5,000,000 shares of common. Proceeds will be used to repay short-term debts. Morgan Stanley & Co. Inc.; and First Boston Corp., NY, will manage the underwriting. Offering imminent. V. 219 7443, p. 64.

NORTHWESTERN BELL TELEPHONE CO.
100 South 19th St., Omaha, NB, May 27, 1975 filed \$150,000,000 of debentures due June 15, 2012, to be offered at competitive bidding. Proceeds will be used for debt repayment. Bids expected June 17. V. 219 7434, p. 67.

PACIFIC TELEPHONE & TELEGRAPH CO.
140 New Montgomery St., San Francisco, CA, June 7, 1974 filed \$100,000,000 of notes due June 15, 1981, to be offered at competitive bidding. Proceeds will be used to reduce short-term debt incurred for construction. V. 219 7401, p. 23.

PORTLAND GENERAL ELECTRIC CO.
621 S.W. Alchor St., Portland, OR, May 21, 1975 filed

\$27,000,000 of first mortgage bonds due June 1, 2005. This utility will use the proceeds to refund maturing bonds. Blyth Eastman Dillon & Co. Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. Offering imminent. V. 220 7462, p. 67.

PUBLIC SERVICE ELECTRIC & GAS CO.
80 Park Place, Newark, NJ, May 21, 1975 filed 3,510,934 shares of common, to be offered to shareholders of record on a 1-for-15 basis, between June 11-27. The proceeds will be added to the company's funds and for general corporate purposes. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering commencing June 11. V. 219 7438, p. 68.

PUBLIC SERVICE CO. OF NORTH CAROLINA
400 Cox Road, Gastonia, NC, May 16, 1975 filed 350,000 shares of common. The company, a distributor of natural gas, will use the proceeds to repay outstanding short-term loans. First Boston Corp., NY, will manage the underwriting. Offering expected June 17. V. 219 7469, p. 27.

PUBLIC SERVICE CO. OF OKLAHOMA
P.O. Box 201, Tulsa, OK, May 7, 1975 filed \$50,000,000 of first mortgage bonds, series-N, to be offered at competitive bidding. The company, a subsidiary of Central & South West Corp., will use the proceeds to repay outstanding debts. Bids imminent. V. 220 7462, p. 67.

SOUTHERN CO.
64 Perimeter Center East, P.O. Box 720071, Atlanta, GA, May 19, 1975 filed 11,000,000 shares of common. The company is an Atlanta-based utility holding concern. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering expected June 17. V. 219 7433, p. 73.

SOUTHERN UNION GAS CO.
Fidelity Union Tower, Dallas, TX, May 22, 1975 filed 600,000 shares of \$25 par value preferred stock. Proceeds will be used to finance capital expenditures. Dean Witter & Co. Inc., San Francisco, CA; and White, Weld & Co. Inc., NY, will manage the underwriting. Offering expected June 19. V. 219 7376, p. 21.

UNITED ILLUMINATING CO.
80 Temple St., New Haven, CT, May 28, 1975 filed \$30,000,000 of debentures due 2000. Proceeds will be used to repay short-term construction debts. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering expected June 24. V. 220 7502, p. 65.

VIRGINIA ELECTRIC & POWER CO.
700 East Franklin St., Richmond, VA, May 27, 1975 filed 4,000,000 shares of common. Proceeds will be used to retire outstanding short-term debts. Morgan Stanley & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., NY; and Wheat, First Securities Inc., Richmond, VA, will manage the underwriting. Offering expected June 23. V. 219 7440, p. 63.

WASHINGTON GAS LIGHT CO.
1100 H. St., N.W. Washington, D.C., June 9, 1975 filed an amendment for \$40,000,000 of first mortgage bonds; and \$10,000,000 of serial preferred stock. Proceeds will be used to repay maturing debts; to finance construction, and for other corporate purposes. Salomon Brothers; and Goldman, Sachs & Co., NY, will manage the underwriting. Offerings expected about June 24. V. 219 7390, p. 18. (R)

Bank Holding Companies

BARNETT BANKS OF FLORIDA INC.
Barnett Winston Bldg., 720 Gilmore St., P.O. Box 2720, Jacksonville, FL, March 6, 1975 filed \$50,000,000 of notes due March 15, 1984. The bank holding company will use the proceeds to repay outstanding short-term debts and for other corporate purposes. V. 219 7387, p. 65.

MANUFACTURERS HANOVER CORP.
350 Park Ave., NY, March 7, 1975 filed \$125,000,000 of notes due Dec. 1, 1982; and \$75,000,000 of debentures due June 1, 1990; the debentures will be issued by the company's unit, Manufacturers Hanover Trust Co. The bank holding company and its unit will use the proceeds to make advances to its subsidiaries and to add to capital funds. Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Brothers, NY, will manage the underwriting. V. 219 7424, p. 40.

U.S. BANCORP.
Portland, OR, May 27, 1975 filed \$20,000,000 of convertible subordinated debentures. The bank holding concern will use the proceeds to repay short-term debts. Kidder, Peabody & Co. Inc., NY, will manage the underwriting. Offering expected June 24.

Mutual Funds

BANK INCOME FUND, FIRST SERIES A & B
184 East Bay St., Charleston, SC, Jan. 20, 1975 filed 5,000 units. The company is a unit investment trust. Revelle, Dawson, & Hastie Inc., Charleston, SC, is the depositor. Offering expected in June.

CENTURY PROPERTIES FUND X
3000 Sand Hill Road, Menlo Park, CA, Oct. 11, 1974 filed an amendment covering \$10,000,000 of limited partnership units, with a minimum investment requirement of \$2,500; and \$10,000,000 of 9 per cent unsecured nonrecourse promissory notes due June 30, 1989, with a minimum investment requirement of \$2,500. Fox & Caskaden Securities Corp., Menlo, CA; and Putnam Fund Distributors Inc., Boston, MA, will manage the underwriting. V. 219 7412, p. 23. (R)

CORPORATE BOND TRUST, SERIES 4
April 21, 1975 filed \$5,000,000 of units. The trust created under a trust indenture will consist of corporate debt securities given specified high ratings. Paine, Webber, Jackson & Curtis Inc., NY, will manage the underwriting. Offering late-June.

CORPORATE INCOME FUND, 21ST MONTHLY PAYMENT SERIES
May 7, 1975 filed \$20,000,000 of units of beneficial interest. The Fund, a unit investment trust created by a trust agreement will provide a high level of current income through investment in a fixed portfolio of long term debt obligations. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected late June.

CORPORATE INCOME FUND, 22ND MONTHLY PAYMENT SERIES
May 16, 1975 filed \$20,000,000 of units of beneficial interest. The Fund, a unit investment trust, was created by a trust agreement. The primary objective is providing a high level of current income through investment in a fixed portfolio of long term debt obligations. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected in June.

CORPORATE INCOME FUND, SECOND THIRTY MONTH SERIES
March 21, 1975 filed 20,000 units of beneficial interest. The fund, a unit investment trust, is to provide a high level of current income through investment in a fixed portfolio of interest-bearing short-term obligations. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, is the sponsor. Offering expected in June.

CORPORATE INVESTORS INCOME FUND, INC.
150 Drummers Lane, Valley Forge, PA, Jan. 31, 1975 filed 1,000,000 shares of common, to be offered at \$10 per share. The company is a no-load, open-end, diversified investment company. Wellington Management Co., Valley Forge, PA, will manage the underwriting.

FIRST TRUST INSURED MUNICIPAL BONDS, SERIES 5, MONTHLY CHECK PLAN
May 19, 1975 filed \$5,000,000 of units. The Fund, one of a series of unit investment trusts created under a trust indenture, consists of an insured portfolio of interest-bearing obligations. Van Kampen, Wauterlek & Brown Inc., Chicago, IL, will manage the underwriting. Offering expected in June.

GOLD INCOME INVESTORS INC.
420 Lexington Ave., NY, May 5, 1975 filed 1,000,000 shares of capital stock. The company is a newly organized open-end diversified management investment company and will concentrate its investments in securities of companies in the gold mining industry. Thomson & McKinnon Auchincloss Kohlmeier Inc., NY, will manage the underwriting. Offering expected in June.

ML TRUST FOR GOVT. GUARANTEED SECURITIES 2ND MONTHLY PAYMENT SERIES
1 Liberty Plaza, 165 Broadway, NY, Jan. 14, 1975 filed 25,000 units, including 5,000 units for resale. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, is the depositor. Offering expected in June.

MONEY MARKET TRUST
421 Seventh Ave., Pittsburgh, PA, Feb. 14, 1975 filed 1,000,000 shares of beneficial interests, to be offered at \$1 per share. The company is a no-load, open-end, diversified management investment trust. Federal Federated Securities Corp., Pittsburgh, PA is the distributor.

MUNICIPAL BOND FUND, SERIES 20
March 26, 1975 filed 7,000 units, including 2,000 units registered for resale. Paine, Webber, Jackson & Curtis Inc., NY, will manage the underwriting. Offering expected in late June.

MUNICIPAL BOND FUND, SERIES 21
May 16, 1975 filed \$5,000,000 of units. The Fund will be created under a trust indenture and will consist of interest-bearing obligations. Paine, Webber, Jackson & Curtis Inc., NY, will manage the underwriting. Offering expected in July.

MUNICIPAL INCOME FUND, 2ND INSURED DISCOUNT SERIES
March 28, 1975 filed 55,000 units, including 5,000 registered for resale. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, is the depositor. Offering expected in June.

NATIONAL MUNICIPAL TRUST, TENTH SERIES
May 29, 1975 filed \$7,500,000 of units. The Fund, a unit investment trust, main objectives are tax-exempt income and conservation of capital through investment in a diversified portfolio of municipal bonds. Thomson & McKinnon Auchincloss Kohlmeier Inc., NY; and Piper, Jaffray & Hopwood Inc., Minneapolis, MN, will manage the underwriting. Offering expected in June. (N)

NUVEEN TAX-EXEMPT BOND FUND, SERIES 72
May 2, 1975 filed \$10,000,000 of units. The Fund, which is one of a series of unit investment trusts, consists of a portfolio of interest bearing obligations. John Nuveen & Co. Inc., NY, will manage the underwriting. Offering expected in June.

NUVEEN TAX-EXEMPT BOND FUND, SERIES 73
May 23, 1975 filed \$10,000,000 of units. The Fund, one in a series of unit investment trusts, consists of a portfolio of interest-bearing obligations. John Nuveen & Co. Inc., NY, will manage the underwriting. Offering expected in July. (N)

PETRO-LEWIS FUNDS
Suite 1400, 1600 Broadway, Denver, CO, March 31, 1975 filed \$30,000,000 of preformation limited partnership interests, with a minimum purchase or investment of \$5,000. Petro-Lewis Securities Corp., Denver, CO, will manage the underwriting. Offering expected in July. V. 219 7411, p. 23.

PRAIRIE STATES COMMODITY FUND, LTD.
West Des Moines, IA, May 14, 1975 filed 900 class A units of limited partnership interest, to be offered at \$500 per unit. The company deals in commodity futures. Development Securities Corp., Hollywood, FL, will manage the underwriting. Offering expected in June.

TAX-EXEMPT SECURITIES, SERIES 2
May 14, 1975 filed \$10,000,000 of units. The Trust, one in a series, consists of interest-bearing obligations. Loeb, Rhoades & Co.; and Harris, Upham & Co. Inc., NY, are the sponsors. Offering expected in June. (N)

TAX-EXEMPT TRUST, EIGHTH SERIES
Co Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, CA, April 2, 1975 filed \$7,500,000 of units. The trust, created under a trust indenture, will consist of interest bearing obligations. Dean Witter & Co. Inc., San Francisco, CA is the sponsor. Offering expected July 9.

WHITEHALL MONEY MARKET TRUST
1250 Drummers Lane, Valley Forge, PA, Jan. 20, 1975 filed 10,000,000 shares representing units of beneficial interest, to be offered at \$1 per share. The company is a no-load, diversified, open-end investment company. Wellington Management Co. Valley Forge, PA, is the adviser. Offering expected in June.

Recent Issues Filed with SEC

AMF INC.
White Plains, NY, June 6, 1975 filed \$60,000,000 of notes due June 30, 1985. The company, a worldwide producer of leisure time and industrial products, will use the proceeds to repay a portion of the Corporation short-term notes. Lazard Freres & Co., NY, will manage the underwriting. V. 220 7467, p. 25.

AMCORD, INC.
610 Newport Center Dr., Newport Beach, CA, June 6, 1975 filed \$7,000,000 of Industrial Development Revenue Bonds, Series B, comprising of \$2,000,000 of Serial Bonds

due Sept. 1, 1979-1985; and \$5,000,000 of term bonds due 1990. The company is a diversified manufacturer and marketer of cement, metal buildings and leisure products. Goldman, Sachs & Co., NY, will manage the underwriting.

AMERICAN FINANCIAL CORP.
Provident Tower, One East St., Cincinnati, OH, May 30, 1975 filed 46,500 shares of common, to be distributed as a gift. AFC is a diversified financial holding concern. V. 220 7500, p. 55.

AMERICAN WIND TURBINE INC.
Stillwater, OK, May 29, 1975 filed a Reg. A covering 5,000,000 shares of common. The company manufactures wind-powered apparatus. Douglass Stanat & Co. Inc., Denver, CO, will manage the underwriting.

COCA-COLA CO.
310 North Ave., N.W. Atlanta, GA, June 4, 1975 filed 196,705 shares of common, to be offered in connection with an exchange for the outstanding common shares of Coca-Cola Bottling Co. Inc., Chattanooga, TN, on a .065047-for-1 basis. The company manufactures and sells beverages. V. 220 7473, p. 25.

EATON & HOWARD STOCK FUND
24 Federal St., Boston, MA, June 2, 1975 filed 53,996 shares of beneficial interest, to be offered to shareholders of The Hornblower Equity Fund, Inc., in connection with an agreement and plan of reorganization. Eaton is a diversified, open-end investment company. V. 219 7441, p. 64.

EMERSON ELECTRIC CO.
8100 Florissant Ave., St. Louis, MO, June 2, 1975 filed 39,701 shares of common, to be offered for the account of stockholders. White, Weld & Co. Inc., NY, is the agent. V. 220 7468, p. 26.

EQUITABLE GAS CO.
420 Blvd. of the Allies, Pittsburgh, PA, June 6, 1975 filed \$25,000,000 of first mortgage bonds due July 1, 1985. The supplier of natural gas will use the proceeds to repay bank loans and to finance 1975 construction program. First Boston Corp., NY, will manage the underwriting. V. 220 7473, p. 26.

FEDERAL SHORT-TERM SECURITIES TRUST
May 28, 1975 filed 500,000 shares of beneficial interest, to be offered at \$1 per share. The company is a no-load, diversified, open-end investment concern. Loeb, Rhoades & Co., NY, is the distributor.

FIRST NATIONAL FINANCIAL CORP.
180 E. Michigan Ave., Kalamazoo, MI, May 28, 1975 filed 2,348 shares of common, to be offered from time to time, by selling shareholders. V. 219 7428, p. 28.

FIRST VIRGINIA BANKSHARES CORP.
6400 Arlington Blvd., Falls Church, VA, June 4, 1975 filed 714,616 shares of common; \$10,440 shares of First Series B convertible preferred stock; 714,919 shares of common to underlie preferred stock; and \$1,531,320 8 per cent subordinated capital notes due 1985, all to be offered in connection with a merger of Farmers National Bank, VA, into First Virginia Bank of Roanoke Valley, a wholly-owned subsidiary of the company. The company, a bank holding concern, controls 23 banks and several bank related subsidiaries. V. 219 73 7439, p. 63.

HELMET PETROLEUM CORP.
825 Petroleum Club Bldg., Denver, CO, June 2, 1975 filed 1,000 units of participation in limited partnership interest, to be offered at \$5,000 per unit.

HUTTON (E.F.) TAX-EXEMPT FUND, NATIONAL SERIES 20
May 13, 1975 filed \$10,000,000 of units. The Fund is one of a series of unit investment trusts consisting of interest-bearing obligations. E.F. Hutton & Co. Inc., NY, is the sponsor.

INDEPENDENT BANK CORP.
230 West Main St., Ionia, MI, May 30, 1975 filed \$1,000,000 of 7-year debentures, to be offered at 100 per cent, in denominations of \$1,000 each, by the company and its employees. The debentures are unsecured debt obligations, and are not subordinated to other debts. IBC is a bank holding concern with two bank subsidiaries.

INTERNATIONAL HARVESTER CREDIT CORP.
401 N. Michigan Ave., Chicago, IL, June 11, 1975 filed \$75,000,000, of notes due Jan. 1, 1981. The finance unit of International Harvester Co., will use the proceeds to reduce short-term debts. Morgan Stanley & Co. Inc., NY, will manage the underwriting. V. 220 7459, p. 65.

IOWA SOUTHERN UTILITIES CO.
Centerville, IA, June 5, 1975 filed \$10,000,000 of first mortgage bonds due July 1, 2005, to be offered at competitive bidding. The utility will use the proceeds for debt repayment. Bids expected at 11 a.m., on July 17.

JERSEY CENTRAL POWER LIGHT CO.
Madison Ave. at Punch Bowl Road, Township of Morris, NJ, June 6, 1975 filed 250,000 shares of series G, cumulative preferred stock, par value \$100. The utility will use the proceeds to repay outstanding bank loans and for other construction purposes. Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. V. 220 7472, p. 26.

KERR-MCGEE CORP.
Kerr-McGee Bldg., Oklahoma City, OK, June 6, 1975 filed \$75,000,000 of notes due July 1, 1983; and 750,000 shares of common stock. The natural resources concern will use the proceeds to repay short-term debts and to finance capital expenditures. V. 218, p. 1137.

MULTIPLE MATURITY TAX-EXEMPT BOND TRUST, FIRST SERIES
May 30, 1975 filed \$12,600,000 of units of beneficial interest. This unit investment trust consists of a group of four separate trusts with the purpose of gaining interest income free from Federal income taxes while at the same time providing investors an opportunity to diversify their investments. Prescott, Ball & Turben, Cleveland, OH, is the sponsor.

MUNICIPAL INVESTMENT TRUST FUND, 40TH MONTHLY PAYMENT SERIES
May 30, 1975 filed \$40,000,000 of units of beneficial interest. The primary objective of this unit investment trust is providing tax-exempt income through investment in a fixed portfolio of specified bonds. Merrill Lynch, Pierce, Fenner & Smith Inc.; Bache & Co. Inc. and Reynolds Securities Inc., NY, will manage the underwriting.

NL INDUSTRIES INC.
111 Broadway, NY, June 5, 1975 filed \$125,000,000 of sinking fund debentures due July 1, 2000. The company, an international manufacturer of a varied line of chemical and metal products, will use the proceeds to repay bank debts incurred for expansion expenditures. Kuhn, Loeb & Co.; and Salomon Brothers, NY, will manage the underwriting.

NUVEEN TAX-EXEMPT BOND FUND, SERIES 74
June 2, 1975 filed \$10,000,000 of units. The Fund, one of a series of unit investment trusts, consists of a portfolio of interest-bearing obligations. John Nuveen & Co. Inc., NY, will manage the underwriting.

SOUTH CAROLINA ELECTRIC & GAS CO.
328 Main St., Columbia, SC, June 11, 1975 filed \$25,000,000 of first & refunding mortgage bonds; and 1,000,000 shares of common stock. Proceeds will be

June 16, 1975

used for debt reduction. Kidder, Peabody & Co. Inc., NY, will manage the underwriting. V. 219 7446, p. 63.

STANDARD & POORS—INTERCAPITAL LIQUID ASSET FUND
June 3, 1975 filed 25,000,000 shares of common. The company is a no-load, diversified, investment company. Standard & Pools Intercapital Inc., is the investment manager.

STADYNAMICS INC.
Longmont, CO, May 29, 1975 filed a Reg. A covering 500,000 shares of common, to be offered at \$1 per share. The company is in the business of electrical pain control devices. Institutional Securities of Colorado Inc., Denver, CO, will manage the underwriting.

TAX-EXEMPT TRUST, NINTH SERIES
June 2, 1975 filed 8,400 units of limited partnership interests, to be offered at \$1,000 per unit, with a minimum investment of \$2,000.

TIMBER FUND LTD.
May 30, 1975 filed 8,400 units of limited partnership interests, to be offered at \$1,000 per unit, with a minimum investment of \$2,000.

USLIFE CORP.
125 Maiden Lane, NY, June 10, 1975 filed \$50,000,000 of notes due July 15, 1985. The company, a diversified insurance-based financial services concern, will use the proceeds to reduce short term bank debts, and to retire bank loans. Lehman Brothers Inc.; and Paine, Webber, Jackson & Curtis Inc., will manage the underwriting. V. 219 7397, p. 45.

U.S. MINERALS ROYALTY CORP.
June 4, 1975 filed 600,000 shares of common and 600,000 warrants, to be offered in units, consisting of one common and one warrant.

UTICA BANKSHARES CORP.
June 2, 1975 filed 372,779 shares of common, to be offered in connection with the company's reorganization program.

VICTORIA STATION INC.
150 Chesnut St., San Francisco, CA, June 5, 1975 filed 630,000 shares of common of which 500,000 shares will be offered by the company, and the remainder by selling shareholders. Robertson, Colman, Siebel & Weisel, San Francisco, CA, will manage the underwriting. V. 220 7473, p. 27.

Effective Registrations

BLYTH EASTMAN DILLON & CO. INC.
Portland General Electric Co. \$27,000,000 of 9½ per cent first mortgage bonds due 1985, rated Baa Moodys and BBB by Standard & Pools, offered at 100 per cent, plus accrued interest, on June 12, by Blyth Eastman Dillon & Co. Inc., NY; and Dean Witter & Co., San Francisco, CA. V. 220 7462, p. 67.

BLYTH EASTMAN DILLON & CO. INC.
Public Service Co. of Oklahoma \$50,000,000 of 8½ per cent, series N, first mortgage bonds due June 1, 2005, rated Aa Moodys and AA by Standard & Pools, offered at 100 per cent, plus accrued interest, on June 12, by Blyth Eastman Dillon & Co. Inc., NY. V. 220 7462, p. 67.

BLYTH EASTMAN DILLON & CO. INC.
Texas Electric Service Co. \$50,000,000 of 8½ per cent first mortgage bonds due June 1, 2005, rated Aaa Moodys; AA by Standard & Pools, and AAA by Fitch, offered at 99.50 per cent, plus accrued interest, to yield 8.92 per cent; and 300,000 shares of 9½ per cent preferred stock, rated Aa Moodys and AA by Standard & Pools, offered at \$100 per share, plus accrued dividends, on June 10, by Blyth Eastman Dillon & Co. Inc.; Goldman, Sachs & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Brothers, NY. V. 219 7444, p. 64.

DAIN, KALMAN & QUAIL INC.
Modern Merchandising, Inc. 5,000 units comprising of \$5,000,000 of 10 per cent subordinated debentures due June 1, 1987, with warrants to purchase 250,000 common shares, offered at \$1,000 per unit, on June 10, by Dain, Kalman & Quail Inc., Minneapolis, MN. V. 220 7471, p. 26.

DEAN WITTER & CO. INC.
California Pacific Utilities Co. 250,000 shares of \$2.60 cumulative preferred stock, rated Baa Moodys and BBB by Standard & Pools, offered at \$20 per share, plus accrued dividends, to yield 10.80 per cent, on June 12, by Dean Witter & Co. Inc., San Francisco, CA. V. 220 7470, p. 26.

DILLON, READ & CO. INC.
Adolph Coors Co. 4,100,000 shares of class B non-voting common offered at \$31 per share, on June 9, by Dillon, Read & Co. Inc., NY. V. 220 7470, p. 25.

DILLON, READ & CO. INC.
Texas Eastern Transmission Corp. \$60,000,000 of 10 per cent first mortgage bonds due July 1, 1985, rated Baa Moodys and BBB by Standard & Pools, offered at 100 per cent, plus accrued interest; and 2,400,000 shares of \$2.875 preferred stock, rated BBB by Standard & Pools, offered at \$25 per share, plus accrued dividends, to yield 11.50 per cent, on June 11, by Dillon, Read & Co. Inc., NY. V. 217, p. 1235.

FIRST BOSTON CORP.
Arizona Public Service Co. 2,000,000 shares of common offered at \$15.25 per share, on June 5, by First Boston Corp.; Blyth Eastman Dillon & Co. Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA. V. 220 7457, p. 64.

FIRST BOSTON CORP.
Laclede Gas Co. \$20,000,000 of 9½ per cent first mortgage bonds due June 1, 1985, rated Aa Moodys; AA by Standard & Pools and Fitch, offered at 100 per cent, plus accrued interest, on June 10, by First Boston Corp., NY. V. 220 7465, p. 68.

FIRST BOSTON CORP.
Southern California Edison Co. 2,000,000 shares of \$2.30 cumulative preferred stock, rated Aa Moodys and AA by Standard & Pools, offered at \$25 per share, plus accrued dividends, to yield 9.30 per cent, on June 11, by First Boston Corp., NY; Dean Witter & Co. Inc., San Francisco, CA; Blyth Eastman Dillon & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY. V. 219 7440, p. 60.

HAILEY, STUART & CO. INC.
Data General Corp. 1,000,000 shares of common offered at \$30.75 per share, on June 10, by Halsey Stuart & Co. Inc., Chicago, IL; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY. V. 218 V. 217, p. 739.

KUREN & COOPER, INC.
Orion Sports Centers, Inc. 200,000 shares of common

(Reg. A) offered at \$2.50 per share, on May 21, by Kuren & Cooper, Inc., NY. V. 220 7464, p. 68.

LEHMAN BROTHERS INC.
Zapata Off-Shore Co. \$50,575,000 of 8½ per cent notes due 1996; and \$41,400,000 of 7½ per cent notes due 1985, all offered at 100 per cent, rated Aaa Moodys and AAA by Standard & Pools, all are federally guaranteed ship financing securities, on June 12, by Lehman Brothers, Inc., NY. V. 220 7466, p. 68.

MERRILL LYNCH, PIERCE, FENNER & SMITH INC.
Municipal Investment Trust Fund, 30th MONTHLY PAYMENT SERIES 70,000 units of beneficial interest, offered at \$1,000 per unit, with a minimum purchase of 1 unit, on June 5, by Merrill Lynch, Pierce, Fenner & Smith Inc.; Bache & Co. Inc.; and Reynolds Securities Inc., NY. V. 220 7472, p. 26.

MERRILL LYNCH, PIERCE, FENNER & SMITH INC.
Public Service Electric & Gas Co. 3,510,934 shares of common offered at \$14.40 per share (on a 1-for-15 basis to shareholders on record as of June 11), on June 11, by Merrill Lynch, Pierce, Fenner & Smith Inc., NY. V. 219 7438, p. 68.

MERRILL LYNCH, PIERCE, FENNER & SMITH INC.
Smith International Inc. 75,000 shares of common offered at \$28.125 per share, on May 12, by Merrill Lynch, Pierce, Fenner & Smith Inc., NY. V. 220 7473, p. 26.

MORGAN STANLEY & CO. INC.
Dayton Power & Light Co. 1,500,000 shares of common offered at \$18 per share, on June 9, by Morgan Stanley & Co. Inc.; and Reynolds Securities Inc., NY. V. 219 7439, p. 63.

MORGAN STANLEY & CO. INC.
Northeast Utilities 5,000,000 shares of common offered at \$9.125 per share, on June 10, by Morgan Stanley & Co. Inc.; and First Boston Corp., NY. V. 219 7443, p. 64.

MORGAN STANLEY & CO. INC.
Squibb Corp. \$100,000,000 of 8 per cent notes due June 15, 1985, rated Aa Moodys and AA by Standard & Pools, offered at 100 per cent, plus accrued interest, on June 11, by Morgan Stanley & Co. Inc., NY. V. 220 7469, p. 26.

MORGAN STANLEY & CO. INC.
Commonwealth of Australia \$50,000,000 of 8.75 per cent bonds due June 15, 1983; and \$50,000,000 of 8.45 per cent bonds due June 15, 1980, all rated Aaa Moodys and AAA by Standard & Pools, all offered at 100 per cent, plus accrued interest, on June 12, by Morgan Stanley & Co. Inc., NY. V. 220 7473, p. 25.

MORGAN STANLEY & CO. INC.
Standard Oil Co. of Indiana \$300,000,000 of 8½ per cent debentures due June 15, 2005, rated Aaa Moodys and AAA by Standard & Pools, offered at 99 per cent, plus accrued interest, to yield 8.47 per cent, on June 12, by Morgan Stanley & Co. Inc., NY. V. 219 7432, p. 70.

NESBITT, THOMSON & CO. LTD.
Rio Algom Ltd. \$50,000,000 of 11½ per cent sinking fund debentures due 1995, offered at 100 per cent, plus accrued interest, on June 10, by Nesbitt, Thomson & Co. Ltd., Montreal, Canada.

PIPER, JAFFRAY & HOPWOOD INC.
Johnson (E. F.) Co. 459,000 shares of common offered at \$42.50 per share, on June 10, by Piper, Jaffray & Hopwood Inc., Minneapolis, MN; and C. E. Unterberg, Towbin Co., NY. V. 220 7468, p. 26.

SALOMON BROTHERS
Chesapeake & Ohio Railway \$12,540,000 of 8½ per cent equipment trust certificates 1975 due 1976-90, rated Aa Moodys and AA by Standard & Pools, offered to yield 6.20 per cent for those due in 1976 out to 8.50 per cent for those maturing 1986-90, on June 11, by Salomon Brothers, NY. V. 220 7467, p. 26.

SALOMON BROTHERS
Province of Ontario \$150,000,000 of 9½ per cent debentures due June 15, 2005, offered at 99.50 per cent, to yield 9.17 per cent; and \$125,000,000 of 8.20 per cent notes due June 15, 1982, offered at 100 per cent, plus accrued interest, all rated Aaa Moodys and AA by Standard & Pools, on June 11, by Salomon Brothers; and Wood Gundy Inc., NY. V. 220 7458, p. 65.

SALOMON BROTHERS
Long Island Lighting Co. \$80,000,000 of 9½ per cent general & refunding mortgage bonds due 1983, rated A by Moodys and Fitch, and A- by Standard & Pools, offered at 100 per cent, plus accrued interest, on June 12, by Salomon Brothers; First Boston Corp.; Lehman Brothers Inc.; and Paine, Webber, Jackson & Curtis Inc., NY. V. 220 7461, p. 64.

SMITH, BARNEY & CO. INC.
Searle (G.D.) & Co. \$150,000,000 of 8 per cent notes due 1981, rated Aa Moodys and AA by Standard & Pools, offered at 99.75 per cent, plus accrued interest, to yield 8.05 per cent, on June 10, by Smith, Barney & Co. Inc., NY. V. 219 7425, p. 24.

WATLING LERCHEN & CO. INC.
Chemical Financial Corp. 41,800 shares of common offered to stockholders, on a 1-for-10 basis, on June 2, by Watling Lerchen & Co. Inc., Detroit, MI. V. 219 7380, p. 65.

WELLINGTON MANAGEMENT CO.
Whitehall Money Market Trust 1,000,000 shares of beneficial interest, offered at \$10 per share, on June 4, by Wellington Management Co., Valley Forge, PA. V. 220 7456, p. 65.

ZIEGLER (B.C.) & CO.
American Tax-Exempt Bond Trust, Series 5 3,000 units offered at \$1,048.17 per unit, with a minimum purchase of 3 units, on June 4, by B.C. Ziegler & Co., West Bend, WI. V. 220 7472, p. 25.

ZIEGLER (B.C.) & CO.
Inland Heritage Corp. \$4,000,000 of 10½ per cent initial coupon variable-notes due June 1, 1985, rated A by Fitch, offered at 100 per cent, on June 6, by B.C. Ziegler & Co., West Bend, WI. V. 220 7466, p. 68.

BALTIMORE GAS & ELECTRIC CO. (7-29)
June 2, 1975 it was reported that this company plans the sale of about \$80,000,000 of first mortgage bonds. Underwriter — Expected to be at competitive bidding. Bids expected at 11.30 a.m. on July 29. V. 219 7436, p. 65.

Prospective Offerings

BELL TELEPHONE CO. OF PENNSYLVANIA (7-15)
March 3, 1975 it was reported that this company plans the sale of about \$150,000,000 of debentures or intermediate notes. Method of sale is to be determined. Offering expected about July 15. V. 219 7428, p. 29.

BLACK HILLS POWER & LIGHT CO.
June 9, 1975 it was reported that this company plans the sale of about 50,000 shares of common through rights, in late-1975. Underwriter — Expected to be Piper, Jaffray & Hopwood Inc., Minneapolis, MN.

BOW VALLEY INDUSTRIES LTD.
May 12, 1975 it was reported that this company plans the sale of about 1,000,000 shares of common, in Canada, and US in late July. Underwriters — Expected to be Greenshields Inc.; and G. & S. Securities Ltd., Montreal, Canada.

BROCKTON ELECTRIC CO.
April 22, 1975 it was reported that this subsidiary of Eastern Utilities Associates plans the sale of about \$20,000,000 of bonds; and 3,000,000 shares of preferred stock in Sept. Further details to be announced.

CENTRAL ILLINOIS LIGHT CO. (10-1)
April 21, 1975 it was reported that this company plans the sale of about \$15,000,000 of preferred stock. Underwriter—Dean Witter & Co. Inc., San Francisco, CA, managed a previous underwriting of preferred for the company. Offering expected about Oct. 1. V. 220 7460, p. 65.

CENTRAL ILLINOIS LIGHT CO. (12-2)
April 21, 1975 it was reported that in addition to the preferred stock sale, the company plans the sale of about \$25,000,000 of first mortgage bonds; and \$15,000,000 of common stock. Underwriter—expected to be at competitive bidding. Bids on the bonds expected at 11 a.m. and on the common at 4.30 p.m., on Dec. 2. V. 220 7460, p. 65.

CENTRAL LOUISIANA ELECTRIC CO. (7-9)
May 27, 1975 it was reported that this company plans the sale of about 700,000 shares of common. Underwriters — Expected to be Blyth Eastman Dillon & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY. Offering expected July 9.

CENTRAL MAINE POWER CO. (10-8)
May 12, 1975 it was reported that this company plans the sale of about \$25,000,000 of first mortgage bonds. Underwriter — Expected to be Kidder, Peabody & Co. Inc., NY. Offering expected Oct. 8. V. 219 7441, p. 64.

COLUMBIA GAS SYSTEM (11-19)
March 4, 1975 it was reported that this company plans the sale of about \$50,000,000 of debentures. Underwriter—Competitive bidding. Bids expected at noon, on Nov. 19. V. 219 7446, p. 63.

COLUMBUS & SOUTHERN OHIO ELECTRIC CO. (7-23)
May 12, 1975 it was reported that this company plans the sale of 1,500,000 shares of common. Underwriter — Dillon Read & Co. Inc., NY. Offering expected July 23. V. 220 7468, p. 28.

CONNECTICUT LIGHT & POWER CO. (9-11)
April 21, 1975 it was reported that this utility plans the sale of about \$40,000,000 of first mortgage bonds; and \$20,000,000 of preferred stock. Underwriter — Competitive bidding. Bids expected at 11 a.m. on the bonds; and at noon on the stock, on Sept. 11. V. 220 7457, p. 65.

CONSUMERS POWER CO. (7-1)
June 9, 1975 it was reported that this company plans the sale of about \$150,000,000 of debt securities. Underwriter — Expected to be Morgan Stanley & Co. Inc., NY. Offering expected July 1. V. 220 7472, p. 26.

DELMARVA POWER & LIGHT CO.
June 9, 1975 it was reported that this company plans the sale of about \$10,000,000 of preferred stock, in Oct. Underwriter — Expected to be at competitive bidding. V. 220 7472, p. 26.

DETROIT EDISON CO. (7-15)
June 2, 1975 it was reported that this company plans the sale of about 2,000,000 shares of new preference stock. Underwriters — Morgan Stanley & Co. Inc.; and Blyth Eastman Dillon & Co. Inc., NY. Offering expected July 15. V. 220 7465, p. 68.

DUQUESNE LIGHT CO. (7-10)
June 9, 1975 it was reported that this company plans the sale of about \$50,000,000 of common stock. Underwriter — Expected to be First Boston Corp., NY. Offering expected about July 10. V. 220 7462, p. 65.

EASTERN UTILITIES ASSOCIATES (7-1)
June 2, 1975 it was reported that this company plans the sale of about 310,000 shares of common. Underwriter — Kidder, Peabody & Co. Inc., NY. Offering expected July 1.

EMPIRE DISTRICT ELECTRIC CO.
March 24, 1975 it was reported that this company plans the sale of about \$10-13,000,000 of first mortgage bonds. Timing and method of sale to be determined. V. 218, p. 78.

GEORGIA POWER CO. (7-23)
April 7, 1975 it was reported that this company plans the sale of about \$100-150,000,000 of bonds. Underwriter—expected to be at competitive bidding. Bids expected at 11 a.m. on July 23. V. 219 7433, p. 74.

GULF POWER CO. (9-19)
April 21, 1975 it was reported that this company plans the sale of about \$15,000,000 of bonds. Underwriter—expected at competitive bidding. Bids expected at 11 a.m. on Aug. 19. V. 217, p. 1599.

HARTFORD ELECTRIC LIGHT & POWER CO. (9-22)
May 12, 1975 it was reported that this company plans the sale of about \$30,000,000 of first mortgage bonds; and \$10,000,000 of preferred stocks. Underwriter — Competitive bidding. Bids expected at 11:15 a.m. on the bonds, and at noon on the preferred, on Sept. 22. V. 220 7456, p. 65.

HOUSTON LIGHTING & POWER CO.
May 27, 1975 it was reported that this company plans the sale of about \$40,000,000 of common. Morgan Stanley & Co. Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA, are expected to manage the underwriting, if the issue is negotiated. V. 220 7460, p. 65.

INTERSTATE POWER CO. (7-16)
June 3, 1975 it was reported that this company plans the sale of about \$15,000,000 of common stock. Underwriter — Expected to be Kidder, Peabody & Co. Inc., NY. Offering expected about July 16. V. 219 7412, p. 24.

KANSAS CITY POWER & LIGHT CO. (8-7)
March 4, 1975 it was reported that, in addition to the sale of preferred stock on June 5, the company plans the sale of about \$20,000,000 of common stock. Underwriters—First Boston Corp.; and Blyth Eastman Dillon & Co. Inc., NY. Offering expected Aug. 7. V. 219 7446, p. 63.

LOUISIANA POWER & LIGHT CO. (8-6)
March 31, 1975 it was reported that this company plans the sale of about \$50,000,000 of first mortgage bonds; and about \$10,000,000 of preferred stock. Underwriter — Competitive bidding. Bids expected at 11 a.m. on the bonds; and at noon on the stock, on Aug. 6. V. 219 7443, p. 64.

LOUISVILLE & NASHVILLE RAILROAD CO.
May 27, 1975 it was reported that this road plans the sale of about \$50,000,000 of bonds in June. Underwriter — Expected to be Salomon Brothers, NY.

MACMILLAN BLOEDEL LTD.
June 9, 1975 it was reported that this timber products concern plans the sale of about \$50,000,000 of debentures, in early July. Underwriters — Wood Gundy Ltd.; and Greenshields Inc., Toronto, Canada. V. 220 7501, p. 55.

MARCOR INC.
May 5, 1975 it was reported that this company plans the sale of about \$75,000,000 of debentures, later this year. Underwriter—Expected to be Lehman Brothers Inc., NY.

MASSACHUSETTS ELECTRIC CO.
May 19, 1975 it was reported that this company plans the sale of about \$40,000,000 of first mortgage bonds, in late-1975. Underwriter — Expected to be at competitive bidding.

MICHIGAN BELL TELEPHONE CO. (10-7)
April 28, 1975 it was reported that this AT&T unit plans the sale of about \$200,000,000 of debt securities. Further details will be announced. Offering expected Oct. 7.

MICROFORM DATA SYSTEMS
Jan. 13, 1975 it was reported that this company still plans the sale of about 700,000 shares of common. Underwriter—Birri, Wilson & Co. Inc., San Francisco, CA, managed a previous underwriting of common for the company.

MINNESOTA POWER & LIGHT CO. (7-31)
May 12, 1975 it was reported that this company plans the sale of about \$35,000,000 bonds and up to 600,000 shares of common stock. Underwriter — Blyth Eastman Dillon & Co. Inc., NY. Offerings expected July 31. V. 220 7465, p. 69.

MONTANA POWER CO. (7-8)
June 3, 1975 it was reported that this company plans the sale of about \$35,000,000 of bonds; and \$30,000,000 of common stock. Underwriters — Kidder, Peabody & Co. Inc., NY, managed a previous bond and stock offering for the company. Offerings expected July 8. V. 219 7447, p. 64.

MOUNTAIN STATES TELEPHONE & TELEGRAPH CO. (9-17)
June 2, 1975 it was reported that this company plans the sale of about \$200,000,000 of debt securities. Underwriters — Morgan Stanley & Co. Inc.; and Kidder, Peabody & Co. Inc., NY, managed a previous negotiated debentures issue for the company. Offering expected about Sept. 17. V. 219 7431, p. 75.

NEW BEDFORD GAS & EDISON LIGHT CO.
May 5, 1975 it was reported that this company plans the sale of about \$14,000,000 of long-term securities, in late 1975. Further details to be announced. V. 218, p. 805.

NEW ENGLAND POWER CO.
March 4, 1975 it was reported that this company plans the sale of about \$20,000,000 of preferred stock, in late-1975. Underwriter—expected to be First Boston Corp., NY. V. 220 7458, p. 65.

NEW JERSEY BELL TELEPHONE CO. (8-5)
April 7, 1975 it was reported that this utility plans the sale of about \$175,000,000 of debt securities. Method of sale and type of securities to be determined. Offering expected Aug. 5. V. 218, p. 573.

NIAGARA MOHAWK POWER CO. (9-23)
May 27, 1975 it was reported that this company plans the sale of about \$50,000,000 of first mortgage bonds; 400,000 shares of preferred stock; and 3,500,000 shares of common. Underwriters—Salomon Brothers; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, managed previous bonds, preferred and common stock offerings for the company. V. 220 7462, p. 65.

NORTH AMERICAN PHILIPS CORP.
May 27, 1975 it was reported that this company plans to raise about \$30,000,000 through the sale of rights. Further details to be announced. V. 219 7439, p. 64.

NORTHERN STATES POWER CO. (8-14)
May 12, 1975 it was reported that this company plans the sale of about 2,600,000 shares of common. Kidder, Peabody & Co. Inc., NY, managed a previous underwriting of common for the company. Offering expected Aug. 14. V. 220 7466, p. 68.

OMARK INDUSTRIES INC.
May 19, 1975 it was reported that this company plans to offer about \$25,000,000 of securities, later this year. Dean Witter & Co. Inc., San Francisco, CA, was associated with previous financings of the company. V. 218, p. 1437.

PACIFIC LIGHTING CORP.
May 19, 1975 it was reported that this company plans the sale of about \$25,000,000 of preferred, in late-1975. Underwriter — Expected to be Morgan Stanley & Co. Inc., NY. V. 220 7469, p. 26.

PHILADELPHIA ELECTRIC CO. (8-7)
June 2, 1975 it was reported that this company plans the sale of about \$80,000,000 of first & refunding mortgage bonds. Underwriters — Expected to be Drexel Burnham & Co. Inc.; and First Boston Corp., NY. Offering expected Aug. 7. V. 220 7468, p. 26.

POTOMAC EDISON CO. (9-24)
June 3, 1975 it was reported that this company plans the sale of about \$30,000,000 of first mortgage bonds. Underwriter — Expected to be at competitive bidding. Bids expected at 11 a.m. on Sept. 24. V. 219 7441, p. 64.

PRIVATE EXPORT FUNDING CORP.
June 9, 1975 it was reported that this company plans the sale of \$100,000,000 of series A secured notes due serially 1978-82, in late-June. Underwriters — Dillon Read & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Brothers, NY.

PUBLIC SERVICE CO. OF INDIANA (7-9)
May 19, 1975 it was reported that this company plans the sale of about \$80,000,000 of first mortgage bonds; and 300,000 shares of preferred stock. Underwriter — Expected to be Morgan Stanley & Co. Inc., NY. Offerings expected July 9. V. 219 7438, p. 68.

READING & BATES OFFSHORE DRILLING CO.
June 2, 1975 it was reported that this company plans the sale of about 1,100,000 shares of common stock. Underwriter — Expected to be Shields Model Roland Securities Inc., NY. V. 218, p. 870.

ROCHESTER GAS & ELECTRIC CORP.
May 27, 1975 it was reported

1975. Underwriter — Morgan Stanley & Co. Inc., NY, managed a previous bond offering for the company. V. 220 7441, p. 64.

TENNESSEE VALLEY AUTHORITY (7-22)
June 9, 1975 it was reported that this Authority plans the sale of about \$100,000,000 of power bonds. Underwriter — Competitive bidding. Bids expected at 11 a.m. on July 22. V. 220 7502, p. 66.

TEXAS AMERICAN BANCSHARES INC.
March 24, 1975 it was reported that this company plans the sale of about \$25,000,000 of debt securities. Method of

sale is to be determined. Underwriter — to be named. V. 219 7441, p. 64.

TUCSON GAS & ELECTRIC CO. (9-16)
May 12, 1975 it was reported that this company plans the sale of about 1,000,000 shares of preferred stock. Underwriters — Expected to be Blyth Eastman Dillon & Co. Inc.; and First Boston Corp., NY. Offering expected Sept. 16. V. 220 7397, p. 21.

TUCSON GAS & ELECTRIC CO. (11-18)
May 12, 1975 it was reported that this company plans the sale of about \$40,000,000 of first mortgage bonds.

Underwriters — Expected to be Blyth Eastman Dillon & Co. Inc.; and First Boston Corp., NY. Offering expected about Nov. 18. V. 220 7467, p. 21.

VAN DYK RESEARCH CORP.
May 12, 1975 it was reported that this company plans the sale of about \$10,000,000 of 15-year subordinated debentures; and two classes of warrants to purchase common stock, to be as a unit. Mayflower Securities Co. Inc., NY, managed a previous underwriting of common for the company.

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Baltimore, MD. V. 218, p. 1407.

WEST PENN POWER CO.
March 4, 1975 it was reported that this company plans the sale of about \$15,000,000 of preferred stock, later this year. Underwriter — expected to be at competitive bidding. V. 219 7445, p. 63.

WISCONSIN ELECTRIC POWER CO. (8-13)
June 3, 1975 it was reported that this company plans the sale of about \$60,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids expected about 11 a.m. on Aug. 13. V. 219 7431, p. 75.

New issue calendar as of June 16, 1975

JUNE 16 (MONDAY)

Associated Dry Goods Credit Corp.
(Goldman, Sachs & Co.) \$50,000,000 notes.
Big Rivers Fund -1975
(J.J.B. Hilliard, W.L. Lyons Inc.) 1,250 interests.
Geo A Hormel & Co.
(Smith, Barney & Co. Inc.) \$25,000,000 notes.
Graphic Controls Corp.
(C. E. Unterberg Towbin Co.) 205,000 common.
Ideal Basic Industries, Inc.
(Blyth Eastman Dillon & Co. Inc.) \$50,000,000 debentures.
Mississippi River Corp.
(Blyth Eastman Dillon & Co. Inc.) \$25,000,000 debentures.
Ohio Electric Co.
(Bids to be received) \$75,000,000 bonds.
Staley Manufacturing Co.
(Loeb, Rhoades & Co.) 700,000 common.
Technicon Corp.
(Goldman, Sachs & Co.) 1,500,000 common.
Valley Industries Inc.
(Loeb, Rhoades & Co.) 1,000,000 common.

JUNE 17 (TUESDAY)

Columbus & Southern Ohio Electric Co.
(Dillon, Read & Co. Inc.) \$50,000,000 bonds.
Jersey Central Power & Light Co.
(Kidder, Peabody & Co. Inc.) 250,000 preferred.
Komatsu Ltd.
(Merrill Lynch, Pierce, Fenner & Smith Inc.) \$50,000,000 debentures.
Norfolk & Western Railway
(Bids to be received) \$15,000,000 certificates.
Northwestern Bell Telephone Co.
(Bids at 11 a.m.) \$150,000,000 debentures.
Public Service Co. of North Carolina
(First Boston Corp.) 350,000 common.
Southern Co.
(Morgan Stanley & Co. Inc.) 11,000,000 common.

JUNE 18 (WEDNESDAY)

California Water Service Co.
(Dean Witter & Co. Inc.) \$26,000,000 bonds.
General Telephone Co. of PA.
(Bids at noon) \$30,000,000 bonds.
Imperial Chemical Industries Ltd.
(Goldman, Sachs & Co.; Smith Barney & Co. Inc.) \$100,000,000 debentures.
Monsanto Co.
(Goldman, Sachs & Co.) \$150,000,000 debentures.
Monsanto Co.
(Goldman Sachs & Co.) \$100,000,000 notes.
National Fuel Gas Co.
(Bids to be received) \$21,000,000,000 debentures.

JUNE 19 (THURSDAY)

Jersey Central Power & Light Co.
(Bids at 11 a.m.) \$35,000,000 bonds.
Manufacturers Hanover Corp.
(Merrill Lynch, Pierce, Fenner & Smith Inc.) \$125,000,000 notes.
Manufacturers Hanover Corp.
(Merrill Lynch, Pierce, Fenner & Smith Inc.) \$75,000,000 debentures.
Merck & Co. Inc.
(Goldman, Sachs & Co.) \$200,000,000 notes.
Monongahela Power Co.
(Bids at noon) \$30,000,000 bonds.
Pullman Transport Leasing Co.
(First Boston Corp.) \$22,500,000 certificates.
Pullman Transport Leasing Co.
(First Boston Corp.) \$7,500,000 certificates.
Southern Union Gas Co.
(Dean Witter & Co. Inc.) 600,000 preferred.

JUNE 23 (MONDAY)

AMF Inc.
(Lazard Freres & Co.) \$60,000,000 notes.
Consolidated Natural Gas Co.
(Bids at 11:30 a.m.) \$100,000,000 debentures.

Kerr-McGee Corp.
(Lehman Brothers Inc.) \$75,000,000 notes.
Kerr-McGee Corp.
(Lehman Brothers Inc.) 750,000 common.
NL Industries Co.
(Kuhn, Loeb & Co.) \$125,000,000 debentures.
Pizza Hut Inc.
(White, Weld & Co. Inc.) \$25,000,000 debentures.
Virginia Electric & Power Co.
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 4,000,000 common.

JUNE 24 (TUESDAY)

Carter Hawley Hale Stores Inc.
(Morgan Stanley & Co. Inc.) 2,500,000 common.
Gas Service Co.
(Blyth Eastman Dillon & Co. Inc.) \$25,000,000 bonds.
Gas Service Co.
(Blyth Eastman Dillon & Co. Inc.) 400,000 common.
Government National Mortgage Association
(Bids to be received) \$157,300,000 M-B Securities
Iowa Illinois Gas & Electric
(First Boston Corp.) 1,000,000 common.
Lucky Stores Inc.
(Merrill Lynch, Pierce, Fenner & Smith Inc.) \$40,000,000 debentures.
United Illuminating Co.
(Morgan Stanley & Co. Inc.) \$30,000,000 debentures.
U.S. Bancorp.
(Kidder, Peabody & Co. Inc.) \$20,000,000 debentures.
Victoria Station Inc.
(Robertson, Colman, Siebel & Weisel) 630,000 common.
Washington Gas Light Co.
(Salomon Brothers) \$40,000,000 bonds.
Washington Gas Light Co.
(Salomon Brothers) 100,000 preferred.

JUNE 25 (WEDNESDAY)

Iowa Illinois Gas & Electric
(Bids at 11 a.m.) \$20,000,000 bonds.

JUNE 26 (THURSDAY)

International Harvester Credit Corp.
(Morgan Stanley & Co. Inc.) \$75,000,000 notes.
Kansas Gas & Electric Co.
(Goldman, Sachs & Co.) 800,000 common.
Kansas Gas & Electric Co.
(Bids to be received) \$40,000,000 bonds.
JULY 1 (TUESDAY)
Balcor Realty Investors Ltd. -75
(Blyth Eastman Dillon & Co. Inc.) 12,500 units.
Burlington Northern Trust
(Bids to be received) \$15,000,000 certificates.
Consumers Power Co.
(Morgan Stanley & Co. Inc.) \$75,000,000 (5-yr) bonds.
Consumers Power Co.
(Morgan Stanley & Co. Inc.) \$75,000,000 (25-yr) bonds.
Delmarva Power & Light Co.
(Bids at 4 p.m.) 2,000,000 common.
Eastern Utilities Associates
(Kidder, Peabody & Co. Inc.) 310,000 common.
Equitable Gas Corp.
(First Boston Corp.) \$25,000,000 bonds.
Tax-Exempt Fund, National Series 20
(E. F. Hutton & Co. Inc.) \$10,000,000 units.

JULY 2 (WEDNESDAY)

Delmarva Power & Light Co.
(Bids at 11 a.m.) \$35,000,000 bonds.

JULY 8 (TUESDAY)

Montana Power Co.
(Kidder, Peabody & Co. Inc.) \$35,000,000 bonds.
Montana Power Co.
(Kidder, Peabody & Co. Inc.) \$30,000,000 common.

Southern Railway Trust
(Bids to be received) \$15,000,000 certificates.

USLife Corp.
(Lehman Brothers Inc.) \$50,000,000 notes.

JULY 9 (WEDNESDAY)

Central Louisiana Electric Co.
(Blyth Eastman Dillon & Co. Inc.) 700,000 common.
Public Service Co. of Indiana
(Morgan Stanley & Co. Inc.) \$80,000,000 bonds.
Public Service Co. of Indiana
(Morgan Stanley & Co. Inc.) 300,000 preferred.
Tax-Exempt Trust, Eight Series
(Dean Witter & Co. Inc.) \$7,500,000 units.

JULY 10 (THURSDAY)

Duquesne Light Co.
(First Boston Corp.) \$50,000,000 common.
South Carolina Electric & Gas Co.
(Kidder, Peabody & Co. Inc.) \$15,000,000 common.
South Carolina Electric & Gas Co.
(Kidder, Peabody & Co. Inc.) \$20,000,000 bonds.
Union Pacific Trust
(Bids to be received) \$15,000,000 certificates.

JULY 15 (TUESDAY)

Bell Telephone Co. of Pa.
\$150,000,000 debentures & notes.
Detroit Edison Co.
(Morgan Stanley & Co. Inc.) 2,000,000 preferred.
Interstate Power Co.
(Kidder, Peabody, & Co. Inc.) \$15,000,000 common.
Norfolk & Western Railway
(Bids to be received) \$15,000,000 certificates.

JULY 16 (WEDNESDAY)

Arkansas Power & Light Co.
(Bids at 11 a.m.) \$60,000,000 bonds.
Arkansas Power & Light Co.
(Bids at noon) 200,000 preferred.
Interstate Power Co.
(Kidder, Peabody & Co. Inc.) \$15,000,000 common.

JULY 17 (THURSDAY)

Iowa Southern Utilities Co.
(Bids at noon) \$10,000,000 bonds.
Missouri Pacific Railroad
(Bids to be received) \$15,000,000 certificates.

JULY 22 (TUESDAY)

Tennessee Valley Authority
(Bids at 11:30 a.m.) \$100,000,000 bonds.
Texas Gas Transmission
(Dillon Read & Co. Inc.) \$40,000,000 debentures.

JULY 23 (WEDNESDAY)

Columbus & Southern Ohio Electric Co.
(Dillon Read & Co.) 1,500,000 common.
Georgia Power Co.
(Bids at 11 a.m.) \$100-150,000,000 bonds.

JULY 29 (TUESDAY)

Baltimore Gas & Electric Co.
(Bids at 11:30 a.m.) \$60,000,000 bonds.
Soo Line Railroad
(Bids to be received) \$7,200,000 certificates.

JULY 31 (THURSDAY)

Minnesota Power & Light Co.
(Blyth Eastman Dillon & Co.) \$35,000,000 bonds.
Minnesota Power & Light Co.
(Blyth Eastman Dillon & Co. Inc.) 600,000 common.

AUGUST 5 (TUESDAY)

New Jersey Bell Tel. Co.
\$175,000,000 debt securities.
Norfolk & Western Railway
(Bids to be received) \$11,620,000 certificates.

Tucson Gas & Electric Co.
(Blyth Eastman Dillon & Co. Inc.) \$30,000,000 common.

AUGUST 6 (WEDNESDAY)

Louisiana Power & Light Co.
(Bids at 11 a.m.) \$50,000,000 bonds.
Louisiana Power & Light Co.
(Bids at Noon) \$10,000,000 preferred.

AUGUST 7 (THURSDAY)

Kansas City Power & Light Co.
(First Boston Corp.) \$20,000,000 common.
Philadelphia Electric Co.
(Drexel Burnham & Co. Inc.) \$80,000,000 bonds.

AUGUST 12 (TUESDAY)

Southwestern Electric Power Co.
(Bids at noon) \$40,000,000 bonds.

AUGUST 13 (WEDNESDAY)

Wisconsin Electric Power Co.
(Bids at 11 a.m.) \$60,000,000 bonds.

AUGUST 14 (THURSDAY)

Northern States Power Co.
2,600,000 common.

AUGUST 19 (TUESDAY)

Gulf Power Co.
(Bids at 11 a.m.) \$15,000,000 bonds.

SEPTEMBER 11 (THURSDAY)

Connecticut Light & Power Co.
(Bids at noon) \$20,000,000 preferred.
Connecticut Light & Power Co.
(Bids at 11 a.m.) \$40,000,000 bonds.

SEPTEMBER 16 (TUESDAY)

Tucson Gas & Electric Co.
1,000,000 preferred.

SEPTEMBER 17 (WEDNESDAY)

Mountain States Telephone & Telegraph Co.
\$200,000,000 debt securities.

SEPTEMBER 22 (MONDAY)

Hartford Electric & Power Co.
(Bids at 11:15 a.m.) \$30,000,000 bonds.
Hartford Electric & Power Co.
(Bids at noon) \$10,000,000 preferred.

SEPTEMBER 23 (TUESDAY)

Niagara Mohawk Power Co.
\$50,000,000 bonds.
Niagara Mohawk Power Co.
400,000 preferred.
Niagara Mohawk Power Co.
3,500,000 common.

SEPTEMBER 24 (WEDNESDAY)

Potomac Edison Co.
(Bids at 11 a.m.) \$30,000,000 bonds.
Public Service Co. of New Mexico
\$12,000,000 common.

OCTOBER 1 (WEDNESDAY)

Central Illinois Light Co.
(Bids at 11 a.m.) \$15,000,000 preferred.

OCTOBER 7 (TUESDAY)

Michigan Bell Telephone Co.
\$200,000,000 debt securities.

OCTOBER 8 (WEDNESDAY)

Central Maine Power Co.
(Kidder Peabody & Co. Inc.) \$25,000,000 bonds.

OCTOBER 21 (TUESDAY)

Tennessee Valley Authority
(Bids at 11 a.m.) \$100,000,000 of bonds.

NOVEMBER 18 (TUESDAY)

Tucson Gas & Electric Co.
\$40,000,000 bonds.

NOVEMBER 19 (WEDNESDAY)

Columbia Gas Co.
(Bids at noon) \$50,000,000 debentures.

DECEMBER 2 (TUESDAY)

Central Illinois Light Co.
(Bids at 11 a.m.) \$25,000,000 bonds.
Central Illinois Light Co.
(Bids at 4:30 p.m.) \$15,000,000 common.

Insider Trading

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had estimated," says Warren Shimmerlik, an analyst at L.F. Rothschild & Co. He looks for full-year net of at least \$11 a share but cautions "a key variable will be how well unit costs can be controlled."

James J. Horan of Shields Model Roland Inc. is even more bullish, anticipating per-share net of \$10 to \$12 "because coal production will be up by an additional 1.5 million tons." Horan also expects Brink's to achieve worthwhile gains and believes price controls will be removed from petroleum products. For 1976, he figures another increment of \$1.50 to \$2 a share could be in store.

The Securities and Exchange Commission requires officers, directors and those who hold 10 per cent or more of the shares of a publicly-held company to report, within 10 days after the month in which the transaction took place, any sale, purchase, redemption, etc. by them in the stock of their company. These reports are a matter of public record and are made public by the SEC and by the Exchange with which they are filed.

Purchases

American Ship Building Co. 1,470 common shares at \$9 purchases on April 25 and 27. 2,112. Arthold I. Sobel, director.

American Telephone & Telegraph Co. 54 common shares at \$52 purchase on May 15. 1,276. Edward B. Hanify, director.

AMI, Inc. 15 common shares at \$15 private purchase on May 26. 1,755. Charles W. Anderson, executive vice president and director.

Ashland Oil, Inc. 100 common shares at \$20.75 open market purchase on April 29. 900. Samuel B. Davis, administrative vice president.

Aspro, Inc. 500 common shares at \$5.75-\$6 purchases on May 22. 2,223. James R. Gerrity, vice president.

Atlantic American Corp. 1,000 common shares at \$2.96 open market purchase on May 2. 5,813. R. Craig Murray, director and president.

Aztec Oil & Gas Co. 500 common shares at \$13 open market purchase on April 16. 1,000. Peter T. Flawn, director.

Brown (Tom), Inc. 3,000 common shares at \$14 $\frac{3}{4}$ -\$15 $\frac{1}{4}$ purchases between April 3 and 17. 173,240. D. Douglas Dudley, director.

Burgess Industries, Inc. 228,5784 common shares at \$2.625 open market purchase on May 8. 7,912. 6184. J.W. Porter, director.

Cabot, Cabot & Forbes Land Trust 500 shares of beneficial interest at \$3.25 open market purchase on April 25. 988. Charles W. Corbitt, trustee.

Canadian International Power Co. Ltd. 600 preferred shares at \$12.25-\$12.50 purchases on May 12 and 15. 3,500. Henning J. Porsaa - no relationship to company given.

Capital Southwest Corp. 1,000 common shares at \$5 purchase on May 21. 3,500. V.P. Patterson, director.

Carvel Corp. 420 common shares at \$3 $\frac{3}{4}$ purchase on May 7. 735. Mildred Arcadipane, director and officer.

CCNB Corp. 100 common shares at \$13 open market purchase on May 20. 12,300. John L. Witmer, director and president.

Central National Bancshares, Inc. 100 common shares at \$14 open market purchase on May 14. 804. James R. Murphy, director.

Chase Manhattan Corp. 150 common shares at an aggregate price of \$5,106.25 open market purchases on May 14. 2,350. J. Richardson Dilworth, director.

Chemical Express Co. 3,000 common shares at \$2.25 open market purchase on May 13. 143,000. Curtis W. Mewbourne, director and chairman.

CleveTrust Corp. 300 common shares at \$37.25 open market purchase on April 14. 500. M. Brock Weir, chairman of the board and director.

Computer Dimensions 2,500 common shares at \$4 $\frac{1}{2}$ -\$4 $\frac{3}{4}$ open market purchases on May 8 and 12. 2,500. Paul Stoffel, director.

Connecticut Natural Gas Corp. 800 common shares at \$26 $\frac{1}{2}$ open market purchase on May 7. 1,104. Angelo Tomasso Jr., director.

Copperweld Corp. 200 common shares at \$28.75 open market purchase on May 13. 300. G.J. Tankersley, director.

Crouse-Hinds Co. 200 common shares at \$19 $\frac{1}{2}$ open market purchase on May 15. 200. William J. Bailey, director.

Delmarva Power & Light Co. 100 common shares at \$11 open market purchase on May 16. 2,500. Thomas C. Roe, vice president and director.

Detroitbank Corp. 200 common shares at \$36.75 open market purchase on May 5. 2,760. R. Craighead, president and director.

Detroitbank Corp. 70 common shares at \$38.25 open market purchase on May 5. 400. Donald R. Mandich, executive vice president and director.

Detroitbank Corp. 150 common shares at \$38.75 open market purchase on May 5. 307. Robert F. Roelofs, director.

DPF, Inc. 5,000 common shares at \$4 $\frac{3}{8}$ -\$4 $\frac{1}{2}$ open market purchases on May 6. 15,000. Harold M. Wit, director.

Ecodyne Corp. 500 common shares at \$6 open market purchase on May 29. 1,690. James J. Haberkorn, corporate controller.

Fairfield Communities Land Co. 5,745 common shares at \$0.40 private purchase on May 19. 20,284. Robert L. Callender, director and senior vice president.

First of Denver Mortgage Investors 2,000 common shares at \$2.875 and \$3 open market purchases on May 17. 5,750. Aksel Nielsen, trustee.

First United Bancorporation, Inc. 22,000 common shares at \$15.50-\$16.75 purchases on April 11, 23, and 24. 32,898. Charles D. Tandy, director.

First United Bancorporation, Inc. 22,000 common shares at \$15.50-\$16.75 purchases on April 11, 23, and 24. 27,898. Charles D. Tandy, director.

FMC Corp. 100 common shares at \$15 $\frac{1}{4}$ open market purchase on April 18. 1,100. Morley P. Thompson, director.

General Real Estate Shares 2,300 shares of beneficial interest at \$3 and \$3.125 open market purchases on April 14 and 25. 55,655. Don L. Foote, trustee.

Genesco 500 common shares at \$3 $\frac{3}{4}$ open market purchase on May 21. 1,347. Edward F. Carney, vice president.

Getty Financial Corp. 900 common shares at \$1.25 open market purchase on May 7. 1,163,000. J. Ronald Getty, chairman of the board of directors, president and owner of more than ten per cent of the company.

Gibraltar Financial Corp. of California 100 capital shares at \$11 open market purchase on May 6. 100. Bernice H. Hutter, director.

Gifford-Hill & Co., Inc. 500 common shares at \$12.375 and \$12.50 open market purchases on May 9. 6,725. D.L. Olson, vice president.

GNB Corp. 100 common shares at \$36.50 open market purchase on May 20. 883. Joseph S. Korelko, director.

Golden Nugget, Inc. 1,000 common shares at \$8.875 private purchase on May 22. 1,450. Robert R. Maxey, vice president and director.

Good (L.S.) & Co. 5,000 common shares at \$2 $\frac{1}{4}$ -\$2 $\frac{3}{4}$ purchases between May 19 and 21. 501,004. Sidney S. Good Jr., chairman of the board, president, treasurer and owner of more than ten per cent of the common stock.

Gould Investors Trust 1,961 shares of beneficial interest at \$10 private purchase on April 1. 52,893. N. Jay Gould, vice president and trustee.

Grant (W.T.) Co. 1,600 common shares at \$4 $\frac{3}{4}$ open market purchase on May 29. 2,000. DeWitt Peterkin Jr., director.

Gulf Oil Corp. 1,000 capital shares at \$19.25-\$19.50 open market purchases on May 19. 3,085. Z.D. Bonner, executive vice president.

Hall's Motor Transit Co. 125 common shares at \$7.50 private purchase on April 16. 2,225. Albert G. Radasky, executive vice president.

Harrell International, Inc. 10,000 common shares at \$0.62 purchase (no date given, but statement dated for April, 1975). 237,973. Wilson L. Harrell, director, officer and owner of more than ten per cent of issued and outstanding stock.

Home Oil Co. Ltd. 500 class A common shares at \$22.25 open market purchase on April 28. 1,200. James Innes, director.

International Minerals & Chemical Corp. 2,000 common shares at \$38.50-\$40 open market purchases on March 24 and 27. 5,064. Julian M. Sobin, senior vice president.

Iowa Beef Processors, Inc. 100 common shares at \$24 $\frac{3}{4}$ open market purchase on May 13. 255. LeRoy S. Zider, executive vice president and director.

Iron Mountain, Inc. 3,199 common shares at \$0.08 open market purchase on May 22. 34,552. George H. McLaughlin, chairman of the board and director.

Lone Star Industries, Inc. 200 common shares at \$13 $\frac{1}{2}$ open market purchase on May 2. 2,300. Edward H. Michaelsen, director.

Management Assistance, Inc. 1,000 series C preferred shares at \$1.75 open market purchase on May 23. 3,700. Jorge A. Amador, executive vice president.

Means (F.W.) & Co. 300 common shares at \$10.625 private purchase on April 28. 1,065. Thomas J. Carstens, vice president.

Metromedia, Inc. 52,188 common shares at \$11 $\frac{1}{2}$ -\$13 open market purchases on May 14, 15, and 20. 560,169. John W. Kluge, president, chairman of the board and member of the executive committee.

Midland Ross Corp. 200 common shares at \$17 $\frac{1}{4}$ open market sale on May 13. 500. G. J. Tankersley, director.

Midwestern Fidelity Corp. 1,700 common shares at \$10.50 open market purchase on May 7. 26,781. Walter W. Schneebeck, director.

Mortgage Trust of America 500 shares of beneficial interest at \$3 $\frac{3}{4}$ purchase on April 10. 500. Blair C. Pascoe, trustee.

Murphy Oil Co. 1,700 common shares at \$19 open market purchase on May 21. 128,592. H. Rodes Hart, director.

Northern States Bancorporation 100 common shares at \$10.25 open market purchase on April 1. 2,692. Benjamin H. Paddock III, president and director.

North-West Telephone Co. 700 common shares at \$9 purchase in April. 6,500. Glen H. Bell, director.

Oakite Products, Inc. 100 common shares at \$10.875 open market purchase on May 8. 5,324. Charles F. Rell, first vice president and director.

Odyssey, Inc. 3,000 common shares at \$1 private purchase on May 28. 74,879. Elliott M. Lyon, president and director.

Oklahoma Gas & Electric Co. 100 4 per cent preferred shares at \$10 open market purchase on May 21. 400. Patricia H. Kelley, corporate secretary.

Olix Industries, Inc. 2,000 common shares at \$1-\$1.125 purchases on March 26 and April 22. 11,280. John J. Murphy, officer and director.

Ozark Air Lines, Inc. 2,000 common shares at \$3 private purchase on May 19. 5,000. John K. Hulston, director and corporate secretary.

Pacific Northwest Bell Telephone Co. 85 common shares at \$14.50 open market purchase on May 16. 200. Herman H. Hayner, director.

Ranco, Inc. 400 common shares at \$7 $\frac{1}{2}$ open market purchase on May 21. 5,134. Joseph E. Kumler, vice president.

R.D. Products, Inc. 27,545 common shares at \$0.30 purchase on May 19. 1,327,413. E. Griffin Strassenburgh Jr., president, treasurer, director and owner of more than ten per cent of the common stock.

Rochester Telephone Corp. 300 common shares at \$10.00 open market purchase on May 7. 1,000. Howard F. Carver, director.

Safeco Corp. 100 class A common shares at \$25.875 private purchase on May 5. 12,164. William K. Waller director.

St. Louis Steel Casting, Inc. 1,000 common shares at \$4.625-\$5.25 open market purchases between May 2 and 21. 37,954. Christian B. Peper, chairman of the board of directors and beneficial owner of ten per cent of the common stock.

San Diego Gas & Electric Co. 100 common shares at \$11 open market purchase on May 6. 700. U.S. Grant Sharp, director.

Sav-A-Stop, Inc. 700 common shares at \$2 $\frac{1}{2}$ purchase on May 20. 1,700. John W. Webster, director.

Security Mortgage Investors 5,400 shares of beneficial interest at \$1 $\frac{1}{2}$ -\$1 $\frac{3}{4}$ open market purchases between March 5 and April 23. 10,900. Melville Chapin, chairman of the board of trustees.

Shearson Hayden Stone, Inc. 1,000 common shares at \$4.25 open market purchase on April 29. 0. James M. Griffin, vice president.

Shearson Hayden Stone, Inc. 188 senior preferred shares, 8 per cent cumulative convertible series (series B) at \$6 open market purchase on May 21. 500. Louis S. Hensley Jr., vice president.

Shenandoah Oil Corp. 400 common shares at \$23.25 open market purchase on May 16. 11,100. E. Etzel, vice president and treasurer.

Sperry Rand Corp. 100 common shares at \$44.25 open market purchase on May 28. 100. Richard R. Shinn, director.

Standard Oil Co. of California 200 common shares at \$25.35 open market purchase on April 25. 2,191. George M. Keller, director and vice chairman.

Supermarkets General Corp. 1,500 common shares at \$4 $\frac{1}{2}$ -\$4 $\frac{3}{4}$ open market purchases on May 5 and 9. 1,704. Fred R. Sullivan, director.

Teachers Insurance Co. 1,000 common shares at \$3.50 open market purchase on May 9. 274,123. INA Corp., beneficial owner of more than ten per cent of the company's common stock.

United Gas Pipe Line Co. 200 common shares at \$10.25 open market purchase on May 30. 200. John P. Laborde, director.

Wellington Management Co. 680.5 class B common shares at \$8.50 private purchase on May 1. 2,000. Robert W. Doran, president and director.

Wellington Management Co. 500 class B common shares at \$8.50 private purchase on May 1. 500. Duncan M. McFarland, vice president.

Wellington Management Co. 1,000 class B common shares at \$8.50 private purchase on May 1. 1,000. David D. Ogden, director and senior vice president.

Wellington Management Co. 180.5 class B common shares at \$8.50 private purchase on May 1. 1,500. William N. Thorndike, chairman of the board, executive vice president and director.

Wellington Management Co. 180.5 class B common shares at \$8.50 private purchase on May 1. 1,500. William N. Thorndike, chairman of the board, executive vice president and director.

Woolworth (F.W.) Co. 300 common shares at \$15.75 purchase on May 21. 666. Harold E. Sells, corporate vice president.

Wright (Barry) Corp. 300 common shares at \$5.50 purchase on April 17. 4,300. Philip A. Singleton, director.

Xerox Corp. 100 common shares at \$16.50 open market purchase on April 24. 200. Morley P. Thompson, director.

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Sales

Advanced Memory Systems, Inc. 17,500 common shares at \$3 $\frac{3}{4}$ -\$4 $\frac{1}{2}$ open market sales between April 11 and 25. 23,500. Robert H.F. Lloyd, former officer.

Alza Corp. 2,000 common shares at \$17 $\frac{1}{2}$ open market sale on May 12. 10,176. Alan S. Michaels, senior vice president and director.

American Greetings Corp. 530 class A common shares at \$14.25 open market sale on May 23. 911. Paul H. Ozan, assistant secretary.

AMI, Inc. 224 common shares at \$15 private sale on April 29. 3,563. Lloyd H. Lacour, director.

AMP, Inc. 5,025 endorsed common shares at \$37 $\frac{1}{2}$ -\$37 $\frac{3}{4}$ open market sales on May 8. 119,940. C.J. Fredricksen, chairman of finance committee and director.

Ampco-Pittsburgh Corp. 125 common shares at \$10 $\frac{1}{2}$ -\$11 open market sales on May 6. Joseph P. Fagan, vice president.

Anadite, Inc. 200 common shares at \$4.375 open market sale on May 9. 2,000. C.T. Ptacek, assistant secretary and assistant treasurer.

Audiotronics Corp. 2,100 common shares at \$3.50 open market sale on May 14. 10,000. Rulon B. Everett, director.

Automatic Switch Co. 12,000 common shares at \$34 sale on May 19. 108,500. Wilbur F. Hurlburt Jr., director and president.

Avon Products, Inc. 1,500 capital shares at \$46 $\frac{1}{2}$ -\$47 open market sales on May 6, 8, and 9. 6,336. S. Arnold Zimmerman, vice president and general counsel.

Aztec Oil & Gas Co. 500 common shares at \$17 $\frac{1}{2}$ -\$18 open market sales on May 19 and 22. 0. John R. Barnes, vice president and treasurer.

Baker Oil Tools, Inc. 3,100 common shares at \$41.875 open market sale on May 22. 5,000. James J. Shelton, vice president and director.

Bank of Pennsylvania 300 common shares at \$22 private sale on May 9. 29,360. Horrigan Consumer Discount Co., owner of 4.4 per cent of the company's common stock.

Bard (C.R.), Inc. 2,000 common shares at \$16 $\frac{1}{2}$ sale on May 1. 48,000. J. Wendell Crain, president and director.

Becton, Dickinson & Co. 5,600 common shares at \$35-\$36.25 open market sales between May 2 and 30. 544,414. Henry P. Becton, director and vice chairman of the board.

Bell Industries 2,000 common shares at \$2.25 open market sale on May 28. 54,050. Nathan Lanogarten, vice president and director.

Brooks-Scanlon, Inc. 400 common shares at \$13.875 private sale on May 20. 4,400. Marvin C. May, treasurer.

Burndy Corp. 677 common shares at \$27.75 open market sale on May 9. 0. Fred E. Bushhouse, vice president.

Burndy Corp. 2,166 common shares at \$29 $\frac{3}{4}$ -\$29 $\frac{1}{2}$ open market sales on May 19. 17,100. Julian Rogoff, director.

Burndy Corp. 1,000 common shares at \$31 $\frac{1}{2}$ open market sale on May 22. 181,380. David Dibner, chairman of the board.

Burndy Corp. 2,000 common shares at \$31 open market sale on May 22. 7,623. George M. Szabad, senior vice president, secretary and director.

Campbell Soup Co. 100 capital shares at \$30.25 sale on May 27. 2,010. Edwin J. Foltz, vice president.

Carnation Co. 2,500 common shares at \$80 sales on May 20 and 21. 506. Henry C. Arnest, senior vice president and director.

Central Bancorporation, Inc. 1,000 common shares at \$20.50 private sale on May 19. 7,575. Fletcher E. Nyce, director and vice chairman of the executive committee.

Chesebrough-Pond's, Inc. 800 common shares at \$59.75 and \$64.50 sales on March 31 and May 20. 5,125. George W. Bieler, vice president.

Church's Fried Chicken, Inc. 5,000 common shares at \$12.125-\$12.25 open market sales on May 22, 23 and 27. 6,000. James R. Hale, secretary.

Cobe Laboratories, Inc. 500 common shares at \$22.25-\$22.75 open market sales on April 25. 120,202. Randall F. Bellows, vice president and director.

Combined Communications Corp. 10,000 common shares at \$15.50 open market sale on May 12. 266,245. James G. Rogers, director.

Commerce Clearing House, Inc. 1,000 common shares at \$15 private sale on May 12. 16,806. Oakleigh L. Thorne, director.

Copperweld Corp. 500 common shares at \$30.25 open market sale on May 5. 5,935. Irving M.J. Kaplan, vice president, secretary and director.

Cyclotron Corp. 500 common shares at \$10 open market sale on May 8. 6,044. George O. Hendry, vice president.

Dayton-Hudson Corp. 4,300 common shares at \$12.75 open market sale on April 25. 38,270. Joseph L. Hudson Jr., director and vice chairman.

Deere & Co. 530 common shares at \$47-\$47.125 open market sales on May 9. 5,346. Clifford L. Peterson, senior vice president and director.

Diagnostic Data, Inc. 4,000 capital shares at \$9.25-\$9.75 open market sales on May 1 and 2. 96,306. Thomas L. Schulte, director, vice president and medical director.

Disney (Walt) Productions 500 common shares at \$52 $\frac{1}{2}$ open market sale on May 19. 3,000. Michael L. Bagnall, vice president.

Dorchester Gas Corp. 2,000 common shares at \$9 and \$10.50 open market sales on May 7 and 23. 1,312. Ligon A. Dickson, assistant secretary and treasurer.

Easco Corp. 200 common shares at \$12 open market sale on April 24. 78,579. George S. Jenkins, director.

Easco Corp. 7,800 common shares at \$11.50-\$12.50 open market sales on May 7, 8, and 12. 70,779. George S. Jenkins, director.

Eastern Gas & Fuel Associates 5,002 common shares at \$40 open market sale on May 12. 27,249. Louis R. Fiore, executive vice president and chief operating officer.

Eastern Gas & Fuel Associates 1,200 common shares at \$43 and \$45.75 open market sales on May 15 and 28. 3,574. James W. Bruce, vice president and treasurer.

Exxon Corp. 600 capital shares at \$83 open market sale on May 6. 319. Lawrence G. Rawl, vice president.

Federated Department Stores, Inc. 500 common shares at \$45.75 open market sale on May 20. 500. Douglas M. Thomsen, vice president.

Federal Screw Works 2,190 common shares at \$17-\$19 open market sales between May 7 and 23. 30,438. Hugh G. Harness, director.

First Chicago Corp. 3,875 common shares at \$20.75-\$21 sales on May 2. 0. William J. McDonough, senior vice president.

Fisher Scientific Co. 20,000 common shares at \$12.125-\$13 sales between May 2 and 14. 391,866. Benjamin R. Fisher, director and chairman of the board.

FlightSafety International, Inc. 3,500 common shares at \$14.25-\$14.75 open market sales on May 22 and 23. 51,850. Bruce N. Whitman, director and executive vice president.

Foremost-McKesson, Inc. 2,000 common shares at \$13.25-\$13.625 open market sales

on April 7 and 8. 3,640. Ernest G. de la Ossa, vice president and director.

Garland Corp. 2,600 class A common shares at \$3.125-\$3.50 open market sales on May 6 and 7. 0. Edward McLaughlin, former vice president.

General Dynamics Corp. 100 common shares at \$40 $\frac{1}{2}$ open market sale on May 5. 1,000. John P. Maguire, secretary.

General Shale Products Corp. 350 common shares at \$10.50 sale on May 14. 3,369. H.H. Underwood, vice president.

Gifford-Hill & Co., Inc. 400 common shares at \$12.125-\$12.375 open market sales on May 20 and 21. 590. M.H. Hearon, former officer.

Goulds Pumps, Inc. 25 common shares at \$40 sale on May 29. 4,850. Robert L. Tarnow, president, chief executive officer and director.

Grainger (W.W.), Inc. 50,000 common shares at \$22.90 sale under registered public offering on May 22. 1,201,049. D.W. Grainger, chairman of the board, president and director.

Grainger (W.W.), Inc. 50,000 common shares at \$22.90 sale under registered public offering on May 22. 1,869,442. W.W. Grainger, director.

Grainger (W.W.), Inc. 25,000 common shares at \$22.90 sale under registered public offering on May 22. 177,648. Edward F. Schmidt, vice chairman of the board and director.

Great Western Financial Corp. 1,000 capital shares at \$17 $\frac{1}{4}$ and \$17 $\frac{3}{4}$ open market sales on May 14. 252. Monroe Morgan, vice president.

Green Giant Co. 100 common shares at \$19.375 open market sale on May 1. 7,109. Austin J. Hayden, senior vice president.

Homestake Mining Co. 4,000 common shares at \$49.013 open market sale on May 19. 10,200. Richard J. Stoehr, director and senior vice president.

Houston Natural Gas Corp. 200 common shares at \$42.50 open market sale on May 23. 5,538. Edwin W. Morris, vice president.

Inland Container Corp. 1,775 common shares at \$34.51 open market sale on May 15. 732. Walter E. Harrison, division vice president.

International Nickel Co. of Canada, Ltd. 300 class B common shares at \$27.75 open market sales on May 23. 2,897. John H. Reeve, vice president.

Iowa Beef Processors, Inc. 171 common shares at \$22.75 and \$23.75 open market sales on May 7 and 9. 8,947. Reiney Mundt, director.

Kaiser Aluminum & Chemical Corp. 250 common shares at \$28 $\frac{1}{2}$ -\$28 $\frac{3}{4}$ open market sales on May 16. 0. Ralph H. Schwarz, vice president.

Kellogg Co. 1,000 common shares at \$17.25 open market sale on April 21. 36,682,280. W.K. Kellogg Foundation, beneficial owner of more than ten per cent of the company's common stock.

Kent-Moore Corp. 900 common shares at \$19.50 sales on April 1, 3, and 8. 105,407. Herbert J. Adair, chairman of the board.

Litton Industries, Inc. 5,575 common shares at \$7.375 private sale on May 20. 0. Ralph H. O'Brien, former executive vice president.

Loctite Corp. 10,000 common shares at \$12.50-\$13.50 sales on May 9. 84,476. Charles E. Heilig Jr., director.

Ludlow Corp. 1,000 common shares at \$9 $\frac{1}{4}$ -\$9 $\frac{3}{4}$ open market sales between May 8 and 21. 0. H. Thomas Austern, director.

Macke Co. 3,000 common shares at \$3.75 open market sale on April 4. 63,366. Arnold P. Cornblatt, vice president.

Marine Midland Banks, Inc. 500 common shares at \$17.50 open market sale on April 24. 3,048. Charles G. Blaine, director.

Marriott Corp. 1,000 common shares at \$16-\$16 $\frac{1}{2}$ open market sales on May 8. 337,225. Woodrow D. Marriott, senior vice president.

May Department Stores Co. 1,500 common shares at \$33.75 open market sale on April 7. 17,792. Jack L. Meier, director.

McDonnell Douglas Corp. 100 common shares at \$17.25 open market sale on May 6. 2,299. John E. Forry, vice president.

Microform Data Systems, Inc. 3,500 common shares at \$4.375 open market sale on May 9. 2,500. Hugh J. Kelly, vice president, treasurer and assistant secretary.

Minnesota Mining & Manufacturing Co. 6,000 common shares at \$66 $\frac{1}{2}$ open market sale on May 15. 10,576. Donald R. Guthrie, vice president and director.

Mitchum, Jones & Templeton, Inc. 499 common shares at \$9 and \$9 $\frac{1}{2}$ open market sales on May 2 and 6. 700. Gerard T. Cleary, vice president.

Monsanto Co. 1,000 common shares at \$70 open market sale on May 1. 3,576. H. Harold Bible, director and group vice president.

National Semiconductor Corp. 20,000 common shares at \$32 $\frac{1}{2}$ -\$37 $\frac{1}{2}$ open market sales between May 1 and 28. Peter J. Sprague, chairman.

NCR Corp. 300 common shares at \$30 $\frac{1}{2}$ sale (date not given, but statement dated for May, 1975). 3,071. Donald E. Eckdahl, vice president.

Oakite Products' Inc. 167 common shares at \$13.75 private sale on May 27. 5,470. Martin F. Maher Jr., vice president and director.

Ohio Casualty Corp. 3,000 common shares at \$39 $\frac{1}{2}$ and \$39 $\frac{3}{4}$ open market sales on May 14. 212,353. Joseph L. Marcum, executive vice president, secretary and director.

Olinkraft, Inc. 100 common shares at \$19.25 open market sale on May 15. Anthony W. Hueckel, controller.

Owens-Corning Fiberglas Corp. 1,000 common shares at \$39 $\frac{1}{2}$ -\$40 open market sales on May 7. 12,808. Lauris Norstad, director.

Owens-Illinois, Inc. 500 common shares at \$39 sale on May 27. 20,986. Richard L. Snideman, director.

Pacific Resources, Inc. 500 common shares at \$9.50 open market sales on May 8. 5,245. Paul C. Joy, vice president.

Pamex Foods, Inc. 5,000 common shares at \$3.25 open market sale on May 12. 44,336. Al Correa, director.

Peerless Mfg. Co. 1,375 common shares at \$10 $\frac{1}{2}$ -\$10 $\frac{3}{4}$ open market sales on May 2. 13,587. Paul Stoffel, director.

Pillsbury Co. 100 common shares at \$56.125 and \$57.25 open market sales on May 2. 510. Winston R. Wallin, vice president.

Pittston Co. 1,000 common shares at \$68.25 sale on May 21. 16,080. Walter H. Schnakenberg, vice president and treasurer.

Pittston Co. 1,000 common shares at \$70 sale on May 27. 4,859. John S. Buscema, assistant treasurer.

Pittston Co. 1,120 common shares at \$72.51 open market sale on May 28. 4,090. George L. Philip, controller.

Portland General Electric 200 9.76 per cent preferred shares at \$91 open market sale on March 21. 0. William W. Wessinger, director.

Pullman, Inc. 750 common shares at \$57.1167 open market sale on May 16. 750. Franklin L. Mettler, assistant vice president.

Purolator, Inc. 500 common shares at \$30.50 open market sale on May 8. 6,700. John D. Bober, vice president.

Rosario Resources Corp. 4,000 common shares at an average price of \$37.643 open market sales on April 15. 46,195. Robert M. Reininger, president and director.

Rowland, Inc. 300 common shares at \$18.75 and \$19 open market sales on April 30 and May 19. 0. Clyde S. Gischel, vice president and director.

Security New York State Corp. 508 common shares at \$11.50 open market sale on April 7. 2,718. Brainard E. Prescott, director.

Sedco, Inc. 3,000 common shares at \$34 and \$34 $\frac{1}{2}$ open market sales on May 9. 61,416. Spencer L. Taylor, director, president of See INSIDER TRADING, page 30

Insider Trading

Continued from page 29

division and chairman of the executive committee.

Sonesta International Hotels Corp. 500 common shares at \$4 open market sale on May 7. 0. Brian T. Owen, secretary and controller.

State Street Boston Financial Corp. 1,000 capital shares at \$25.50 private sale on May 16. 265. H. Frederick Hagemann Jr., director.

Stauffer Chemical Co. 100 common shares at \$68.50 open market sale on May 23. 175. Iver C. Macdougall, vice president and secretary.

Steak & Ale Restaurants of America, Inc. 1,600 common shares at \$13.875 and \$14.375 rule 144 sales on May 6 and 12. 1,148,062. Norman E. Brinker - no relationship to company given.

Sunbeam Corp. 9,000 common shares at \$17½-\$17½ sales on May 2, 6, and 7. 164,156. John S. Zink, director.

TRW, Inc. 300 common shares at \$22¾ open market sale on May 22. 1,100. Eugene E. Ford, vice president and general counsel.

Tyler Corp. 500 common shares at \$22¾ open market sale on April 30. 22,056. C.A. Rundell Jr., executive vice president and director.

U.I.P. Corp. 11,950 common shares at \$2½-\$2¾ sales between April 2 and May 13. 313,349. Edgar W. Loke, director.

Union Carbide Corp. 100 common shares at an aggregate price of \$6,250.14 open market sale on May 20. 1,475. R.E. McNeill Jr., director.

U.S. Industries, Inc. 5,000 common shares at \$4 open market sale on May 1. 120,678. Harold Gerring, director.

U.S. Reduction Co. 1,000 common shares at \$19¾-\$19¾ open market sales on May 6. 1,167. Herbert R. Kocher, secretary - treasurer.

U.S. Steel Corp. 850 common shares at \$61¼-\$62 open market sales on May 9. 256. Haran W. Bullard, vice president and divisional general manager.

U.S. Steel Corp. 200 common shares at \$60-\$61¼ open market sales on May 12 and 13. 0. William B. Thomas, vice president and treasurer.

Univar Corp. 500 common shares at \$25½ sale on April 24. 63,971. Harold J. Coleman Jr., consultant.

Varian Associates 215 common shares at

\$10.375 open market sale on May 12. 7,493. Emmet G. Cameron, vice president.

Warner Electric Brake & Clutch Co. 300 common shares at \$11.625 open market sale on May 20. 300. T.E. Berger, vice president.

Wellington Management Co. 319.5 class B common shares at \$8.50 private sale on May 1. 1,000. George Lewis, director.

Wellington Management Co. 569.5 class B common shares at \$8.50 private sale on May 1. 750. Stephen D. Paine, director.

Wickes Corp. 7,000 common shares at \$12 open market sale on May 21. 7,452. Ralph J. Zemanek, senior vice president.

Wieboldt Stores, Inc. 700 common shares at \$4 open market sale on May 7. 900,530. Allen E. Neil, chairman, director, and beneficial owner of more than ten per cent of the company's common shares.

Xerox Corp. 500 common shares at \$82.75 open market sale on May 9. 50,645. E. Kent Damon, vice president, treasurer and secretary.

NYSE forms traders unit

New York — The New York Stock Exchange said it formed an advisory committee of "upstairs traders" — those employed by member firms to handle large stock transactions — to recommend policies and procedures for strengthening the efficiency of exchange markets.

The exchange said the 16-member committee would seek ways to improve liquidity, depth and price continuity in listed securities.

The committee will also examine the interaction of specialists, floor brokers, upstairs traders and public customers to refine the trading communications process.

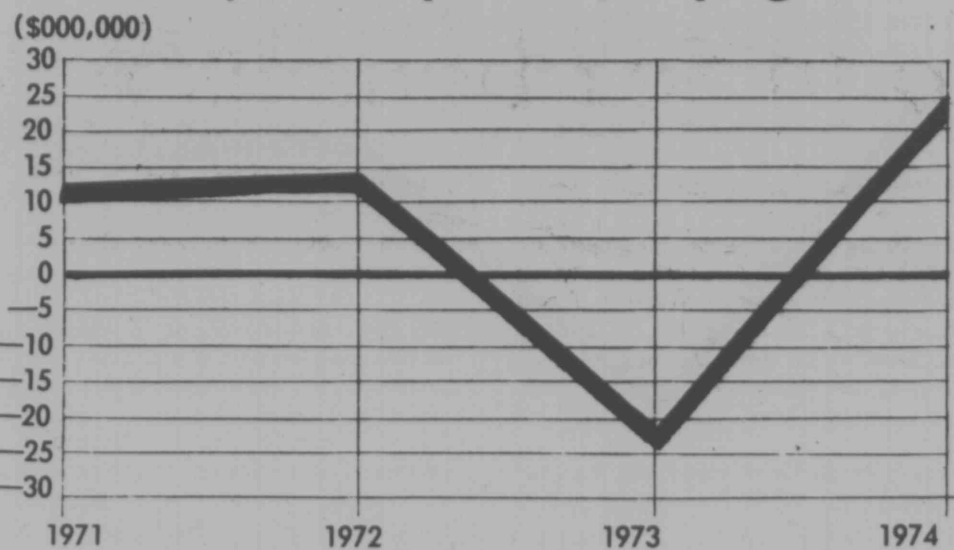
See further decline

The New York Federal Reserve Bank says that although the latest economic indicators point to further decline, the low point of the U.S. recession may be reasonably near at hand.

It says in its June review that although industrial production dropped again in April, it was the smallest decline since August. Although it is difficult to determine how much further the inventory run-off will be carried, the recent rate of liquidation seems unlikely to be further intensified.

Among more positive signs, durable goods orders rose in April for the second time in three months, and personal income and retail sales are also recovering.

Pitney Bowes' profits turn up, again



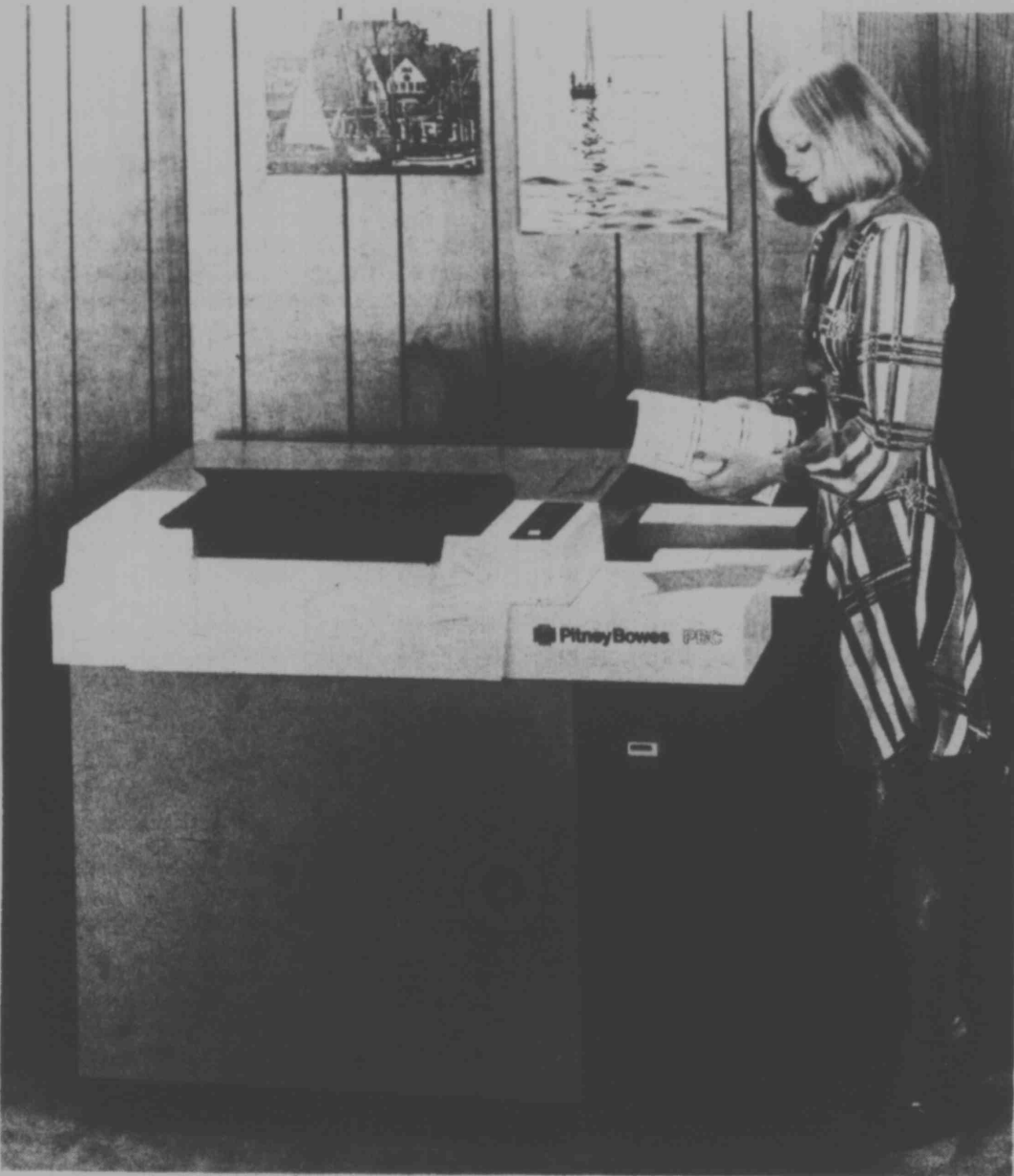
Turnaround at Pitney Bowes improves company's outlook

Continued from page 3

proved operating results and our communications efforts, has, we believe, restored the financial community's confidence in Pitney Bowes' prospects for profitable growth."

One analyst who is fairly convinced of

PB's outlook is Paine Webber's Axelrod. Currently at 16½, after a run up from 12½, briefly hitting a high of 18½, the price is below the 1973 high of 21. "The stock is fairly priced," says Axelrod. "I don't see any downside risk unless the whole market cracks. Its multiple is rising near to market level, but not to its historic high."



Pitney Bowes' 'El Cheapo'

Competing with copiers with speeds ranging from 20 copies per minute to 30 copies per minute, Pitney Bowes' new PBC copier produces its first copy in eight seconds and multiple copies at the rate of 37 a minute.

The secret of its initial success is that it is the "El Cheapo" in its class. Here's how the PBC's rates compare:

Initially the PBC will be offered on both a 30-day and on a 12-month extended rental plan. The 30-day plan costs \$210 monthly, plus 2.5 cents a copy after the first 5,000 copies. Under the 12-month plan, it rents for \$250 monthly plus 2.25 cents per copy after the first 8,000. Thus, a customer making 10,000 copies monthly pays \$335 per month, plus supplies, under the 30-day plan; or \$295 per month, plus supplies, under the 12-month plan.

The same customer using a Xerox 4000 copier would pay \$438.40 monthly, plus supplies, under Xerox's 30-day plan. Xerox does not provide an extended rental plan. PB claims a 31 per cent savings with its 30-day plan and a 49 per cent savings with its 12-month plan.

For the IBM-II, the same customer would pay \$370 monthly, plus supplies, under a 30-day plan — 10 per cent above PB's price, or \$331 a month, plus supplies, under IBM's annual rental plan — 12 per cent higher than Pitney Bowes.

Pitney Bowes also claims its placement and removal charges are below those of the competition.

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North Sea benefits for Santa Fe International

Los Angeles — In recent years, companies closely identified with oil exploration in the North Sea have watched the stock market reward and sometimes punish them, depending upon political and economic events affecting that region.

An example of how the sea can be treacherous is Santa Fe International Corp., the Orange, Calif.-based oil drilling company.

Santa Fe's stock reached an all-time high of \$52 in late 1973, following the Thistle Field discovery in the British sector of the North Sea. But by last October, the stock had dropped to \$13.

A general collapse of the stock market was a big reason for Santa Fe's decline, but the problem was aggravated by fears of nationalization or heavy taxation by the British Labor Government.

Santa Fe, which has carefully nurtured a growing involvement in the North Sea, would be seriously damaged if exploration were curtailed.

In the past few months, however, some of the fears have subsided. The Labor Government has come up with a tax plan which so far most oilmen say they can live with.

Oil companies report that the North Sea scene has never been busier and that the focal point remains the British sector. Britain announced recently that it will bring in its first oil from the North Sea this month, beginning what is hoped to be a flow worth a total of \$414 billion from the country's offshore fields.

Meanwhile, on Wall Street, Santa Fe International is recovering nicely. The stock has moved up to about \$30 since the October low.

Santa Fe's participation in the Thistle Field — it is a 20 per cent partner in the Halliburton Group which discovered the field — has been a major reason for interest in the stock. And the potential of huge profits from Thistle seems to be getting closer.

Analyst Herbert Hart of Bateman Eichler, Hill Richards in Los Angeles says "obviously, Thistle is a significant field and a production platform capable of handling 200,000 barrels of oil daily has been ordered and is expected to be put in place in mid-1976."

Assuming a price of \$2 per barrel, Hart says Santa Fe's 40,000 barrel share would mean profits of over \$29 million for the company once full production rates are achieved. That projected \$29 million would compare with last year's profits for the entire company of less than \$18 million.

On a per share basis, Thistle's contribution could ultimately reach \$2.50 to \$3.00 a share, Hart added.

At the same time, Hart cautions that it will "take some time for full production to be achieved, and that the contribution from Thistle will be considerably less in 1977, the first year it is expected to be on stream."

But Hart and other analysts are not judging Santa Fe solely on hopes for Thistle profits.

Oil Statistics, Inc. of Babson Park, Mass., an advisory service, says that "One

of the reasons why we believe an excellent year (1975) can be followed by an even better one for Santa Fe is the wider capability plus the outlook for a strong 1975-76 in the construction end of the oil energy industry."

Recent tax legislation does "cast a degree of uncertainty" throughout the petroleum industry, but it should not hurt Santa Fe, Oil Statistics believes.

It says the "specialized direction Santa Fe pursued when expanding its construction division put heavy emphasis on essential development facets for the scores of offshore oil and gas discoveries of the past year or more that are still awaiting field completion to full production."

Santa Fe said that during the first quarter, the market for drilling services softened, particularly in the U.S. and in the higher-cost exploration areas overseas.

Nevertheless, company President E.L. Shannon, Jr., says, "We do not at this time anticipate any significant impact upon our operations. And, in fact, expect any

reduction in demand for drilling to be of short duration," he adds.

Shannon predicts that drilling profits will increase this year and that overall corporate profits will exceed last year's \$1.91 a share. While Shannon makes no specific forecast for 1975, analyst Hart estimates \$2.65 a share and Oil Statistics, \$2.50 a share.

Analyst Gayland Gee of Sutro and Co. in San Francisco, estimates \$2.45 a share this year and \$3.00 next year. The company recently announced first quarter net of 50 cents versus 27 cents.

Gee calculates that between nine and 16 cents of that increase may have been contributed by the winter barge employment in the North Sea. But he said much of the increase probably also came from higher rates for a number of the company's drilling contracts.

"Another year of high equipment utilization is expected for 1975 and higher rates provide extra profitability," Gee says.

General Host's smorgasbord of 1974 earnings figures

In a way there's something nostalgic—reminiscent of the 60's—about General Host's 1974 annual report.

For in the 60's many a company would give a whole smorgasbord of earnings to choose from. But then some shareholders complained about being confused. And so the accounting profession promulgated some rules to make reading annual reports easier. Or did they?

Certainly, General Host would have preferred less of a smorgasbord, but it had to go by the "cookbook" rules, says John Glynn, the company's vice president of finance.

When one opens General Host's current annual report it says on the inside cover that General Host's 1974 primary earnings per share were \$6.18, or \$5.87 or \$9.17. But then on page 32, it says they were \$2.93, \$2.85, or \$4.83 on a fully-diluted basis. Then further down that page and in the graph on the preceding page proforma primary earnings of \$1.39 are shown.

And if none of these figures meet your fancy, there are two other proforma figures on page 32 or three more figures—\$5.92, \$5.89 or \$10.78—some 16 pages later to choose from.

Now considering the time that must have gone into coming up with all of these figures and comparable figures for 1973—figures for which the company provides many good reasons—one would assume that this is the way General Host wanted to report its earnings.

Also for that matter one would assume that at least one of these figures is what the company considers its true earnings.

Yet on both counts one would be wrong. And in all fairness to General Host, while it is indeed a complicated company, it by no means wanted to come out with what has to be a highly confusing annual report.

For as Glynn recently explained, really, General Host had wanted to present its earnings in a much less complicated fashion but that certain accounting rules had not been changed by the time its annual report went to press.

Moreover, if General Host had its way, as it did later in its 10-K report to the Securities and Exchange Commission—an expanded version of its annual report, it would have given its shareholders a quite different story.

And of stockholders reaction to the many earnings figures contained in General Host's annual, says Glynn, "If they're not confused, I'd be surprised." For as Glynn sees it, General Host's earnings for 1974, were those primary earnings from continuing operations reported in its 10-K of \$1.42 a share as compared to 1973's \$1.59 a share.

Which is a good deal different than the primary earnings of \$6.18 a share from continuing operations as compared to 1973's \$2.14 shown at the beginning of its annual report.

Glynn's choice is also substantially lower than the \$9.17 a share which the company show in both reports as its net income for the year.

The chief difference between Glynn's

much lower figure and the other substantially higher figures has to do with whether certain extraordinary gains—the lion's share coming from the extinguishment of debt—were to be included in operating income or not.

General Host and its accountants, Price Waterhouse and Co., felt strongly that the \$8.8 million it gained from the exchange of some of its debt last year should not be included in ordinary income as then proscribed by accounting rules. In fact, they asked the SEC to rule that it be treated as extraordinary.

But it wasn't until late in March that the Financial Accounting Standards Board issued a statement allowing for such treatment.

But by this time General Host's accountants had already finished the annual report.

With the resultant confusion, several analysts are reluctant to make any recommendations about General Host stock and its outlook.

Drexel Burnham's Clinton Mayer after looking through the annual report said, "It's so complicated and if I don't know its earnings how do I have an opinion of the company."

Suit settled

Rochester — Bausch and Lomb has signed a settlement agreement in a class action suit brought by Hawk Industries Inc. and others against the company, its chairman and certain stock brokers in the U. S. Southern district of New York.

The action alleged violations on March 15 and 16, 1972 of disclosure requirements under the federal securities laws.

Under the proposed settlement, the defendants will pay a total of \$405,000 of which the company will pay \$278,000 on behalf of itself and its chairman.

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agreement dated Nov. 21, 1974, Anita L. Stafford, C. Richard Stafford and Alan P. Colodny, trustees.

Lowe's Companies, Inc. 2,000 common shares at \$90,000 - intended sale on May 30 through Dean Witter & Co., Inc. Acquired prior to 1973 from the company's Profit Sharing Plan & Trust. Glen A. Casstevens.

McDonald's Corp. 20,451 common shares at \$1,104,354 - intended sale on May 29 through Shearson Hayden Stone, Inc. Acquired in Jan. 1973 from the company. Donald N. Senecal.

McDonald's Corp. 2,874 common shares at \$155,196 - intended sale on May 29 through Shearson Hayden Stone, Inc. Acquired in Jan. 1973 from the company. Lillian A. Senecal.

McDonald's Corp. 4,813 common shares at \$259,902 - intended sale on May 29 through Shearson Hayden Stone, Inc. Acquired in Jan. 1973 from the company. Marie J. Senecal.

McDonald's Corp. 1,000 common shares at \$57,000 - intended sale during June through Reynolds Securities, Inc. Acquired in June 1969 from the company. Sol Steren.

Melville Shoe Corp. 10,000 common shares at \$170,000 - intended sale on May 23 through Paine, Webber, Jackson & Curtis, Inc. Acquired in Oct. 1968 from the company. Ralph P. Hoagland III.

Modular Computer Systems, Inc. 6,600 common shares at \$105,600 - intended sale on May 28 through Hambrecht & Quist. Acquired in March 1970 from the company. Hugh Abernethy III, officer.

Murphy Oil Corp. 3,500 common shares at \$75,250 - intended sale on May 30 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired between Dec. 1968 and Dec. 1972 from C. Keller Jr., and Caroline M. Keller. The Inglewood Foundation.

National Semiconductor Corp. 5,000 common shares at a unit price of \$37.50 - intended sale on May 28 through Bache & Co., Inc. Acquired in March 1966 from the company. Peter J. Sprague, chairman.

Northrup, King & Co. 100,000 common shares at \$2,487,500 - intended sale on May 27 through Piper, Jaffray & Hopwood, Inc. Acquired between Oct. 1958 and Dec. 1963 from various individuals and in Oct. 1965 and Nov. 1973 from the company. Northwestern National Bank of Minneapolis as

trustee of Northrup, King & Co. Employees Profit Sharing Trust.

Pott Industries, Inc. 5,000 common shares at \$165,625 - intended sale as soon as practicable (form received at SEC on May 30) through St. Denis J. Villers & Co. Acquired in Dec. 1969 from Claude J. Autin. Marie R. Autin.

Rollins Burdick Hunter Co. 10,149 common shares at \$192,830 - intended sale on May 28 through Paine, Webber, Jackson & Curtis, Inc. Acquired in April 1973 from the company. LaBow Haynes Co., Inc.

Rollins, Inc. 6,000 common shares at \$114,750 - intended sale on May 29 through The Robinson-Humphrey Co., Inc. Acquired in May 1972 from the company. Prudential Insurance Co. of America.

Sea Containers, Inc. A maximum of 18,600 common shares at \$374,325 - intended sale on May 30 through Drexel Burnham & Co., Inc. Acquired from the company in Nov. 1965 and Aug. 1968 and from Robert Anderson & Co. in Oct. 1968. James B. Sherwood, officer and director.

SmithKline Corp. 56,100 common shares at \$3,141,600 - intended sale on May 30 through Smith, Barney & Co., Inc. Acquired in April 1972 from Material Testing Co. Herbert Krautkraemer.

Storage Technology Corp. 10,000 common shares at \$130,000 - intended sale on May 30 through C.E. Unterberg, Towbin Co. Acquired in Jan. 1971 from the company. FNCB Capital Corp.

Texas Instruments, Inc. 1,500 common shares at \$156,000 - intended sale on May 20 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired prior to May 1954 from the company. P.E. Haggerty, chairman of the board.

U.S. Filter Corp. 38,000 common shares at \$380,000 - intended sale on May 22 through Robert W. Baird & Co., Inc. and Loewi & Co. Acquired in July 1970 from the company. Raymond Kargard.

Warner Communications, Inc. 10,600 common shares at \$180,200 - intended sale on May 29 through Bear, Stearns & Co. Acquired in July 1970 from the company. Hy Steirman.

Weyerhaeuser Co. 25,000 common shares at \$1,034,375 - intended sale on May 30 through Goldman, Sachs & Co. Acquired in Dec. 1972 from the company. Charles I. Babcock Jr., officer of subsidiary.

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Soft unit sales for soft drinks

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Hofkin also agrees that consumption will go down, if for no other reason than the demographics have changed. The Pepsi generation has now turned in its granny

Annual consumption of soft drinks

Even if domestic soft-drink consumption was down last year, as the accompanying chart shows, Americans have been no slouches when it comes to throwing down those bottles of flavored carbonated water for more than one hundred years. At this rate per capita consumption could hypothetically double in the next five years.

ESTIMATED ANNUAL CONSUMPTION OF SOFT DRINKS

YEAR	TOTAL CASES (192 ounces)	PER CAPITA (Eight ounce)
1849	1,520,000	1.6
1899	38,781,660	12.2
1919	169,176,200	38.4
1939	482,995,676	88.6
1959	1,484,560,000	199.8
1969	2,913,110,000	344.5
1974	3,798,011,000	429.4

glasses, fatigues and cigarette rolling machines for houses in the suburbs, slightly paunchy bellies and a yen for more potent beverages. Hanly's Frazzano looks for a downturn in consumption also, somewhere in the three to five per cent range. However, John Maxwell, of Richmond based Maxwell and Co. and the dean of the beverage analysts "can't yet put a fix on the growth rate."

"If anyone is making estimates now, they must have a wonderful crystal ball," Maxwell says, "because I sure don't know what's happening." He added "consumption may never come back to the levels it was at. . . I just can't figure it out now."

The fundamental attractions of this product may, in the end have little to do with the massive and steady promotion of all soft drink brands, but something more basic. Frazzano says, "There is no psychology to this business. Coke and Pepsi are just about the cheapest things you can buy, and when the consumer gets a little confident, it won't cost much to buy a Coke."

If there is going to be growth, it will be overseas, and here Coke definitely has the edge over Pepsi. Pepsi does have an edge in the Soviet Union — gained when it opened its much publicized bottling plant there last year — but as one analyst remarked "I don't think there's one kopeck worth of profits for Pepsi there." Pepsi does have an

edge in Mexico as a bottler, due to operations it acquired from Rheingold. How much growth there is overseas, no one can be sure, but as one analyst remarked "I'm sure that Coca-Cola has a long range goal that sees every man, woman and child in the most remote corners of the world consuming 1,000 bottles a year."

Despite a slump in domestic consumption this year, analysts are forecasting sharply higher earnings for both Coke and Pepsi, particularly after looking at their first quarter profits. Coke reported record earnings of 78 cents a share vs. 68 cents a share a year ago, and Pepsi also came in with record earnings of 68 cents a share vs. 63 cents.

Frazzano is estimating that Coke will earn between \$3.85 and \$4.00 a share in 1975, up from last year's \$3.28, and Hofkin estimates that Coke's net will drop into almost the same range, \$3.80 to \$4.00 a share. Maxwell does not have an estimate of Coke's earnings, but he forecasts that Pepsi will earn around \$4.05 a share this year, compared to \$3.69 last year. Hofkin has the same estimate for Pepsi's earnings, while Frazzano puts them in a slightly higher range, \$4.05 to \$4.10. If these estimates prove to be true, that woman on the Upper West Side must have come off the hard stuff, and is now back on the real thing.



We like the old one better

Back in 1911, Coca-Cola had a problem—identity. There were hundreds of soft-drinks around and Coke needed a gimmick to make it stand out from the competition. That gimmick was the old, traditional, contoured Coke bottle which is probably one of the most familiar shapes produced by industrial society, and one of the most celebrated pieces of industrial design. The shape was so unique that engineers at Lockheed Aircraft adopted it for the fuselage design for the F-104 fighter.

Today Coke does not have an identity problem. But it does have a bottle problem—namely that they are too expensive. So expensive in fact, that the old bottle was chucked last year in favor of a lighter, less expensive one. This was only a partial solution, however, because not only did the cost of sugar hit soft drink companies last year, so did the cost of packaging; cans rose about 40 per cent in price, and bottles rose about 20 per cent.

So this year Coke decided to explore another alternative it has had in the research phase for the last ten years—plastic bottles. Earlier this month the company said it would introduce its plastic bottle (called the "Easy-Goer" because it weighs about one-eighth of a similar, empty glass bottle) in Rhode Island markets. The move seemed well-timed because just this week one of Coke's glass bottle suppliers, Owens-Illinois, said it was raising prices by another 6.8 per cent, effective August 1.

While the plastic bottle is still in the test phase marketing stage, and may take years before it is used by all Coca-Cola bottlers, it is serving notice to the traditional container suppliers that if their prices continue to skyrocket, there are alternatives.

There's only one snag: these new containers are still in the development phase, and full-scale plants to serve a larger market than Rhode Island will require a tremendous amount of capital commitments. Raw material supplier Monsanto cautions that the plastic bottle will not go nationwide for a long time and some authorities estimate that could mean the end of the 80's. Chances are however, that the new bottle, while functional, will never receive the affection people held for the original Coke bottle. R.B.

Glorious week for bond

Continued from page 20

This selectivity could be seen in the differences between the Chicago offer and the Essex County issue of the previous week. Even though the Essex issue paid a higher interest rate, it was difficult to sell. One dealer explained the problem as "Essex has Newark sitting right in the middle of it."

The capriciousness of the market could also be seen in the fate of a Georgia \$50 million offering made on Tuesday and a \$100 million Connecticut deal on Wednesday. This was Connecticut's first offer since S&P lowered its rating, but the deal went to a premium, while the Georgia issue sold much slower, even though both carry an S&P AA rating.

The reason: The Connecticut issue had one buyer come in and take \$35 million of the deal in one chunk. The Georgia offer also may have sold slowly due to the changing mood of the market by the time it was offered. "Dealers thought the rally was over, but they were proven wrong," said one trader.

In the government market, two issues were sold this week. The Commonwealth of Australia raised \$100 million in a dual offering, and the Province of Ontario made a dual offering of \$275 million. Both these issues were completely sold out and dealers report that they reached premiums.

Merrill Lynch Government Securities people crystallized the prevailing sen-

timent of the market in a report that pointed out the Treasury is using the money markets to control inflation. Many experts have been wary of this practice. But Merrill said this time the concept is working, meaning the government will stick to its tactics. The letter points out that the Treasury will raise close to \$33.8 billion in new money during the first six months of 1975. This will be the largest amount ever raised in a six month period in the nation's history.

What is amazing about this financing operation is that it is being conducted during a period of the business cycle which has had the sharpest rate decline in over 40 years. The Merrill report further points out that typically this money would be raised in the short-term market during a recession. Basically, the Treasury this time has conducted the whole maneuver backwards, raising its cash in the long term market which is usually reserved for long-term corporate debt. It has left the shorter term market alone, and thus rates in that market have declined sharply.

During the winter, there was great concern about the Treasury's moves, and how it would finance the gap between income and expenditures. The Merrill report explains that the Treasury not only financed its deficit but actually postponed a return of inflation by preventing marginal enterprises from borrowing capital. Merrill, however, despite all these efforts, does not expect the economy to turn until the third quarter, and even when the turn takes place, it will be a slow-moving recovery.

SEC hits Morgan

The SEC had a piece of bad news for a major investment banking house last week. The SEC's target was, of course, Morgan Stanley, and the controversy surrounding the recent AT&T warrant offer. The SEC said it was responding to complaints from disgruntled investors because the price of the Ma Bell common reached the required exercise price of the warrants—\$52—at exactly the last moment. Another object of concern at the SEC about the deal is the swapping which apparently took place from lower grade utility issues into AT&T shares.

The SEC was called into the case by Morgan Stanley, because the underwriter felt that some international investors had taken advantage of the price disparity. Now that the SEC has made its investigation official, and the target is not some nebulous "overseas investors", but Morgan itself, the Commission plans to check the records of each broker who participated in the deal which won't be easy because there were 350 firms involved. At the moment, neither the SEC nor Morgan or AT&T are available for comment, but the odds are that it will take months for the investigation to come to a conclusion.

Wharton's new scenario

The current U.S. recession appears to be "bottoming out," according to economists at the Wharton School of the University of Pennsylvania, but it will be another three months at least before the nation experiences the real upturn.

A "moderate" upturn will be evident late this year, the Wharton forecasters indicate. "Starting in the fourth quarter, we project growth rates for real GNP of five to six per cent, generally above the American economy's long term growth trend, but quite moderate for a cyclical recovery," they report.

The nation's real GNP dropped at an 11 per cent annual rate in the first three months of this year and could drop at a three per cent rate in the current quarter, and will probably show only slight growth in the third quarter.

Their scenario for the U.S. recovery begins with stimulus from federal tax

rebates and lower personal and business taxes. This is accompanied by a slowing in the rate of inventory liquidation, followed by a return to normal accumulation. At the same time, prices become more stable and consumers react favorably, spending larger amounts on durable goods. Short term interest rates fall somewhat farther before beginning to rise and money supply grows moderately, so that housing starts are increased and "finally there is a recover in business fixed investment."

However, the recovery will be slow — another 18 months or more before production levels climb back to the rates they achieved late in 1973. At the same time, U.S. unemployment will probably remain "distressingly high" — staying over nine per cent at least through 1975 as "workers renew their search for employment during the recovery period."

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