

This Week

SIA Wrapup

Another Securities Industry Association annual convention has come and gone, but 1975's meeting will be much noted and long remembered. What with Mayday, the capital shortfall, a pending review of Glass-Steagall and the coming central market SIA had more of its plate than it could possibly absorb. Our Special Correspondent tries to shed some light on the proceedings.

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144 Letter Stock: BBDO International

If advertising revenues are a reflection of the economy, the country's third largest ad agency is reflecting hopeful tidings. Despite a flat third quarter, BBDO appears headed for a scintillating 1975.

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Opinion: H. C. Kauffmann

The president of Exxon does his level best to rid us of the illusion that we are going to be less rather than more dependent on OPEC in the future. The fact is we will dance to the cartel's tune right into the 1980s unless we wake up fast.

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Meeting in Boca Raton

All you need to know about the SIA convention in text and photo.

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Contracts

Rockwell certain to grab \$300m Nigerian award

By WILLIAM MEHLMAN

The almost certain selection of Rockwell International as contractor for the largest military sale ever made on the African continent, a \$162.7 million Navy award to National Steel and Shipbuilding Co., the \$210 million sale of four Grumman E-2C Hawkeye radar surveillance planes to Israel and a Defense Department award of another \$138.3 million in jet fuel contracts to seven oil companies — these were the high notes in an unusually active week in the new business developments and contracts area.

The Rockwell International story comes out of Nigeria, where it is reported that the government has just about made up its mind to have the U.S. firm provide an estimated \$300 million in aircraft and pilot training for its air force. The contract will reportedly call for the supply of nearly 80 T-2 twin-engine jet trainers and training in Nigeria for upwards of 250 pilots annually. Rockwell's selection would eliminate the bids of two competing European firms who were in hot pursuit of the contract, Britain's Hawker Siddeley and the French-West German combination of Dassault-Breguet-Dornier.

Informants in Washington point out that the sale, if it comes off, will be a commercial deal between Rockwell and the Lagos Government. As such, it would not have to be reported to Congress, which only requires approval of U.S. Government foreign military sales. Nor are any objections likely to be heard either from Congress or the White House. In the first place, the T-2 has been classified in Pentagon parlance as "a non-lethal item." Secondly, while it would be a straight commercial sale, nobody in Washington is underestimating Rockwell's potential for strengthening U.S. ties with Nigeria, which just happens to be the largest supplier of unrefined crude oil to the United States.

The sale of the Grumman Hawkeyes to Israel certainly is a government-to-government deal and one that comes as no surprise to Defense Department insiders. It might be termed the final clause in the Kissinger-arranged Sinai disengagement agreement because the Israelis will be

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SIA wrapup--a cold wind in Boca Raton

By Our Special Correspondent

The 1975 Securities Industry Association conference had plenty of cold reality to shake up the brokers who came down to Boca Raton, Florida for a warm friendly get-together.

On the first day, a panel of four economists agreed that in 1976 the hardest question to answer would be what month to get out of the market, since they all agreed that interest rates were going to rise and the equity market would suffer. Michael K. Evans, President of Chase Econometrics, expected a prime rate of 10 per cent by the time of the 1976 election and pointed to March as the month when the rise in interest rates would start.

"Typically, it's the month when loan demand recovers, but in 1976 by the end of the first quarter there should be increasing loan demand to finance the second stage of a business recovery," Evans observed. He went on to predict a prime rate of 15 per cent by the end of 1977. To get there, his assumptions included a high rate of inflation, continuing federal deficits and a sharp business recovery which could have every business rushing to fill depleted inventories. After the 1976 election he said he expected a tight money approach to cool the inflation and push up the prime rate.

Food concern

Daniel Ahearn, senior vice president and economist for the Wellington Fund Group, asked for more attention to the fundamental problems rather than the continuous preoccupation with calling the next move in short term interest rates. For him fundamental problems included the world's inability to increase food production in line with population growth, Russia's increasing demand for feed grains, America's decline in military and financial power, the massive capital U. S. industry will need to modernize its aging plant and equipment and the economic crisis for the cities. He said he anticipated a 30 per cent decline in the growth in real consumer expenditures, from 4.6 per cent in 1963-1973 back to the historical trend of 3 per cent.

Day 2 at Boca Raton was highlighted by a discussion on the economic outlook for big cities with a panel moderated by Roger Klein of the SIA's staff which included Brenton Harries, president of Standard and Poor's, Professor Bernard Jump of Syracuse University, Wallace Sellers of Merrill Lynch, and John Shannon of the Advisory Commission on Intergovernmental Relations.

Chapter XVI, the new chapter to be added to the Bankruptcy Act to cover



I. W. BURNHAM II

144 Letter Stock

BBD&O--the clients saluted

By PHYLLIS FEINBERG

Although the advertising business is considered to be quite vulnerable to swings in the economic cycle, it has often surprised the forecasters. In 1975 — which many feared would be a horrendous year for the ad agencies because of the deep recession — business for many agencies was quite a bit better than expected. At BBDO International, Inc., — the eighth largest multinational advertising agency and third largest U.S. advertising firm — 1975 has turned out to be a much better year than anyone anticipated. Despite relatively flat earnings for the first nine months of 1975, BBDO anticipates a strong fourth quarter and predicts full-year 1975 earnings will be 5 per cent higher than 1974's \$2.40 a share. Shares of BBDO — which are listed on the O-T-C market, are now selling between 16 1/4 and 17, near the \$18 per share the stock sold for when the firm went public in October 1973.

As the year's end approaches, several holders of BBDO 144 letter stock have decided to unload some of their shares. Reports filed with the Securities & Exchange Commission listed the following

defaults by municipalities, met strong criticism by Sellers and Harries. Harries expected the law to be quickly challenged as unconstitutional, contending that by putting a federal bankruptcy judge between the holders of bonds and the municipalities, Congress was interfering with contracts which had been entered into freely by both sides years earlier.

"There are over \$140 billion of general obligation bonds outstanding," Harries noted, "and every holder of these bonds is seeing his position amended without the holder's consent." There was a general feeling that Chapter XVI would be a disaster for the municipal market which raises \$28 billion a year. General obligation bonds, it was held, would be downgraded in favor of revenue bonds, and the cost of borrowing to municipalities would increase.

A second theme of this panel's discussion was the extent to which pension benefits have contributed to the financial problems of cities. Professor Jump pointed out that even though most municipalities were on an accrual basis, if the actuarial assumptions had not been revised to take account of current assumptions of life expectancy, there could be a massive

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sales of 144 letter stock:

—Edward S. Almgren, a BBDO director, plans to sell 9,250 common shares worth a total of \$154,938. The sale is scheduled to take place within 90 days.

—Allen G. Rosenshine, newly-appointed Creative Director of BBDO, senior vice president and a director, plans to sell 2,500 common shares of letter stock, valued at \$42,500, in the month of December.

—On December 9 the Marine Midland Bank sold 5,000 shares of 144 letter stock worth \$86,250.

None of the sellers could be reached for comment, but advertising analyst Fred Ansel of Reynolds Securities thinks the sales were probably for profit taking. He observed that these sellers probably obtained the stock at a low price prior to the firm's going public and are most likely taking their gains now that the price has risen once again.

Vulnerability
Ansel does not subscribe to the theory that the advertising business is strongly affected by the ups and downs of the economy. "Generally speaking," he said, "the advertising business is not as

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Analysts agree that three Tandys are better than one

Not so long ago there was only one Tandy Corp. and at one point just a few months ago all that investor were willing to pay for its stock was a paltry \$12 a share.

Today there is still a Tandy Corp. though not it is a decidedly slimmed down version of its former self and of late its stock has been selling in the \$40 to \$50 range.

Moreover, there is now also a company called Tandycrafts which, until very recently, when it was listed on the New

York Stock Exchange, had been trading on a when-issued basis for as much as \$16 a share. Then too, the over-the-counter market has a company called Tandy Brands which at times has commanded \$5 a share.

Progenitor

This past October Tandy Corp. — much to the pleasure of a number of Wall Street analysts and investors — became Tandy, the progenitor, spawning both Tandycrafts and Tandy Brands in a tax-free distribution to its shareholders. In that distribution the shareholders received half a share of Tandycrafts and a one-tenth share of Tandy Brands for each Tandy share.

Tandy made the move, analysts say, in order to rationalize its various operations into three distinct businesses, and most have found it a decidedly propitious one. Tandy Corp. now consists chiefly of some 2,000-plus Radio Shack consumer electronics stores, which, analysts note, have been highly successful.

Tandycrafts, notes Blyth Eastman

Corp. said it picked up a \$4 million contract from an Iranian engineering firm to supply store fronts, wood railing panels, window units and other millwork for a major new bazaar at Mashad in northeastern Iran. Two contracts amounting to something over \$4 million went to Burgess Industries. The largest was from a major manufacturer of electric power generation equipment for the supply of silencing systems for gas turbine engines to be installed in four Middle Eastern plants.

Another company dipping into the Middle East market was Odyssey Inc., whose Cliff Industries subsidiary got an order of just over \$4 million for the delivery of relocatable buildings to the area. Most of the units will be produced at Cliff's Pennsylvania and Texas plants. Finally, Carlsberg Capital Corp. reported it received a \$4 million contract to build a 76-unit housing project at al Khobar in Saudi Arabia.

Rounding out the non-defense contract developments last week, Raymond International got \$4.4 million to install step paper pile foundations for an expansion to an ammonia-urea fertilizer plant in Palembang, Indonesia; American Air Filter reported it received more than \$3 million for its environmental controls systems to be used in several U.S. nuclear power stations, and Tejas Gas got \$2 million to build and operate a pipeline to bring natural gas ashore from three Mitchell Energy Corp. wells near Galveston, Texas.



Tandy Corp's famed and profitable Radio Shack. There are some 2,000 of the electronic-stereoshops around the country.

National Steel, Rockwell top awards list

Continued from page 1

using the radar surveillance aircraft to monitor the interim agreement with Egypt that the Secretary of State persuaded them to sign. The \$210 million figure includes spare parts and training for the four planes and delivery is expected by October 1978. The agreement also anticipates the purchase of two more Hawkeyes by Israel next year.

The Defense Department continued filling its JP-4 and JP-5 jet fuel requirements last week and the award recipients included Atlantic Richfield, \$33.9 million; Coastal States Marketing, \$24.3 million; Gulf Oil, \$18.5 million; Standard Oil of California, \$17.6 million; Tesoro Petroleum, \$11.7 million; Ashland Petroleum, \$11.6 million; Winston Refining, \$10.5 million, and Pride Refining \$10.2 million.

Repairs at sea

The Navy's award to National Steel and Shipbuilding was far and away the largest military contract let last week and it calls for the company to build an AD-41 Class tender ship to maintain and perform repairs of destroyers at sea. It will be a big one, displacing more than 22,000 tons and carrying a complement of some 1,800 men. Other Navy awards last week included \$23.8 million to Sanders Associates for aircraft radio receiver-transmitters; \$14.7 million to Willamette Western Corp. for the construction of pier and other Trident missile submarine support facilities at Keyport, Washington; \$12.9 million to United Technologies' Pratt and Whitney division for aircraft engines, and \$6.9 million to Kollmorgen Corp. for the development and manufacture of a periscope system for the Trident.

The Air Force weighed in with three contracts last week, with two of them, totalling \$46.5 million, going to Lockheed Aircraft. The lesser part of the total will go for C-130 cargo jets. Approximately \$28.4 million will be allocated by the company for the design of a modified wing for the Air Force's 77 C-5A cargo jets. The award harks back to a proposal former Air Force Secretary John McLucas made to Congress about 10 months ago that \$1 billion be allocated for the strengthening of the C-5A's wings, thus allegedly extending the life of the plane. As it stands, though the more than \$4 billion cost of the 77 cargo jets came out to more than double preliminary estimates, the plane's faulty wings will permit only about a third of the originally touted 30,000 flying hours.

The third Air Force award consisted of \$14 million to General Dynamics' Convair division for launch services at the Cape Canaveral eastern missile test range.

The Army let two contracts, the largest being a \$44.5 million award to the Bell Helicopter division of Textron for 44 AH-1S antitank missile-firing gunship helicopters. The award is part of an Army program to produce 305 of the Cobra gunship copters. The Army also gave Chamberlain Manufacturing \$17.6 million to set up an artillery shell production line.

In the non-defense area, the biggest news was the announcement by Hawker Industries' Halifax Shipyards that it would build a \$48 million oil drilling vessel for Overseas Drilling Ltd. Hawker is 99 per cent owned by Hawker Siddeley Canada Ltd. Overseas Drilling is jointly owned by Sedco, Inc. of Dallas and British Petroleum Co. The drillship, to be known as Sedco 471, is scheduled for completion in early 1978.

There was some new Middle East business being passed around last week, but of a rather smallish nature. Deltona

Dillon's Richard Steenken in a report, operates over 800 retail outlets selling hobby, handicraft and home improvement materials, while also owning the Stafford-Lowdon printing division.

Tandy Brands, on the other hand, manufactures and markets leather goods and accessories.

Smith Barney analyst Jerome Buff in a recent report writes: "We believe the simplification of the corporate structure will enable investors to focus more clearly on the outstanding past progress of Radio Shack and its prospects for above average earnings growth in the future."

To varying degrees, analysts like Robert Jordan of Oppenheimer, Peter Enderling of Merrill Lynch, Michael Wray of L. F. Rothschild and Steenken share Buff's view of Tandy. The prevailing feeling among them is that for the fiscal year ending in June 1976 Tandy will earn from \$4.50 to \$4.75 a share as compared to the proforma \$3 plus it earned in this past year.

Moreover, Jordan figures that in fiscal 1977 Tandy could earn as much as \$5.50 to \$6.

Analysts also say that Tandy's somewhat sluggish growth thus far in its foreign markets is nothing to fret about. Jordan feels that the principal, if temporary, risk in Tandy's operation could come if there is a major change in dollar value of the Japanese yen. About 45 per cent of the company's purchases are from Japan.

As for Tandycrafts and Tandy Brands,

most analysts are enthusiastic about the former, while some like Enderling say they do not plan to follow the latter. Says Jordan in his report, "our initial reaction to Tandycrafts is very favorable."

Steenken, for his part is recommending all three companies' stocks, each on its own merits. And his expectations are that Tandycrafts will earn \$2.10 as compared to a proforma \$1.63 and that Tandy Brands will earn \$2 a share as compared to a proforma 86 cents a share.

76 labor squalls seen by experts

Major labor contracts covering nearly 5 million workers will expire in 1976, with heated negotiations anticipated in such key industries as rubber, trucking, automobiles, and electrical machinery, according to the Conference Board.

The industry-financed economic research organization said that with more labor contracts expiring this year than last, it looked for the number of work stoppages to exceed the 4,400 reported during the first nine months of 1975. However, the Board believes most strikes will be relatively short because it added, "the Federal Government is likely to pressure firms and unions to settle strikes quickly to protect the nation's ongoing economic recovery."

The Board predicted inflation would be the largest single influence on negotiations in 1976, when it expects consumer prices to rise 7 to 8 per cent.

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Copies of the Offer may be obtained upon application to First National City Bank, Corporate Securities Services, 111 Wall Street, New York, New York 10015, the New York Agent of the Fiscal Agent, Banco Central de Reserva de El Salvador, San Salvador, El Salvador, C.A.

REPUBLIC OF EL SALVADOR
By RICOBERTO ANTONIO MARTINEZ
Minister of Finance

N.B.—After June 30, 1954, no additional 4% External Sinking Fund Dollar Bonds, due January 1, 1976, were issued pursuant to the Offer dated April 26, 1946 as extended. However, holders of Republic of El Salvador Customs First Lien 8% Sinking Fund Gold Bonds Series "A" which matured on July 1, 1948 who surrender such Bonds in acceptance of said Offer after June 30, 1954 will receive in lieu of said 4% External Sinking Fund Dollar Bonds, a cash distribution equal to the principal amount thereof plus accrued interest on such amount from January 1, 1946 to July 1, 1954 at the rate of 4% per annum.

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Floor coverings, frigates launch Congoleum comeback

New home construction has not come back in the way some optimists had anticipated, but it is certainly hard to tell that from the way Congoleum has been acting.

The company's principal products are floor coverings and home furnishings, which together account for more than 70 per cent of annual revenues.

Third-quarter earnings were better than expected at 49 cents a share against 4 cents from continuing operations a year earlier, lifting nine-month net to 80 cents a share from 50 cents.

As a result of this upturn, plus the likelihood that its shipbuilding subsidiary will soon receive a big Navy contract, some analysts are enthusiastic about Congoleum's prospects for all of 1975 and, for that matter, far beyond the horizon.

Since the third-quarter report came out, Frank Bass of J. C. Bradford and Co. in Nashville, Tennessee has raised his 1975 earnings estimate to at least \$1.30 a share from \$1.15 to \$1.25.

Nicholas F. Tralongo of Blyth Eastman Dillon is projecting \$1.25 this year, while L. Michael Braig of Robert W. Baird is estimating \$1.40 a share.

Looking ahead to 1976, analysts see a net ranging anywhere from \$2 to \$2.50 a share. Although still below the 1973 record of \$2.92 from continuing operations, such a performance would represent substantial recovery from last year's 25 cents a share, cut to only 7 cents by losses on discontinued operations.

Tralongo estimates that non-recurring charges penalized earnings by \$1.86 a share in 1974, "a year where nothing seemed to go right." This year, as Bass points out, Congoleum's floor coverings and home furnishings are making a strong comeback in the absence of a six-week strike and new plant startup cost that hurt last year's results.

Sales of resilient vinyl flooring reached record levels in each of the six months through October, and the order backlog at the end of the third quarter was 92 per cent above a year earlier, executive Vice President E. G. Nicholson has noted. In an interview, Nicholson cited residential remodeling as a major reason for the gains.

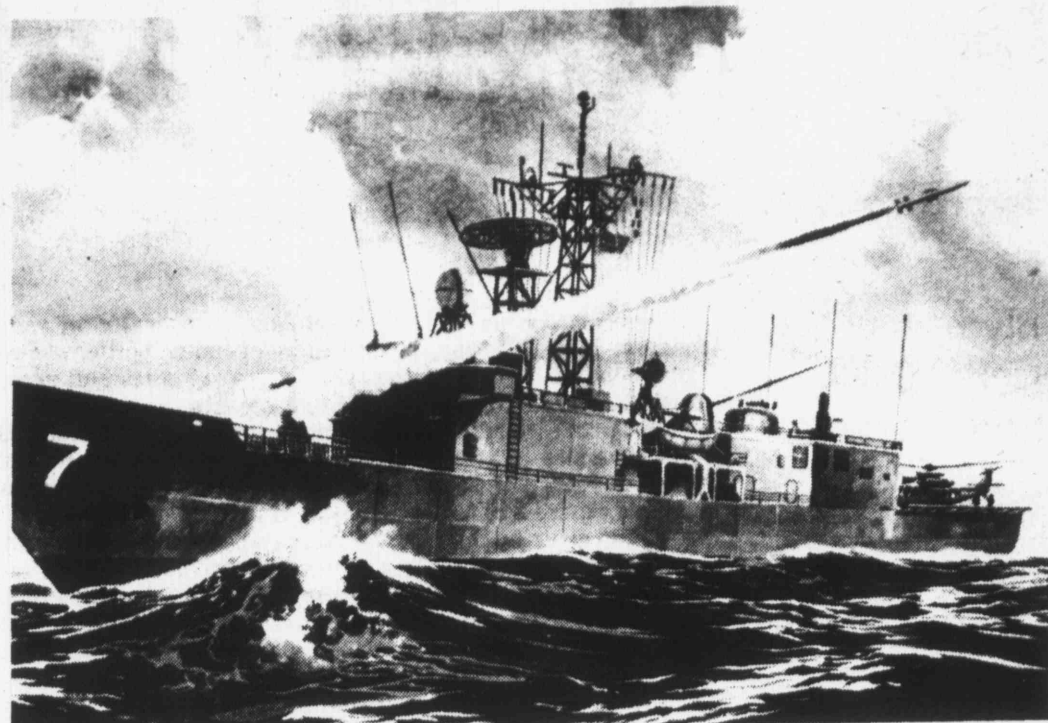
He added that sales to the mobile home industry are up substantially this year because of demand for Congoleum's 14-foot-wide resilient flooring, which reduces installation costs for the manufacturers.

Congoleum recently announced an agreement to supply its resilient flooring product line to Sherwin-Williams Co's 1,650 decorating centers. Furniture and other home furnishings which incurred losses of \$1.6 million in the first quarter and \$400,000 in the second, were in the black for the third quarter with the September 30 backlog up 52 per cent, Nicholson said.

The principal subsidiary in this group, Kinder Mfg. Co. — the largest producer of furniture for mobile homes — "showed a favorable year-to-year comparison in September and October," he declared, adding that it has benefited from repossessing mobile homes.

At a smaller subsidiary, Pennsylvania Crusher Corp., "both shipments and earnings continue to set records," Braig points out.

Congoleum's biggest problem last year was its Bath Iron Works subsidiary, where non-recurring losses totaled \$1.05 a share. The company took a \$12.4 million write off on a tanker contract and reduced the estimated profit to breakeven on its other fixed-price contract for four roll-on, roll-off cargo ships. The latter contract won't be completed until 1977. But the remainder of the shipyard's work, overhauling



Artist's conception of the FFG-7 patrol frigate to be produced by Congoleum's Bath Iron Works subsidiary.

destroyers and building the prototype for a guided-missile patrol frigate, is profitable, Nicholson said.

The Navy is expected to award a construction contract shortly for the first

seven frigates costing about \$173 million each for delivery starting in 1977. Analysts believe Bath will get a large share of the program, which eventually could involve up to 58 ships.

Warner-Lambert slapped by FTC

The Federal Trade Commission has ordered Warner-Lambert to advertise that its Listerine mouthwash has no effect on colds or sore throats. The unanimous decision by the FTC is viewed as the harshest ever in its role as government monitor of false advertising.

In the decision, Chairman Lewis Engman wrote that Listerine has been advertised since 1921 as a cold remedy but Warner-Lambert failed to prove its claims. The FTC found that extensive advertising of the mouthwash as effective against colds and sore throats would cause a substantial portion of the population to hold that belief well into the 1980s.

The commission ruled that "an order merely requiring cessation of the deceptive advertising would not afford the public adequate protection. The lingering false belief must be dispelled, a task which requires corrective advertising."

The FTC ordered Warner-Lambert to include a message in its future ads saying: "contrary to prior advertising, Listerine will not prevent colds or sore throats or lessen their severity." That correction must be carried in all Listerine ads on television, radio, newspapers and magazines for a two-year period.

In Morris Plains, N. J., Warner-Lambert said the FTC order was "unfounded and without legal authority." The company declared that the order would be appealed in federal courts.

Fed bids banks avoid helping boycotts

The Federal Reserve says it has urged its member banks to avoid involvement in restrictive foreign trade practices that discriminate against U. S. citizens or that accommodate boycotts against friendly foreign nations.

"The participation of a U. S. bank...in efforts by foreign nationals to effect boycotts against other foreign nations friendly to the U. S. ... is, in the board's view, a misuse of the privileges and benefits conferred upon banking institutions," the Fed asserted.

Utah Power & Light Co. Huntington First Unit with Covered Coal Conveyor

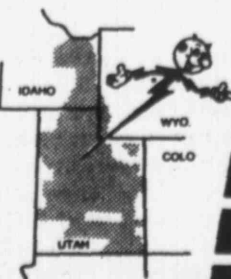


Utah Power has low-sulfur coal to generate electricity beyond the year 2000

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*Utah Power has contracts, letters of intent and options covering approximately 410 million tons of high quality coal and, in addition, coal reserves available from company-owned land and leased interests now supplying the Carbon, Gadsty and Hale plants amount to approximately 18 million tons. Also, the company estimates that there are several hundred million tons of low-sulfur coal in reserves on which it has pending preference right lease applications.

Market Letters Digest

Blyth: General Cinema

General Cinema, which is the largest operator of movie theaters in the U.S. and the largest independent bottler of Pepsi Cola, is on its way to another record year of sales and profits, Blyth Eastman Dillon & Co., Inc. forecasts.

The firm's third quarter earnings increased dramatically, with revenues of \$103.3 million, 20.8 per cent higher than the previous record of \$85.5 million of a year earlier and earnings per share increased 50 per cent to \$1.17 a share.

Major contributions to the increased revenues and profits were made by the theater and beverage divisions, Blyth says. The theater division benefited from the movie "Jaws," which is expected to gross around \$20 million for General Cinema and from a 12 per cent overall increase in theater attendance for the first nine months of 1975. The theatrical division is expected to continue to benefit from good product availability, higher average prices and new suburban theaters.

The beverage division had increased physical volume along with decreased sugar prices. Beverage operations have also been enhanced by an emphasis on larger size packages, improved pricing policies and economies of scale in purchasing raw materials.

For the full year General Cinema predicts earnings of \$2.65 per share, versus \$1.93, but Blyth thinks this will be exceeded.

Blyth expects fiscal 1976 to be another record year for General Cinema and projects earnings in the range of \$3.00-\$3.15 a share. It thinks the firm will benefit from an additional 75 theaters in operation, increased attendance and prices which will maintain, if not improve, theater margins, and renewed growth in physical volume in soft drink bottling.

Over the longer term Blyth believes the outlook for the motion picture exhibition and soft drink bottling businesses is favorable. It believes that both theaters and beverage operations will be immune to recessions and inflation.

The management of General Cinema anticipates revenues of \$550 million and earnings of \$4.00 a share by the end of fiscal 1979. Blyth thinks this is conservative and predicts earnings of \$4.50 a share.

Because of General Cinema's leading industry positions, recession resistance and reasonable expectations of 15 per cent annual earnings growth, Blyth thinks the firm's shares are undervalued and are an attractive purchase for potential capital appreciation.

Harris: Debt cycle

The first turn of a vicious economic cycle is being formed by the government's continued deficit spending, which discourages consumer saving, limits funds available for capital formation, lessens investments, reduces real economic growth and, therefore, necessitates more deficit spending, Harris Bank declares.

Debt can be highly beneficial, the bank notes, but adds that the increased tendency manifest today toward deficit spending at a national level, and at other levels, without allowing for future benefits, can produce some very adverse effects on the economy.

The bank explains that allowing for future benefits would require ending the practice of creating debts for future taxpayers while failing to give them comparable benefits from those deficit purchases. Ignoring future benefits, "tends to lead to pressures to redistribute the burden of taxation to those who have saved or refrained from consumption," Harris points out.

The bank says that the outstanding federal debt equals 30 per cent of the gross national product and over 7 per cent of this year's tax receipts will have to go to pay interest on government debts.

There is also a definite relation between federal and private debt, the bank notes, saying "if the private debt is also rising rapidly, that makes the problem of the federal debt that much more acute."

Harris says that the debt problem "especially makes (an economic) system vulnerable when you run into a recession." Should a sharp contraction take place, some of the marginal borrowers who are heavily leveraged find that they cannot service the debt.

Schroder: Bankers forecast

The Schroder Report says that in 1976 bankers are much more likely to focus most of their attention on asset management rather than liability management, which has been in vogue in recent years. Specifically, bankers will attempt to determine the best way to add to and manage the bank's assets to improve their profit picture compare to 1975.

With bank loans not expected to pick up, particularly in the first half of the year, a large number of problem loans still on the books and with maintaining profit margins a concern, many bankers believe they will have to be "especially astute" in managing their assets and controlling costs if 1975 results are to be improved upon. Banks are likely to seek out high quality borrowers more aggressively and stay away from marginal borrowers, Schroder says. They also will probably do some reaching out on the yield curve in their Treasury investments, particularly if the curve maintains its sharp upward slope. The profit margin area "should be especially interesting in 1976," Schroder says, because of structural changes which have distorted historical relationships greatly. Two changes are of particular importance, Schroder declares. The first is a shift to floating prime rate based on maintaining a spread over commercial paper rates. The second is the growing proportion of fluctuating-rate bank loans. The effects of these two changes in times of "comfortable money" are such that highly-rated corporations which need to borrow find it cheaper to do so in the commercial paper market.

Schroder says that unless the prime is cut very sharply, it will be uncompetitive. And since a reduction of the prime lower the return on many loans already on the books, thereby reducing profit margins, there is little incentive to reduce it.

A bank could make some additional loans by cutting the prime modestly, but the profits on these loans would be offset by the reduced profit margin on the loans already outstanding, Schroder points out. Therefore, the larger the proportion of floating rate loans outstanding, the more resistance there will be to reductions in the prime rate relative to other money market rates, Schroder notes. Even if business loan demand stays soft during most of 1976, Schroder believes that the pressures to narrow the gap between the prime and other money market rates will be substantially less than in other periods of the past.

Bernstein: Abbott Laboratories

There are a number of positive factors which indicate that Abbott Laboratories is positioned to achieve a significant acceleration of its historic growth rate over the next five years — from 10 to 15 per cent annually, according to Sanford C. Bernstein & Co., Inc.

Abbott should have continued strong growth in its hospital products division, along with a large increase in operating margins. In the hepatitis test market, Abbott's high research productivity in diagnostic products and maintenance of technological leadership is an important factor, Bernstein says.

The drug firm is also introducing a number of new pharmaceuticals in overseas markets which have substantial sales potential — at least \$10 million each. In the domestic market, Bernstein anticipates the company will have continued strong growth of the tranquilizer Tranxene.

Rapid penetration gains in the foreign markets for infant nutrition products and a modest upturn in U.S. births will aid Abbott's growth, Bernstein predicts. It is also expected there will be no more than a slow erosion of erythromycin sales in the U.S. market subsequent to the patent expiration of the succinate form in 1978. Bernstein also anticipates that there will be continued fairly strong growth of all forms of erythromycin on overseas markets for the next two to three years and no less than moderate growth — 5 to 8 per cent — beyond this time frame. And Abbott is also expected to obtain adequate price relief for hospital products and pharmaceuticals in foreign markets.

Bernstein has most faith in the forecasts related to the hospital products division. Almost 80 per cent of the division's sales are derived from hospital solutions and related products and the division is considered to be well managed and well positioned from a marketing, product line and production standpoint.

Less confidence is held by Bernstein about the forecasts in diagnostics and international pharmaceuticals — because they depend in large part on the success of products not yet introduced — and about the ultimate potential of Tranxene in the U.S. market.

However, although there are a number of questionable issues in its forecast, Bernstein thinks Abbott has a "reasonably good chance" of achieving its long-range growth expectations. Near-term performance seems secure; the major questions concern the longer-range outlook.

Chase: Credit mix

The lack of any major shift in Federal Reserve policy, combined with continued sluggishness in loan demand, has resulted in an unusual — most likely temporary — period of interest rate stability, Chase Manhattan Bank says. Conditions are mixed in long-term markets, the corporate market is struggling with an extraordinarily large volume of financing and the tax-exempt market has rallied because of the Federal assistance to New York City, the bank states.

Chase believes that the money supply "has finally responded" to the Fed's easier money market policy. Over the last month, the growth in the money supply has finally caught up with the rapid growth of the monetary base. But the money supply growth since August has only been at a 3.6 per cent annual rate, leaving the Fed with considerable leeway for further monetary expansion before reaching the upper limit of its 5 to 7½ per cent target, Chase points out.

The continued soft demand for bank loans has helped to keep short-term interest rates down. Commercial and industrial loans at large commercial banks fell \$9.7 billion during the first half of 1975 and declined an additional \$4.6 billion through November, Chase notes. The weakness reflects strong corporate cash flow growth, weak spending for inventories and heavy reliance by corporations on the long-term debt market.

The recent increase in corporate bond offerings has caused yields to rise in the long-term sector, the bank observes. Rates for newly issued Aa industrials, which were as low as 8.85 per cent in October, are now up to around 9 per cent and the Aa utility rate has gone from its October low of 9.25 per cent to a current yield of 9.70 per cent.

Conditions in the tax-exempt municipal market are improved recently, Chase believes. Since early November yields on tax-exempt bonds have declined steadily — the Bond Buyer Index was at 7.52 per cent at the beginning of November and is now at 7.31 per cent, Chase points out. However, the yield spread between high-quality and low-quality issues is still quite wide. This will cause problems for lesser-rated borrowers.

Dean Witter:
Independent
phones

In view of the uncertainties about how investments will fare in 1976, Dean Witter & Co., Inc. thinks that the stocks of independent telephone companies may possibly be "optimum purchases."

Current yields range from around 6 per cent for Central Telephone to 8.5 per cent for Mid-Continent Telephone. Returns for many of the firms are near historical peaks, relative both to absolute levels and to industrial stocks and corporate bonds, Dean Witter points out. The shares may give investors better than average protection against price collapse if the present recovery is aborted and the market worsens again.

Dean Witter says that the "fundamental outlook" for these issues through the coming year is extremely favorable. Earnings are expected to be around 10 to 15 per cent higher than those of 1975, which in turn are anticipated to be a bit better than 1974. The gains of the next 12 months will not only represent a recovery from a decline in earnings, but also new earnings records for most companies, Dean Witter notes.

One positive sign is that the majority of the advances in earnings will come from rate cases that either have already been or should be approved by regulatory agencies during the next three to six months. Consequently, Dean Witter points out, even if demand for services should drop in 1976 because of a slower-than-predicted economic comeback, the large number of pending rate cases, relative to the current earnings per share, virtually guarantees that there will be some earnings improvement next year.

Demand seems to be picking up, judging by third-quarter reports, Dean Witter says. Toll-call volume during the last period was one or two percentage points higher overall than in the first half of 1975. The rate of new installations has also recently risen. But the moderate housing upturn which is expected in 1976 may prevent this figure from rising above average historical levels.

Dean Witter concludes that the telephone equities "offer that rare combination of attractive yield and good earnings potential, not only for 1976, but also for the next several years." Three other companies: General Telephone, Continental Telephone and United Telecommunications are also regarded as attractive purchases, along with the aforementioned companies.

Babson's:
Recession-
resistant
tobacco

The tobacco industry is one industry in which earnings have held up very well during the 1975 recession, Babson's Reports points out. As a group, tobacco companies have managed to increase earnings and some firms have even reported substantial gains.

The persistent demand for cigarettes by Americans is largely responsible for the tobacco industry's ability to perform well during difficult economic times. Despite health scares, higher cigarette prices and a decline in real consumer income, Americans smoked 305 billion cigarettes during the first half of 1975 — about 1 per cent more than in the comparable year-earlier period. For the full-year 1975 cigarette consumption is expected to be around 2 per cent ahead of 1974's total.

Babson's notes that in the late 1960s when smoking health scares and anti-smoking advertisements caused declines in the annual consumption of cigarettes the outlook for tobacco companies was not very optimistic. However, the fears proved to be unfounded — more cigarettes were smoked last year than ever before. Even though per capita consumption has been relatively flat in recent years, Babson's points out that total cigarette sales have benefited from an increase in the smoking age population. And further gains are expected in coming years. The annual increase in consumption of cigarettes is expected to stay in the 2 per cent range for the rest of this decade.

After the Surgeon General's 1964 report linking smoking with lung cancer, the large tobacco companies began to diversify their operations because they feared a change in the country's smoking habits. They branched out into such fields as shipping and transportation, liquor, health products, oil refining, land development, pet foods and brewing. For some firms, non-tobacco operations are making substantial contributions to earnings this year, Babson's notes, but in other cases they are proving a drag on profits.

The foreign cigarette market is considered to have strong potential, Babson's says. It is estimated to be three times larger than the domestic market. The tobacco industry is generally considered to be both inflation and recession resistant at the present time. With increased emphasis on cost control and greater efficiencies, combined with higher volume, continued earnings gains are expected for the tobacco industry in 1976.

Considering the generally favorable outlook and with most tobacco stocks selling at reasonable price-earnings ratios, Babson's recommends holding the stocks of American Brands, Philip Morris and Reynolds (R.J.) Industries. For investors seeking initial representation in the industry, Babson's recommends purchase of Liggett & Myers, Inc.

Blyth:
Six
N.Y.C. banks

Blyth Eastman Dillon & Co., Inc. believes that the shares of three New York City banks — Bankers Trust New York Corporation, Chase Manhattan Corporation and Chemical New York Corporation — will underperform the popular averages over the next twelve months. Therefore, Blyth recommends elimination of positions in the shares of those banks. However, it recommends maintaining positions in shares of Manufacturers Hanover Corporation and gradual accumulation of shares of Citicorp and J.P. Morgan on price weakness.

Blyth says that bank emphasis in 1976 will be quality of assets, integrity of the loan portfolio, deposit stability, internal capital generating abilities and excellence of "tried and tested managements." It believes that when these criteria are applied they point positively towards the shares of Citicorp and J.P. Morgan.

During the first half of 1975 the major N.Y.C. banks had improved profit margins because of the interest rate turnaround in the last quarter of 1974. Because the cost of funds declined more rapidly than the yield on assets, earnings for these six New York City banks were "the best ever," says Blyth. But by the third quarter of 1975 margins began to narrow and Blyth does not expect any near-term spread improvement. Further declines are also possible.

Blyth says that profit margins have also been affected by higher levels of problem loans. There were major charge-offs in the third quarter of 1975, which are expected to continue heavy

into 1976, while the banks take loan loss provisions from earnings.

However, Blyth believes that the impact of a potential N.Y.C. default on the six banks has already been discounted.

After the next three quarters, Blyth says that the outlook for the banking industry depends mainly on the state of the economy. If the inflation rate subsides, this would strengthen the capital markets. And an improved capital market could provide solutions for many of the bank's real estate problem loans, Blyth says. But if there is an economic upturn combined with high inflation, the banks would be required to aid the recovery without help from the capital markets, Blyth points out. "It is most important," says Blyth, "that the banks themselves have the opportunity to raise additional capital — before embarking on loan expansion programs necessitated by a renewed period of economic expansion." If the economy does not pick up and inflation slow down, there will be an indefinite continuation of large loans losses, soft loan demand and high levels of non-earning assets.

Nuveen:
Not takers

The most significant development in the municipal market recently, says John Nuveen & Co., Inc., was when New York State offered \$9.5 million general obligation bonds for public sale on December 9 and received no bids. The issue was finally sold to a state pension fund.

The first conclusion which can be drawn from the non-sale is that "adequate disclosure" of all relevant information is going to be a major factor in municipal bond sales in 1976, Nuveen says. Some underwriters obviously felt that New York State's information was not sufficient and, therefore, did not bid. The market place, Nuveen believes, is going to exert its own pressure to elicit the disclosure of more information than ever before. It may possibly lead to the eventual acceptance of some legal responsibility on the part of issuers of the municipals.

"The audacious 'Moratorium Act'," says Nuveen, had a role in New York's inability to sell its bonds. With New York State's financial future "less than perfectly clear", investors are invariably giving much thought to a law "which disenfranchises general obligation creditors," Nuveen believes. If the Moratorium Act is upheld by the courts, Nuveen thinks that every official statement by New York issuers — and maybe even all others — will be required to include a reference to this act since it puts the general obligation bondholder in a secondary position "with no voice in a reorganization" (in case of bankruptcy).

The inability of New York State, which has modest per capita debt and huge cash needs, to borrow money, while at the same time Cleveland, O., which has no cash problems, is able to borrow, shows a new emphasis on "cash flow analysis" by investors, according to Nuveen. In fact, there are going to be "many new and different watchwords" in the municipal market in 1976, Nuveen believes. "Research" will be most important as investors seek to determine "beyond reasonable doubt" the soundness of an investment, but "material facts," "full disclosure" and Federal regulation of municipal dealers will all be important in the "new and different atmosphere of the tax-exempt bond market in 1976."

Conolly:
Marshall
Field

Conolly & Co. believes that the shares of Marshall Field & Co. are attractive purchases for the conservative long-term capital gain and income seeking investor for several reasons: 1) Marshall Field's "quality approach to retailing" has been successful in its moves into suburbia; 2) Strict financial and inventory control has minimized the damage of inflation and recession on earnings; 3) Earnings per share may be slightly higher in 1975 and the 1976 and 1977 periods may have strong profit advances; and 4) The new Water Tower Place store might be the first of similar units around the country (it is part of a luxury development including a luxury hotel and condominiums).

About 60 per cent of Marshall Field's sales are in apparel and related accessories, with other major groups being home furnishings and home accessories. According to Conolly, the firm concentrates on "a high level of customer service and tastefully appointed stores."

Since 1970, Conolly reports, Marshall Field sales have grown at an annual rate of 8 per cent. The firm's management reports that shrinkage is among "the best in the industry and improving over the past three years."

Conolly points out that Marshall Field has a "pronounced seasonal pattern in profits." The fourth quarter, which includes Christmas and January sales, generates about half of total earnings. The third quarter is next in importance and the first quarter is the smallest. In 1975 the first quarter was the lowest in recent years due to the recession — since then, sales and earnings have moved upward on a quarterly basis. Third quarter 1975 sales were \$145.3 million versus \$136.2 million in 1974, and third quarter earnings per share surpassed the previous record earnings. The final quarter is expected to be good and stepped up consumer Christmas buying and rigid inventory control will likely push sales and probably earnings ahead of last year — possibly to between \$2.30 and \$2.35. With higher earnings there could be a dividend increase.

Conolly says that capitalization of Marshall Field is "sound." At the end of fiscal 1974 long-term debt was \$23.7 million — only 9.6 per cent of total capital and stockholder equity was \$221.2 million or 90.4 per cent of total capital. Shares are selling at 10 times estimated 1975 results.

Dow Theory:
Bad view

There are several reasons why the Dow Theory Letter suddenly changed its intermediate-term stance from bullish to bearish: 1) the double non-confirmation pattern that the Averages produced (the most powerful reversal structure that can appear in the averages); 2) the fact that the double non-confirmation took place with the Dow 21 points under its previous July 15 high; and 3) the fact that the double non-confirmation was followed three days later by a high-volume smash in the averages and in the Advance-Decline ratio and 4) the fact that there was no specific news on which to blame the decline.

Dow Theory says that this kind of action indicates that the stock market "sees" something ahead which it doesn't like — in this case Dow Theory believes the market is saying that the

business recovery in 1976 will not meet economists' expectations, that there is something wrong with "the general economic script."

The primary trend of the market, however, is still bullish, Dow Theory believes. The secondary trend began to look "shaky" around mid-November, the report says, and then when the potential double non-confirmation appeared, Dow Theory studied it and then made its predictions and advised moving out of common stocks for the moment.

Dow Theory believes that it is good "insurance" to move to the sidelines when it seems that the secondary trend of the market is turning down. The letter says "it is fruitless (and usually very costly) to argue with the Averages." When you argue with Wall Street, you are going to end up poorer... why argue when you can play it safe?" The report says it would be "surprised" if the September-October lows (784.16 for Industrials, 149.38 for Transports) were jointly broken. However, if they are "smashed on rising volume" Dow Theory "would take a very dim view of the market picture." But the letter would still remain "bullish on the primary trend," although it would act as if the primary trend was down. This would mean advising investors "to be at zero level as far as holdings of common stocks were concerned."

Dow Theory says that as long as one or both Averages remains above the 1974 lows it's still a primary bull market. Whether we are or are not in a primary bull market is tremendously important, the report believes, "from the standpoint of the U.S., the Western world and the future of the free enterprise system." Dow Theory says if it is wrong, and the 1974 lows are broken, we are in for "a very tragic period."

First Manhattan Co. believes that Speidel Newspapers is an extremely well-managed newspaper publisher. The company has papers in twelve small markets without daily newspaper competition. First Manhattan believes that Speidel has the capacity to continue making 20 per cent on equity, paying out 35 per cent in dividends and growing at better than 10 per cent per year. The stock, says First Manhattan, has attractive fundamental value.

Speidel has gone through a period of extensive productivity improvement, so profit margins on previously owned papers will likely widen little from prior levels. Inclusion of the newly-acquired papers in St. Cloud and Little Falls (Minn.) will temporarily depress profitability, says First Manhattan, but will provide a good opportunity for growth.

First Manhattan points out that Speidel published 13 daily and Sunday newspapers in relatively small markets, with the largest being Reno, Nev.; Stockton, Calif.; and Poughkeepsie, N.Y. There is no competition in any of these markets.

Profit margins at Speidel papers have been "exceptional" says First Manhattan, due to aggressive pricing, close cost controls, technological improvements and a "lean corporate staff." One "key management tool", according to First Manhattan, is an extensive incentive compensation program. In 1975 earnings are predicted to be \$1.45 per share and for 1976, with the economic rebound expected to spur better lineage comparisons, First Manhattan thinks that \$1.60 to \$1.65 a share is a reasonable expectation.

Over the long-term, First Manhattan says that Speidel's advertising lineage may grow at 4 per cent per year. With an average 5 per cent price increase, advertising revenue growth would be 9 per cent and in line with projected market retail sales growth trends. First Manhattan also estimates that over the long-term circulation units may advance at a 0-2 per cent pace, to which 8 per cent in price increases could be added. This latter figure is an increase from the historical pace, reflecting newsprint price escalation.

According to Piper, Jaffray & Hopwood, Inc., in spite of the big drop in housing starts, and pressure on margins in its building operations, Georgia-Pacific Corp. is maintaining a high level of earnings and is expanding its base of operations.

Georgia-Pacific's merger in November with Exchange Oil and Gas Corp. of New Orleans is expected to be beneficial in two ways: 1) Exchange has proven reserves of natural gas and oil which will provide raw materials for Georgia-Pacific's growing chemical business in Louisiana; and 2) Exchange has the exploration capacity to seek out new oil and natural gas sources at Georgia-Pacific's timberlands down South.

Georgia-Pacific's sales have historically grown at a higher rate than the forest products industry and its two-year average is a bit over 16 per cent, says Piper, Jaffray. Earnings growth in this period has been slightly less than 13 per cent, among the industry leaders.

Since much of the 1973 and 1974 earnings gains for Georgia-Pacific came from "extreme price conditions in wood products and pulp and paper" when they were freed from price controls, Piper, Jaffray thinks it will be hard for Georgia-Pacific to match peak earnings in 1975.

Assuming improved conditions in the housing industry (close to 1.5 million starts) and in the general economy, Piper, Jaffray believes Georgia-Pacific can show earnings in the \$2.65 to \$2.85 range and "will be one of the few companies in the industry to match peak earnings." But if there is a continuation of high interest rates and only around 1.1 or 1.2 million housing starts in 1975 it is likely a "flat" year-to-year performance would result for Georgia-Pacific.

Piper, Jaffray says that Georgia-Pacific's stock climbed steadily in the first half of 1975, due to the general market rally, and is now selling at nearly 17.9 times the 1975 earnings estimate and around 15.3 times Piper, Jaffray's 1976 earnings predictions. Because there is still uncertainty about the recovery in housing starts, Piper, Jaffray believes that Georgia-Pacific stock is fully priced for the near term. However, over the longterm, Piper, Jaffray says that Georgia-Pacific has been "an outstanding performer" and any declines into the mid-to-high 30s should be considered a buying opportunity.

"Like so many other supposedly dismal signs of a slow recovery that have already come and gone, widespread worries about the alleged sluggishness of retail sales have proved unwarranted," Argus Research Corp. says.

Retail sales in October were revised upward to a "healthy" 1.3 per cent increase, and sales in November were 1 per cent higher — an increase of 14 per cent above the level of a year earlier, Argus points out.

As depressed as retail sales became last November and December, Argus says they would have been much worse if it were not for the large markdowns by retailers and their suppliers. Therefore, Argus notes, a dollar of profitable sales this year is better than an equivalent dollar of unprofitable sales last year, meaning the sales gain this year is even better than it appears. The retail sales figure of the Commerce Department for the first week of December was 17 per cent higher than last year's, and Argus says it would have been much better than that if it were not for a sharp weekly drop in the automotive component. With a continuing increase in non-farm employment and hours and a reduction in inflation, Argus believes that real disposable income should increase at an annual rate of more than 6 per cent between the third and fourth quarters, which should lead to a sizable advance in real consumption spending. "No matter how you look at the numbers," Argus concludes, "they add up to a Christmas selling season that will be more than good enough to embarrass the skeptics."

Wells Fargo: Sluggish housing

There are four main factors contributing to the sluggish housing recovery, according to Wells Fargo Bank: 1) the continued high and steadily increasing cost of housing relative to a homebuyer's monthly income; 2) relatively poor consumer sentiment; 3) limited stimulus from most government housing programs; and 4) the slow recovery in the apartment and condominium market.

The bank believes that homebuyers today are not just looking at the cost of a home compared to their income. They are more concerned with their ability to afford monthly payments and still maintain their accustomed lifestyle. And since 1963 the monthly payment required for a home has increased 192 per cent, while median family income has increased 122 per cent. Even more significantly, the required monthly payment as a percentage of a family's after-tax income has increased to about 37 per cent, compared with 28 per cent in 1963. Wells Fargo thinks that along with high mortgage interest rates, the "soaring" cost of housing has priced the "median" family right out of the homebuying market.

The bank says that while consumer attitude began to improve in the second quarter of 1975, it is still significantly below historical (pre-oil embargo) levels and is limiting the current housing revival. Wells Fargo does not believe there will be much further improvement in consumer sentiment until significant and consistent "good" economic news appears.

Another problem is the declining support of government programs for the housing industry. In 1970 the government subsidized 29 per cent of total housing starts. This year the government is expected to subsidize 22 per cent of total starts and in 1976 the forecast is for 19 per cent of total housing starts to be government supported.

The weak recovery in the apartment market, says Wells Fargo, is mainly due to factors which are inhibiting investment viability in multi-family construction. High interest rates, soaring construction costs and competition from low-rent projects have generally made investment in apartments less attractive, the bank points out.

The apartment market has also been hurt by a lack of short-term financing, due in large part to the serious problems in the real estate investment trust industry, which was a source of about 30 per cent of interim financing in the past.

Survey Research Center: Cautious consumer

Consumers are in an unusually conservative and wary mood, which is a significant factor in the slowness of the economic recovery, according to the latest Survey of Consumer Attitudes by the University of Michigan Survey Research Center.

The SRC Index of Consumer Sentiment was practically unchanged in October and November. It is still at 75.4 per cent, 20 points above its low of last December, but still as low as the bottom reached during the 1970 recession (February 1966 - 100).

However, the Survey Research Center says there are several changes which can be observed since the last survey in August-September.

The attitudes of consumers toward their personal financial situations have improved. High or rising prices were not as frequently mentioned by respondents as a reason they were worse off.

But expectations about business conditions and unemployment have become less optimistic. There is notable increasing pessimism about the long-term economic outlook — only 11 per cent of consumers expect "good times" during the next five years.

However, expectations about inflation are a bit more optimistic. There has also been a decrease in "inflationary psychology," when consumers say that if you must buy, it is best to do it now before prices go up even more.

All of the aforementioned changes in attitudes were most pronounced among families with incomes over \$15,000 a year, the Survey Research Center adds.

However, the Survey Research Center says there are several reasons to believe that the halt in the recovery of consumer sentiment may be only temporary: 1) If the economic recovery continues, the increase in personal incomes will reinforce the improvement in personal financial attitudes; 2) A resolution to the problems of New York City, which have contributed greatly to the general uncertainty among consumers, would remove one factor which adds to consumer doubt; 3) Since World War II, consumers in the first quarter of each election year have said that there will be good times because of the coming election; and 4) The latest findings indicate inflation and inflationary expectations have a diminishing impact on consumer attitudes at present.

The Survey says that in the absence of bad news — which could have an unusually severe impact on consumer attitudes — the most likely outlook is for continued slow gains in consumer spending and high rates of consumer saving in the months ahead.

First Manhattan: Speidel Newspapers

Piper, Jaffray: Georgia-Pacific strong

Argus: Retail revival

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 Richard D. Moran

Each week important articles in business and finance appearing in other selected publications are condensed for you.

All publicly-traded companies' names appear in bold. The name of the publication and the number of the page on which the story appears follows each condensed story.

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Harvard Business Review

Digest briefs

Barron's

Issue of December 22

Barriers to coal development

Last June a U.S. Court of Appeals handed down a ruling upholding an injunction sought by Sierra Club (A conservationist group) to halt four companies — **Exxon**, **Atlantic Richfield**, **Kerr-McGee** and **Wyodak** — from mining over 70 million tons of coal annually in four Western coal fields. A Supreme Court review of the decision is expected by next summer, with the Dept. of the Interior hoping the injunction will be over-ruled and the much-needed coal extracted. Atlantic Richfield has already shelled-out \$15 million for mining and engineering equipment for a Wyoming mine, but says the injunction has pushed production back about two years.

Carter Oil Co. has cancelled a \$12 million contract with **Morrison-Knudson Co.** to develop operational facilities for a mine in northeastern Wyoming. **Shell** has begged out of a contract with **Brown & Root** calling for the development of facilities for a mining operation in Montana with an annual output of eight million tons. The conflict between land preservation and the resolution of the nation's energy shortage should have far-reaching implications.

[Barron's, p. 3]

Could's done better

Seems like an investor could have found a better place to sink his after-tax income than in shares of **Valley Metallurgical Processing Co.**, which managed this year to write-off a \$6.3 million gold mine, have trading suspended by Amex, and lock shareholders into an expensive downhill slide. As frustrated shareholders make paper airplanes out of their stock certificates, the company reports that the mine just never panned out. Valley recently sold an option to purchase the mine to Canadian mining company **V.N.H. Resources LTD** for one dollar.

All of which is very interesting to Valley shareholders, as is the news of a profitable second quarter, but what they really want to know is when trading will be resumed. "Tough question," says Amex, as the SEC nods in agreement. Since June, the SEC has been "reviewing" Valley's proxy statements and Amex has been "looking into" Valley's financial situation. Shareholders, meanwhile, have been sitting idly by, without even a reportable tax loss to brighten the day.

[Barron's, p. 5]

Cashing in on airlines

The airlines industry, hardhit by diminishing traffic, rising fuel prices and regulatory uncertainties, will end up this year with a well-publicized \$160 million spill of red ink. However, a recovering economy should increase traffic, the world oil glut is expected to cut fuel costs and the government seems amenable to higher fares. As the situation improves, the airline's debt securities are becoming increasingly worthy of investor attention — particularly the guaranteed loan securities (secured by flight equipment) and the unsecured subordinated convertible debentures. The guaranteed loan certificates (GLCs) are currently providing yields ranging from 10.5 per cent to 13.3 per cent, with the variations in yield presumably attributable to the airlines' credit ratings. The debentures, although subject to greater risk, are available at deep discounts, provide high yields, and offer opportunities for capital gain through the conversion privilege.

[Barron's, p. 9]

Telephone's bad connection

Ma Bell's Western Electric equipment manufacturing subsidiary has been taking a beating during the recession, and constituting a substantial drain on **American Telephone's** earnings. The November 30 quarter was the first quarter in some 25 years that Western Electric dipped into the red, turning last year's \$85.1 million profit into a \$6.3 million loss. For the 12 months ended November 30, Telephone's net profits fell to \$5.10 cents a share (from \$5.28 last year), and over the same period Western Electric's earnings plunged more than 50 per cent. James M. McCabe, analyst at **Donaldson, Lufkin, Jenrette**, sees Telephone coming in at \$5.75 to \$5.80 in fiscal '76.

[Barron's, p. 17]

TRW ready to roll

TRW Inc., a manufacturer of automotive and aircraft components, has lagged behind year-ago earnings levels over the first nine months of the current fiscal year, but an accounting change looks to turn a mediocre year into one of peak profits. The change centers upon translation of foreign currency statements in U.S. dollars, and could result in 1975 earnings of about \$3 per share, up from restated 1974 net of \$2.80. Next year, earnings could climb to around \$3.60-\$3.75 a share (about \$3.40-\$3.50 fully diluted). The company's diversification, achieved primarily through acquisitions, has enabled it to keep earnings at a decent level over the last three years, as cost cutting, debt reduction and price increases have widened margins. As of September 1975, current assets were \$918 million vs. current liabilities of \$483 million for a ratio of 2.1 to one.

[Barron's, p. 55]

Putting it all together

Mark Controls Corp., an old-line manufacturer of valves and related products, is beginning to make good on a series of costly acquisitions, and has boosted net for the first nine months of 1975 from \$1.72 to \$3.93 a share. Sales have jumped from \$47.6 million to \$53.7 million, and earnings for the full year are likely to exceed \$5.25 a share on about 1,144,000 average shares vs. last year's \$2.78 on an adjusted 1,057,000 average shares. Holding almost \$4 million in excess cash and over \$7 million more in unused borrowing capacity, TRW is once again on the prowl for an acquisition. The company also plans to strengthen its marketing effort next year.

[Barron's, p. 57]

Business Week

Issue of December 29

The price of push

When push comes to shove, the tab can sometimes be high — to the pusher, that is. Now the EEC has several provisions written into the Rome Treaty against any abuse by any company of a dominant market position. **United Brands** (the old United Fruit Company) is a company enjoying a dominant position in the banana business, with some 45 to 50 per cent of the

market in Germany, Denmark, Ireland and the Low Countries. Whether it has abused that position is still a matter of conjecture. The Common Market Commission for Antitrust Violations maintains it has and has fined the company 1 million "units of account" (pre-1971 dollars) for the alleged violation, which was using its position to pressure distributors in the countries in question to create unfair competition. United Brands officials in Holland say they are contemplating an appeal.

[Business Week, p. 34]

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Time, Inc.'s Canadian edition will probably just be a memory after 1975 has passed and **Reader's Digest** may not be far behind. Time had originally agreed to sell 75 per cent of its Canadian operation to Canadian nationals in line with a new local-ownership rule, but when Ottawa demanded that 80 per cent of the magazine's editorial content be generated domestically, Time decided to pull up stakes altogether. The world's leading newsmagazine has some 525,000 Canadian subscribers and from here on in they'll have to be satisfied with the American edition. **Reader's Digest's** pull-out, if it comes off, will have an even greater impact. The monthly has 1.5 million Canadian readers. Together, the two publications were drawing about \$18 million a year in Canadian advertising.

[Business Week, p. 34]

Citicorp's loans

Citicorp, First National City Bank's holding company, is holding the bag on a potfull of bad loans. In fact, the banking giant (No. 2 in the U.S.) expects fourth quarter profits to be down about 10 per cent below last year's \$80.4 million. That's because of a \$125 million provision for loan losses. Citicorp, letting the other shoes drop, notes that it will write off an unusually high amount of doubtful loans during the fourth quarter. Citicorp's anticipated drop in profits will be the first for the company since 1969. For the full year, the bank holding company thinks profits will be about 10 per cent better than last year's \$313 million.

[Business Week, p. 34]

Superplastic

Du Pont is making much ado over a new chemical formulation of nylon resin called "Zytel ST," which the company confidently asserts has a higher impact resistance than any other engineering plastic presently in use, including **General Electric's** "Lexan." Now, among other things, Du Pont sells about \$1 billion worth of plastic a year and the vice president in charge of that division, one William G. Simeral, thinks Zytel ST "will be a real big one for us." Simeral says the Wilmington, Delaware firm will be looking for markets as diverse as football helmets and auto parts into which to introduce its supertough resin. A spokesman especially interested in the automotive potential of Zytel ST alleges "we can go farther under the hood than any other plastic."

[Business Week, p. 34]

Taking OPEC down a peg

If anything is going to drive oil prices down it will be the power of supply and demand not diplomacy. That's the conclusion of a recent report by the **Twentieth Century Fund**, accompanied by a background paper on the financial aspects of the international energy crisis.

The report, entitled "Paying for Energy," warns that the oil importing countries haven't begun to realize the full costs of their imports and says the consuming nations must go all-out to expand oil and gas production, not attempt to negotiate lower prices with the cartel. They will never get them. Among a series of actions designed to prevent further dislocation of world economic and trade conditions, the Twentieth Century Fund strongly recommends publication of the names of U.S. companies asked to cooperate in the enforcement of the Arab boycott against Israel.

[Business Week, p. 36]

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Help wanted

They're called the "fixed-base operators" and unlike the neighborhood gas station they are never permitted to close. They are, in fact, the small band of fuel distributors who sell aviation gas to charter airlines, corporate planes and the smaller carriers at the airports. They claim they're hurting because of sharp labor cost hikes enforced by union contracts and the 24-hour service they are contractually required to perform. The Federal Energy Administration recently granted them a three cent a gallon increase, but **Butler International, Inc.**, largest of the fixed-base operators, insists the group needs more.

Specifically, Butler's president, Frederick R. Einsidler, says he needs another one and a half cents a gallon to keep his business going. Trouble is, he adds, the fixed-base boys have a very small lobby. The FEA is thinking it all over.

[Business Week, p. 36]

New Australian broom

Australia has a new government but the old economic ills remain. The land down-under suffers from a 15 per cent annual inflation rate and an unemployment of 4.7 per cent. These will be the biggest problems confronting Liberal Malcolm Fraser, the man who was elected by a landslide to replace socialist Gough Whitlam at the helm.

Fraser is expected to push several pet projects aimed at easing the cash woes of Australian companies forced to pay an average 12 per cent for loans. These include a 40 per cent tax credit for new investment in key areas, tax concessions to small business and an end to the "price justification tribunal," a Labor invention to restrict price increases. The welcome mat will also be out to overseas investors, but experts say it will take more than a glad hand by the new government or even a devaluation of the Australian dollar to bring the big multinationals in. That will require a sustained economic recovery in the multinationals' own home states.

[Business Week, p. 37]

Japan's recovery

Despite a slower than expected rate of recovery, U.S. bankers and financial institutions are still bullish on Japan—perhaps more so than the Japanese are on themselves. "We are pleased at the way Japan has confronted its economic problems," noted one American banker, and indeed the Japanese have scored admirably in chopping inflation from 24 per cent to 9.6 per cent in a year. But in other respects—particularly exports and the strength of the yen—the recovery has been something less than outstanding.

Exports for 1975 are expected to drop 3 per cent from last year's \$56 billion and no great pickup is foreseen for another six months. That cheaper yen which was supposed to make Japanese products more competitive is cheap indeed, now standing at 306.8 to the dollar. As recently as last August it stood at 298. The steel industry is operating at only 75 per cent of capacity and auto sales to Europe and the Middle East (35 per cent of car exports) have become less profitable because most contracts are designated in yen.

[Business Week, p. 37]

Earnings outlook

Pretax corporate earnings for 1976 are expected to come in at about 25 per cent above those for '75, with operating earnings jumping 22 per cent ahead of this year. In 1975, the greatest earnings gains were posted by the oil service-and-supply industry (up 50.3 per cent), and food retailers and processors (up over 30 per cent). Earnings were down 20 per cent for railroads and trucking, and 32 per cent for the airlines. Steel, metals, and paper dropped 25 to 42 per cent. Analysts are predicting that next year the trucking industry could post gains of almost 50 per cent, and metals and airlines stand to improve 40 per cent or better. Automotive-related companies and the tire and rubber industry should also have a good year, but profits for paper, steel, and natural resource companies are expected to lag (as are those of the nation's banks).

[Business Week, p. 71]

Cautious investors

The question is a perennial one, but the answer looms large in the minds of investors: Where is the Dow going over the next six months? Up, responds Robert H. Stovall (with some reservations). "The economic scenario calls for a really strong market," he says, "but it will be so

universally embraced that it won't work out that way." Down, points well-known market analyst T.J. Holt, who feels that the recovery is already running out of gas, and expects the Dow to drop to 450 or lower in the next two to three years.

In addition to varying opinions on the future of the Dow, investors are faced with the task of evaluating the implications of a 20 per cent decline in the number of shareholders since 1972. Some analysts feel the shrinking shareholder population will place a ceiling on how far the market can advance, and further reduce the capacity of corporations to lower their debt-equity ratios by selling stock. For those willing to commit capital to the market, favored industries for '76 include chemicals, drugs, airlines, banks, office equipment, retailers and domestic oil companies. Most frequently cited companies: **IBM, Sears Roebuck, Dow Chemical, Citicorp and Xerox.**

[Business Week, p. 51]

The trend towards bonds

As many investors shift their investment goals from short-term capital gains to yield, the corporate bonds are once again in favor, and look to remain that way at least through early '76. The feeling amongst many analysts is that long-term interest rates have peaked and that bond prices are headed up. Despite an anticipated continuation of the recovery, many experts do not feel that the stepped-up demand for capital by industry will be strong enough to push up the rates. Investment adviser T.J. Holt, "one of the grisiest of the bears, says there won't be much of a recovery next year, so corporate demand for capital won't drive up the rates.

Holt doesn't stop there. He believes that, once investors become disillusioned with the sluggishness of the economy, and the dismal equities situation, they'll pull their money out of stocks and put it into bonds — thus driving up the bond prices. "I'd rather not touch the bonds of the auto companies," says Holt, "or of the steels or aluminums. But **General Electric, du Pont, AT&T,** and many of the prime utilities — they're not going under even if the contraction is long protracted."

[Business Week, p. 52]

In troubled times

Time was when the average investor, intoxicated with the heady stuff of a bull market, would turn his nose up at the sight of a federal government bond, but in these tenuous times the safety of the government issues has regained its appeal. An additional reason for their popularity is the widespread feeling that long-term rates are likely to decline. If this does occur, the value of holdings of long-term government securities will increase. An advantage of government bonds noted by investment adviser Gilbert M. Haas is that they are noncallable. Haas feels that during the period of deflation which he predicts, the yields on new securities will drop over the long-term. Those corporations with available funds will call as many of their high-coupon bonds as possible, thus depriving investors of the attractive yields and capital gains they expected. Such will never be the case with the government bonds, Haas points out.

[Business Week, p. 52]

Got some loose cash?

Most investment analysts are smiling upon the money market these days, though of course only as a place to park some reserve funds for emergencies. The new money market mutual funds are cited as a convenient investment medium for the average investor, granting him a higher yield on the same grade of security than he could obtain with his limited capital. With all the bad publicity surrounding banks, the portfolios of the funds are arousing some concern. "Some of these funds have quite a lot of their assets in CDs of the New York banks," notes one analyst. "I suppose they'll be paid off all right — but I'd rather be in Treasury bills."

[Business Week, p. 52]

Real estate still touchy

"Real estate may be a good investment if you are looking out to 1980," says Robert H. Stovall, chairman of the investment policy committee at **Reynolds Securities Inc.**, "but it is not one of the best investments of 1976. If you look at real estate like an agricultural product, the U.S. produced it during the boom of the early 1970s at four to five times the amount it needs." Some experts feel that there are too many sellers out there to make real estate a secure investment. "A lot of the property values are being propped up only because bankers and mortgage owners are refraining from foreclosing," says investment adviser T.J. Holt. Once they realize that no bailout is coming in the form of an economic recovery, Holt feels, they will start to foreclose. "It only takes a few of them for the rest to follow," he says, "to save their last buck." Another downside factor cited by analysts is the illiquidity of real estate.

[Business Week, p. 56]

Easy does it

One of the easiest ways to go the investor route is to hook up with a "leave the driving to us" mutual fund and, in these uncertain times, that's primarily what Mr. Albert J. Kelley, dean of the school of management at Boston College, intends to do. Kelly foresees a troubled economy and a rocky stock market, with the confusion compounded by the upcoming elections and increasing government debt. He has tucked about 50 per cent of his assets into fixed-income mutual funds, the performance record and investment objectives of which he carefully investigates before buying. He also likes U.S. Government securities and municipals. The Boston educator has some 40 per cent of his money in equities, and goes the conservative route by stressing dividends. The remaining 10 per cent of his assets are tossed to the high-technology, high-risk stocks. "I only buy companies when I understand the technology and where I know a lot about the management," says Kelley.

[Business Week, p. 102]

Steering clear of gold

With a vast amount of gold held by the International Monetary Fund overhanging the market, the price of gold will be limited to a narrow range next year, and market analyst James Dines admits it is impossible to tender short-term predictions about the gold market. Dines and many other experts look for gold prices to fluctuate between \$120 to \$180 aounce next year, but the smart money is steering clear. According to Howard M. Brenner, director and senior vice president of **Drexel Burnham & Co.**, the three "buying motives" will be out of the gold market in '76: double-digit inflation and interest rates, and an inability to make money in equities.

[Business Week, p. 110]

Municipals still shaky

The high yields offered by the municipal bond market look to be still around next year, with one of a dozen cities replacing New York in the headlines if it should manage to avert a default. Although the cities and states will be releasing more information about their financial strengths and weaknesses than ever before, the buyer of a municipal will still have less information on which to base a judgement than the purchaser of a corporate bond.

Another deterrant for the prospective municipal buyer is the federal bankruptcy legislation which could erode the "first claim" investors always had on the assets of a bankrupt issuer. This risk-increasing law, coupled with the moratorium on NYC debt, will cause investors to think twice. If you do go into municipals, say many experts, steer clear of general obligation bonds and buy only revenue bonds backed by the income from a proven revenue-producing project.

[Business Week, p. 114]

Abig surprise

This week directors of **General Electric Co.** and **Utah International Inc.** approved a proposed swap of \$1.9 billion worth of stock and the merger of Utah with GE. Edmund W. Littlefield, chairman of Utah Intl., feels that his mining and shipping company (fiscal '75 profits of \$111.6 million on sales of \$686 million) will benefit from the financial and research capabilities of GE. GE's Jones feels that his company's entry into natural resource development will "supplement and enhance GE's growing international business." According to a Utah exec, the merger proposal was "a big surprise to everyone."

After having lost \$23.8 million when the Peruvian government seized the iron mining properties of **Marcona Corp.** (in which Utah held a 46 per cent interest), Utah has come under further pressure from the Australian government concerning greater participation in foreign ventures within the country. The spectre of antitrust has also been raised over the involvement of both companies in energy development. "My own guess is that there's a very substantial chance that either GE stockholders or the government will raise a hue and cry," says Seymour Kalb, analyst at **Baker, Weeks & Co.**

[Business Week, p. 27]

Mutuals struggle for sales

Back in the heydays of the sixties, mutual fund shares were bought by investors as a short-term, speculative affair, but the economic problems of the seventies have turned investors more cautious. The feeling among analysts is that the days of mutual fund speculative activity are gone and that the funds will become a long-term investment vehicle. Looking back over 1975, a very bullish year all told, investors sold \$3 billion of fund shares over the first 10 months of the year vs. the \$2.7 billion they purchased. Fund managers don't see any new types of funds being marketed next year, except for a few money market and income funds. They're hoping for a strong bull market which will encourage investors and pull the big money back into the mutuals.

[Business Week, p. 106]

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Newsweek

Issue of December 29

Car prices

Despite an average 43 per cent sales increase over 1974, the auto industry is still crying the blues. **Ford Motor Co.** has done more than cry. It announced last week that it intended to raise January prices on its 76 models by an average of 2 per cent or about \$113 per unit in order to recover higher outlays for labor and materials, including new government-mandated safety equipment. And even with the raise, Ford officials contend the company will still be losing money on every car it sells in North America.

The move did not exactly meet with huzzahs on the part of Ford's lodge brothers. One **General Motors** official, for example, declared that the Ford announcement "could not have come at a worse time." In fact, there was some doubt in the industry that No. 2 could make the higher prices stick. Henry Ford II in fact, conceded that he'd have to reconsider if the competition didn't match the increase. GM says it will hold the line.

[Newsweek, p. 42]

394...going, going

"The heirs of the buttonwood tree on Wall Street will flourish or wither depending on how they react to competitive forces." With those words—a eulogy, some might call it—the SEC's new chairman Roderick Hills began the interment last week of the New York Stock Exchange's treasured Rule 394, the one that requires NYSE member firms to do all their buying and selling in Big Board stocks on the Exchange floor. Effective March 31, the NYSE will have to permit members to deal with non-members (OTC, third-market, other exchange firms) on trades if they so desire except on transactions where a member is trading for his own account.

It will be a gradual phaseout of 394, to prevent confusion and give the Exchange time to develop the hardware for a centralized electronic stock market. But by March 1, 1977 394 will be just a memory. So far the NYSE has said nothing. It says it needs more time to study the new SEC rules.

[Newsweek, p. 44]

The little sled that couldn't

To those who thought there was an area of untouchability where business and tradition met, last week's list of corporate bankruptcies must have come as a profound shock. For listed among the fallen was **Blazon-Flexible Flyer, Inc.** of Medina, Ohio, producers of the time-honored Flexible Flyer sled—the one every kid wanted (and some got) for Christmas.

The company's petition for reorganization in Federal bankruptcy court pulled the plug on an era that went back to 1885 when Sam Leeds Allen of Philadelphia built the first steerable Flexible Flyer for his little daughter Elizabeth. Allen patented the design four years later and his firm easily became the country's No. 1 sledmaker. But alas, the seasonality of the company's business left it vulnerable and last spring it went into the red. With slow sales this season, the banks cut back on credit and the Flexible Flyer was flying no more. Company officials say it will survive, but getting back on track won't be easy.

[Newsweek, p. 46]

Forbes

Issue of January 1

Neither here nor there

Forbes' market analyst L.O. Hooper feels that 1976, despite being a bicentennial and election year, will be "a year of false starts in both directions (bull and bear) and we won't make much sustained progress either way." He feels that the strength of the recovery will be weakened by the recent publicity surrounding bad loans to states, municipalities and corporations; and anticipates only a gradual recovery in autos and housing. Hooper believes that as inflation continues to ease, the action in consumer goods will outpace that of housing construction.

Hooper is bullish on the S&Ls, particularly **H.F. Ahmanson, First Charter, and Imperial Corp.** He is bearish on the banks, anticipating further announcements of reductions or deletions of dividends, but still favors the better coals, the international and domestic oils, and the shares of such energy-related companies as **Joy Manufacturing, Halliburton, and Hughes Tool.**

[Forbes, p. 230]

The trouble with bonds

The problem with bonds, says Forbes market analyst Heinz H. Biel, is that they just don't give the investor an opportunity to emerge over the long-term with a substantial victory over inflation. He notes that an investor who purchased a Telephone bond, yielding about 9 1/4 per cent, will suffer a net loss after paying federal income taxes, not to mention state and city income taxes. "The individual investor," says Biel, "should avoid long-term bonds like the plague." Biel says that equities give the investor a chance of beating inflation, and says that during periods when the market looks particularly dangerous the investor should put his money in short-term bonds. He feels that many of the preferred stocks being offered by the electric utilities are over-priced, and notes that their tax advantage is to the corporate investor, not the individual.

[Forbes, p. 231]

On theories and realities

Seems that, while everyone was busily forecasting the Dow for 1976, the market in early December took an abrupt spill that brought many theorists back to present realities. Many fundamental (i.e., "value oriented") observers were caught completely offguard by the decline, which didn't seem to make much sense considering the strength of the recovery, the good earnings records of most corporations for 1975 and the bullish earnings predictions for 76. The Dow theorists were less surprised, as the DJ transportation average had failed to confirm the DJ industrial's November 28 recovery high. Forbes market analyst John W. Schulz notes that history seems to suggest that price-earnings ratios tend to decline cyclically as earnings rise. "Thus I find it difficult to envisage the Dow much above the lower or mid-900s," he says, "even with 1976 earnings between \$90 and \$100, considering that last month it sold at about 11 times 1975's cyclically low earnings."

[Forbes, p. 232]

Bullish on consumer stocks

"The next few years belong to the great marketing companies of nondurable goods," predicts Mr. Martin T. Sosnoff, chairman of **Atlanta Capital Corp.**, who cites foods, soft drinks, tobacco, cosmetics, and proprietary drugs as the industries to watch. Sosnoff notes that the margins in these industries have been gradually improving as commodity prices have been declining, thus permitting significant profit gains on scanty sales increases. The companies' price-earnings ratios are down, and the balance sheets are clean. "These are the same stocks that were selling at 30 or 40 times earnings," says Sosnoff, "and were in every growth portfolio at the end of 1972. For those of us who didn't inventory them, they are now investment opportunities."

[Forbes, p. 234]

Picks for '76

"I think it is important to remember that the apocalypse was avoided in 1975," notes Mr. Sidney B. Lurie, partner in the NYSE firm of **Josephthal & Co.**, "and I think it will be in 1976, too." Lurie likes **Champion Spark Plug, Goodyear Tire & Rubber, American Standard's** and **Macy's.**

[Forbes, p. 236]

Chemicals coming on strong

The chemical industry was one of the harder hit areas of the economy during the recession, with return on stockholders' equity for the latest 12 months averaging 14.8 per cent vs. 19.1 per cent the year before, but chemicals look to be big in '76. Although chemical plants ran at only about 75 per cent of capacity last year, the producers refrained from attempting to lure in more business by price cutting, a restraint which saved the industry some wide profit fluctuations. Now, as customers wind out their inventories, the onsurge of orders will be for chemicals at a good price, and the profits for such companies as **Dow Chemical, Diamond Shamrock, Stauffer Chemical and Union Carbide** could be considerable this year. "I expect fibers to be the leading edge of the recovery," says analyst William C. Williams of **H.C. Wainwright.** "They bottomed sooner, at the end of 1974, while the rest of the industry didn't bottom until 1975's second quarter."

[Forbes, p. 59]

Equipment producers stall

With forecasts for capital spending calling for a conservative approach by most companies this year, the outlook for many industrial equipment manufacturers is tenuous at best. **Caterpillar**, for example, will have a tough time duplicating the 97 per cent earnings gain it posted in 1975, which it entered flush with orders. **Ingersoll Rand**, another big scorer in 1975, is now seeing declines in orders for smaller compressors and pneumatic tools. Backlogs are slipping even faster in the rail equipment area, hurting such companies as **Pullman and Amsted Industries.** The brighter prospects appear to be those companies—such as **Wheelabrator-Frye, Peabody-Galion** and **Envirotech**—which produce pollution control equipment.

[Forbes, p. 77]

Distributors eye consumers

Although there is general optimism among analysts for the department store, discount store and variety store prospects this year, the industry's profits hinge entirely upon the difficult-to-predict temperament of the consumer. One area of the distribution industry which made out fairly well last year was the food sector, and the old saying that "people must eat" may not sound startling but does seem applicable. As food prices rose, the percentage of disposable income being spent on food climbed to 17 per cent, up from 15.4 per cent in 1972 and close to 1960's 20 per cent.

Over the year just passed, **Winn-Dixie**, which primarily serves the Southeast portion of the country, turned in a strong performance. Among discounters, German-owned **Fed Mart** improved its return on equity sharply as compared with its average since 1970. W. T. Grant, of course, sank into chapter eleven, and both **Sears, Roebuck** and **J.C. Penney** posted sharp drops in earnings. Amongst drug chains, **Skaggs Co.** (in a joint venture with **Albertson's**), also posted strong gains in 1975 compared with those posted in the previous four years.

[Forbes, p. 84]

Military sales still strong

The \$31 billion Pentagon budget approved by Congress late last month was about \$5 billion less than requested, but was still 16 per cent greater than the year before and should give a good boost to the aircraft industry. At present, **Boeing, Fairchild, Grumman, McDonnell Douglas** and **General Dynamics** are handling the five biggest aircraft orders. In terms of general aviation, a continuation of strong earnings is expected from **Beech** and **Cessna.** Almost 20 per cent fewer airports get scheduled air service now than in 1969, and as a result sales of general aviation aircraft climbed nearly 10 per cent last year. The expansion is expected to continue well into 1976. Fairchild Industries could really fill its tills if the Air Force goes ahead with a full \$3 billion order for 720 A-10 attack fighters, the first 22 of which will be delivered this year.

[Forbes, p. 118]

Is Amtrak worth it?

The 25,000-mile rail system, Amtrak, will lose more than \$320 million this year with the Government chipping in a good share to make up for the deficit which, since Amtrak got rolling back in 1971, has come to some \$600 million. Amtrak is requesting \$3 billion more of the taxpayers' money over the next five years—about \$2 billion for operating deficits and another billion for capital spending. The expenditures are expected to double Amtrak's load capacity, but won't do much for the bottom line, as even a doubling of traffic will still result in projected operating deficits of \$400 million per year in 1980. Many observers feel that the project could be scratched were it not for its performance in the busy corridor between Boston and Washington—utilized for about half of Amtrak's 18.5 million passengers. The Metroliner revenues are now coming within 10 per cent of covering costs, and the system should relieve congestion in the nation's most densely populated areas.

[Forbes, p. 18]

"I'm born that way"

Class-action lawyer Izaak Walton Bader has made a career of chasing after companies which, in one way or another, have attempted to prevent bondholders from getting their money after a bankruptcy. "On every corporate bond you have what is called an indenture trustee," says Bader, "normally a bank, appointed to protect the rights

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of the bondholders. **Bankers Trust** was the trustee on the **Interstate [Stores]** subordinated debentures. About a year before the company went bankrupt, Bankers Trust makes a direct loan to Interstate and makes that loan superior to the bondholders it was supposed to protect.

"We've got the same problem now in **W.T. Grant**," notes Bader, "where I've sued the **Chase Manhattan** and **U.S. Trust** for doing the same thing, only the case is even stronger." Bader has recently grabbed the headlines by trying to prove that Howard Hughes (who Bader charges defrauded investors in the sale of **Air West** assets back in '68) is dead. When asked why he has become so involved in an area which doesn't appear to offer much remuneration, Bader responds, "Look, I'm born that way! I was always a discipline problem in school."

[Forbes, p. 41]

Flying high

The light plane industry is flying into its fourth consecutive solid year despite the recession, inflation and the relatively high cost of flying, which ranges from \$20 to \$100 per hour for a light plane. The industry leader, **Cessna Aircraft Co.** (with 54 per cent of the light market) may see its net soar 30 per cent, to \$3 a share in fiscal 1976, on a 15 per cent sales hike to \$565 million. Flying in close formation is **Beech Aircraft Corp.**, which posted a 25 per cent earnings jump in fiscal 75 (ended September 30), and looks to make a similar advance this year. Even such "once-sputtering" companies as **Bangor Punta's** Piper Aircraft and **Republic Steel Corporation's** Mooney Aircraft Corp. are doing well. The FAA is creating a little turbulence, however, with its talk of restricting small planes which are disrupting crowded air lanes, and tightening control of light planes.

[Forbes, p. 50]

Filling in the blank

"We think it fills a blank in the market," says **William Wrigley Jr. Co.'s** president William Wrigley concerning the company's new product—a gum for those amongst us who wear false teeth. The \$272 million company will charge 15 cents a pack for the gum (which will not stick to acrylic uppers or lowers), and is looking to strengthen a profits hike of 66 per cent posted over the first nine months of the year. As things now stand, Wrigley is battling it out with **WarnerLambert's** American Chicle for the major share of the gum market, and each company is now estimated as having captured about 40 per cent of the market. The denture-wearer market, estimated at around 30 million persons (minus those gummers who don't chew gum) may give Wrigley the edge.

[Forbes, p. 62]

Time

Issue of December 29

In the mink

Furs, after being "out" for so long, are back "in." Industrywide sales are flying at the rate of \$525 million, highest since the end of the Second World War, and producers say they're barely able to meet demand. Insiders point to a blunting of the conservationist issue, the petrochemical based nature of fake furs and the economic recovery for the upsurge in fur buying. The average price of fake furs has jumped 20 per cent and some real fur buyers have obviously decided that getting the real thing is no worse than buying the product of some pollution-prone plant. Then, there's been heavy overseas demand for U.S. furs because the previous decline of the dollar made them cheaper and more attractive.

In line with the nostalgia kick, furriers say the old-new favorites among women are the long-haired lynx, raccoon and fox. They also note that furs are now lightweight and are styled in combination with leather with removable bad-weather covers and a rainbow of colors. Madam can buy, among other things, a burgundy colored opossum jacket and a celery-green kimono-style mink jacket at the stores this year.

[Time, p. 62]

Chrysler's payoff

Chrysler won't shut its five British plants or

cashier the 25,000 people employed in them—but the cost to Harold Wilson's government will be enormous. Specifically, the Chrysler aid bill president John Riccardo managed, with Wilson's help, to ram through a reluctant House of Commons includes provisions for up to \$325 million in government grants, loans and guarantees to keep Chrysler U.K. afloat for another four years. Detroit's No. 3 automaker, which has lost \$117 million in Britain over the last decade, will be compensated for losses of up to \$100 million in 1976 and \$45 million of any other deficits it accumulates between then and 1979. Moreover, there is no provision for repayment of this aid. The government will simply have to be satisfied with half the profits Chrysler U.K. might make over the next four years. Beside the aid, Britain will lend the company \$110 million to develop new car models and guarantee \$70 million in loans from British commercial banks. There goes Harold Wilson's "new economic policy."

[Times, p. 61]

Institutional Investor

December Issue

Towards greater disclosure

The SEC, in revising its Form 10-Q, will require actively traded companies to meet specified size and income tests as independent auditors become involved in the issuance of interim, unaudited reports. These new policies reflect the SEC's attempt to upgrade periodic disclosure and obtain more reliable quarterly data. Under the new form, financial statements must set forth the major captions, such as cash and cash items, in addition to accounts and notes receivable. The subcaptions that break down the components of inventory (such items as raw materials, work in process and finished goods) must also be included. The new rules also require income statements for the most recent quarter, the equivalent calendar quarter in the previous year, and year-to-date data for both years.

[Institutional Investor, p. 23]

Of wisdom & capital gains

Money managers aren't particularly fond of the idea that if a kindergarten student were to throw darts at a list of representative S&P stocks, his capital gains over the long run would be about (if not better) than theirs. They are even less comfortable with the view of Peter H. Vermilye, chief investment officer of **Alliance Capital** who states flatly that, "The average money manager is worthless." Vermilye is reputed to have out-performed the market in his prior stints with **Morgan Guaranty and Donaldson, Lufkin & Jenrette**, and attributes his success to a capacity to anticipate change and move with it.

"The more an investor follows current stock fads," says Vermilye, "the more he follows conventional views and relies on charts, the more his results will move toward random walk." Vermilye says the current stock prices already have risen in accordance with the "faddish" buying, and are equally reflected in the chart formations. The only way to beat the market, he says, is to ignore what everyone else is doing and hunt for situations which are just about to change for the better. The secret is to buy before everyone else has learned of the good developments, and sell to them when they find out. At Alliance Capital, Vermilye supervises the work of some 50 professionals, and is reported to be much more irked over a bad buy than a failure to spot a good one. His first goal is preservation of capital, and his managerial philosophy is as simple as his market approach. If a worker performs well, he rewards him; if he doesn't, he fires him.

[Forbes, 12-15-75, p. 55]

Money-rich

There's something to that old saw about the rich getting richer—especially in the trucking business. Case in point: **Roadway Express**, biggest, richest most self-effacing company in general trucking.

Blink a couple of times and you'll miss Roadway's two story brick, nowhereville headquarters off Akron's Route 8. But that balance sheet and profit and loss statement it puts out every year commands an awful lot of respect. To begin with, on about \$500 million in revenues, this trucker returned 23 per cent on invested capital last year. It's been averaging 20 per cent over the last decade. Last year it also netted an eye-popping 6.5 per cent on the revenue dollar and it financed its entire capital spending and dividends out of cash flow. Working capital went up by \$12.5 million and Roadway didn't borrow a cent.

But that's only the beginning. While most trucking companies are highly leveraged, Roadway has amassed a \$65 million portfolio consisting of U.S. Government and municipal securities. The secret to the company's money riches, of course, is the fact that while regularly returning 20 per cent plus on capital and paying out only small dividends, it compounds its investment at a huge rate. Compounded at 20 per cent, every dollar becomes \$6.19 after 10 years, \$38.30 after 20 years. Thus, Roadway's equity capital of \$24 million a decade ago now totals \$145 million without one additional share of stock being sold to the public.

In the past two years, cash-stuffed Roadway has made five acquisitions of smaller trucking firms all for cash, of course. It will make more. If ICC gets tight on rate increases, some of the weaker outfits will have to get out or sell out. If the rate increases are liberal, Roadway will simply get richer and richer. It will never have to pay in stock for an acquisition.

Interestingly enough, the company, whose routes run through 20 states of the industrialized East, will probably never be a target of the trust busters. The trucking business is too fragmented and even No. 1 has less than 3 per cent of the total pie, acquisitions included.

[Forbes, 12-1-75, p. 20]

Choosing a money market fund

Since the day three years ago when the money-market — **Reserve Fund** first issued shares to the public, its assets have grown from a scant \$300,000 to \$390 million, and the number of money market funds has grown to 37 with over \$3.6 billion in assets. The funds offer investors an opportunity to take advantage of the usually higher interest rates granted by high-denomination money market instruments such as Treasury bills, bankers' acceptances and certificates of deposit. Only a handful of the funds charge load fees, and virtually complete liquidity is offered with management expenses ranging between 50 cents and \$1 per \$100.

One problem in choosing the best fund for a particular investor is that of the different accounting systems employed by the funds, which in turn affects yield. **Money Market Management** calculates the value of its portfolio at cost instead of changing its value with

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Forbes

Enemies list

Bernard Patrick McDonough is no slouch at making money (personal net worth: \$55 million) or enemies, but it is the latter that seems to draw most of the attention these days. His diversified **McDonough Corp.** (Endicott Johnson shoes, Ames industrial shovels, sand and gravel dredging, garden and lawn tools) has toted up no less than 25 consecutive quarters of increased earnings. Yet, McDonough with estimated 1975 profits of \$11.7 million on sales of under \$300 million, still has an anemic P-E ratio of about 4 on the Amex and most analysts ascribe this to the boss' highly personalized, rather provocative style of management.

At 72, the Texas-born McDonough, who holds 43 per cent of the company's stock, hands out \$1 million gifts to his alma mater (Georgetown University), maintains an Irish castle and two Irish hotels, rides herd on his executives and picks fights with anybody who crosses his path. Current targets include **USM Corp.** and prestigious **First National Bank of Boston**. McDonough after purchasing more than 200,000 shares of USM, got snubbed by that company's chairman, William Brewster. He subsequently tendered most of the shares to **Emhart Corp.** during the latter's successful proxy fight to gain control of USM, but McDonough never forgot or forgave the snub. Now, he has hired the Boston law firm of Palmer & Dodge (with assistance from Edward Bennett Williams) to sue Brewster, his officers and directors to recover the money USM spent to block the Emhart move.

In taking on USM, McDonough has also locked horns with First National of Boston, the company's banker. He resents the bank's enthusiasm in backing USM's management and the fact that Brewster sits on First National's board. While conceding he can make more money staying out of fights, McDonough adds, "but I'll have more fun messing these guys up." As long as his company continues setting earnings records, apparently no one will deny him that pleasure.

[Forbes, 12-1-75, p. 42]

Digest major stories

Continued from previous page

fluctuating prices. As it holds net asset value constant at \$1 per share, its yields fluctuate, but its share price does not. Fidelity also maintains its net asset values constant at \$1, but revalues the portfolio value daily to reflect new market values. Fidelity computes a "pure interest yield" (the interest income earned by the portfolio daily,) but then calculates the market value of the portfolio and figures the per-share capital appreciation or depreciation. That figure is added to or subtracted from the pure interest yield so as to grant an "actual" yield.

Dreyfus Liquid Assets also marks its portfolio to market, but the fluctuations are reflected in its per share prices and not in reported yield. Dreyfus shares have risen in price from \$9.98 two months ago to a current \$10.01. The safest funds are usually those with the shortest average maturity, since a short maturity protects investors from sharp fluctuations in interest rates. Funds with longer maturities are more risky, but their yields are usually higher. "I know I'm speaking against myself," says a Reserve Fund exec, "but I don't want savings-type money. We can't pay out long-term savings rates normally; it's only a fluke when we can. If you're a long-term saver, stick with the banks."

[Forbes, 12-15-75, p. 58]

Business Week

Takeover

Add Warwick Electronics as the next potential casualty in the U.S. TV manufacturer shakeout. The company, which produces most of Sears, Roebuck's private-label TV sets, is 57 per cent owned by Whirlpool (Sears owns another 25 per cent) and Whirlpool has been talking sale with \$1.1 billion Sanyo Electric Co. of Japan.

Warwick's problem is slumping sales, soaring costs and Japanese competition. The company lost \$3.8 million in '74 and \$7.6 million in the first nine months of '75 while sales went from \$161 million to \$82.1 million. Meanwhile, Sears has been reducing its dependence on Warwick, ordering 100,000 low-price color portables last spring from Sanyo. Acquiring Warwick (250,000 unit sales to Sears) would give Sanyo the whole Sears private-label market and take care of a third of its annual production. Of course, Sears will have to agree and so will the Justice Department which wasn't thrilled by Matsushita of Japan's earlier acquisition of Motorola or White Consolidated's aborted effort to buy Philco-Ford's television business. The Motorola deal was only approved after 40 other companies passed up the opportunity to acquire the firm.

In addition to Motorola and the prospective Warwick acquisition, we have witnessed the takeover of Magnavox by North American Philips and the end of production entirely by Philco-Ford, Emerson and Westinghouse. American producers are finding it harder and harder to satisfy public demand for small-screen portable color sets at low prices, while the Japanese excel at turning them out. In fact the Japanese will sell more than a million of the 6.5 million sets that will be sold in the U.S. in 1975 (down 18 per cent in toto from 1974, 33 per cent from '73). Imports meanwhile are up 63.8 per cent through October.

A GE official says it takes 10 per cent of the color set market for a U.S. manufacturer to make it. Only Zenith and RCA qualify to date.

[Business Week, 12-29-75, p. 27]

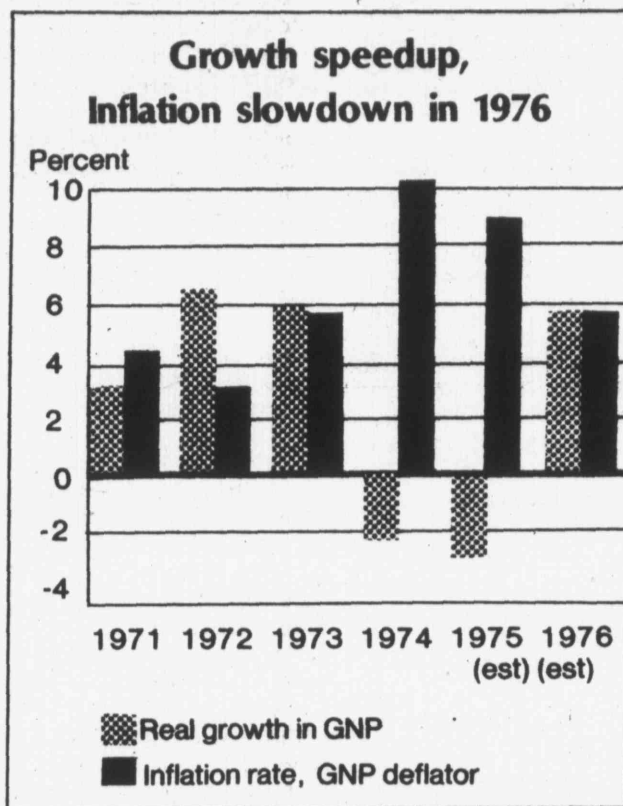
Looking ahead to '76

The outlook of most economists for next year is cautiously optimistic, with many feeling that the recovery will continue but that an excessively expansionary fiscal and monetary policy could fuel soaring inflation, tighten money and cause another recession in 1977. Forecasts call for the economy to grow about six per cent in real terms in 1976 compared with a drop of three per cent in 1975, with inflation (as measured by the GNP deflator) declining from 8.3 per cent in 1975 to six per cent next year. Unemployment is expected to drop to around 7.8 per cent, and corporate profits should rise some 25 per cent.

In addition to governmental stimulation, another cloud on the horizon is the degree of indebtedness of U.S. government and business which, some fear, will discourage business from further borrowing and prevent banks from lending. Without a decent flow of funds from the banks to industry, the recovery will have a hard

time. It is to be noted that even the optimistic forecasts assume that President Ford will eventually work something out with Congress concerning the tax cut extension, and that the Fed will go easy with money in an election year. High unemployment should discourage unions from excessive wage demands, and those wage hikes which are won will be somewhat offset by better-than-average productivity gains in 1976.

One apparent bright spot for next year is a projected rise in consumer expenditures to



around \$100 billion vs. less than \$80 billion in 1975. Much of this year's consumer outlay was absorbed by higher prices, but with inflation down next year the outlays will represent greater purchasing power. The demand for goods will probably not be so great as to require expansion of industrial capacity, and capital spending is therefore seen as remaining flat.

In terms of specific industries, domestic auto sales look to jump from around seven million this year to eight million in '76, and sales of all consumer durables are expected to advance some 18 per cent. Housing starts should move from about 1.2 million this year to over 1.5 million in '76. Interest rates are expected to climb moderately over the early months of the year, and then increase sharply at year end.

[Business Week, 12-29-75, p. 46]

Fortune

A glance at capital spending

The decline in purchases of plant and equipment stopped last quarter, but if the recovery is to really gather momentum in 1976 an early hike in capital expenditures will be necessary. Thus far, orders for business equipment have improved somewhat relative to the dismal days of last winter, but is as yet no significant uptrend. As orders are still lagging a discouraging six per cent behind shipments, the backlogs of unfilled orders have continued to decline. There was encouraging news last quarter in the sharp upturn in business purchases of cars and trucks, but future growth will be slow and things won't really be moving until 1977.

Real spending for construction has at least remained fairly constant (though low) over the last few months, but a major upturn in the construction industry will be slow in coming. It will probably begin in the energy industries for, although many utilities have cancelled programs, appropriations for new capital projects have well exceeded the spending rate. The 20 per cent decline in real spending by the utilities for the year ended last spring seems to have been caused by higher fuel costs reducing both electricity consumption and the industry's earnings. In the wake of some crucial rate increases, spending has begun to recover and could climb fairly rapidly over the next two years.

Gas utilities' and coal companies' spending will climb with that of the electric utilities, but the situation vis-a-vis the domestic petroleum industry is still cloudy. The oil companies are talking about a 15 per cent spending boost for next year, but current appropriations don't back up the projection. If oil prices are not permitted to rise, the spending plans could be curtailed. The overview indicates that a solid foundation has been established for a rise in capital goods, which should strengthen the recovery next year. After holding fairly constant for this quarter and the next, capital expenditures in real terms should be up some six per cent a year from now.

[Fortune, December Issue, p. 12]

Fortune

TV ratings and investors

There's been a lot of attention focused on the fact that the assortment of new television programs offered up by ABC, CBS, and NBC has been about as well-received as a dish of rattails au gratin, but another side of the coin is the impact of the viewers' apathy on corporate profits. All three major networks are subsidiaries of corporations involved in other activities, although the profits of each of these corporations is significantly affected by the ratings wars. The changing ratings (which indicate the percentages of total network audience captured by each network) shouldn't have much impact on total TV-advertising expenditures, but will alter the manner in which such revenues are divided between the networks.

At this point, ABC appears to have come out on top of the pile, with its share of prime-time network audience up 12 per cent over last year. CBS's share dropped by nearly seven per cent, and NBC's was down three per cent. Since greater audience share boosts revenues without increasing costs, the income goes directly to profits. Consequently, ABC's net income should be significantly higher than previously thought. As most air time for this year's fourth quarter was sold before the latest ratings were released, the impact will determine the network's advertising rates for 1976.

Although ABC's profits will be up, all three networks were somewhat shocked with the lack of response to the new shows. NBC has cancelled four of eight new shows, CBS has cancelled four of nine, and five ABC shows are likely to be cancelled this month. The cancellation expenses vary, depending upon the number of shows filmed but not televised, contracts with the "stars," and the cost of any specials needed to replace them. Such costs for CBS and NBC have not been revealed, but are estimated at \$2 million or more for each network.

If the rating trend revealed over the first ten weeks of the season persists, revenues for CBS are estimated at \$40 million less than they would have been with no loss of competitive position. NBC stands to stow \$5 million to \$10 million less in its tills. ABC, of course, will be pocketing the difference. Despite the difficulties, it appears likely that the networks' aggregate profits will increase substantially during the next few years. Overall gains of about 15 per cent seem attainable over the next five years.

[Fortune, December Issue, p. 83]

Newsweek

Colossus

It's being called the coming IBM of engineering and construction and indeed the heavy hand of Bechtel Corp. has become as ubiquitous in global heavy construction as IBM in computers and typewriters. The world is filled with its dams, power plants and pipelines and in 1974 alone it took down an estimated \$4.3 billion in contracts.

Bechtel has also become a subject of intense controversy. It's been accused of a conflict of interest in getting an Interior Department job to study the feasibility of coal-slurry pipelines while at the same time lobbying for the right of eminent domain to build just such a line. It has pressed for the right to produce nuclear fuels, then requested government guarantees to build the fuel plant. And it's the prime target in a Justice Department test case charging it violated the antitrust laws by cooperating in the Arab boycott against Israel.

The company claims it is not politically motivated, yet the fact is that in recent months it has hired such former top government executives as former Treasury Secretary George Schulz and Caspar Weinberger, the former Secretary of Health, Education and Welfare.

At last count, Bechtel had 111 major projects underway in 28 countries, including a \$680 million gas liquefaction plant in Kuwait. It is also conducting the study for a large part of the planning and industrial development in Saudi Arabia's \$142 billion, five-year program, designed to make of it a modern industrial state. It has 25,000 professional employees on its staff, 80 per cent of them with college degrees.

Bechtel makes no secret of the fact that it's been singled out for the Arab boycott antitrust suit, but says it can't figure out what the charges might be. "We got a policy," a company spokesman notes. "You obey the laws of the country in which you are working." As for the Shultz-Weinberger matter, the former insists that "in no way would I deal with my former colleagues on behalf of Bechtel," and Weinberger insists his contract forbids any such relations.

[Newsweek, 12-29-75, p. 45]

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vulnerable to economic cycles as most people think." He pointed out that the bulk of advertising expenditures come from major national advertisers who cannot afford to cut back much, even during recessionary periods, because they must maintain their market share.

He reported that advertising expenditures had picked up 6 per cent in 1975 over 1974 — "a better year than anyone expected," Ansel said — and that 1976 advertising spending is expected to increase another 10 per cent. Ansel added that with the expected economic upturn next year and the national elections next fall, the advertising agencies should have a particularly strong year.

BBDO chairman Tom Dillon, observing in last week's Wall Street Journal that a "wait-and-see" attitude prevailed among most advertisers during the first three quarters of 1975, now believes that "marketers are preparing to take a much more aggressive attitude toward 1976."

One aspect of BBDO which particularly impresses Ansel is its management and cost control. BBDO is "better managed and more efficient" than most other agencies, Ansel believes. Since advertising may be called a "labor-intensive" business — about 70 per cent of the costs of an advertising agency are related to the compensation of employees — an important measurement of agency efficiency is the ratio of employees per million dollars of billings. At the end of 1974, BBDO's ratio

See BBDO, page 20

Allegheny Airlines 7,630 common shares at \$28,000 - intended sale on Dec. 8 through Smith, Barney & Co., Inc. Acquired in Dec. 1968 on the open market, in Oct. 1970 from the company, and in April 1972 from Panther City Investment Co. Edward Bass.

Allied Leisure Industries, Inc. 7,500 common shares at \$45,000 - intended sale on Dec. 10 through Bache & Co., Inc. Acquired in July 1969 from the company. Robert J. Braun, officer and director.

American Telecommunications Corp. 2,000 common shares at \$15,750 - intended sale on Dec. 10 through Wagenseller & Durst, Inc. Acquired in Feb. 1970 from James H. Langworthy. Multinational Group, Inc. affiliate.

Anacomp, Inc. 2,500 common shares at \$27,500 - intended sale on Oct. 15 through Harrison & Co. Acquired in Aug. 1973 from the company. Andrew A. Stefanopoulos.

Anacomp, Inc. 2,500 common shares at \$27,500 - intended sale on Oct. 15 through Harrison & Co. Acquired in Aug. 1973 from the company. James Stefanopoulos.

Anacomp, Inc. 3,000 common shares at \$36,000 - intended sale on Dec. 1 through Phil Mar Investment Co., Inc. Acquired in Dec. 1973 from R.D. Palamara. Lena Palamara.

Anacomp, Inc. 1,700 common shares at \$18,700 - intended sale on Dec. 3 through Phil Mar Investment Co., Inc. Acquired in Nov. 1973 from the company and KDI Corp. James C. Newman.

Applied Digital Data Systems, Inc. 2,000 common shares at 27,250 - intended sale as soon as practicable through Merrill Lynch. Acquired in Jan. 1972 from Helix Investments Ltd. John F. Jacobs.

ARA Services, Inc. 21,443 common shares at \$986,378 - intended sale on Dec. 8 (broker not given). Acquired in July 1967 and July 1975 from the company, and in Dec. 1974 and Nov. 1975 on the open market. Martin Sperling, director and vice president.

Atlantic Pepsi-Cola Bottling Co. 3,929 common shares at \$35,361 - intended sale on Dec. 10 through Wheat, First Securities, Inc. Acquired in June 1972 from the company. Douglas C. Echols.

Arcata National Corp. 4,955 common shares at \$43,356 - intended sale within ninety days through Bateman Eichler, Hill Richards, Inc. Acquired in April 1972 from the company. William M. Knight.

Avnet, Inc. 6,300 common shares at \$63,000 - intended sale on Dec. 20 through Reynolds Securities, Inc. Acquired in July 1966 from the company. Patron Investors, Inc.,

Ronald O. Himberg, president

Baker Industries, Inc. 16,639 common shares at \$139,351.63 - intended sale on Dec. 10 through Waters, Parkerson & Co., Inc. Acquired in June 1970 from the company. Bruce Baird Jr., vice president of wholly-owned subsidiary.

Baker Oil Tools, Inc. 800 common shares at \$33,600 - intended sale on Dec. 9 through Goldman, Sachs & Co. Acquired in March 1973 from the company. Fritz W. Reuter.

BBDO International, Inc. 5,000 common shares at \$86,250 - intended sale on Dec. 9 or as soon as practicable thereafter through Drexel Burnham & Co., Inc. Acquired between Jan. 1968 and June 1972 from Thomas F. Cooneys, Donald D. Brown, Loomis G. Irish and Richard F. Flynn. Marine Midland Bank, New York.

BBDO International, Inc. 2,500 common shares at \$42,500 - intended sale in December through Dean Witter & Co., Inc. Acquired in April 1968 and March 1969 from the company. Allen G. Rosenshine.

BBDO International, Inc. 9,250 common shares at \$154,938 - intended sale within ninety days through Tucker, Anthony & R.L. Day. Acquired between March 1964 and March 1971 from the company. Edward S. Almgren.

Berkey Photo, Inc. 20,000 common shares at \$47,500 - intended sale on Dec. 10 through Shearson Hayden Stone, Inc. Acquired in May 1975 from Harvey Berkey. H & BB Partners, affiliate.

Beverage Management, Inc. 10,000 common shares at \$93,750 - intended initial sale on Dec. 4 and thereafter as permissible through Goldman, Sachs & Co. Acquired in June 1972 from the company. Estate of Charles Mechling Downey, Patricia A. Downey, executrix. Estate of former director - family owns in excess of ten per cent of outstanding stock.

Binney & Smith, Inc. 6,500 common shares at \$68,250 - intended sale between Dec. 15 and Jan. 15, 1976 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in May 1975 from Frederick R. Cantzlaar. Estate of Frederick R. Cantzlaar.

Bio-Medicus, Inc. 8,000 common shares at \$20,000 - intended sale on Dec. 12 through Dean Witter & Co., Inc. Acquired in Oct. 1971 from the company. Douglas Cornelius.

Black & Decker Manufacturing Co. 5,000 common shares at \$102,500 intended sale within the next six months through Bateman Eichler, Hill Richards, Inc. Acquired in Oct. 1973 from the company. Barbara B. McCulloch.

Burlington Industries, Inc. 500 common shares at \$14,500 - intended sale on Dec. 8 through A.L. Williamson & Co. Acquired in Jan. 1973 from Joseph Romano. Joseph Romano.

Burnup & Sims, Inc. 5,000 common shares at \$20,000 - intended sale on Dec. 1 through E.F. Hutton & Co., Inc. Acquired in Sept. 1971 from the company. Jane E. Williams.

Calbiochem 7,665 common shares at \$137,970 - intended sale between Oct. 14 and Nov. 17 through Smith-Hague Co., Inc. Acquired in Feb. 1962 from the company. California Foundation for Biochemical Research, ten per cent stockholder.

Campbell Soup Co. 10,000 common shares at \$337,500 - intended sale on Dec. 11 through Kidder, Peabody & Co., Inc. Acquired in Sept. 1970 from the company. Walter F. Clark Sr.

Capital Holding Corp. 2,000 common shares at \$42,200 - intended sale on Dec. 10 through J.J.B. Hilliard, W.L. Lyons, Inc. Acquired in May 1969 from the company. Nancy B. Rash.

Cavitron Corp. 6,000 common shares at \$90,000 - intended sale on Dec. 11 through Bruns, Nordeman, Rea & Co. Acquired in March 1972 and Jan. 1973 from the company. Charles D. Kelman.

Champion International Corp. 5,000 \$1.20 cumulative convertible preferred shares at \$90,000 - intended sale on Dec. 11 through William O'Neil & Co. Acquired in March

1968 from the company. L.E. Willson Testamentary Trust (beneficial interest), Birmingham Trust National Bank, as trustee - nominee name: Lynspen & Co.

Champion Spark Plug Co. 31,500 common shares at \$342,562.50 - intended sale on Dec. 9 through J.C. Bradford & Co. Acquired in March 1967 from Frank R. Stranahan. The Toronto-Dominion Bank.

Chesebrough-Pond's, Inc. 10,000 common shares at \$606,250 - intended sale on Dec. 19 through E.F. Hutton & Co., Inc. Acquired in May 1973 from the company. Louis Russek, director.

Christensen, Inc. 2,394 common shares at \$23,940 - intended sale on Dec. 10 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired prior to 1970 from Clyde Christensen. Douglas D. Heiner.

CFS Continental 2,400 common shares at \$38,700 - intended sale on Dec. 12 through Dean Witter & Co., Inc. Acquired in March 1973 from Artic Gardens Corp. Merlin W. Hieronymus.

Collins Food International 11,350 common shares at 57,000 - intended sale on Dec. 15 through Dean Witter & Co., Inc. Acquired in June 1972 from the company. Ole J. Lilleoren.

Communications Industries, Inc. 5,000 common shares at 82,000 - intended sale on Dec. 12 through R.K. Pace, Post & Co., Inc. Acquired in Nov. 1960 from the company. Thomas J. McMullin, chairman of the board.

Compugraphic Corp. 7,200 common shares at \$152,100 - intended sale on Dec. 11 through White, Weld & Co., Inc. Acquired in Oct. and Nov. 1973 from Ellis Hanson. Society for the Protection of New Hampshire Forests.

Conroy, Inc. 6,400 common shares at \$16,800 - intended sale within ninety days through Hornblower & Weeks-Hemphill, Noyes, Inc. Acquired in July 1969 from the company. Thomas M. O'Sullivan, director.

Coquina Oil Corp. 5,000 common shares at \$92,500 - intended sale on Dec. 5 through Kidder, Peabody & Co., Inc. Acquired in July 1973 from the company. Holly Resources Corp.

Cutler-Hammer, Inc. 2,500 common shares at \$72,500 - intended sale on Dec. 10 through Hornblower & Weeks-Hemphill, Noyes, Inc. Acquired in Jan. 1972 from the company. Carel F. Abresch, as trustee under Carel F. Abresch revocable trust.

Dataproducts Corp. 4,000 common shares at \$15,000 - intended sale on Dec. 11 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in March 1971 from the company. Louie Lueders Jr.

Dayton Hudson Corp. 5,000 common shares at \$126,250 - intended sale on Dec. 8 through Goldman, Sachs & Co. Acquired in Aug. 1928 from G. Nelson Dayton. Donald C. Dayton, director.

Diamond M Drilling Co. 962 common shares at \$15,000 - intended sale on Dec. 11 through Cowen & Co. Acquired in Jan. 1973 from Circo Exploration Co. Estate of Clyde R. Claus.

Dr. Pepper Co. 5,000 common shares at \$55,000 - intended sale on Dec. 10 through Schneider Bernet & Hickman, Inc. Acquired in Dec. 1972 from the company. Hascal S. Billingsley, director.

Dunkin' Donuts, Inc. 20,000 common shares

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.

at \$87,500 - intended sale on Dec. 12 through Kidder, Peabody & Co., Inc. Acquired in Jan. 1960 from the company. William Rosenberg, chairman of the board, treasurer and director.

du Pont (E.I.) de Nemours & Co. 800 common shares at \$104,000 - intended sale on Dec. 8 through Harris, Upham & Co., Inc. Acquired in April 1973 from the company. Lillian S. Phillips.

Eagle-Picher Industries, Inc. 4,000 common shares at \$104,000 - intended sale on Nov. 26 through E.F. Hutton & Co., Inc. Acquired in April 1973 from the company. E. Dean Jarboe.

Edison Brothers Stores, Inc. 10,560 common shares at \$475,200 - intended sale between Dec. 15 and March 15, 1976 through White, Weld & Co., Inc. Acquired in Feb. 1969 from the company. First Small Business Investment Co. of California.

Ethan Allen, Inc. 1,000 class A common shares at \$17,500 - intended sale on Dec. 8 through McMullen & Hard. Acquired prior to Dec. 1972 from Theodore Baumritter. Mount Sinai Medical Center of Greater Miami.

Fairchild Camera & Instrument Corp. 10,000 common shares at \$346,250 - intended sale as soon as practicable through White, Weld & Co., Inc. Acquired in Aug. 1974 from the estate of Sherman M. Fairchild. Sherman Fairchild Foundation, Inc.

Fluke (John) Manufacturing Co., Inc. 1,532 common shares at \$32,172 - intended sale on Dec. 10 through Dean Witter & Co., Inc. Acquired in April 1973, March 1974, and March 1975 from the company R.L. and R.W. Howell.

Frigitronics, Inc. 10,475 common shares at \$141,412 - intended sale on Dec. 16 and ninety days thereafter through Bache & Co., Inc. Acquired in Dec. 1969 from the company. Alliance Medical Industries, Inc.

General Electric Co. 341 common shares at \$15,771.25 - intended sale on Dec. 10 through Dean Witter & Co., Inc. Acquired in Sept. 1975 from the General Electric Foundation. The board of trustees of the Leland Stan-

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Company	Shares	Total Reported Transactions	Total \$\$\$ Amount.
ARA Services, Inc.	21,443	1	\$ 986,378
BBDO International, Inc.	16,750	3	283,688
Campbell Soup Co.	10,000	1	337,500
Champion Spark Plug Co.	31,500	1	342,562
Chesebrough-Pond's, Inc.	10,000	1	606,250
Edison Brothers Stores, Inc.	10,560	1	475,200
Fairchild Camera Instrument Corp.	10,000	1	346,250
Heinz (H.J.) Co.	30,644	1	1,616,471
Host International, Inc.	24,018	1	288,216
House of Fabrics, Inc.	56,500	1	565,000
Longs Drug Stores	7,000	2	462,000
May Department Stores Co.	12,000	1	546,000
P.ant Industries, Inc.	42,271	3	339,804
Revlon, Inc.	4,000	1	300,000
Reynolds Metals	16,750	2	343,375
Sybron Corp.	28,000	1	448,000
Wetterau, Inc.	20,120	2	302,015
Weyerhaeuser Co.	20,000	1	738,745

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ford Junior University.

General Reinsurance Corp. 200 common shares at \$28,800 - intended sale on Dec. 10 through Goldman, Sachs & Co. Acquired in Dec. 1974 from Joan W. Payson. Metropolitan Museum of Art.

Genuine Parts Co. 2,250 common shares at \$78,750 - intended sale on Dec. 1 through Bache & Co., Inc. Acquired in July 1968 and April 1972 from the company. William R. Valentine, officer.

Gulf & Western Industries, Inc. \$250,000 5 1/2 per cent convertible subordinated debentures due July 1, 1987 at \$234,375 - intended sale on Dec. 10 through Goldman, Sachs & Co. Acquired in July 1967 from the company. Charles G. Bluhdorn, chairman of the board.

Heinz (H.J.) Co. 30,644 common shares \$1,616,471 - intended sale on Dec. 11 or thereafter through Morgan Stanley & Co., Inc. Acquired in Aug. and Dec. 1970 from the company. The Northwestern Mutual Life Insurance Co.

Hickory Farms of Ohio, Inc. 13,000 common shares at \$87,750 - intended sale on Dec. 12 through R. Gilder & Co., Inc. Acquired in Aug. 1971 from the company. Richard K. Ransom, affiliate.

Host International, Inc. 24,018 common shares at \$288,216 - intended sale on Dec. 15 through Dean Witter & Co., Inc. Acquired in April 1972 from Joe E. Schero. Mrs. Carl Ann Schero.

House of Fabrics, Inc. 56,500 common shares at \$565,000 - intended sale on Nov. 11 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Jan. 1965 from the company. Charles Sofro, director and vice president.

International Flavors & Fragrances, Inc. 5,000 common shares at \$131,250 - intended sale on Dec. 12 through Harris, Upham & Co., Inc. Acquired in Sept. 1964 from Pauline H. Van Dyke, and at various times from the company. Pollybill Foundation, Inc.

International Multifoods Corp. 7,500 common shares at \$172,500 - intended sale on Dec. 20 through Piper, Jaffray & Hopwood, Inc. Acquired in July 1975 from Feinberg Distributing Co. Linda L. Feinberg.

Lancaster Colony Corp. 7,000 common shares at \$56,000 - intended sale on Dec. 15 through Moseley, Hallgarten & Estabrook, Inc. Acquired in Aug. 1968 from Phil J. Zinc, in Dec. 1968 from First Columbus Corp, and in Nov. 1971 from the company. Morris S. Halpern, vice president and director.

Levitz Furniture Corp. 40,000 common shares at \$150,000 - intended sale on Dec. 11 through Bache & Co., Inc. Acquired in Feb. 1965 from the company. Phillip A. Levitz, director.

Longs Drug Stores, Inc. 2,000 common shares at \$132,000 - intended sale at various times commencing on Dec. 15 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Oct. 1946 from the company. Thomas J. Long trust under agreement dated Sept. 4, 1974. T.J. Long is a director and ten per cent stockholder of the issuer.

Longs Drug Stores, Inc. 5,000 common shares at \$330,000 - intended sale at various times commencing on Dec. 15 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Oct. 1946 from the company. Thomas J. Long trust for Jeffrey M. Long. T.J. Long is a director and ten per cent stockholder of the issuer.

Lowe's Companies, Inc. 1,000 shares (type - not specified) at \$41,000 - intended sale on Dec. 11 through Dean Witter & Co., Inc. Acquired more than two years previously from the company's profit sharing plan and trust. John K. Miner.

May Department Stores Co. 12,000 common shares at \$546,000 - intended sale between Dec. 12 and Jan. 12, 1976 through Goldman, Sachs & Co. Acquired in Dec. 1953 and Nov. 1954 from the company. The May Stores Foundation, Inc., affiliate.

Mayer (Oscar) & Co. 4,625 common shares at \$105,215 - intended sale on Dec. 11 through William Blair & Co. Acquired in March 1968 from Louise C. Ferrarotti. Franco Ferrarotti, affiliate.

McDonald's Corp. 618 common shares at \$35,226 - intended sale as soon as practicable through Paine, Webber, Jackson & Curtis, Inc. Acquired in Oct. 1970 from the company. Thomas H. Williams.

Mego International, Inc. 4,500 common shares at \$55,125 - intended sale on Dec. 9 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Dec. 1972 from Martin Abrams, and in April 1975 from the company. United Jewish Appeal of Greater New York, Inc.

Motion Industries, Inc. 2,783 common shares at \$42,440 - intended sale on Dec. 8 through Eppler, Guerin & Turner, Inc. Acquired in April 1973 from the company. Arthur A. Hensarling.

National CSS, Inc. 4,000 common shares at \$40,800 - intended sale on Dec. 2 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Dec. 1972 from the company. H. Frederick Johnston, former director.

National Life of Florida Corp. 10,000 common shares at \$32,500 - intended sale during December through Kidder, Peabody & Co., Inc. Acquired in April 1965 from the company. Ray W. Richardson Jr., secretary, director and counsel, and Elizabeth Y. Richardson.

National Starch & Chemical Corp. 2,200 common shares at \$92,400 - intended sale on Dec. 9 through F. Eberstadt & Co., Inc. Acquired in Feb. 1975 from Anna A. Greenwall. Anna A. Greenwall Trust under trust agreement dated Feb. 18, 1975. A.A. Greenwall is a ten per cent shareholder of the issuer.

National Starch & Chemical Corp. 2,200 common shares at \$92,400 - intended sale on Dec. 9 through F. Eberstadt & Co., Inc. Acquired in Feb. 1975 from Frank K. Greenwall. Frank K. Greenwall Trust under trust agreement dated Feb. 18, 1975. F.K. Greenwall is an officer and director of the issuer.

North European Oil Royalty Trust 4,252 certificates of beneficial interest at \$68,000 - intended sale on Dec. 8 through Hardy & Co. Acquired prior to 1960 on the open market. John H. van Kirk, managing trustee.

Nyvatec Oil Corp. 12,000 common shares at \$12,000 - intended sale in December through Paulson Investment Co. Acquired in 1972 and 1973 from the company. James T. Wilbert.

Ogden Corp. 5,000 common shares at \$77,500 - intended sale on Dec. 10 through Dean Witter & Co., Inc. Acquired between Nov. 1967 and Dec. 1968 on the open market. Tillie Lewis, director.

Plant Industries, Inc. 16,698 common shares at \$129,410 - intended sale on Dec. 15 through Bache & Co., Inc. Acquired in July 1969 from the company. Morris Fox.

Plant Industries, Inc. 16,698 common shares at \$129,410 - intended sale on Dec. 15 through Carreau, Smith, Inc. Acquired in July 1969 from the company. Saul Fox.

Plant Industries, Inc. 8,875 common shares at \$80,984 - intended sale between Dec. 1975 and Feb. 1976 through Paine, Webber, Jackson & Curtis, Inc. Acquired in April 1970 from the company. William H. Roper, vice president and director.

Purolator, Inc. 1,798 common shares at \$64,728 - intended sale on Dec. 17 through Reynolds Securities, Inc. Acquired in Sept. 1971 from the company. Eugene J. Taylor and Margaret F. Taylor.

Reserve Oil & Minerals Corp. 3,000 common shares at \$120,000 - intended sale on Dec. 11 through Doherty & Co. Acquired in Jan. 1972 from James W. McKee. Melfi Corp, ten per cent stockholder.

Revlon, Inc. 4,000 common shares at \$300,000 - intended sale on Dec. 1 through Bache & Co., Inc. Acquired in Dec. 1975

from the estate of Charles Revson. John C. Revson.

Reynolds Metals, Inc. 7,000 common shares at \$143,500 - intended sale on Dec. 16 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Dec. 1961 from Richard S. Reynolds Jr. (trustee). Davreyn Corp, affiliate.

Reynolds Metals, Inc. 9,750 common shares at \$199,875 - intended sale on Dec. 16 through Merrill Lynch, Pierce, Fenner & Smith, Inc. Acquired in Dec. 1961 from Richard S. Reynolds Jr. (trustee). Wilreyn Corp., affiliate.

ServiceMaster Industries, Inc. 7,500 common shares at \$165,000 - intended sale on Dec. 9 through William Blair & Co. Acquired in Nov. 1967 from William Blair & Co. Guinness Mahon & Co. Ltd.

Shenandoah Oil Corp. 3,000 common shares at \$58,500 - intended sale on Dec. 12 through White, Weld & Co., Inc. Acquired in April 1969 from the company. B.J. Kellenberger, chairman of the board and president.

Skaggs Companies, Inc. 1,000 common shares at \$30,000 - intended sale on Dec. 4 through Thomson & McKinnon, Auchincloss Kohlmeier, Inc. Acquired in Jan. 1953 from Tom Cuthbert. Robert S. Lowen, director.

Storer Broadcasting Co. 5,000 common shares at \$75,000 - intended sale on Dec. 9 through Salomon Brothers. Acquired in July 1973 from the company. Shawmut Bank of Boston, N.A., and Marjorie D. Brown, trustees under trust instrument, dated Jan. 23, 1956, of Walter Brown.

Sybron Corp. 28,000 common shares at \$448,000 - intended sale between Dec. 1975 and March 1976 through Hornblower & Weeks-Hemphill, Noyes, Inc. Acquired in June 1968 from the company. Sidney M. Weinstein.

Sycor, Inc. 5,510 common shares at \$110,200 - intended sale on Dec. 4 through Drexel Burnham & Co., Inc. Acquired in Jan. 1973 from Coordinated Apparel, Inc. Richard Frankfort.

Sycor, Inc. 5,000 common shares at \$85,000 - intended sale on Dec. 15 through Drexel

Burnham & Co., Inc. Acquired between April 1971 and Dec. 1973 from the company. Estate of Arthur Loeb.

Texas Instruments, Inc. 1,550 common shares at \$142,406 - intended sale on Dec. 9 through Morgan Stanley & Co., Inc. Acquired in Nov. 1975 from Cecil H. Green. National Jewish Hospital & Research Center.

Tyler Corp. 3,100 common shares at \$62,000 - intended sale between Dec. 10 and 31 through A.G. Edwards & Sons, Inc. Acquired in 1966 from LTV Corp. Joseph F. McKinney, chairman of the board, president and chief executive officer.

Western Co. of North America 3,400 common shares at \$47,600 - intended sale on Dec. 11 through Schneider Bernet & Hickman, Inc. Acquired in Nov. 1972 from the company and in June 1975 on the open market. C. Murph Holley and Patricia B. Holley. C.M. Holley is vice president of issuer.

Westinghouse Electric Corp. 15,413 common capital shares at \$167,616 - intended sale between Dec. 1975 and Jan. 1976 through Spencer Trask & Co., Inc. Acquired in Dec. 1969 from the company. William B. Hall and George E. Hall Trust under agreement dated Jan. 28, 1954. Harriet B. Hall.

Wetterau, Inc. 18,400 common shares at \$276,000 - intended sale between Dec. 5 and March 4, 1976 through Howard, Weil, Labouisse, Friedrichs, Inc. Acquired in Sept. 1973 from the company. John S. Brizendine, vice president and director.

Wetterau, Inc. 1,720 common shares at \$26,015 - intended sale between Jan. 2 and March 31, 1976 through Howard, Weil, Labouisse, Friedrichs, Inc. Acquired in Aug. 1975 from the company. Ferlyn Prather, director.

Weyerhaeuser Co. 20,000 common shares at \$738,745 - intended sale on Dec. 12 through Goldman, Sachs & Co. Acquired in 1931 (source not given). First Trust Co. of St. Paul, Hortense B. Ingram, E.B. Ingram, F.B. Ingram, trustees of amendment and complete restatement dated Jan. 27, 1974, of trust under agreement dated Aug. 2, 1955. E.B. Ingram, co-trustee, is a director of the issuer.

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The figure after the transaction date represents the total number of shares now held by the person involved in the transaction.

These reports are a matter of public record and are made public by the SEC and by the Exchange with which they are filed.

Sales

Allergan Pharmaceuticals 1,000 common shares at \$16.25 open market sale on Nov. 20. 101,442. Richard P. Hausman, executive vice president and director.

American Greetings Corp. 2,850 class A common shares at \$7% open market sale on Nov. 21. 15,133. Morry Weiss, group vice president.

American Natural Gas Co. 500 common shares at \$31.50 open market sale on Nov. 6. 0. Robert M. Hoffer, former director.

Amstar Corp. 300 common shares at \$38 open market sales on Nov. 13 and 20. 1,100. Raymond C. Guth, vice president and secretary.

Anderson, Clayton & Co. 500 common shares at \$38.125 open market sale on Nov. 17. 2,496. W. Merrill Glasgow, vice president.

Apexco, Inc. 1,700 common shares at \$21-\$21.375 open market sales on Nov. 4, 13, and 20. 315. Raymond Plank, director and chairman of the board.

ARA Services, Inc. 14,988 common shares at an average price of \$44.973 open market sales between Nov. 10 and 26. 104,733. Carl A. Morse, director and executive vice president.

Arvin Industries, Inc. 1,000 common shares at \$10 open market sale on Nov. 12. 15,660. Charles J. Meyers, senior vice president and director.

Automatic Data Processing, Inc. 2,151 common shares at \$59.25-\$59.75 open market sales on Nov. 13 and 14. 3,600. J. Weston, vice president.

Bank of Virginia Co. 1,000 common shares at 10%-\$10% open market sales on Dec. 2. 3,000. Herbert C. Moseley, group vice president.

Bank Securities, Inc. 986 common capital shares at \$12.83 private sale on Dec. 3. 54,982. Dan W. King, director.

Beatrice Foods Co. 1,000 common shares at \$23.25 sale on Nov. 5. 3,000. T. Mackin Sexton, director.

Berkey Photo, Inc. 8,100 common shares at \$2.625-\$2.875 open market sales on Nov. 18 and 24. 13,206. Edward A. Smith, director.

Big Three Industries, Inc. 900 common shares at \$60.25-\$61 open market sales on Nov. 4 and 12. 98,814. Harry K. Smith, chairman of the board and chief executive officer.

Bird & Son, Inc. 400 common shares at \$77-\$78 open market sales on Nov. 6 and 26. 260,556. David Bird, director.

Block (H & R), Inc. 5,154 common shares at \$15%-\$15% sales on Nov. 5. 95,076. Morton I. Sosland, director.

Block (H & R), Inc. 3,000 common shares at \$16.375 open market sale on Nov. 12. 1,526,396. Richard A. Bloch, director, chairman of the board and beneficial owner of more than ten per cent of the company's outstanding stock.

Boeing Co. 500 common capital shares at \$38.25 sale on Nov. 3. 2,947. Lowell P. Mickelwait, director emeritus.

Bristol-Myers Co. 1,000 common shares at \$72½-\$72¼ open market sales on Nov. 21. 1,000. William R. Miller, senior vice president.

Central Bancshares of the South 2,896 common shares at \$8.75-\$9.25 open market sales on Nov. 14 and 26. 89,425. Tine W. Davis, director.

Central Freight Lines, Inc. 2,625 common shares at \$20.07 private sale on Nov. 10. 57,500. Jackson B. Callan, director.

CFS Continental, Inc. 1,500 common shares at \$14-\$16 open market sales on Nov. 13, 18, and 26. 16,033. Jack Bloom, vice president.

Chesebrough-Pond's, Inc. 700 common shares at \$61 and \$62 open market sales between Nov. 21 and 28. 12,770. William L. Jackson - relationship to company not given.

Chrysler Corp. 3,195 common shares at \$10½-\$10% open market sales on Oct. 9 and 23. 200. Edwin N. Homer, vice president.

Cincinnati Milacron, Inc. 2,350 common shares at \$19½-\$19 15-16 open market sales between Nov. 6 and Dec. 2. 5,562. Philip O. Geier Jr., chairman and director.

Codex Corp. 700 common shares at \$36% and \$37% open market sales on Nov. 11 and 13. 22,300. Jerome S. Katzin, director.

Collins & Aikman Corp. 2,500 common shares at \$10%-\$11% open market sales between Nov. 3 and 12. 38,200. James F. King, group vice president.

Colonial Penn Group, Inc. 500 common shares at \$35.50 and \$35.75 open market sales on Nov. 12 and 28. 7,600. Daniel Gross, vice president.

Comprehensive Communities Corp. 60,009 common shares at \$0.04 private sales in November. 60,009. Steven Adelstein, president and chief executive officer.

Computer Sciences Corp. 36,000 common shares at \$4.125-\$4.375 private sales between Nov. 17 and 24. 1,486,471. Roy Nutt, vice president, director and beneficial owner of more than ten per cent of the company's common stock.

Computervision Corp. 2,500 common shares at \$5.75 rule 144 sale on Nov. 5. 374,903. Philippe Villers, senior vice president and director.

Conroy, Inc. 3,400 common shares at \$2.125 open market sales on Nov. 17 and 18. 438,462. Thomas M. O'Sullivan, director and beneficial owner of more than ten per cent of the company's common stock.

Consolidated Papers, Inc. 268 capital shares at \$40 open market sale on Nov. 24. 2,300. Ira F. Boyce, director and vice president.

Control Data Corp. 1,000 common shares at \$20% open market sale on Nov. 18. 7,001. Roger G. Wheeler - relationship to company not given.

Cox Cable Communications, Inc. 1,000 common shares at \$14 open market sale on Nov. 24. 1,750. Henry W. Harris, director and president.

Data Card Corp. 2,000 common shares at \$8.95 sale on Nov. 25. 5,713. William T. Price, vice president.

Data General Corp. 500 common shares at \$35.50 open market sale on Nov. 4. 0. Carl D. Carman, vice president.

Datascope Corp. 700 common shares at \$17.75 open market sale on Nov. 5. 59,405. Alan J. Patricof, director.

DEKALB AgResearch, Inc. 398 class B common shares at \$35.25 open market sale on Nov. 4. 7,742. Richard F. Holland, vice president.

Deposit Guaranty Corp. 1,925 common shares at \$17-\$17.235 private sales on Nov. 12 and 28. 47,695. N. L. Carpenter, director.

Dome Petroleum Ltd. 1,300 common shares at \$34¼-\$34 open market sales on Nov. 6, 10, and 12. 3,984. Donald R. Gilley, vice president.

Doyle Dane Bernbach, Inc. 3,100 common shares at \$9-\$9% open market sales between Nov. 5 and 19. 33,931. Maxwell Dane, director.

Dun & Bradstreet Companies, Inc. 1,000 common shares at \$29% open market sale on Nov. 14. 6,000. Joseph W. Hight, director.

Dun & Bradstreet Companies, Inc. 25,000 common shares at \$27.75-\$28.50 open market sales between Nov. 6 and 25. 1,855,542. John Hay Whitney, director.

Edison Brothers Stores, Inc. 220 common shares at \$48½-\$51¼ open market sales on Nov. 12 and 18. 2,504. Frank P. Ricca Jr., vice president.

E-Systems, Inc. 1,000 common shares at \$23.50-\$24.75 open market sales on Nov. 7. 1,800. Harry L. Thurmon, vice president and treasurer.

Evans Products Co. 6,778 common shares at \$4.625-\$4.875 open market sales between Nov. 5 and 14. 0. Peter H. Koehler, executive vice president.

Faberge, Inc. 20,000 common shares at \$6-\$6% open market sales on Nov. 12 and 13. 431,566. Mark L. Arend, chairman of the board.

Fair Lanes, Inc. 1,800 common shares at \$6¼-\$6% open market sales on Nov. 10, 11, and 12. 584,372. Sidney M. Friedberg, chairman of the board, director and beneficial owner of more than ten per cent of the company's class A common stock.

Fair Lanes, Inc. 1,800 common shares at \$6¼ and \$6% open market sales on Nov. 10, 11, and 12. 488,514. Sylvia Nachlas, director and beneficial owner of more than ten per cent of the company's class A common stock.

Federal Screw Works 500 common shares at \$22 open market sale on Nov. 29. 2,900. Merton L. Lamkins, director and vice president.

Federated Department Stores, Inc. 1,700 common shares at \$55-\$56.375 open market sales on Nov. 13, 17, and 18. 142,347. Ralph Lazarus, chairman of the board and director.

Federated Department Stores, Inc. 416 common shares at \$53.25 open market sale on Nov. 21. 1,520. Ross F. Anderson, group president and director.

First Coolidge Corp. 3,000 common shares at \$4 private sale on Nov. 19. 29,212. Ralph Torchio, director.

First Great Western Investment Corp. 272,500 common shares at \$0.20 private sale on Nov. 6. 0. William A. Janssen, beneficial owner of more than ten per cent of stock.

First Melville Bancorp, Inc. 1,500 common shares at 20% sales on Nov. 17. 3,505. Frank M. Martin, director.

First Tennessee National Corp. 2,000 common shares at \$6.375 open market sale on Nov. 14. 9,000. C. H. Murphy Jr., director.

Frederick & Herrud, Inc. 6,000 common shares at \$3 open market sale on Nov. 3. 37,950. Isaac Gold, vice president.

Friendly Ice Cream Corp. 1,000 common shares at \$25.50 open market sale on Nov. 18. 9,652. John F. Cauley Jr., director and group vice president.

Friendly Ice Cream Corp. 1,200 common shares at \$24-\$25.50 open market sales on Nov. 19 and 25. 8,780. Eric W. Anderson, director, vice president and treasurer.

Garland Corp. 15,000 class A common shares at \$3 private sale on Nov. 20. 482,207. Edward W. Bernat, director, president and beneficial owner of more than ten per cent of the company's common stock.

Georgia-Pacific Corp. 400 common shares at \$44.50 sale on Nov. 6. 376,517. Julian N. Cheatham, director.

General Electric Co. 664 common shares at \$49¼-\$49¼ open market sales on Nov. 17. 3,504. Robert V. Corning, vice president and general manager of division.

Goodyear Tire & Rubber Co. 1,000 common shares at \$22.50 open market sale on Nov. 26. 9,804. Bruce M. Robertson, director and executive vice president.

Gould, Inc. 1,000 common shares at \$31.25 open market sale on Nov. 14. 23,335. William G. Laffer, director.

Hercules, Inc. 890 Common shares at \$28.375-\$28.50 open market sales on Nov. 20. 2,590. Philip D. Saxon, secretary. \$28.375-\$28.50 open market sales on Nov. 20.

Heublein, Inc. 6,500 common shares at \$47.50 open market sale on Nov. 14. 700,565. Frances Heublein O'Dell, director.

Howard Johnson Co. 6,600 common shares at \$14¼-\$15% open market sales on Nov. 11 and 12. 9,100. Wallace W. Lee Jr., vice president.

Howard Johnson Co. 900 common shares at \$15-\$15% open market sales on Nov. 21. 1,000. Robert M. Hamilton, vice president.

Howard Johnson Co. 9,000 common shares at \$14½-\$15% open market sales on Nov. 10, 25, and 26. 10,000. Donald G. Friedl, vice president.

Information International, Inc. 1,500 common shares at \$12 11-16-\$12% sales on Nov. 19. 253,600. Robert W. Waller, vice president and director.

Information International, Inc. 3,800 common shares at 11.75-\$12.75 rule 144 sales between Nov. 6 and 25. 550,735. Edward Fredkin, director and ten per cent stockholder.

Inland Steel Co. 500 common shares at \$37.875 open market sale on Nov. 25. 73,216. Leigh B. Block, director.

Intel Corp. 3,500 common shares at \$78.50-\$79 open market sales on Nov. 12. 183,225. Arthur Rock, vice chairman of the board.

International Flavors & Fragrances, Inc. 1,901 class A common shares at \$25.25-\$26.50 open market sales on Nov. 17, 26, and 30. 8,486. Robert L. Stickney, vice president.

Interpace Corp. 1,500 common shares at \$22.25-\$23.75 open market sales on Nov. 3, 13, and 24. 102,776. Allan M. Hirsh Jr., director.

Kaiser Aluminum & Chemical Corp. 600 common shares at \$25 sale on Nov. 11. 2,005. William Hobbs, director, vice president and treasurer.

Kent-Moore Corp. 500 common shares at \$20.50 sale on Nov. 25. 103,907. Herbert J. Adair, chairman of the board.

King Louie International, Inc. 64,320 class A common shares at \$5 private sale on Nov. 28. 0. Jack H. Glenn, director.

Koppers Co., Inc. 750 common shares at \$32 and \$32.50 open market sales on Dec. 10 and 11. 36,972. W. Julian Parton - relationship to company not given.

Lilly (Eli) & Co. 200 common shares at \$57 open market sale on Nov. 18. 13,450. Donald J. Holmquist, treasurer.

Macmillan, Inc. 5,000 common shares at \$4-\$4.25 open market sales between Nov. 13 and 20. 58,173. Joseph Schwartz, director.

McDonald's Corp. 500 common shares at \$56.75 open market sale on Nov. 13. 12,000. Norman D. Axelrad, vice president.

McDonald's Corp. 530 common shares at \$57%-\$57½ open market sales on Nov. 17. 1,600. L. A. Root, vice president.

McNeil Corp. 1,800 common shares at \$8¼-\$9¼ open market sales on Nov. 6 and 11. 4,900. Everett M. Myers, director.

Merck & Co., Inc. 1,000 common shares at \$78.25 open market sale on Nov. 14. 234,820. Adolph G. Rosengarten Jr., director emeritus.

Molex, Inc. 500 common shares at \$22.50 open market sale on Nov. 12. 200,111. Fredrick A. Krehbiel, director, executive vice president and beneficial owner of more than ten per cent of stock.

Molex, Inc. 1,125 common shares at \$22.50 open market sales on Nov. 17 and 19. 764,231. John H. Krehbiel Sr., chairman of the board of directors and beneficial owner of at least ten per cent of all classes of stock.

New York Magazine Co., Inc. 15,300 common shares at \$1.25 open market sale on Nov. 12. 21,900. Thomas L. Kempner, director.

Nolex Corp. 2,000 common shares at \$10¼-\$10% open market sales on Nov. 25 and 26. 544,536. Morrill W. Noland, director and beneficial owner of more than ten per cent of the company's common stock.

See INSIDER TRADING, page 15

Insider Trading

Continued from page 14

Northern Electric Co., Ltd. 2,500 common shares at \$25½-\$25¾ (Canadian) open market sales on Nov. 13, 14, and 17. 800. Georges de Lery Demers, director.

Northern Electric Co., Ltd. 300 common shares at \$25 (Canadian) open market sale on Dec. 1. 500. Georges de Lery Demers, director.

Northwest Bancorporation 500 common shares at \$45 open market sale on Nov. 12. 500. John A. Sweeney, senior vice president.

Norton Co. 500 common shares at \$25.75 sale on Nov. 26. 96,124. John Jeppson, director and chairman of the board.

OKC Corp. 5,000 common shares at \$9-\$9.25 open market sales on Dec. 1. 0. Gene H. Bishop, director.

Oklahoma Natural Gas Co. 3,000 common shares at \$23.275 open market sale on Nov. 14. 0. Charles M. Schoenfeldt, vice president.

Orange-Co., Inc. 30,000 common shares at \$13.175 sale on Nov. 20. 51,513. R. David Thomas, director.

Otis Elevator Co. 300 common shares at \$44.50 sale on Nov. 13. 0. Richard K. Paynter Jr., director.

Outboard Marine Corp. 700 common shares at \$28.125 open market sale on Nov. 26. 3,000. Robert N. West Jr., vice president.

Oxford Industries, Inc. 1,200 common shares at \$15.625-\$15.75 open market sales on Nov. 13. 83,525. John P. Hunter Jr., vice president and director.

Oxford Industries, Inc. 1,000 common shares at \$15.50 open market sale on Nov. 17. 28,427. Grady M. Jackson, vice president and director.

Oxford Industries, Inc. 900 common shares at \$15.50-\$16 rule 144 sales on Nov. 18 and 20. 88,197. Gene W. Milner, vice president and director.

Pan Ocean Oil Corp. 3,100 common shares at \$8½-\$9½ (Canadian) open market sales between Nov. 18 and 28. 10,573. Adam A. W. Kryczka, former vice president and director.

Penwalt Corp. 600 common shares at \$29 open market sales on Nov. 12. 400. James S. Coles, director.

Pickwick International, Inc. 15,500 common shares at \$14.125-\$14.625 open market sales on Nov. 5 and 12. 194,533. Amos Heilicher, president and director.

Pickwick International, Inc. 10,500 common shares at \$14.125-\$14.625 open market sales on Nov. 5 and 12. 174,712. Daniel Heilicher, vice president and director.

Potlatch Corp. 450 common shares at an aggregate price of \$22.325 open market sale on Nov. 17. 1,042. George E. Pfautsch, treasurer.

Potlatch Corp. 508 common shares at \$40½-\$50¾ rule 144 sales on Nov. 18. 7,488. Richard V. Warner, vice president.

Procter & Gamble Co. 450 common shares at \$94¼-\$95 sales on Nov. 13. 2,560. William W. Abbott, vice president.

Purolator, Inc. 1,400 common shares at \$37 open market sale on Nov. 20. 40,052. Barry B. Willis, vice president.

Purolator, Inc. 500 common shares at \$36.50 open market sale on Nov. 21. 1,500. Warren C. Tyler, executive vice president.

Raybestos-Manhattan, Inc. 1,000 common shares at \$25.125-\$25.50 open market sales on Oct. 30. 2,588. John G. Rohrbach, director.

Raychem Corp. 450 common shares at \$225-\$226 open market sales on Nov. 17. 1,050. William R. Heslop, vice president.

Raychem Corp. 6,000 common shares at \$224-\$225 open market sales between Nov. 19 and 26. 100,781. Paul M. Cook, president.

Redken Laboratories 6,700 common shares

at \$15.25 and \$18.50 rule 144 sales on Nov. 5 and 25. 1,180,228. John E. Meehan, president and director.

Reichhold Chemicals, Inc. 7,700 common shares at \$10.875 sale on Nov. 26. 467,477. Henry H. Reichhold, chief executive officer and chairman of the executive committee.

Revco D.S., Inc. 9,400 common shares at \$32.125-\$34.50 open market sales between Nov. 3 and 28. 349,120. Robert H. Cole, director.

Revlon, Inc. 5,950 common shares at \$75.25-\$75.75 open market sales on Nov. 12. 50. John H. Williford, director.

Reynolds Securities, Inc. 1,900 common shares at \$8½ sales on Nov. 18 and 25. 4,100. Richard B. Blumencranz, vice president.

Richardson-Merrell, Inc. 1,962 common shares at \$23.375-\$23.50 sales on Nov. 21. 7,684. Marion W. Smith, director.

Rollins, Inc. 22,500 common shares at \$23½-\$24 open market sales between Nov. 7 and 18. 526,395. John W. Rollins, director.

Russell Corp. 1,200 common shares at \$14.073 open market sale on Nov. 25. 50,325. E. C. Gwaltney Jr., president and chief executive officer.

Ryland Group, Inc. 2,000 common shares at \$11.25 sale on Nov. 11. 76,000. Kenneth W. Carlson, senior vice president.

Ryland Group, Inc. 1,000 common shares at \$11.25 sale on Nov. 18. 92,000. Robert J. Gaw, executive vice president.

Ryland Group, Inc. 1,000 common shares at \$10.25 sale on Nov. 25. 6,688. John V. Ward, vice president.

Schlumberger Ltd. 25,000 common shares at \$68-\$71 open market sales between Nov. 12 and 21. 337,495. George de Menil, director.

SMC Industries, Inc. 12,500 common shares at \$3.50 private sale to company on Nov. 18. 551. J. Stanley Fredrick, former president and director.

Southern Pacific Co. 400 common shares at \$28.25 sale on Nov. 5. 18,019. Robert A. Magowan, director.

Southland Corp. 6,000 common shares at \$23.50-\$23.75 open market sales on Nov. 10. 2,401,365. John P. Thompson, chairman of the board and chief executive officer.

Sperry Rand Corp. 1,000 common shares at \$41 open market sale on Nov. 24. 100. Myron E. Stanton, staff vice president.

Standard Commercial Tobacco Co., Inc. 1,200 common shares at \$10 private sale on Nov. 3. 263,930. Ery W. Kehays, President, director and beneficial owner of more than ten per cent of the company's common stock.

Stauffer Chemical Co. 900 common shares at \$79¾ open market sale on Nov. 7. 999. Francis E. Cook, senior vice president.

Stauffer Chemical Co. 500 common shares at \$80.75 open market sale on Nov. 20. 52,508. Christian de Dampierre, director.

Sundstrand Corp. 2,000 common shares at \$16½-\$16¾ open market sales on Nov. 13. 67,046. Bruce F. Olson, chairman of the board, chief executive officer and director.

Super Value Stores 880 common shares at \$24¼-\$24½ open market sales on Nov. 6. 875. George W. McKay, director and officer.

Syntex Corp. 700 common shares at \$35.75 sale on Nov. 13. 1,100. John H. Zenger, vice president.

Tennessee Valley Bancorp, Inc. 1,000 common shares at \$15½ open market sale on Nov. 5. 13,427. Robert H. Smith, treasurer.

Tennessee Valley Bancorp, Inc. 1,000 common shares at \$15 open market sale on Nov. 17. 3,425. Albert J. Brown, vice president.

Texasgulf, Inc. 1,580 common shares at \$29.941 open market sale on Nov. 27. 3,730. James W. Estep, senior vice president.

Texas Instruments, Inc. 825 common shares at \$96½-\$100 open market sales on Nov. 3 and 14. 77. Joseph D. Zimmerman, group vice president.

Texas Instruments, Inc. 800 common shares at \$99½-\$100 open market sales on Nov. 14 and 17. 7,057. Sam K. Smith, group vice president.

Thompson (J. Walter) Co. 4,900 common shares at \$6.27-7.75 open market sales on Nov. 12 and 28.0. E. Wyatt Hicks, former director and executive vice president.

United Jersey Banks 9,700 common shares at \$10 open market sales on Nov. 10. 141,318. John F. Hoff III, director.

U.S. Reduction Co. 2,000 common shares at \$14¼-\$14½ open market sales on Oct. 2 and 7. 15,066. Jerry I. Solomon, director and vice president.

Universal Leaf Tobacco Co., Inc. 1,000 common shares at \$19.9375 private sale on Nov. 11. 11,792. P.C. Warwick, director.

URS Corp. 200,000 common shares at \$3.78 sale on Nov. 17. 80,040. Richard Q. Praeger, director and chairman of the board.

Warner Communications, Inc. 3,000 common shares at \$19-\$20 open market sales on Nov. 5 and 10. 287,505. Steven J. Ross, chairman of the board and president.

Waters Associates, Inc. 1,044 common shares at \$25.50 sale on Oct. 28. 138,614. W. Hardie Shepard, director.

Wetterau, Inc. 850 common shares at \$15.125 and \$15.25 open market sales on Nov. 10 and 20. 143,059. John S. Brizendine, vice president and director.

Whirlpool Corp. 400 common shares at \$27 sale on Nov. 12. 996. Robert J. Flautt, treasurer.

Willamette Industries, Inc. 4,000 common shares at \$21½ open market sale on Nov. 3. 795,428. Maurie Clark, director.

Willamette Industries, Inc. 2,000 common shares at \$24½ open market sale on Nov. 26. 636,496. Richard B. Keller, director.

Xomox Corp. 500 common shares at \$24.75 sale on Nov. 5. 1,000. James M. Anderson, secretary.

Purchases

ACF Industries, Inc. 1,000 common shares at \$39 open market purchase on Nov. 17. 2,400. Lawrence Wilkinson, director.

Alberto-Culver Co. 257,050 common shares at \$6.625 private purchase on Oct. 7. 492,924. W. Clement Stone, director.

American Commonwealth Financial Corp. 5,415 common shares at \$3.02 and \$3.25 open market purchases on Nov. 17 and 21. 1,244,677. Roger J. LeBlanc, director and ten per cent beneficial owner.

American District Telegraph Co. 1,000 common shares at \$24 open market purchase on Nov. 10. 1,000. Andrew D. McKnight, controller.

American Standard, Inc. 1,953 common shares at \$15½-\$15¾ open market purchases on Nov. 18 and 25. 1,105. Alan C. Root, officer and vice president.

Ammest Group, Inc. 8,000 common shares at \$2.15-\$2.50 open market purchases on Nov. 4 and 7. 155,806. Troy V. Post, chairman of the board of directors.

Archer-Daniels-Midland Co. 1,000 common shares at \$38¾ open market purchase on Nov. 26. 364,494. John J. Vanier, director.

Armco Steel Corp. 800 common shares at \$25.25-\$25.29 open market purchases on Nov. 17. 21,710. Calvin W. Verity Jr., chairman and chief executive officer.

Art's-Way Manufacturing Co., Inc. 2,000 common shares at \$5 open market purchase on Oct. 7. 2,000. Frederick A. Fielder, president.

Ashland Oil Canada Ltd. 2,500 common shares at \$8¼-\$9¼ open market purchases between Oct. 21 and 28. 33,600. Carl O. Nickle, director.

Austin Bancshares Corp. 1,000 common shares at \$26.37 private purchase on Nov. 21. 4,884. Ralph E. Janes, Jr. director.

Babcock & Wilcox Co. 800 common shares

at \$19 purchase on Oct. 28. 2,100. Samuel H. Woolley, director.

Bangor Punta Corp. 5,000 common shares at \$3.75 private purchase on Nov. 14. 15,250. Curtis M. Hutchins, director.

Bank of Virginia Co. 1,000 common shares at \$11-\$11½ open market purchases on Nov. 14, 18, and 21. 3,360. William B. Graham, director.

Bank Securities, Inc. 986 common capital shares at \$12.83 private sale on Dec. 3. 8,656. William C. Schauer, general counsel.

Bankshares of Indiana, Inc. 5,112 common shares at \$5½-\$5¾ open market purchases between Nov. 12 and Dec. 5. 17,452. Dean V. White, director.

Barber Oil Corp. 700 capital shares at \$27¼-\$28¼ open market purchases on Nov. 3, 4, and 5. 11,200. John J. Lee, executive vice president.

Barber Oil Corp. 800 capital shares at \$27¼-\$28¼ open market purchases on Nov. 3 and 5. 13,500. Robert L. Purvin, president and director.

Baxter Laboratories, Inc. 500 common shares at \$41.875 open market purchase on Nov. 13. 1,040. Bernard A. Bridgewater Jr., executive vice president.

Baystate Corp. 800 common shares at \$22¼ open market purchase on Nov. 12. 1,000. Philip C. Raye, director.

Beverly Bancorporation, Inc. 810 common shares at \$25-\$27.50 purchases on Nov. 3, 6, and 19. 1,505. I. Andrew Moore, president.

Bevis Industries, Inc. 400,000 common shares at \$0.10 private purchase on Nov. 10. 900,000. Bernhardt Denmark, director, president and beneficial owner of more than five per cent of the company's common stock.

Binks Manufacturing Co. 1,100 capital shares at \$11½-\$12 open market purchases between Oct. 31 and Nov. 28. 298,422. Burke B. Roche, president and chief executive officer.

Blessings Corp. 4,400 common shares at \$4.625-\$4.75 open market purchases between Nov. 4 and 28. 296,700. Charles Dickie Williamson, director.

Burndy Corp. 600 common shares at \$27-\$27½ open market purchases on Nov. 19 and 25. 1,500. Hal A. Kroeger, director.

Carson Pirie Scott & Co. 1,000 common shares at \$13.50 private purchase on Nov. 17. 5,055. Carroll E. Ebert, financial vice president and treasurer.

Carson Pirie Scott & Co. 1,000 common shares at \$13.50 private purchase on Nov. 17. 9,049. Harold R. Spurway, director and president.

Castle & Cooke, Inc. 1,000 common shares at \$15½ purchase on Nov. 11. 1,681. John H. Magoon Jr., director.

Central Hudson Gas & Electric Corp. 800 common shares at \$16½ open market purchase on Nov. 5. 14,400. Raymond T. Benedict, member of the board of directors and also of the executive and finance committees.

Central Securities Corp. 3,300 common shares at \$4-4.375 purchases between Nov. 14 and 28. 123,772. Wilmot H. Kidd, president and director.

Champion Parts Rebuilders, Inc. 2,500 common shares at \$4.25 open market purchase on Oct. 31. 103,276. Robert E. Gross, vice president and director.

Champion Parts Rebuilders, Inc. 4,500 common shares at \$3.50-\$4 open market purchases on Nov. 6 and 25. 107,776. Robert E. Gross, vice president and director.

Chemtron Corp. 1,000 common shares at \$29.50 open market purchase on Nov. 14. 2,000. Vincent J. Romeo, director.

Citicorp 510 common shares at \$27¼-\$27½ open market purchases on Nov. 6. 4,400. William M. Batten, director.

Contran Corp. 15,000 common shares at open market purchases on Nov. 6 and 7. 1,630,670. Harold C. Simmons, director and president.

Cox Broadcasting Corp. 500 common shares at \$24.75 open market purchase on Nov. 11. 900. John H. Magoon Jr., director.

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Opinion

The choice: Find new oil or dance to OPEC's tune

By H. C. KAUFFMANN

Just after World War II, Winston Churchill observed that "the Allies floated to victory on a sea of oil." It's nice to recall, and to even savor, those words — they were the most recent kind words anybody has said about the petroleum industry. For some time now, we have been awash with criticism from Congress, the press and much of the public. Try as we may to steer a reasonable course, we seem to float aimlessly on a sea of rhetoric.

Frankly, many of the wounds the oil industry suffers from today might have been avoided, or minimized, if we had been more sensitive to how those outside the industry see us. Our legacy is replete with poor public images like the Standard Oil Trust, Tea Pot Dome, depletion allowance, and recent disclosures of incidents involving contributions to political entities both in the U. S. and abroad. Booking un-

H. C. Kauffmann is president of Exxon Corporation. The above is an excerpt of his remarks to the recent SIA convention in Boca Raton, Fla.

precedented profits, coincident with a gasoline shortage brought on by the Arab embargo, added a crushing burden to the industry's already fragile credibility. It is no wonder that legislators, particularly here in the U. S., feel boxed in politically by the energy problem. The public has doubts about the reality of long-range oil and gas supply problems and is in no mood to hear reasons — however justified — for energy prices to rise still further. Legislators may believe the problem is serious, that conservation must be encouraged and that new sources of domestic energy must be developed — but they know they may face hostile constituents if they ban products which over-consume energy or if they decontrol prices to encourage domestic development of new supplies.

That remarkable American philosopher, Charlie Brown, once said, "There is no problem so big, no challenge so awesome or fraught with danger, no dilemma so frustrating or complicated, that the average citizen can't run away from it." How perceptive old Charlie is. Therein lies our problem — the facts of the situation are complex and the solutions may be uncomfortable. Hence, there is a natural reluctance to face them squarely.

Whether we like to contemplate it or not, oil will continue to be our dominant source of energy supply well into the future. New energy forms will supplement it, but none can be expected to replace it in this century. The world will consume almost twice as much oil between now and 1990 as it consumed in the last fifteen years.

About half the world's oil, and more than 90 per cent of oil moving in international trade, now comes from the nations which comprise the Organization of Petroleum Exporting Countries — OPEC. All forecasts agree that this dependence will increase unless there is a massive effort to develop energy sources outside the OPEC area. Our own forecast is that it will increase for a number of years even with such an effort. This will hold true even though future energy consumption is now projected to grow much less rapidly than in the past.

If new energy supplies are not developed — soon and aggressively — the potential for political strain and economic disruption will inevitably grow. And the potential could become a certainty by the 1990's when even the vast oil reserves of the Middle East may begin to be inadequate in relation to projected demand.

Confronted with these hard realities, people have grasped at straws. They have taken false heart, for example, from recent signs that OPEC's united front might be cracking. It is true that three OPEC nations — Algeria, Indonesia and Ecuador — are running payments deficits this year because of reduced demand for their oil. Several others have only small surpluses. Perhaps for this reason, there have been instances of some OPEC countries shaving prices a few cents per barrel in an attempt to stimulate oil sales and revenues. This has stirred hope that such forces might undo the painful changes of the past two years and wash away the world's energy problems with a flood of old-fashioned, low-priced oil.

But these visions fade like a Saharan mirage when you look at the realities of the situation. Even though the worst recession since World War II has reduced energy consumption some 12 per cent below what it would have been if pre-1974 trends had continued, OPEC nations, as a group, will still accumulate a current account surplus of some \$45 billion this year. At the low point last spring, they were still selling 26 million barrels of oil every day — about 5 million barrels above the level where OPEC itself estimates stresses would build up within its organization. And production has risen since then as economic recovery has stimulated demand.

The lesson ought to be crystal clear. As the economies of consuming nations strengthen, so does the bargaining power of OPEC. And since few nations are prepared, willingly, to forego economic growth, there is no short-term way out of this dilemma.

It is significant that despite minor price reductions around the edge, the basic OPEC crude price has gone up, not down! The OPEC nations agreed at Vienna this past fall on an across-the-board increase of 10 per cent, which in fact has worked out to be about 9 per cent. But that is still a big increase and it would probably have been larger had it not been for the moderating influence of Saudi Arabia, which has a commanding position with more than a third of total OPEC reserves and the spare capacity to increase exports substantially.

The Saudi dominance, which in the most recent instance led to moderation in price behavior, also is the ingredient which makes survival of the OPEC cartel a likely thing — at least for the next decade or so. Because their internal needs are small relative to their huge potential for oil exports, the Saudis have the financial strength to live well at a level of production much lower than they are being asked to provide. If they should decide that a cut in production is required to support crude oil prices, they are in a position to absorb it comfortably. The fact is that we've seen no evidence that they are disposed to undermine today's general level of international oil prices. In short, there is no real reason to believe that OPEC is falling apart.



H. C. KAUFFMANN

Josh Billings, a 19th Century ancestor of Charlie Brown, once made a pronouncement we should all bear in mind. "It's better to know nothing than to know what ain't so," he said. A widely believed myth that "ain't so" is that major international oil companies support OPEC unity by apportioning falling demand for oil in a way which minimizes the impact on those countries least able to afford a cut in revenue. Without this middleman operation, the argument runs, OPEC would be more likely to develop divisions as individual producer nations scrambled for market shares. Therefore, the way to end OPEC's dominance is to crack down on its handmaidens, the companies.

The pattern of oil liftings over the past two years simply does not support this thesis. It shows instead that the companies have been sensitive to small differentials along the edges of the OPEC oil price front, and have generally sought out the most attractively priced crude oils. As profit margins in the foreign circuit have tightened, the pressures to behave in this fashion have mounted proportionately. Cutbacks and increases in production have been a fall-out of this marketplace action and have varied widely among OPEC countries. Thus a key factor has been price advantage — however small. If this has been insufficient to cause OPEC to collapse, the real reason should now be coming into focus for even the most optimistic observers. We are confronted by the fundamental truth that the consuming countries need OPEC oil far more than OPEC needs their patronage. This circumstance would exist whether the major international oil companies were there or not, and no restriction on the companies would reduce consumer nations' dependence on OPEC oil by a single gallon. To quote Professor Adelman of MIT, a well-known writer and lecturer on international petroleum affairs, "complaining about the power of the companies in relation to OPEC is like complaining about a fly in the living room and ignoring an elephant."

Far from helping to cement OPEC's hold on the world market, the international oil companies actually provide consumer nations with their best hope for widening their sources of energy supply. And this brings us back to the task I mentioned earlier — developing energy resources outside the OPEC area.

In recent years, oil has been found outside the OPEC and communist countries at a rate of about 8 to 10 billion barrels a year, while consumption has been running around 15 billion barrels. It is this gap which has led to the dependency on OPEC oil and which has caused a steady drawdown of non-OPEC reserves including those of oil and gas in the U. S. Unfortunately, there appears to be virtually no chance of substantially increasing the non-OPEC finding rate. We will have to run hard just to stand still. The fact is that only a handful of free world countries outside the OPEC area have the potential to become self-sufficient in energy during the 1980's — among them Canada, Australia,

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Eliot Janeway

New York gets the old one-two

Special to the Chronicle

New York is plagued with money troubles. If the old rules of economics were still operative there, inflation would be the least of anyone's budgetary problems. Instead, the inflationary squeeze is tightening, and deflation of incomes and scarcity of jobs have become the accepted trends.

The November cost-of-living statistics for New York, and for the country as a whole, have just been published. The general reaction to the .7 per cent increase posted nationally for living costs was one of resignation. Annualized, the November notch-up in living costs shows an 8.4 per cent rate of inflation in the entire economy. The best that can be said about it is that it's not as bad as it has been. The worst that can be said is that it's not within a country mile of being as good as everyone had hoped.

The November cost-of-living increase for New York — coming to a full 1 per cent — was almost twice as great as the national increase. This means that New York is being hit with a one-two punch.

For years, civil service employment has been New York's No. 1 source of income gain. Now, no one can keep track of the speed and severity of its reversal. Nor can anyone count the lay-offs in businesses that look to the city, the state, and their employees as customers.

A statistical complication blurs the contrast between the reported 12 per cent increase in New York's cost of living, and the 8.4 per cent rate of increase everywhere else. The New York computation includes northeastern New Jersey, which is presently in even worse shape than New York City. If it had happened to include southwestern Connecticut, which is the booming beneficiary of the corporate exodus from New York, conventional thinkers might have been able to argue that the greater-than-national rate of inflation suffered by New York included a dividend from the expansion between Greenwich and Danbury.

Gas and electricity have been the main sources of the November cost-of-living increases inflicted by the contraction of the regional economy. The timing of their latest jump is a prediction of still more to

come. The local rate-regulating bodies have a pronounced consumer bias and are therefore reluctant to process utility applications for steep boosts. Moreover, fuel and tax increases have been particularly onerous for the utilities in the last several years. The meter rate increases being granted utilities are now catching up with the cost-push that hit them prior to 1973; and the cost increases absorbed by utilities in the interim won't be picked up in the cost-of-living tabulations until next year or the year after.

The other two main ingredients of the November increases were property taxes and insurance costs. Property taxes rose, though the big new levies turning the screw on landlords and tenants alike did not become law until December. Insurance costs rose too. The insurance companies in the casualty business are losing their shirts; their only recourse is to raise rates faster than they pay claims. Auto casualty insurance rates, according to T. Lawrence Jones, president of the American Insurance Association, are lagging not only behind the financial distress suffered by the casualty companies, but behind the increase in other living costs as well.

Still another November cost inflator in the New York area is bound to prove troublesome in coming months. Utility taxes and insurance rates are both services. Dairy products, however, are manufactured products; they are on the runaway list too.

The political combination that New York's Governor Carey put together to eke out the necessary congressional majority to vote him a \$2.3 billion handout left him and the city in the debt of the milk lobby. A New York congressional bloc in favor of dairy price supports as payment for this accommodation will push up the cost of dairy products to New York consumers. This political due bill is marked for collection early in 1976.

The dismal inflationary trend in the New York metropolitan area will do little to relieve hard-hit family budgets and incomes. Americans are now up against a double-or-nothing proposition: getting back to growth or being stuck with inflation. The grisly experience of New York losing out on all sides proves it.

Insider Trading

Continued from page 15

Denver Real Estate Investment Association 2,500 shares of beneficial interest at \$6.375 and \$6.75 private purchases on Nov. 10, 17, and 28. 22,500. George P. Caulkins, trustee.

Deposit Guaranty Corp. 1,882 common shares at \$17.25 private purchase on Nov. 18. 6,882. J.H. Hines, director.

Deposit Guaranty Corp. 1,000 common shares at \$17.25 private purchase on Nov. 18. 51,610. M.A. Lewis Jr., director.

Deposit Guaranty Corp. 1,500 common shares at \$17.50 open market purchase on Nov. 21. 15,043. Richard D. McRae, director.

Deposit Guaranty Corp. 1,000 common shares at \$17.50 open market purchase on Nov. 24. 4,645. E.L. Jenkins, director.

Development Corp. of America 5,000 common shares at \$2.75 open market purchase on Nov. 12. 271,289. Alvin Sherman, officer, director and ten per cent shareholder.

Dome Petroleum, Ltd. 5,786 common shares at \$33½-\$34½ open market purchases on Nov. 6 and 7. 194,349. John L. Loeb, director.

Elcor Chemical Corp. 5,000 common shares at \$4.50 private purchase on Nov. 3. 51,100. George R. Gibson, director.

Elcor Chemical Corp. 5,000 common shares at \$4.50 private purchase on Nov. 3. 145,400. Hugh O. Wolfe, director.

Elcor Chemical Corp. 24,000 common shares at \$4.50-\$4.75 purchases between Nov. 3 and 21. 310,259. Roy E. Campbell, president and director.

First Empire State Corp. 1,500 common shares at \$11.625 open market purchase on Nov. 13. 4,113. Peter Tower, member of the board of directors.

First Kentucky National Corp. 500 common shares at \$28.50 open market purchase on Nov. 10. 3,800. Robert W. Rounsavall Jr., director.

First Melville Bancorp, Inc. 700 common shares at 20%-\$20½ purchases on Nov. 17 and 20. 9,705. E. Cooper Jacques, director.

First & Merchants Corp. 4,000 common shares at \$16.50 open market purchases on Nov. 26 and 28. 13,009. Bruce C. Gottwald, director.

First Tulsa Bancorporation, Inc. 2,164 common shares at \$29 purchase on Nov. 10. 6,833. Robert J. Stanton, advisory director.

First-Wichita Bancshares, Inc. 400 common capital shares at \$39 purchase on Nov. 10. 400. Bobby H. Burns, director.

Florida Rock Industries, Inc. 5,000 common shares at \$2.75 open market purchase on Nov. 10. 1,524,975. Thompson S. Baker, chairman of the board.

Fort Howard Paper Co. 400 common shares at \$33.75 purchase on Nov. 11. 400. Robert W. Horn, assistant treasurer.

Fourth Financial Corp. 1,000 common shares at \$12.25 over-the-counter purchases on Nov. 17 and 24. 108,319. Dwane L. Wallace, director.

Garland Corp. 15,000 class A common shares at \$3 private purchase on Nov. 20. 61,144. Paul Bernat, chairman of the board and beneficial owner of more than ten per cent of the company's common stock.

General Mills, Inc. 200 common shares at \$57.75 open market purchase on Nov. 1. 800. Stephen F. Keating, director.

Georgia-Pacific Corp. 334 common shares at \$43¾-\$43½ open market purchases on Nov. 12. 1,500. Grayson M-P. Murphy, director.

GF Business Equipment, Inc. 5,900 common shares at \$4-\$4.25 purchases between Nov. 7 and 24. 8,000. George B. Moseley, president, chief operating officer and director.

Great Atlantic & Pacific Tea Co., Inc. 2,500

common shares at \$10% open market purchases on Nov. 19 and 20. 5,000. John M. Schiff, director.

Great Yellowstone Corp. 528,843 common shares at \$0.60-\$0.80 purchases between Oct. 9 and 17. 893,287. Louis Porter, beneficial owner of more than ten per cent of the company's common stock.

Gulf Refining & Marketing Co. 1,000 capital shares at \$21% open market purchase on Nov. 24. 1,081. Robert W. Baldwin, president of divisional company.

Havatampa Corp. 1,758 common shares at \$7.625-\$7.75 purchases on Nov. 14, 17, and 26. 262,724. Carrington E. Barrs Jr., director.

Honeggers' & Co., Inc. 25,522 common shares at \$4.78 open market purchases between Oct. 2 and 13. 249,250. Myron R. Emrich, beneficial owner of more than ten per cent of the company's common stock.

Houdaille Industries, Inc. 2,000 common shares at \$9.625-\$9.875 open market pur-

chases on Nov. 13. 2,000. Northrup R. Knox, director.

Mission Investment Trust 13,700 shares of beneficial interest at \$0 9-16-\$03-4 open market purchases between Nov. 3 and 28. 13,700. Byron B. Webb Jr., trustee.

Mrs. Smith's Pie Co. 1,000 common shares at \$14 open market purchase on Nov. 26. 22,463. Carlton G. Denton, vice president.

Mrs. Smith's Pie Co. 1,000 common shares at \$13.75 open market purchase on Nov. 28. 6,500. Roger W. Moser, vice president.

NBC Co. 2,400 common shares at \$13-\$15.25 open market purchases on Nov. 12 and 19. 28,675. James Stuart, director.

New Brunswick Scientific Co., Inc. 5,000 common shares at \$2.375 open market purchase on Nov. 21. 396,232. David Freedman, president, director and owner of more than ten per cent of outstanding shares.

Noble Affiliates, Inc. 800 common shares at \$21.50-\$22 open market purchases between Nov. 12 and 19. 12,600. Samuel R. Noble, director and chairman of the board.

Norin Corp. 3,000 common shares at \$3.75 open market purchases on Nov. 16 and 21. 33,720. Frank G. Kumpuris, director.

Northrop Corp. 1,000 common shares at \$33 open market purchase on Nov. 17. 1,350.

private purchase on Nov. 14. 6,804. Leo Sender, vice president and treasurer.

Shatterproof Glass Corp. 11,986 common shares at \$4.875-\$5.625 purchases on Nov. 3, 12, and 17. 294,142. William B. Chase, chairman of the board, chief executive officer and beneficial owner of more than ten per cent of stock.

Sigma Instruments, Inc. 4,200 common shares at \$4.375-\$5.25 open market purchases between Nov. 10 and 26. 92,820. Sidney Hoffman - relationship to company not given.

Southeastern Capital Corp. 2,000 common shares at \$6.50 open market purchase on Nov. 24. 27,250. Henry H. Ware Jr., director.

Southwestern Group Financial, Inc. 5,000 common shares at \$2.25 open market purchase on Nov. 25. 174,416. Hubert R. Hudson, director.

Spencer Foods, Inc. 3,000 common shares at \$5.25-\$5.50 open market purchases between Sept. 16 and 30. 145,662. Gerald L. Pearson, chairman and chief executive officer.

Standard Commercial Tobacco Co., Inc. - 1,200 common shares at \$10 private purchase on Nov. 3. 2,000. Donald T. Collumbell, director and vice president.

Standex International Corp. 1,000 common shares at \$10½-\$10¼ open market purchases on Nov. 7. 311,512. John Bolten, director and beneficial owner of more than ten per cent of the company's common stock.

Sun Banks of Florida, Inc. 2,500 common shares at \$7½-\$7½ open market purchases on Nov. 24 and 25. 7,500. Benjamin O. Franklin, director.

Tandy Brands, Inc. 22,000 common shares at 6%-\$6½ open market purchases on Nov. 5, 7, and 10. 23,579. Douglas H. Manning, president.

TDA Industries, Inc. 4,000 common shares at \$2.25 open market purchases on Nov. 26. 42,538. Douglas P. Fields, chairman of the board, director and president.

Texfi Industries, Inc. 9,800 common shares at 7%-\$8 open market purchases between Nov. 6 and 28. 493,400. Ludwig Kuttner, beneficial owner of more than ten per cent of the company's stock.

Turf Paradise, Inc. 1,712 common shares at \$6.50 open market purchases on Nov. 6 and 21. 11,820. Norman Fain, director.

United Corp. 2,000 common shares at \$7.75 open market purchase on Sept. 29. 2,010. Morley P. Thompson, vice chairman of the board of directors.

United Merchants & Manufacturers, Inc. 1,000 common shares at \$14-\$14.25 open market purchases on Nov. 13 and 14. 4,000. Peter I.B. Lavan, director.

Universal-Rundle Corp. 1,500 common shares at \$6.75-\$7 open market purchases between Nov. 11 and 18. 2,500. John A. Logan, director.

Ups 'n' Downs, Inc. 1,000 common shares at \$10.50 open market purchase on Nov. 24. Albert M. Weis, director.

UV Industries, Inc. 1,300 common shares at \$18.375-\$19 open market purchases on Nov. 11 and 12. 75,450. Martin Horwitz, president and director.

Virginia International Co. 22,150 common shares at \$12½ open market purchases on Nov. 18. 43,400. R. Douglas Powell, director.

West Virginia Acceptance Co. 11,412 common shares at \$2.50-\$3 private purchase in November. 89,046. Kellum D. Pauley, president and director.

Whitehall Corp. 8,000 common shares at \$2.125-\$2.25 open market purchases between Nov. 3 and 18. 10,000. George B. Anderson - relationship to company not given.

WTC Air Freight 5,000 common shares at \$2.125 open market purchase on Nov. 4. 22,300. George F. Fry, director.

Zenith United Corp. 6,000 common shares at \$1½ open market purchases between Nov. 3 and 26. 383,366. Arthur I. Appleton, director.

Largest Transactions Reported this week

Company	Shares	Total Reported Transactions	Total \$\$\$ Amount
Sales			
Schlumberger Ltd.	25,000	1	\$1,737,500 est.
Raychem Corp.	6,450	2	1,448,475 est.
U.R.S. Corp.	200,000	1	756,000
Dun & Bradstreet Companies, Inc.	26,000	2	732,880 est.
ARA Services, Inc.	14,988	1	674,055.32 est.
Rollins, Inc.	22,500	1	534,375 est.
Revlon, Inc.	5,950	1	449,225 est.
Orange Co., Inc.	30,000	1	395,250
Pickwick International, Inc.	26,000	2	373,880 est.
King Lovie International, Inc.	64,320	1	321,600
Revco D.S., Inc.	9,400	1	313,114 est.
Heublein, Inc.	6,500	1	308,750
Intel Corp.	3,500	1	275,625 est.
Howard Johnson Co.	16,500	3	248,490 est.
Purchases			
Alberto-Culver Co.	257,050	1	1,702,956. 2
Great Yellowstone Corp.	528,843	1	370,190. 1 est.
Seton Co.	38,127	5	305,016
Virginia International Co.	22,150	1	268,568.75
Redwood Bancorp	9,219	2	221,256

chases on Nov. 13. 2,000. Northrup R. Knox, director.

Imperial Industries, Inc. 7,200 common shares at \$2.20 open market purchase on Nov. 12. 102,831. Eugene C. Ferri Jr., president and chairman of the board of directors.

International Mining Corp. 7,000 common shares at \$6%-\$6½ open market purchases between Nov. 4 and 10. 14,350. Lewis B. Harder, chairman of the board.

King Louie International, Inc. 23,461 class A common shares at \$5 private purchase on Nov. 28. 26,961. Robert V. Palan, director and president.

Kleinert's, Inc. 5,800 common shares at \$3½ and \$3¼ open market purchases on Nov. 13 and 26. 99,700. Myers L. Girsh, director.

Lee National Corp. 5,200 common shares at \$2-\$2½ open market purchases between Nov. 20 and 26. 10,000. Edward J. Scheider, director.

Manufacturers Hanover Corp. 500 common shares at \$30 open market purchase on Nov. 28. 5,000. Gabriel Hauge, director and chairman.

Mark Twain Bancshares, Inc. 2,000 common shares at \$17½ open market purchase on Nov. 3. 56,683. Alvin J. Siteman, director.

Masonellan International, Inc. 1,600 common shares at \$25 open market purchases on Nov. 3 and 4. 9,900. D.H. Rutteberg, director.

Medusa Corp. 800 common shares at \$15.75 open market purchases on Nov. 5 and 6. 1,000. James S. Reid Jr., director.

Miller-Wohl Co., Inc. 2,500 common shares at \$28-\$33 purchases on Nov. 3 and 7. 12,240. William Tobenkin, secretary and director.

Clair L. Peck, director.

Northwestern Steel & Wire Co. 400 common shares at \$32.75 private purchase on Nov. 13. 572,007. W. Martin Dillon, president, treasurer and director.

Pay'n Pak Stores, Inc. 1,090 common shares at 13.50 open market purchase on Nov. 26. 10,000. Woodrow C. Button, director.

Raymond Precision Industries 1,000 common shares at an aggregate price of \$13,300 open market purchases between Nov. 3 and 18. 47,000. Richard D. Corley, beneficial owner of over five per cent of common stock.

Redwood Bancorp 5,053 common shares at \$24 private purchase on Nov. 6. 5,113. Joseph Blumenfeld, director.

Redwood Bancorp 4,166 common shares at \$24 private purchase on Nov. 6. 17,924. Robert L. Harmon, director.

Research-Cottrell 800 common shares at \$15½-\$15¼ purchases on Nov. 28. 2,900. David H. Klipstein, vice president.

RLC Corp. 5,400 common shares at \$5-\$5.25 open market purchases on Nov. 24 and 26. 150,256 Henry B. Tippie, director.

Seton Co. 20,000 common shares at \$8 private purchase on Nov. 14. 33,350. Paul A. Fertell, president.

Seton Co. 1,900 common shares at \$8 private purchase on Nov. 14. 2,600. Joseph J. Giordano, vice president.

Seton Co. 3,500 common shares at \$8 private purchase on Nov. 14. 4,540. John C. Grinwis, director.

Seton Co. 9,223 common shares at \$8 private purchase on Nov. 14. 13,423. Philip D. Kaltenbacher, chairman of the board.

Seton Co. 3,504 common shares at \$8

Securities now in Registration

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

Companies in Registration

ASSOCIATES CORP. OF NORTH AMERICA
1 Gulf Western Plaza, NY, Nov. 7, 1975 filed \$50,000,000 of senior notes due Dec. 1, 1982; and \$50,000,000 of senior notes debentures due Dec. 1, 1985. The unit of GW, which is engaged in consumer finance, industrial equipment finance and commercial loans and casualty and life insurance, will use the proceeds to reduce short-term debts. Kieder, Peabody & Co. Inc., NY, will manage the underwriting. Offering expected in Jan.

BRAZIL (REPUBLIC OF)
Brazilian Ambassador, 3006 Massachusetts Ave., N.W. Washington, D.C., Oct. 29, 1975 filed \$50,000,000 of external bonds due 1990. This South American country, the fifth largest in the world, which is a substantial exporter of coffee, sugar, soybean products, cocoa, and cotton, will use the proceeds to finance various internal development projects and to increase its foreign reserves, initially. Merrill Lynch, Pierce, Fenner & Smith Inc., NY; and Banco do Brasil, S.A., London, will manage the underwriting. Offering p.p.d.

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.

CENTENNIAL CORP.
580 Foremost DR., S.E. Grand Rapids, MI, Sept. 8, 1975 filed \$12,500,000 of convertible subordinated debentures due 1985; and underlying common stock, to be offered in exchange for the company's outstanding 4 per cent convertible subordinated debentures due 1982, at the rate of \$500 of new debentures for each \$1,000 of outstanding old debentures. The company is engaged in furnishing through its subsidiaries, insurance and financial services to the mobile homes and recreational vehicle markets. Smith, Barney & Co. Inc.; and Salomon Brothers, NY, will manage the underwriting.

CHEMINEER INC.
1801 East First St., Dayton, OH, Nov. 18, 1975 filed 33,000 shares of common, of which 165,000 shares will be offered for the account of stockholders. The engineering concern is engaged in the manufacture of chemical process equipment with major products lines consisting of agitation and mixing equipment. E.F. Hutton & Co. Inc., NY, is the distributor. Offering expected mid-Jan.

COINS OF GOLD INVESTORS, INC.
Suite 2W5, 300 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.

CYPRESS POINT ASSOCIATES
Oct. 6, 1975 filed 3,000 units of limited partnership interests, to be offered at \$1,000 per unit, with a minimum investment of \$5,000. Associated Equity Investment Sales, Ltd., Milwaukee, WI, will manage the underwriting. Offering expected in Jan.

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 plastics, and chemical technology. Lehman Brothers Inc., NY, will manage the underwriting.

DIBRELL BROTHERS, INC.
512 Bridge St., Danville, VA, Nov. 21, 1975 filed 60,000 shares of common, to be offered from time to time, by selling shareholders. The company is principally engaged in the business of buying, redrying and packing, and selling leaf tobacco in the world markets. Wheat, First Securities Inc., Richmond, VA, will manage the underwriting. Offering imminent.

ELTRA CORP.
Two Pennsylvania Plaza, NY, Nov. 17, 1975 filed \$50,000,000 of sinking fund debentures due Dec. 15, 2000. The company is engaged in both domestic and international operations of electrical and industrial products and services. White, Weld & Co. Inc.; and Goldman, Sachs & Co., NY, will manage the underwriting. Offering expected early Jan.

GENERAL INSTRUMENT CORP.
1775 Broadway, NY, Dec. 16, 1975 filed \$29,135,400 of convertible subordinated debentures due Feb. 1, 1996, to be offered in exchange for \$48,559,000 of outstanding five per cent convertible subordinated debentures due 1992. Terms to be announced later. The concern, which is a major supplier of components and equipment to the electronics industry and to the armed services, will use the proceeds to reduce long-term debts. Loeb, Roesch & Co., NY, will be the dealer-manager. Offering expected mid-Jan. V. 219 7376, p. 21. (N)

GULF ENERGY & DEVELOPMENT CORP.
9626 Tesoro Dr., Seventh Fl., Petroleum Bldg., San Antonio, TX, Nov. 6, 1975 filed \$2,500,000 of convertible subordinated debentures due Dec. 31, 1985. The company operates natural gas gathering and processing facilities and treating plants. Lentz, Newton & Co., San Antonio, TX, will manage the underwriting. Offering expected in March. V. 220 7489, p. 26.

HOUSEHOLD FINANCE CORP.
Chicago, IL, Nov. 17, 1975 filed \$75,000,000 of series 2F debentures due Jan. 1, 1986; and \$75,000,000 of series 3F debentures due July 1, 2000. The company, the largest consumer finance concern, which is also engaged in the automobile and truck rental leasing business through National Car Rental System Inc., will use the proceeds to reduce short-term bank loans and commercial paper. Goldman, Sachs & Co., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. Offering expected in Jan. V. 219 7437, p. 63.

INDEPENDENT SILVER PRODUCERS, INC.
2920 North Seventh St., Phoenix, AZ, July 28, 1975 filed 5,000,000 shares of common. The company is engaged in the production of silver and related activities. S.B. Cantor & Co. Inc., NY will manage the underwriting. Offering expected in Jan. (I)

INTERNATIONAL DAIRY QUEEN INC.
5701 Green Valley Drive, Minneapolis, MN, Nov. 28, 1975

filed \$3,000,000 of subordinated capital notes due May 31, 1975. The company, which develops, licenses, and services a system of retail stores which offer a limited menu of food items, will use the proceeds to finance expansion. Offerman & Co. Inc., Minneapolis, MN, will manage the underwriting. Offering expected in Jan. V. 219 7412, p. 23.

INTERNATIONAL ROYALTY & OIL CO.
1304 Ave. L, Cisco, TX, June 27, 1975 filed 250,000 shares of common. Larmer-Sykes Co. Inc., Wichita, KS, will manage the underwriting.

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. V. 219 7450, p. 58. (R)

KYOTO CERAMIC CO. LTD.
52-11 Inoue-Cho, Higashino, Yamashina, Higashiyama-Ku, Kyoto 607, Japan, Dec. 3, 1975 filed 2,000,000 shares of common stock. This U.S. offering will be evidenced by American Depository Receipts, physically deposited in Japan, of which each ADR will represent two shares of common stock. The concern, which manufactures semi-conductors and other ceramic products, will use the greater part of the proceeds to reduce debts owed to its U.S. subsidiary. Merrill Lynch, Pierce, Fenner & Smith Inc.; and Daiwa Securities America Inc., NY, will manage the underwriting. Offering expected about Jan. 29.

MANITOBA HYDRO-ELECTRIC BOARD
1251 Ave. of the Americas, NY; Winnipeg, Manitoba, Canada, Dec. 18, 1975 filed \$100,000,000 of series 3L bonds due Jan. 15, 2006. The bonds will be unconditionally guaranteed by the Province. The agency, which operates nine hydro-electric and a number of diesel-electric plants, which generates, distributes and supplies power, will use the proceeds to repay short-term debts and for construction. Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Salomon Brothers; Wood Gundy Inc.; and Richardson Securities Inc., NY, will manage the underwriting. Offering expected week of Jan. 19. V. 220 7491, p. 24. (N)

MUNICIPALITY OF METROPOLITAN TORONTO
Toronto, Ontario, Canada, Dec. 9, 1975 filed \$60,000,000 of debentures due Jan. 15, 1996; and \$20,000,000 of debentures due Jan. 15, 1986. Principal and interest will be payable in US currency in New York City. The concern, which consists of six municipalities, with 10 per cent of the population of the Province of Ontario in 244 square miles, will use the proceeds for capital improvements in water supply, water pollution and related facilities. Salomon Brothers; Wood Gundy Inc.; and Dominion Securities Harris & Partners Inc., NY, will manage the underwriting. Offering expected Jan. 14.

NEUROSCAN, INC.
Newport Beach, CA, July 29, 1975 filed 400,000 shares of common and warrants, to be offered in units of one common and one warrant. The company is engaged in radiology. Bond Richman & Co. Inc., NY, will manage the underwriting. Offering expected in early-Jan. (I)

PATHCOM INC.
24049 South Frampton Ave., Harbor City, CA, Nov. 26, 1975 filed 600,000 shares of common stock, of which 450,000 shares will be offered by the company and the remaining shares by two selling shareholders. The concern is engaged in the design, manufacture, importation and sale of two-radio communications equipment, consisting primarily of Citizens Band radios. Robertson, Colman, Siebel & Weisel, San Francisco, CA, will manage the underwriting. Offering expected Jan. 14.

Important Notice

The tabulations excluded issues filed prior to Jan. 1, 1975 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.

SANTA FE INTERNATIONAL CORP.
Union Bank Square, South Tower, P.O. Box 1401, Orange, CA, Dec. 17, 1975 filed \$30,000,000 of convertible subordinated debentures, to be converted in the company's common stock. The company which primarily is a service contractor to the international oil industry, will use the proceeds to increase its general funds and for capital requirements for drilling and construction equipment. Dean Witter & Co. Inc., San Francisco, CA; and Blyth Eastman Dillon & Co. Inc., NY, will manage the underwriting. Offering expected Jan. 14. V. 219 7376, p. 19. (N)

SBE INC.
Watsonville, CA, Nov. 19, 1975 filed 500,000 shares of common, of which 300,000 shares will be offered by certain selling shareholders and the remaining shares by the company. The concern, which deals with radio equipment will use the proceeds, its portion, to repay short-term bank debts. Bateman Eichler, Hill Richards Inc., Los Angeles, CA, will manage the underwriting. Offering imminent.

SOUTHLAND FINANCIAL CORP.
1880 Southland Centre, Dallas, TX, Oct. 28, 1975 filed \$35,000,000 of notes due 1985. The concern is a holding company for subsidiaries variously engaged in life insurance business, real estate operations, and related activities. Wertheim & Co. Inc., NY; and First Southwest Co., Dallas, TX, will manage the underwriting.

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.

XONICS INC.
6849 Hayvenhurst Ave., Van Nuys, CA, July 7, 1975 filed 262,805 shares of common, to be issued in connection with an exchange for the stock of Baird-Atomic Inc. The company is a science-based concern. New York Securities Co. Inc., NY, is the dealer-manager. Offering expected in Jan. V. 220 7459, p. 65.

Oil-Gas Real Estate

AMERICAN PROPERTY INVESTORS VI
1776 South Jackson St., Denver, CO., Nov. 10, 1975 filed \$20,000,000 of units of limited partnership interest, to be offered at \$500 per unit, with a minimum investment of 5 units. The partnership was formed to invest principally in improved commercial real estate which is triple net leased to others. Kelly & Morey Inc., Denver, CO, will manage the underwriting. Offering expected in Jan. V. 220 7486, p. 24.

APACHE OIL & GAS PROGRAM — 1976
Foshay Tower, Minneapolis, MN, Nov. 7, 1975 filed \$25,000,000 of partnership interests, in a series of three partnerships, to be offered at \$15,000 per unit. The partnership will be formed to explore for oil and gas reserves. Apache Programs Inc., Minneapolis, MN, will manage the underwriting, on a best-efforts basis. Offering expected in Jan. V. 220 7479, p. 33.

CONVEST ENERGY 1976 OIL & GAS PROGRAM
4605 Post Oak Place, Dr., Suite 200, Houston, TX, Dec. 3, 1975 filed \$10,000,000 of limited partnership interest, to be offered at \$1,000 per unit. The partnership will engage in exploration for oil and gas. Convest Securities Distributors, Inc., Boston, MA, will manage the underwriting. Offering expected in Jan. V. 219 7437, p. 63.

COTTON PETROLEUM CORP.
Suite 600, Parkland Plaza, 2121 South Columbia, Tulsa, OK, Nov. 7, 1975 filed \$12,000,000 of limited partnership interests, in the 1976 Oil & Gas Program. The partnership will be organized to explore for oil and gas in the U.S. The company, a domestic oil and gas exploration concern, is engaged in oil and gas drilling and production activities. White, Weld & Co. Inc., NY, will manage the underwriting. Offering expected in Jan. V. 219 7451, p. 55.

DYCO 1976 OIL & GAS PROGRAMS
201 Northwestern Bank Bldg., Hopkins, MN, Oct. 2, 1975 filed 1,600 units of participation, to be offered at \$5,000 per unit, with a minimum subscription of 1 unit. The drilling programs will acquire leases and explore for, develop and produce oil and gas. Dain, Kalman & Quail Inc., Minneapolis, MN, will manage the underwriting, on a best-efforts basis. Offering expected in Dec. V. 219 7434, p. 66.

EQUITABLE MIDWEST — 1975
50 Rockefeller Plaza, NY, June 27, 1975 filed 2,000 partnership interests, to be offered at \$1,000 per unit, with a minimum investment of \$5,000. The partnership will drill and explore for oil and gas. Gradison & Co. Inc., Cincinnati, OH; and J.J.B. Hilliard, W.L. Lyons Inc., Louisville, KY, will manage the underwriting. Offering in Jan. V. 218, p. 1289.

GOLDEN TRIANGLE ROYALTY & OIL, INC.
2511 Highland Ave., New Castle, PA, Oct. 15, 1975 filed 7,500,000 shares of common stock. The concern will be engaged in the acquisition of oil producing royalties. Mountain Pacific Investment Co., Littleton, CO, will manage the underwriting. Offering expected in Jan. (I)

HEALTH CARE FUND
1101 Delphos Ave., Lima, OH, Sept. 16, 1975 filed 250,000 units of beneficial interest. The concern is a real estate investment trust. Raymond, James Associates Inc., St. Petersburg, FL; and Bell & Beckwith Toledo, OH, will manage the underwriting. Offering expected in Jan. (I)

KEDCO MANAGEMENT CORP.
816 Union Center Bldg., Wichita, KS, July 28, 1975 filed \$5,000,000 of pre-organized subscriptions in limited partnership interests in oil and gas programs, to be offered at \$5,000 per interest. The partnership will engage in oil and gas exploration and development. Raymond, James & Associates Inc., St. Petersburg, FL, will manage the underwriting. offering expected in late-1975. V. 220 7463, p. 66.

KENAI DRILLING LTD.
551 Fifth Ave., NY, Nov. 13, 1975 filed 220,000 shares of common stock. The company is an oil and gas concern. Faberty & Swartwood Inc., NY, will manage the underwriting. Offering expected in Jan. V. 218, p. 878.

PATRICK OIL & GAS 1976 INCOME PROGRAMS
744 West Michigan Ave., Jackson, MI, Sept. 25, 1975 filed 30,000 units of limited partnership interests, in 1976 income programs, to be offered at \$500 per unit, with a minimum purchase of 10 units. The partnership will operate oil and gas properties. Patrick Programs Inc., Bloomfield, MI, will manage the underwriting. Offering expected in Jan. V. 219 7440, p. 63.

PATRICK OIL & GAS CORP.
— 1976 COMBINATION PROGRAM
744 West Michigan Ave., Jackson, MI, Oct. 31, 1975 filed \$12,000,000 of limited partnership interests, to be offered at \$5,000 per unit, with a minimum subscription of \$5,000. The Program is formed to engage in exploratory and development drilling and to purchase and operate producing properties. Patrick Programs Inc., Bloomfield Hills, MI, will manage the underwriting. Offering expected in Jan. V. 220 7465, p. 68.

PATRICK OIL & GAS PROGRAM — 1976 DRILLING PROGRAM
744 West Michigan Ave., Jackson, MI, Oct. 14, 1975 filed \$25,000,000 of limited partnership interests, to be offered at \$5,000 per unit, with a minimum subscription of \$5,000. The program is formed to engage in exploratory and development drilling. Patrick Programs Inc., Bloomfield Hills, MI, will manage the underwriting. Offering expected in Jan. V. 220 7492, p. 24.

PETROLIA 1975-76 DRILLING PROGRAM
118 South Washington St., Enid, OK, June 9, 1975 filed 1,000 units of participation, to be offered at \$5,000 per unit. The partnership will be formed to invest as a limited partner in up to two drilling partnerships, to acquire leases and to explore, develop and produce oil and gas. C.W. Clayton & Co., Boston, MA, will manage the underwriting, on a best-efforts basis.

SHENANDOAH OIL CORP.
1500 Commerce Bldg., Ft. Worth, TX, Aug. 14, 1975 filed \$20,000,000 of convertible subordinated debentures due 1996. The company, which explores, develops, acquires and operates oil and gas properties in the US and foreign countries, will use the proceeds to increase working capital, to reduce debts, and to finance exploration.

White, Weld & Co. Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. V. 219 7375, p. 18.

Utilities

ALLEGHENY POWER SYSTEM INC.
320 Park Ave., NY, Nov. 10, 1975 filed 3,500,000 shares of common, to be offered at competitive bidding. The utility holding concern will use the proceeds to repay bank debts and for other corporate purposes. Bids at 4:30 p.m., on Feb. 19. V. 219 7376, p. 21.

BALDOR ELECTRIC CO.
2601 S. Zero St., Ft. Smith, AR, July 15, 1975 filed 329,976 shares of common of which 70,024 shares will be offered for the account of stockholders. A.G. Edwards & Sons Inc., St. Louis, MO, will manage the underwriting. Offering expected week of Jan. 12. V. 220 7476, p. 26.

CENTRAL ILLINOIS LIGHT CO.
300 Liberty St., Peoria, IL, Dec. 10, 1975 filed 1,000,000 shares of common. The utility concern will use the proceeds for debt repayment. Dean Witter & Co. Inc., San Francisco, CA; and Blyth Eastman Dillon & Co. Inc., NY, will manage the underwriting. Offering expected Jan. 14. V. 220 7460, p. 65. (N)

CINCINNATI GAS & ELECTRIC CO.
139 East Fourth St., Cincinnati, OH, Dec. 5, 1975 filed 450,000 shares of \$100 par value preferred stock. The utility concern will use the proceeds for debt repayment. Morgan Stanley & Co. Inc., NY, will manage the underwriting. Offering expected Jan. 7. V. 220 7464, p. 68.

CONSOLIDATED EDISON CO.
4 Irving Place, NY, July 11, 1975 filed \$80,000,000 of series PP first & refunding mortgage bonds. The utility concern will use the proceeds to reduce short-term borrowings. Merrill Lynch, Pierce, Fenner & Smith Inc.; and Kidder, Peabody & Co. Inc., NY, will manage the underwriting. V. 220 7477, p. 26.

ELECTRICITE DE FRANCE
2-Rue Louis Murat, Paris, France, 75008, Nov. 20, 1975 filed \$75,000,000 of notes due Jan. 15, 1983. Payments of principal and interests are guaranteed by the Govt. of France. The State owned and operated utility concern will use the proceeds to finance construction projects. Lazard Freres & Co.; Goldman, Sachs & Co.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected Jan. 13.

HACKENSACK WATER CO.
4100 Park Ave., Weehawken, NJ, Nov. 20, 1975 filed \$20,000,000 of first mortgage bonds due 2006. The utility concern will use the proceeds for debt repayment. First Boston Corp.; and White, Weld & Co. Inc., NY, will manage the underwriting. Offering expected Jan. 21.

INDIANAPOLIS POWER & LIGHT CO.
25 Monument Circle, P.O. Box 1595 B, Indianapolis, IN, Dec. 10, 1975 filed 2,000,000 shares of common. The utility concern will use the proceeds to retire short-term debts and to pay for future construction. Lehman Brothers Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Brothers, NY, will manage the underwriting. Offering expected Jan. 8. V. 220 7470, p. 26.

INDIANAPOLIS WATER CO.
1220 Waterway Bldg., Indianapolis, IN, Dec. 18, 1975 filed \$18,000,000 of first mortgage bonds due Jan. 15, 1986. The public utility concern will use the proceeds to retire maturing bonds and to increase general funds. Goldman, Sachs & Co., NY, will manage the underwriting. Offering expected week of Jan. 19. (N)

JERSEY CENTRAL POWER & LIGHT CO.
Madison Ave. at Punch Bowl Road, Morristown, NJ, Dec. 19, 1975 filed \$60,000,000 of first mortgage bonds, to be offered at competitive bidding. The unit of General Public Utilities Corp. will use the proceeds to retire outstanding bonds and to retire short-term debts. Bids expected on Feb. 18. V. 220 7475, p. 25. (N)

KANSAS-NEBRASKA NATURAL GAS CO. INC.
Hastings NE, Dec. 10, 1975 filed \$20,000,000 of sinking fund debentures due Jan. 1, 1996. The utility concern will use the proceeds for debts repayment. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected Jan. 13. V. 219 7450, p. 58

MIDDLE SOUTH UTILITIES, INC.
280 Park Ave., NY, Dec. 10, 1975 filed 7,500,000 shares of common stock, to be offered at competitive bidding. Proceeds will be used to help reduce bank borrowings. Bids expected Jan. 13. V. 219 7449, p. 63.

MIDDLESEX WATER CO.
One Woodbridge Center, Woodbridge, NJ, Nov. 20, 1975 filed 100,000 shares of common stock. The public utility concern supplies water for domestic and public use. Kidder, Peabody & Co. Inc., NY, will manage the underwriting. Offering expected Jan. 20.

MISSOURI PUBLIC SERVICE CO.
10700 E. 50 Highway, Kansas City, MO, Nov. 7, 1975 filed 300,000 shares of common. The company is a public utility concern. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. V. 220 7484, p. 24.

NEW JERSEY BELL TELEPHONE CO.
540 Broad St., Newark, NJ, July 11, 1975 filed \$75,000,000 of debentures due Aug. 1, 2015, to be offered at competitive bidding. Proceeds will be used for debt repayment. V. 218, p. 573.

NEW YORK STATE ELECTRIC & GAS CORP.
4500 Vestal Parkway East, Binghamton, NY, Dec. 5, 1975 filed \$50,000,000 of first mortgage bonds due 2006. The public utility concern will use the proceeds for debt repayment. Lehman Brothers Inc., NY, will manage the underwriting. Offering expected Jan. 7. V. 220 7463, p. 24. (N)

NORTHERN NATURAL GAS CO.
2223 Dodge St., Omaha, NE, Dec. 19, 1975 filed \$125,000,000 of debentures due Nov. 1, 1985. The utility concern will use the proceeds for debt repayment. Blyth Eastman Dillon & Co. Inc.; and Goldman Sachs & Co., NY, will manage the underwriting. Offering expected Jan. 13. V. 220 7467, p. 26. (N)

OKLAHOMA GAS & ELECTRIC CO.
321 North Harvey Ave., Oklahoma City, OK, Nov. 26, 1975 filed \$55,000,000 of first mortgage bonds due 2008, to be offered at competitive bidding. The utility concern furnishes retail electric service and electric energy. Bids expected at 11 a.m., on Jan. 13. V. 230 7462, p. 65.

PACIFIC POWER & LIGHT CO.
Public Service Bldg., Portland, OR, Dec. 19, 1975 filed \$75,000,000 of first mortgage bonds due 2008, to be offered at competitive bidding. Proceeds will be used to finance the company's construction program. Bids expected at noon, on Jan. 21. V. 230 7466, p. 22. (N)

FUGET SOUND POWER & LIGHT CO.
Puget Power Bldg., Bellevue, WA, Dec. 17, 1975 filed \$90,000,000 of common \$25 par value preferred stock. The utility concern will use the proceeds for its construction program. Merrill Lynch, Pierce, Fenner & Smith Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. Offering expected Jan. 22. V. 230 7466, p. 23. (N)

SOUTHEASTERN MICHIGAN GAS CO.
405 Water St., Port Huron, MI, Nov. 21, 1975 filed 88,236 shares of common stock, to be offered for the account of stockholders. The utility concern furnishes natural gas in Southeastern Michigan. First of Michigan Corp., Detroit, MI, will manage the underwriting. Offering imminent.

SOUTHERN NATURAL GAS CO.
1900 Fifth Ave., North, First National-Southern Natural Bldg., Birmingham, AL, July 14, 1975 filed \$60,000,000 of sinking fund debentures due Aug. 1, 1985. This unit of Southern Natural Gas Resources Inc., will use the proceeds to repay short-term debts. Blyth Eastman Dillon & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Lehman Brothers Inc., NY, will manage the underwriting.

TEXAS POWER & LIGHT CO.
1511 Bryan St., Dallas, TX, Dec. 19, 1975 filed \$160,000,000 of first mortgage bonds due Jan. 1, 2006. The unit of Texas Utilities Co., will use the proceeds to repay short-term debts and to finance construction. Salomon Brothers; Goldman, Sachs & Co.; Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected Jan. 20. V. 230 7460, p. 65. (N)

TEXAS POWER & LIGHT CO.
1511 Bryan St., Dallas, TX, Dec. 19, 1975 filed 300,000 shares of cumulative preferred stock. The unit of Texas Utilities Co., will use the proceeds to repay short-term debts and for construction. Goldman Sachs & Co.; Salomon Brothers; Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected Jan. 20. V. 230 7460, p. 65. (N)

WISCONSIN ELECTRIC POWER CO.
231 West Michigan St., Milwaukee, WI, July 17, 1975 filed \$60,000,000 of first mortgage bonds, to be offered at competitive bidding. Proceeds will be used for construction and other purposes. V. 219 7428, p. 77.

Bank Holding Companies

CULLEN BANKERS INC.
600 Jefferson St., Houston, TX, Oct. 31, 1975 filed 135,000 shares of common. The bank holding concern has two subsidiaries; Cullen Center Banks & Trust in Houston, and Citizens National Bank of Dallas, TX. Rotan Masie Inc., Houston, TX; and Rauscher Pierce Securities Corp., Dallas, TX, will manage the underwriting. Offering imminent. V. 219 7463, p. 73.

Mutual Funds

AMERICAN GENERAL EXCHANGE FUND
201 South Lake Ave., Pasadena, CA, Dec. 4, 1975 filed 1,000,000 shares of limited partnership interest, to be offered in exchange for appreciated equity securities of a character consistent with the Fund's investment objectives, and cash. The Fund is a newly organized limited partnership which will operate as an open-end diversified management investment company and will seek long term growth capital and secondarily, current income. Alex. Brown & Sons, Baltimore, MD, is the dealer-manager. Offering expected in Jan.

AMERICAN MANAGED SECURITIES, INC.
25 South Charles St., Baltimore, MD, June 23, 1975 filed 1,500,000 shares of common, to be offered at \$10 per share. The no-load, open-end investment concern's objective is long term growth of capital. Valley Forge Investment Management Corp., Valley Forge, PA, will manage the underwriting.

COMPOSITE INCOME FUND, INC.
W. 602 Sprague Ave., Spokane, WA, Nov. 13, 1975 filed 400,000 shares of capital stock. The concern is a newly-formed company with emphasis on current income. Murphy Farve, Inc., Spokane, WA, will manage the underwriting. Offering expected in Jan.

CORPORATE INCOME FUND, 3RD PREFERRED STOCK SERIES
Nov. 10, 1975 filed \$20,000,000 of units of beneficial interest. The Fund, a unit investment trust, primary objective is providing a high level of current income through investment in a fixed portfolio of cumulative preferred stocks. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected in Jan.

CORPORATE INCOME FUND, THIRD SERIES
Nov. 19, 1975 filed \$12,500,000 of units. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term corporate debt obligations and fixed dividend sinking fund preferred stocks. E.F. Hutton & Co. Inc., NY, will manage the underwriting. Offering expected in Jan.

CORPORATE INCOME FUND, FOURTH INTERMEDIATE TERM SERIES
Nov. 28, 1975 filed \$20,000,000 of units. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of intermediate-long term debt obligations, issued primarily by corporations. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected in Jan.

CORPORATE INCOME FUND, 25TH MONTHLY PAYMENT SERIES
Nov. 10, 1975 filed \$20,000,000 of units of beneficial interest. The unit investment trust primary objective is providing a high level of current income through investment in a fixed portfolio of long term debt obligations, issued primarily by corporations. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering expected in Jan.

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 Jan.

FINANCIAL DAILY INCOME SHARES, INC.
1650 South Broadway, P.O. Box 2040, Denver, CO, Nov. 24, 1975 filed 10,000,000 shares of common. The investment objective is high current income consistent with liquidity and safety of capital, substantially all of the company's assets will be invested in short-term obligations issued or guaranteed by the U.S. Govt. Financial Programs Inc., Denver, CO, is the investment-adviser. Offering expected in Jan. (N)

FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 12
Dec. 15, 1975 filed \$5,000,000 of units. The Fund, one in a series of unit investment trusts, consists of an insured portfolio of interest bearing obligations. Van Kampen Waterleik & Brews Inc., Chicago, IL, will manage the underwriting. Offering expected Jan. 13. (N)

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 Jan.

HARVEST FUND
Oct. 6, 1975 filed 3,000 units of limited partnership interests, to be offered at \$1,000 per unit. Todd & Co. Inc., Carlsbad, NJ, will manage the underwriting. Offering expected in Jan.

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 Jan.

MONEY MARKET OPTIONS INVESTMENTS, INC.
535 Boylston St., Boston, MA, Dec. 10, 1975 filed 1,200,000 shares of common stock. The concern is a diversified open-end investment company and proposes to receive investment advice from John P. Chase, Inc., subsidiary of Phoenix Mutual Life Insurance Co., Hartford, CT. Donaldson, Lufkin & Jenrette Securities Corp., NY, will manage the underwriting. Offering expected in Jan. (N)

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, diver-

sified management investment trust. Federal Federated Securities Corp., Pittsburgh, PA is the distributor.

MOUNTAIN VIEW FUTURES FUND
1020 South Wabash Ave., Chicago, IL, Dec. 1, 1975 filed 5,000 units of limited partnership interest, to be offered at \$1,000 per unit, with a minimum purchase of 5 units. The Fund is a limited partnership which will engage in the trading of commodity futures contracts. Continental Securities Inc., Chicago, IL, will manage the underwriting. Offering expected in Jan.

MUNICIPAL BOND FUND, SERIES 25
Dec. 2, 1975 filed 5,000 units. The Trust, created under a trust indenture, will consist of interest-bearing obligations. Paine, Webber, Jackson & Curtis Inc.; and Herblower & Weeks-Hemphill Noyes Inc., NY, will manage the underwriting. Offering expected in Jan.

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 Jan.

MUNICIPAL INVESTMENT TRUST FUND, 11TH PENNSYLVANIA SERIES
Nov. 25, 1975 filed \$5,000,000 of beneficial interest. The Fund's primary objective is producing tax-exempt income through investment in a fixed portfolio of interest-bearing, long term state, municipal and public authority bonds. Merrill Lynch, Pierce, Fenner & Smith Inc.; Bache & Co. Inc.; and Reynolds Securities Inc., NY, will manage the underwriting. Offering expected in Jan.

NATIONAL MUNICIPAL TRUST, 13TH SERIES
Dec. 19, 1975 filed \$7,500,000 of units. The unit investment objectives are tax-exempt income and conservation of capital through an 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 Jan. 29. (N)

NUVEEN TAX-EXEMPT BOND FUND, SERIES 79
Oct. 16, 1975 filed \$10,000,000 of units. The unit investment trust consists of a portfolio of interest-bearing obligations. John Nuveen Co. Inc., NY, will manage the underwriting. Offering expected in Jan.

NUVEEN TAX-EXEMPT BOND FUND, SERIES 80
Oct. 31, 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 Jan.

NUVEEN TAX-EXEMPT BOND FUND, SERIES 81
Dec. 3, 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 Jan.

READY RESERVES TRUST
100 Federal St., Boston, MA, Oct. 7, 1975 filed 200,000 shares of beneficial interest. The company is an open-end diversified management investment concern. Massachusetts Co. Distributors Inc., Boston, MA, will manage the underwriting. Offering expected in Jan.

SHORT-TERM U.S. GOVT. SECURITIES TRUST
421 Seventh Ave., Pittsburgh, PA, Nov. 3, 1975 filed 1,000,000 shares of beneficial interest. The Trust will be an open-end diversified investment company investing exclusively in US Govt. securities maturing in one year and less. Federated Securities Corp., Pittsburgh, PA, is the Distributor. Offering expected in Jan.

TAX-EXEMPT FUND, NATIONAL SERIES 23
Nov. 19, 1975 filed \$15,000,000 of units. The Fund consists of interest-bearing obligations. E.F. Hutton & Co. Inc., NY, will manage the underwriting. Offering expected in mid-Jan.

TAX-EXEMPT SECURITIES TRUST, SERIES 5
Dec. 11, 1975 filed \$10,000,000 of units. The Trust, one in a series of unit investment trusts, will consist of interest-bearing NY, will manage the underwriting. Offering expected Jan. 19. (N)

TAX-EXEMPT TRUST, 12TH SERIES
Nov. 7, 1975 filed \$8,000,000 of units. The Trust will consist of interest bearing obligations. Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. Offering expected in Jan.

TIMBER FUND LTD - 1975
One Wilshire Blvd Bldg., Suite 2620 Los Angeles, CA, June 13, 1975 filed \$8,400,000 of limited partnership units, to be offered at \$1,000 per unit, with a minimum purchase of two units. International Securities Corp., Newport Beach, CA, will manage the underwriting.

VANCE SANDERS EXCHANGE FUND
One Beacon St., Boston, MA, Sept. 30, 1975 filed 500,000 shares of limited partnership interest. The Fund is a diversified open-end investment concern seeking long term growth capital and income. Vance Sanders & Co. Inc., Boston, MA, will manage the underwriting. Offering expected Jan. 6.

WEDNESDAY ALPHA CORP.
203 Park Bldg., Cleveland, OH, June 11, 1975 filed 280,000 shares of common stock. The company is a closed-end investment concern. L.A. Causter & Co., Cleveland, OH, will manage the underwriting. V. 220 7474, p. 26.

Recent Issues Filed with SEC

ALBERTSON'S INC.
1623 Washington St., Boise, ID, Dec. 22, 1975 filed 750,000 shares of common stock. The concern operates 296 supermarkets in a number of states and distributes dairy and drug products. Merrill Lynch, Pierce, Fenner & Smith Inc., NY; and Dean Witter & Co. Inc., San Francisco, CA, will manage the underwriting. V. 220 7502, p. 22.

AMERICAN TAX-EXEMPT BOND TRUST, SERIES 7
Dec. 15, 1975 filed \$4,725,000 of units. The Trust consists of a portfolio of interest bearing obligations. B.C. Ziegler & Co., West Bend, WI, is the sponsor.

ANZA SHAREHOLDERS' LIQUIDATING TRUST
433 Airport Blvd., Burlingame, CA, Dec. 17, 1975 filed 1,371,199 units of beneficial interest, to be distributed to the shareholders of Anza Pacific Corp., in exchange for the outstanding capital stock of Anza Pacific Corp., at the rate of one unit for each outstanding share upon the liquidation and dissolution of APC. Anza Pacific is primarily engaged in the real estate development.

BANKERS INVESTMENT CO.
830 North Main St., Hutchinson, KS, Dec. 22, 1975 filed \$7,000,000 of investment certificates, to be offered in \$500 minimum amounts, by officers and employees of the company. The company, which is engaged in finance and insurance businesses, will use the proceeds to reduce short-term debts. V. 220 7473, p. 25.

BROWARD BANCSHARES, INC.
25 South Andrews Ave., Ft. Lauderdale, FL, Dec. 17, 1975 filed 2,836,979 shares of common stock, to be issued in connection with the company's merger plans. V. 220 7464, p. 66.

DANA CORP.
P.O. Box 1000, Toledo, OH, Dec. 15, 1975 filed 721,000 shares of common stock, to be offered under the company Employees' Stock Purchase Plan. The company manufactures original and replacement components for the transportation industry. V. 220 7468, p. 65.

EL PASO ELECTRIC CO.
215 North Stanton St., El Paso, TX, Dec. 15, 1975 filed 750,000 shares of common stock, to be offered to stockholders, under a Dividend Reinvestment and Stock Purchase Plan. V. 220 7468, p. 24.

FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 12
Dec. 15, 1975 filed \$5,000,000 of units. The Fund, one in a series of unit investment trusts, consists of an insured portfolio of interest-bearing obligations. Van Kampen Waterleik & Brews Inc., Chicago, IL, will manage the underwriting.

FIRST VALLEY CORP.
One Bethlehem Plaza, Bethlehem, PA, Dec. 17, 1975 filed 96,250 shares of common, to be offered in exchange for the outstanding capital stock of The Schuylkill Haven Trust Co., Schuylkill Haven, PA, on a 1.25-for-1 basis. First Valley is a bank holding concern.

GRACE (W.R.) & CO.
1114 Ave. of the Americas, NY, Dec. 12, 1975 filed 172,745 shares of common stock, to be offered for sale, from time to time, by certain stockholders. The company is an international chemical concern with interests in natural resources, consumer products and services. V. 220 7479, p. 23.

GULF STATES UTILITIES CO.
P.O. Box 2951, Beaumont, TX, Dec. 22, 1975 filed \$60,000,000 of first mortgage bonds due 2006; and 4,000,000 shares of common 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 4:30 p.m., on the stock, on Jan. 28. V. 220 7468, p. 28.

INDIANAPOLIS WATER CO.
1220 Waterway Bldg., Indianapolis, IN, Dec. 18, 1975 filed \$18,000,000 of first mortgage bonds due Jan. 15, 1986. The public utility concern will use the proceeds to retire maturing bonds and to increase general funds. Goldman, Sachs & Co., NY, will manage the underwriting.

INTERCO, INC.
Ten Broadway, St. Louis, MA MO, Dec. 16, 1975 filed 868,938 shares of common, to be offered in exchange for the outstanding common stock of Queen Casuals, Inc., Philadelphia, PA, on a 0.5534-for-1 basis. The concern is a manufacturer of footwear and apparel and a merchandiser of consumer goods through retail store groups.

JAYARK CORP.
300 Plaza Dr., Binghamton, NY, 166,300 shares of common, to be issued in exchange for the outstanding common stock of Audio Visual Educational Systems Inc., Houston, TX, on a 2-for-1 basis. The concern is a manufacturer and distributor of audio-visual equipment and supplies and is also engaged in the printing and graphic arts business.

JERSEY CENTRAL POWER & LIGHT CO.
Madison Ave. at Punch Bowl Road, Township of Morristown, NJ, Dec. 19, 1975 filed \$60,000,000 of first mortgage bonds, to be offered at competitive bidding. The unit of General Public Utilities Corp., will use the proceeds to retire outstanding bonds and to retire short-term debts. Bids expected on Feb. 18. V. 220 7475, p. 25.

KUBOTA LTD.
2-22 Funadocho Naniwaku, Osaka, Japan 556, Dec. 23, 1975 filed \$50,000,000 of convertible debentures due 1991, to be converted into its common stock or into American or Bearer European Depository Receipts. Smith, Barney & Co. Inc.; and Nikko Securities Co. International Inc., NY, will manage the underwriting.

NORTHERN NATURAL GAS CO.
2223 Dodge St., Omaha, NE, Dec. 19, 1975 filed \$125,000,000 of debentures due Nov. 1, 1986. The utility concern will use the proceeds for debt repayment. Blyth Eastman Dillon & Co. Inc.; and Goldman, Sachs & Co., NY, will manage the underwriting. V. 220 7467, p. 26.

PACIFIC POWER & LIGHT CO.
Public Service Bldg., Portland, OR, Dec. 19, 1975 filed \$75,000,000 of first mortgage bonds due 2006, to be offered at competitive bidding. Proceeds will be used to finance the company's construction program. Bids expected at noon, on Jan. 21. V. 220 7466, p. 22.

PERTEC CORP.
101 Continental Blvd., Suite 435, El Segundo, CA, Dec. 15, 1975 filed 1,838,830 shares of common, of which 1,800,000 shares will be exchanged for the outstanding common stock of Computer Machinery Corp., (CMC), on a 3745-for-1 basis. Of the remaining shares, 94,657 may be issued upon exercise of stock options granted to CMC's employees; and 44,227 shares are to be reserved for issuance upon conversion of CMC's 7 per cent convertible subordinated notes due 1977. The concern develops, manufactures and markets computer peripheral equipment used for data entry and retrieval.

PRECISION MONOLITHICS, INC.
1500 Space Park Dr., Santa Clara, CA, Dec. 12, 1975 filed 275,000 shares of common stock, issuable to employees of the PMI and affiliated corporations pursuant to PMI's 1973 Employee Stock Option Plan. The company designs, manufactures and markets linear integrated circuits.

SAXON OIL CO.
280 Canton Ave., West Winter Park, FL, Dec. 16, 1975 filed \$10,000,000 of limited partnership interests, consisting of 2,000 units, to be offered at \$5,000 per unit, with minimum subscriptions of \$10,000. The purpose of the partnership is to engage in the acquisition, exploration and development of oil and gas properties. Saxon & Co., a wholly-owned subsidiary of the company, will manage the underwriting, on a best-efforts basis.

SCUDDER CASH INVESTMENT TRUST
10 Post Office Sq., Boston, MA, Dec. 12, 1975 filed 500,000 shares of beneficial interest. The concern is a no-load open-end diversified management company. Scudder Fund Distributors, Inc., Boston, MA, will manage the underwriting. V. 219 7431, p. 75.

SOLMAR ASSOCIATES, INC.
345 Winslow Way East, Bainbridge Island, WA, Dec. 1, 1975 filed \$2,760,000 of 540 limited partnership units, to be offered at \$5,000 per unit. The company's principal business is the formation and management of its partnership's interest in the acquisition of condominiums in the Banus Development at Marbella, Spain.

STATE STREET EXCHANGE FUND
Boston, MA, Dec. 22, 1975 filed \$30,000,000 of limited

Reg. "A's"

BOLYARD OIL & GAS LTD.
Suite 20C - Brooks Towers, 1020 - 15th St., Denver, CO, Oct. 20, 1975 filed a Reg. A covering 5,000,000 shares of common, to be offered at \$0.10 per share. Pittman & Co. Inc., Denver, CO, will manage the underwriting. Offering expected in Jan.

COMMUNITY STORES INC.
11232-120th N.E. Kirkland, WA, Nov. 10, 1975 filed a Reg. A covering 247,800 shares of class A common stock, to be offered at \$2 per share, only to bona fide residents of the State of Washington. The concern was formerly VIP Associates Inc. Paul E. Kirker, Seattle, WA, will manage the underwriting, on a best-efforts basis. Offering expected in Jan.

FORUM OIL & GAS CO.
Dallas, TX, March 4, 1975 filed a Reg. A covering 5,000,000 shares of common, to be offered at \$0.10 per share. The company is engaged in the acquisition and exploration of oil and gas. Hyder & Co., Albuquerque, NM, will manage the underwriting. Offering expected in Jan.

KO KO TU OIL CO.
400 N. Akard St., Dallas TX, Sept. 24, 1975 filed a Reg. A covering 5,000,000 shares of common, to be offered at \$0.10 per share. The company is engaged in the exploration and production for oil and gas. First New Mexico Securities Corp., Albuquerque, NM, will manage the underwriting. Offering expected in Jan.

NATIONAL FOODLINE CORP.
4510 West 77 St., Edina, MN, June 23, 1975 filed a Reg. A covering 9,832 shares of common, to be offered for the account of stockholders. Remben-Alestad & Associates Inc., and Parker-Marquart Securities Inc., Minneapolis, MN, will manage the underwriting. V. 219 218, p. 647.

SOLAR ENERGY RESEARCH CORP.
Suite 1 412 Granite Bldg., 1228 - 15th St., Denver, CO, Oct. 17, 1975 filed a Reg. A covering 5,000,000 shares of common, to be offered at \$0.10 per share. The concern designs and sells heating systems. First Western Securities of Wyoming Inc., Casper, WY, will manage the underwriting, on a best-efforts-basis. Offering expected in Jan.

TANNEY HILL, INC.
Austabula, OH, March 18, 1975 filed a Reg. A covering 100,000 shares of common, to be offered at \$5 per share. The company markets and develops furniture franchises. Jas. D. Aronson, Chicago, IL, will manage the underwriting.

UNIVERSAL URANIUM CO.
1014 Denver Club Bldg., Denver, CO, Oct. 2, 1975 filed a Reg. A covering 2,000,000 shares of capital stock, to be offered at \$0.25 per share. The concern is engaged in mining. Alta Investment Co., Denver, CO, will manage the underwriting. Offering expected in Jan.

VERIPRINT SYSTEMS CORP.
29747 Dearborn St., Chatsworth, CA, Sept. 26 1975 filed a Reg. A covering 250,000 shares of common, to be offered at \$2 per share. The concern manufactures and markets printing equipments. Universal Heritage Investments Corp., Torrance, CA, will manage the underwriting. Offering expected in Jan.

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partnership interests. The open-end investment company's objective is to seek long-term growth of capital and of future income. State Street Research & Management Co., Boston, MA, will be the investment adviser. Goldman Sachs & Co., NY, will be the dealer-manager.

STAUFFER CHEMICAL CO.
Westport, CT, Dec. 23, 1975 filed \$125,000,000 of debentures due 2001; and \$75,000,000 of notes due 1986. The diversified concern will use the proceeds to fund its capital expenditure program and to retire short-term debts. Morgan Stanley & Co. Inc., NY, will manage the underwriting. V. 220 7500, p. 22.

TEXAS POWER & LIGHT CO.
1511 Bryan St., Dallas, TX, Dec. 19, 1975 filed 300,000 shares of cumulative preferred stock. The unit of Texas Utilities Co., will use the proceeds to repay short-term debts and for construction. Goldman, Sachs & Co.; Salomon Brothers; Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. V. 220 7460, p. 65.

TEXAS POWER & LIGHT CO.
1511 Bryan St., Dallas, TX, Dec. 19, 1975 filed \$100,000,000 of first mortgage bonds due Jan. 1, 2006. The unit of Texas Utilities Co., will use the proceeds to repay short-term debts and to finance construction. Salomon Brothers; Goldman, Sachs & Co.; Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. V. 220 7460, p. 65.

TIME INC.
Time & Life Bldg., Rockefeller, NY, Dec. 22, 1975 filed \$50,000,000 of notes due Jan 15, 1986. The company whose principal business is the publishing of magazines and books and related products, will use the proceeds for expansion and to reduce bank debts. Salomon Brothers; and White, Weld & Co. Inc., NY, will manage the underwriting.

TRANS WORLD OIL & GAS CORP.
Dec. 16, 1975 filed 35 fractional undivided interests, in non-producing oil and gas leases, to be offered at \$2,965 per unit; 35 fractional undivided interests; and another 35 fractional undivided interests, all to be offered at \$2,965 per unit.

VERMONT AMERICAN CORP.
100 East Liberty St., Louisville, KY, Dec. 2, 1975 filed 75,000 shares of class A common, to be offered for sale, from time to time, by certain stockholders. The concern is a manufacturer of precision cutting tools for consumer and industrial markets. V. 219 7419, p. 3.

Effective Registrations

FIRST MICHIGAN CORP.
Southeastern Michigan Gas Co. 88,236 shares of common offered at \$16.50 per share, on Dec. 23, by First of Michigan Corp., Detroit, MI. V. 220 7500, p. 22.

SALOMON BROTHERS
Imperial Oil Co. 788,300 shares of class A common stock (non-registered) offered at \$22 per share, on Dec. 23, by Salomon Brothers, NY. V. 220 7458, p. 65.

Prospective Offerings

ALBERTSON'S INC.
Dec. 2, 1975 it was reported that this company plans the sale of about 750,000 shares of common stock, in early 1976. Underwriter — Expected to be Dean Witter & Co. Inc., San Francisco, CA.

AMERICAN ELECTRIC POWER CO.
Dec. 16, 1975 it was reported that this company plans the sale of about 8,500,000 shares of common, to be offered to the company's stockholders, on a 1-for-10 basis. Unsubscribed shares will be publicly offered through competitive bidding, sometime in the first quarter of 1976. V. 220 7464, p. 60.

ASIAN DEVELOPMENT BANK
Oct. 31, 1975 it was reported that this Bank plans the sale of about \$75,000,000 of notes due 1980. Underwriters — Kuhn, Loeb & Co.; and First Boston Corp., NY. V. 220 7466, p. 68.

BALTIMORE & OHIO RAILROAD CO. (1-4)
Dec. 22, 1975 it was reported that this Road plans the sale of about \$10,050,000 of equipment trust certificates due 1976-90. Underwriter — Competitive bidding. Bids expected Jan. 6. V. 219 7394, p. 21.

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 Jan. Underwriter — Expected to be Piper, Jaffray & Hopwood Inc., Minneapolis, MN.

BROOKLYN UNION GAS CO.
Oct. 22, 1975 it was reported that this utility plans the sale of about \$50,000,000 of first mortgage bonds; and \$10,000,000 of stock. Underwriter — Expected to be White, Weld & Co. Inc., NY. V. 220 7486, p. 23.

CALIFORNIA-PACIFIC UTILITIES CO.
Dec. 1, 1975 it was reported that this company plans the sale of about 220,000 shares of common stock, in early 1976. Underwriter — Expected to be at competitive bidding. V. 220 7475, p. 76.

CENTRAL ILLINOIS LIGHT CO. (4-28)
Dec. 1, 1975 it was reported that this company plans the sale of about \$40,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids expected at 11 a.m., on April 20. V. 220 7469, p. 65.

CHESAPEAKE & OHIO RAILWAY (1-13)
Sept. 29, 1975 it was reported that this Road plans the sale of about \$15,000,000 of equipment trust certificates due 1976-90. Underwriter — Competitive bidding. Bids expected at 11 a.m., on Jan. 13. V. 220 7427, p. 27.

CONSUMERS POWER CO.
July 14, 1975 it was reported that this company plans the sale of about \$55,000,000 of common stock, in Jan. Underwriter — Expected to be Morgan Stanley & Co. Inc., NY. V. 220 7478, p. 19.

EMERSON LTD.
Dec. 22, 1975 it was reported that this company plans the sale of about 450,000 shares of common stock, in Feb. Also 110,000 shares will be offered by certain selling shareholders. Further details to be announced.

December 29, 1975

FIRST SAVINGS & LOAN SHARES, INC.
Dec. 22, 1975 it was reported that this savings and loan holding concern plans the sale of about \$12,800,000 in long term senior debt securities, pending regulatory approval by the Federal Home Loan Bank Board. Further details to be announced.

GENERAL TELEPHONE & ELECTRONICS CORP.
Oct. 28, 1975 it was reported that this company plans the sale of about 3,000,000 shares of preferred stock. Underwriter — Expected to be Paine, Webber, Jackson & Curtis Inc., NY. V. 220 7480, p. 23.

GREYHOUND CORP. (1-19)
Dec. 15, 1975 it was reported that this company plans the sale of about \$100,000,000 of sinking fund debentures due Jan. 15, 2001. Underwriters — Goldman, Sachs & Co., NY. Offering expected week of Jan. 19.

GULF STATES UTILITIES CO. (1-28)
Nov. 18, 1975 it was reported that this company plans the sale of about \$60,000,000 of bonds; and 4,000,000 shares of common stock. Underwriters — Competitive bidding. Bids expected at 11 a.m., on the bonds; and at 4.30 p.m., on the stock, on Jan. 28. V. 220 7469, p. 26.

HARRAH'S INC.
Dec. 23, 1975 it was reported that this company plans the sale of about \$15,000,000 of subordinated convertible debentures, in early 1976. Underwriters — Tobe named.

IOWA POWER & LIGHT CO. (2-25)
Dec. 22, 1975 it was reported that this company plans the sale of about \$25,000,000 of first mortgage bonds; and \$15,000,000 of common stock. Underwriter — Competitive bidding. Bids expected at 11 a.m., on the bonds; and at noon, on the stock, on Feb. 25. V. 220 7469, p. 66.

KANSAS GAS & ELECTRIC CO.
Nov. 18, 1975 it was reported that this company plans the sale of about 1,100,000 shares of common stock, in early 1976. Underwriters — Expected to be E.F. Hutton & Co. Inc.; Goldman, Sachs & Co.; and Blyth Eastman Dillon & Co. Inc., NY. V. 220 7477, p. 26.

MICROFORM DATA SYSTEMS
Jan. 13, 1975 it was reported that this company still plans the sale of about 700,000 shares of common. Underwriter — Birr, Wilson & Co. Inc., San Francisco, CA, managed a previous underwriting of common for the company.

MISSISSIPPI POWER CO. (2-17)
Dec. 15, 1975 it was reported that this company plans the sale of about \$45,000,000 of bonds. Underwriter — Expected to be at competitive bidding. Bids expected at noon, on Feb. 17. V. 220 7495, p. 22.

NEW JERSEY BELL TELEPHONE CO. (2-24)
Dec. 1, 1975 it was reported that this AT&T unit plans the sale of about \$100,000,000 of debentures, pending approval. Underwriters — Expected to be at competitive bidding. Bids expected Feb. 24. V. 218, p. 573.

NORFOLK & WESTERN RAILWAY (1-8)
Dec. 15, 1975 it was reported that this Road plans the sale of about \$15,000,000 of equipment trust certificates due 1976-90. Underwriter — Competitive bidding. Bids expected at 11 a.m., on Jan. 8. V. 220 7491, p. 24.

OMARK INDUSTRIES INC.
June 22, 1975 it was reported that this company plans the sale of about \$25,000,000 of debt securities, in late-1975. Underwriter — expected to be Smith, Barney & Co. Inc., NY. V. 220 7472, p. 27.

PACIFIC POWER & LIGHT CO. (1-21)
Dec. 11, 1975 it was reported that this utility concern plans the sale of about \$75,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids expected at noon, on Jan. 21. V. 220 7500, p. 26.

PANHANDLE EASTERN PIPE LINE CO.
Aug. 12, 1975 it was reported that this company plans the sale of about \$40,000,000 of debentures; and 1,500,000 shares of common stock. Underwriters — Kidder, Peabody & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY. V. 220 7481, p. 18.

PHILADELPHIA ELECTRIC CO. (2-25)
Dec. 22, 1975 it was reported that this company plans the sale of about \$100,000,000 of first mortgage bonds. Underwriters — First Boston Corp.; and Drexel Burnham & Co. Inc., NY. Offering expected Feb. 25. V. 220 7489, p. 26.

PUBLIC SERVICE CO. OF INDIANA
Nov. 24, 1975 it was reported that this utility plans the sale of about 1,400,000 shares of common stock, in the first half of 1976. Underwriter — Expected to be Morgan Stanley & Co. Inc., NY. V. 220 7483, p. 24.

PUBLIC SERVICE CO. OF NEW MEXICO (2-18)
Dec. 15, 1975 it was reported that this company plans the sale of about \$20,000,000 of preferred stock; and \$18,000,000 of common stock. Underwriters — Tobe named. Offerings expected about Feb. 19. V. 220 7490, p. 24.

SONICS INTERNATIONAL INC.
Nov. 10, 1975 it was reported that this company plans the sale of about 400,000 shares of common stock, of which 90 per cent of the shares will be offered for the account of the company and the remaining shares for the account of certain selling shareholders. Further details to be announced.

SOUTH CAROLINA ELECTRIC & GAS CO. (2-3)
Dec. 15, 1975 it was reported that this company plans the sale of about \$35,000,000 of bonds; and \$21,000,000 of common stock. Underwriters — Tobe named. Offerings expected Feb. 3. V. 220 7480, p. 24.

SOUTHERN CALIFORNIA GAS CO.
May 19, 1975 it was reported that this company plans two sales of about \$40,000,000 of first mortgage bonds, in 1976. Underwriter — Morgan Stanley & Co. Inc., NY, managed a previous bond offering for the company. V. 220 7441, p. 64.

SOUTHERN CO.
Dec. 8, 1975 it was reported that this company plans the sale of about \$250,000,000 in common stock and notes, in early 1976. Underwriters — Morgan Stanley & Co. Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc., NY, managed a previous underwriting for the company. V. 220 7478, p. 18.

SOUTHWESTERN BELL TELEPHONE CO. (3-16)
Dec. 11, 1975 it was reported that this subsidiary of AT&T plans the sale, pending approval, of about \$300,000,000 of debt securities. Type of securities and method of sale are to be determined. Offering expected about March 16. V. 220 7501, p. 55.

SOUTHWESTERN PUBLIC SERVICE CO.
Dec. 8, 1975 it was reported that this company plans the sale of about \$45,000,000 of first mortgage bonds; and \$16,000,000 of preferred stock, in March. Underwriter — Expected to be Dillon Read & Co. Inc., NY. V. 220 7459, p. 65.

STAUFFER CHEMICAL CO. (1-13)
Dec. 23, 1975 it was reported that this company plans the sale of about \$125,000,000 of debentures due 2001; and \$75,000,000 of notes due 1986. Underwriter — Morgan Stanley & Co. Inc., NY. Offerings expected Jan. 13. V. 220 7500, p. 22.

TEXACO CANADALTD.
Dec. 22, 1975 it was reported that this company plans the sale of about \$100,000,000 of bonds, some time in 1976. Underwriter — Expected to be Morgan Stanley & Co. Inc., NY. V. 219 7450, p. 59.

TEXAS POWER & LIGHT CO. (1-28)
Nov. 18, 1975 it was reported that this utility plans the sale of about \$100,000,000 of bonds; and \$30,000,000 of preferred stock. Underwriter — Expected to be Salomon Brothers; and Goldman, Sachs & Co. NY. Offerings expected Jan. 20. V. 220 7464, p. 69.

UNION ELECTRIC CO.
Sept. 22, 1975 it was reported that this company plans the sale of \$70,000,000 of first mortgage bonds, in June 1976. Underwriters — Expected to be Lehman Brothers Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc. V. 220 7463, p. 66.

UNION ELECTRIC CO. (3-18)
Oct. 6, 1975 it was reported that this utility plans the sale of about \$35,000,000 of preferred stock. Underwriters — Expected to be Lehman Brothers Inc.; and Merrill Lynch, Pierce, Fenner & Smith Inc. NY. Offering expected March 10. V. 220 7463, p. 66.

UNION PACIFIC RAILROAD (1-27)
Dec. 22, 1975 it was reported that this Road, a unit of Union Pacific Corp., plans the sale of \$19,500,000 of equipment

trust certificates due 1977-91. Underwriter — Competitive bidding. Bids expected Jan. 27. V. 220 7491, p. 24.

WISCONSIN PUBLIC SERVICE CORP.
Oct. 13, 1975 it was reported that this company plans the sale of about 1,100,000 shares of common stock. Underwriter — Expected to be Merrill Lynch, Pierce, Fenner & Smith Inc., NY. V. 220 7449, p. 63.

Analysts balky on Global

The mass selling last autumn of offshore drilling stocks annoyed many securities analysts who think Wall Street has gone much too far in its sour attitude toward the group. But any defense of the group no longer includes Global Marine, Inc of Los Angeles.

While analysts think the present market disenchantment with oil drilling issues is temporary, and that in fact the selling may have run its course, they are very pessimistic about the recovery chances of Global Marine.

The stock has dropped from a high of \$18 in 1975 year to a recent price of about \$8, and about half of the decline has been taken place since September. The analysts' predictions are that the company's earnings, which were higher for both the third quarter and first nine months of 1975, collapsed in the fourth quarter. Thus, some analysts see full-year results below last year's \$1.26 a share.

Worse yet, the analysts think Global Marine's earnings will fall even further next year in contrast to favorable profit prospects depicted for most other leading offshore drilling companies.

In response to these dire predictions, Global Marine Vice President Taylor Hancock avers that the company definitely is not as negative about its outlook as the analysts. "We see some hard times ahead, but we think we'll come out as well or better than other industry companies," he said.

He declined to comment specifically on earnings, though he did not dispute the speculation about an adverse fourth quarter, something which the company already has conceded.

The basic problem facing the industry next year is the growing number of drilling rigs around the world that have no work contracts. The initial impact of this situation became evident in the latter part of the third quarter in softening charter rates and an abnormal rise in the percentage of idle rigs.

According to Richard Miskinis of Merrill, Lynch, Global Marine presently appears to be the only company which will "suffer a severe earnings decline in 1976 as a result of this problem."

As of late November, Miskinis said, four of Global Marine's 12 drillship type rigs were idle. Of the company's six rigs coming off charter next year, two are not expected to find work, Miskinis believes. Hancock calls this "speculation."

Because Miskinis expects a sharp earnings drop in the fourth quarter, he has cut his estimate for this year's net to \$1.05 a

share from a previous \$1.65. He also downgraded his recommendation on the stock, both intermediate and long term to "ok to sell" from "ok to buy." Miskinis projects that Global Marine's earnings next year will drop to 50 cents a share.

However, Herbert Hart of Bateman Fichler, Hill Richards in San Francisco thinks that's too harsh a prediction. He believes the company faces a "sharp" profit drop next year, although he has no specific forecast for 1976.

Hart who has had a "sell" recommendation out on Global Marine for several months, has cut his estimate for this year to \$1.25 a share from \$1.50 because of the anticipated poor fourth quarter. But he says the company has been "outstanding in terms of technology, and one thing you ought to bear in mind is that it is a very attractive merger candidate because of this technological excellence."

Hancock, however, says the company is "not seeking a merger or inviting one."

IBM partnership forms satellite

International Business Machines Corp. said newly-formed subsidiaries including itself, Aetna Life and Casualty and Comsat General Corp. have signed an agreement to join in a domestic communications satellite partnership named Satellite Business Systems (SBS) which will continue the business of CML Satellite Corp.

IBM said the three parent companies approved an agreement in principle on September 26. The SBS partnership has filed applications with the Federal Communications Commission seeking authorization to establish an all-digital domestic satellite system serving large industrial, government and other users.

The new, wholly-owned subsidiaries of the three companies each intends to become a one-third owner of the partnership. Upon FCC approval of SBS's applications, Aetna's subsidiary will initially acquire a 15 per cent ownership interest and the subsidiaries of Comsat General and IBM each will have a 42-1/2 per cent interest. The balance of Aetna's investment will consist of loans convertible into equity to bring the company's total ownership to one-third.

IBM said costs of operating the venture will be funded equally among the three partners upon FCC approval of the application.

BBDO set to end strong 1975 with a fourth quarter flurry

Continued from page 12

was 3.73 employees per million dollars of billings, while the average ratio of the ten largest agencies in the U.S. was 4.26 employees per million dollars.

Anschel also believes that BBDO has "a nice balance of accounts," from diversified industries. BBDO has been able to attract and hold the accounts of some of America's largest corporations — about half of their domestic clients have been with the firm for 10 years or more. For the last five years, the annual movement of domestic accounts from BBDO to other agencies has been less than 3 per cent of its billings and the trend has been downward. BBDO's clients include American Brands (with BBDO 27 years), Chrysler (31 years), E.I. duPont de Nemours (46 years), General Electric (55 years), Lever Brothers (26 years) and PepsiCo (15 years). During 1975 Anschel noted that BBDO lost two major accounts — Tareyton Cigarettes and Schaeffer Beer — but gained another — Hawaiian Punch.

Large dividends

According to Anschel BBDO is the only advertising agency which pays out a major portion of its earnings as cash dividends — \$1.80 per share a year is the current commitment. He thinks that if the company's earnings are merely "stable" and the dividends are continuously paid, investors will get more confidence in the

stock, which should steadily increase in value. At its current price, the stock now yields 10.6 per cent "and that's not hard to take," said Anschel, who recommends the shares for investors "willing to assume a moderate degree of risk in return for unusually high current income."

"That's one of the beauties of the advertising business," Anschel said, "it's strictly service and cash, there's no need to reinvest the cash in the business, so large dividends can be paid." He noted that when other large advertising agencies used their extra cash to diversify into other businesses, "most of them fell flat on their faces."

Higher earnings

Anschel said he had originally thought that full-year 1975 earnings would be down slightly from 1974 due to the exceptionally strong fourth quarter in 1974. But with the anticipated strength of 1975's fourth quarter — which Anschel suspects is due to a sharp pickup in advertising by Chrysler-Dodge, which has two new cars on the market this fall — the official estimate for full-year 1975 earnings is \$2.52, 5 per cent higher than 1974's \$2.40. He observed that this includes a gain of \$.09 a share from the sale of marketable securities — earnings will be \$2.45 on an operating basis — but noted that last year's earnings included \$.05 a share extraordinary credit. For 1976 Anschel said he "conservatively" estimates earnings of \$2.50 a share on an operating basis.

New issue calendar as of December 29, 1975

DECEMBER 29 (MONDAY)
Dibrell Brothers Inc.
 (Wheat, First Securities Inc.) 60,000 common.

JANUARY 6 (TUESDAY)
Baltimore & Ohio Railroad
 (Bids to be received) \$10,050,000 certificates.
Vance Sanders Exchange Fund
 (Vance Saunders & Co. Inc.) 500,000 interests.

JANUARY 7 (WEDNESDAY)
Cincinnati Gas & Electric Co.
 (Morgan Stanley & Co. Inc.) 450,000 preferred.
New York State Electric & Gas Corp.
 (Lehman Brothers Inc.) \$60,000,000 bonds.

JANUARY 8 (THURSDAY)
Indianapolis Power & Light Co.
 (Lehman Brothers Inc.) 2,000,000 common.
Norfolk & Western Railway
 (Bids at 11 a.m.) \$15,000,000 certificates.

JANUARY 12 (MONDAY)
Baldor Electric Co.
 (A.G. Edwards & Sons Inc.) 329,976 common.

JANUARY 13 (TUESDAY)
Chesapeake & Ohio Railway
 (Bids at 11 a.m.) \$15,000,000 certificates.
Electricite De France
 (Merrill Lynch, Pierce, Fenner & Smith Inc.) \$75,000,000 notes.

First Trust of Insured Municipal Bonds, Series 12
 (Van Kampen Wauterlek & Brown

Inc.) \$5,000,000 units.
Kansas Nebraska Natural Gas Co.
 (Merrill Lynch, Pierce, Fenner & Smith Inc.) \$20,000,000 bonds.
Middle South Utilities Co.
 (Bids at 4:30 p.m.) 7,500,000 common.
Northern Natural Gas Co.
 (Blyth Eastman Dillon & Co. Inc.) \$125,000,000 debentures.
Oklahoma Gas & Electric Co.
 (Bids at 11 a.m.) \$55,000,000 bonds.
Stauffer Chemical Co.
 (Morgan Stanley & Co. Inc.) \$125,000,000 debentures.
Stauffer Chemical Co.
 (Morgan Stanley & Co. Inc.) \$75,000,000 notes.
Time Inc.
 (Salomon Brothers) \$50,000,000 notes.

JANUARY 14 (WEDNESDAY)
Central Illinois Light Co.
 (Dean Witter & Co. Inc.) 1,000,000 common.
City of Toronto
 (Salomon Brothers) \$60,000,000 (20-yr) debentures.
City of Toronto
 (Salomon Brothers) \$20,000,000 (10-yr) debentures.
Pathcom Inc.
 (Colman, Siebel & Weisel) 600,000 common.
Manitoba Hydro-Electric Board
 (Merrill Lynch, Pierce, Fenner & Smith Inc.) \$100,000,000 bonds.
Santa Fe International Corp.
 (Dean Witter & Co. Inc.) \$30,000,000 (conv.) debentures.

JANUARY 19 (MONDAY)
American Tax-Exempt Bond Trust Series 7

(B.C. Ziegler & Co.) \$4,725,000 units.
Greyhound Corp.
 (Goldman, Sachs & Co.) \$100,000,000 debentures.
Indianapolis Water Co.
 (Goldman, Sachs & Co.) \$18,000,000 bonds.

JANUARY 20 (TUESDAY)
Middlesex Water Co.
 (Kidder, Peabody & Co. Inc.) 100,000 common.
Southern Railway
 (Bids to be received) \$15,000,000 certificates.
Texas Power & Light Co.
 (Salomon Brothers) \$100,000,000 bonds.
Texas Power & Light Co.
 (Goldman Sachs & Co.) 300,000 preferred.

JANUARY 21 (WEDNESDAY)
Hackensack Water Co.
 (First Boston Corp.) \$20,000,000 bonds.
Pacific Power & Light Co.
 (Bids at noon) \$75,000,000 bonds.

JANUARY 22 (THURSDAY)
Puget Sound Power & Light Co.
 (Merrill Lynch, Pierce, Fenner & Smith Inc.) 800,000 preferred.

JANUARY 27 (TUESDAY)
Union Pacific Railroad
 (Bids to be received) \$19,500,000 certificates.

JANUARY 28 (WEDNESDAY)
Gulf States Utilities Co.
 (Bids at 11 a.m.) \$60,000,000 bonds.
Gulf States Utilities Co.
 (Bids at 4:30 p.m.) 4,000,000 common.

JANUARY 29 (THURSDAY)
Kyoto Ceramic Co.
 (Merrill Lynch, Pierce, Fenner & Smith Inc.) 2,000,000 common.
National Municipal Trust, 13th Series
 (Thomson & McKinnon Auchincloss Kohlmeyer Inc.) \$7,500,000 units.

FEBRUARY 3 (TUESDAY)
South Carolina Electric & Gas Co.
 (Kidder, Peabody & Co. Inc.) \$35,000,000 bonds.
South Carolina Electric & Gas Co.
 (Kidder, Peabody & Co. Inc.) \$21,000,000 common.

FEBRUARY 17 (TUESDAY)
Mississippi Power Co.
 (Bids at noon) \$45,000,000 bonds.

FEBRUARY 18 (WEDNESDAY)
American Electric Power Co.
 (Bids to be received) 8,500,000 common.
Jersey Central Power & Light Co.
 (Bids at noon) \$60,000,000 bonds.

FEBRUARY 19 (THURSDAY)
Allegheny Power System Inc.
 (Bids at 4:30 p.m.) 3,500,000 common.
Public Service Co. of New Mexico
 (Kidder, Peabody & Co. Inc.) \$20,000,000 preferred.
Public Service Co. of New Mexico
 (Kidder, Peabody & Co. Inc.) \$18,000,000 common.

FEBRUARY 24 (TUESDAY)
New Jersey Bell Telephone Co.
 (Bids to be received) \$100,000,000 debentures.

SEC 'hold' index

The following list "holds" covers securities filed with the SEC that are presently considered inactive. They were shown at their respective filing dates in previous publications, dating back from Sept. 1973. Records of other registrations are available from our library. Additional information can be obtained by calling, visiting or writing directly to us.

SECURITIES	DATE APPEARED IN CHRONICLE
American Gen. Option Investors Inc.	Nov. 12, 1973
American Option Writers Fund	Oct. 22, 1973
Automated Medical Labs, Inc.	July 8, 1974
Avant Industries Ltd.	Feb. 1, 1974
Bankers Trust NY Corp.	Dec. 24, 1973
Bank Income Fund 11th. Series	Jan. 27, 1975
CNA Money Instruments	Sept. 23, 1974
Capenhart Hospital Supply Co. Inc.	Sept. 3, 1973
Caplans Oil & Gas Program	Nov. 11, 1974
Century Properties Fund X	Oct. 21, 1974
Charter Investment Co.	Nov. 24, 1973
Chrysler Fin. Corp.	March 8, 1974
Clothes-Out, Inc.	Sept. 3, 1973
Combined Fin. Services Co.	Dec. 9, 1974
Consolidated International Pictures	Sept. 5, 1973
Consolidated Products	April 24, 1974
Diversified Microwave Application	Nov. 3, 1973
Entertainment Communications Inc.	Dec. 31, 1973
Environmental Technology	Sept. 9, 1974
Extractable Resources	March 22, 1974
Fluorex Corp.	Sept. 16, 1974
Fort David Labs	Oct. 15, 1973
Geothermal Energy & Mineral Corp.	Nov. 16, 1973

Grovecompo Inc.	Oct. 21, 1974
Growth Realty Investment Ltd. Partnership	March 23, 1974
Hartman Group Second Fund, Ltd.	Nov. 10, 1973
Hydro Technology Inc.	Oct. 6, 1973
Hygienic Products Inc.	June 28, 1974
IDS Realty Trust	Nov. 25, 1974
Ireland	Dec. 2, 1974
Land-Vest Properties	Feb. 11, 1974
Last Chance Silver & Gold Min.	Nov. 4, 1974
Lexington Income Fund, Inc.	Sept. 3, 1973
Maenner-American Properties	Nov. 6, 1973
May Petroleum Program 1975	Nov. 4, 1974
Midantic Mortgage Investors	Oct. 29, 1973
Montara Petroleum Co.	Nov. 11, 1974
Nuclear Silver Corp.	Jan. 23, 1974
Oil Interest Ltd.	Oct. 6, 1973
Omnibus Group Inc.	Oct. 29, 1973
Orion Sports Centers	Sept. 9, 1974
PDFA Mensal Galleria Ltd.	June 28, 1974
Pacific Cross International	Nov. 29, 1973
Philatelic Exchange Inc.	Dec. 16, 1974
Pleasure Industries Inc.	Oct. 6, 1973
Polydex Chemicals Ltd.	Nov. 10, 1973
Regan Offshore Int'l Inc.	March 8, 1974
Semi-Dyne Electonics Corp.	Dec. 10, 1973
Southwest Chemical Services Inc.	Nov. 5, 1973
Steer West Inc.	Oct. 1, 1973
Sunbank Corp.	Sept. 3, 1973
Telcoa International Corp.	Oct. 10, 1973
Tiddersearch, Inc.	Sept. 3, 1973
Vista Labs Inc.	Oct. 6, 1973
Wilson Industries Inc.	July 22, 1974
Xedar Corp.	Dec. 23, 1974

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	Bid	Net Change
	Dec. 17	Dec. 23	
Bat. Park City 6 $\frac{1}{2}$ -14	48	47	-1
Chelan Co. PUD 5-13	74	75	+1
Chicago O'Hare Airport 4 $\frac{3}{4}$ -99	87	87	-
Dallas Ft. Worth 6 $\frac{1}{4}$ -02	76 $\frac{1}{2}$	79	+2 $\frac{1}{2}$
Delaware River PA 6-10	76	76	-
Delaware River 6 $\frac{1}{2}$ -11	80	80 $\frac{1}{2}$	+ $\frac{1}{2}$
Florida Turnpike 4 $\frac{3}{4}$ -01	74 $\frac{1}{2}$	75	+ $\frac{1}{2}$
Kentucky Turnpike 6 $\frac{1}{8}$ -08	79	79	-
Mass Tpkc. 3.30-94	71	71	-
NJ Turnpike Auth. 5.70-13	74	75	+1
NJ Turnpike Auth. 7-09	109	109	-
NYS Power Authority 5 $\frac{1}{8}$ -10	70	69	-1
NYS Urban Dev. 7-14	48	47	-1
Port NY Auth. 5 $\frac{1}{2}$ -08	66	67	+1
Port of NY Auth. 6-08	72	72	-
NY MAC 9-85	78	78	-
NY MAC 9 $\frac{1}{4}$ -90	77	77	-
NY MAC 11-83	98 $\frac{1}{2}$	99 $\frac{1}{2}$	+1

New Issue Bonds

Issue	Type	Amount	Date Due	Call Features	Ratings	Syn. Manager	Coupon (Percent)	Date of Offg.	Offg. Yield	Mkt. Yield (Ask)(12-24)
Alabama Bancorp	Notes	\$ 35,000,000	7-1-84	N-C 1-1-83	AA(S&P)AAA(F)	FB	9.50	12-11	9.50	9.35
Alabama Power Co.	Bonds	\$100,000,000	12-1-2005	N-C 12-1-80	AM(F)A-(S&P)	SB	10.50	12-17	10.50	10.40
American Express Cr.	Notes	\$ 50,000,000	12-15-85	N-C 12-15-83	A(M)AA(S&P)(F)	SB	8.50	12-18	8.50	8.37
Appalachian Power Co.	Bonds	\$ 60,000,000	12-1-84	N-C 12-1-80	Baa(M)BBB(S&P)(F)	ML	10.50	12-2	10.50	10.40
Avco Fin. Services	Nbtes	\$ 50,000,000	12-15-83	N-C 12-15-82	A(M)(S&P)	SB	9.75	12-17	9.75	9.65
Carter Hawley Hale	Debs	\$ 60,000,000	2000	N-C 12-15-85	A(M)(S&P)	MS	9.45	12-17	9.45	9.38
Chesapeake & Potomac Tel.	Debs	\$100,000,000	12-15-2015	N-C 12-15-80	Aaa(M)AAA(S&P)	FB	9.25	12-9	9.35	8.98
Commonwealth Edison	Bonds	\$125,000,000	5-15-2004	N-C 11-15-80	Aaa(M)AAA(S&P)	MS	9.375	11-17	9.375	9.25
Detroit Edison Co.	Bonds	\$ 50,000,000	12-15-2000	N-C 12-15-85	Baa(M)BBB(S&P)	MS	11.875	12-10	11.875	11.67
European C&S Community	Notes	\$125,000,000	12-15-80	N-C 6-15-80	Aaa(M)AAA(S&P)	KL	8.875	12-7	8.875	9.77
Gen. Tel. of the Southwest	Bonds	\$ 45,000,000	12-1-2005	N-C 12-1-80	A(M)(S&P)	BED	9.875	12-10	9.95	9.85
Georgia Power Co.	Bonds	\$100,000,000	12-1-2005	N-C 12-1-80	Baa(M)BBB(S&P)	MS	11.75	11-24	11.75	11.50
Hudson Bay M&S	Debs	\$ 50,000,000	12-1-95	N-C 12-1-85	A(M)(S&P)	FB	10.50	12-9	10.50	10.40
Hydro-Quebec	Debs	\$250,000,000	12-1-2005	N-C 12-1-90	Aa(M)AA(S&P)	FB	10.00	11-20	10.00	9.85
Indiana & Michigan Pwr.	Bonds	\$ 75,000,000	12-1-84	N-C 12-1-80	Baa(M)BBB(S&P)(F)	FB	10.875	12-11	10.70	10.60
International Paper	Debs	\$ 50,000,000	12-15-2000	N-C 12-15-85	Aa(M)AA-(S&P)	FB	8.85	12-16	8.85	8.68
Montana Power	Bonds	\$ 65,000,000	12-1-2005	N-C 12-1-80	Aa(M)AA(S&P)	KP	9.70	12-10	9.70	9.38
Ottawa-Carleton	Debs	\$ 30,000,000	11-1-96	-	Aaa(M)AA(S&P)	ML	9.375	12-17	9.43	9.31
Penn Power & Light Co.	Bonds	\$100,000,000	11-1-2005	N-C 11-1-85	Aa(M)A+(S&P)	MS	9.75	11-18	9.75	9.58
Portland Gen. Electric	Bonds	\$ 50,000,000	12-1-2005	N-C 12-1-80	Baa(M)BBB(S&P)	BED	11.625	12-11	11.625	11.50
Sperry Rand	Debs	\$150,000,000	12-15-2000	-	Baa(M)BBB(S&P)	BED	6.00	12-10	6.00	6.00
Texas Gulf Inc.	Debs	\$125,000,000	12-15-2000	N-C 12-15-85	A(M)AA(S&P)	MS	9.375	12-11	9.375	9.23
Textron Inc.	Notes	\$ 75,000,000	12-15-80	N-C 12-15-80	A(M)(S&P)	LB	8.50	12-16	8.50	8.33
Utah Power & Light	Bonds	\$ 60,000,000	11-1-2005	N-C 11-1-80	A(M)(S&P)	KP	10.25	11-19	10.20	10.05
World Bank	Notes	\$250,000,000	12-15-80	N-C 12-15-80	Aaa(M)AAA(S&P)(F)	MS	8.35	12-10	8.35	8.20
World Bank	Notes	\$250,000,000	12-15-85	N-C 12-15-85	Aaa(M)AAA(S&P)(F)	MS	8.85	12-10	8.85	8.56
World Bank	Bonds	\$250,000,000	12-15-2000	N-C 12-15-88	Aaa(M)AAA(S&P)(F)	MS	9.35	12-10	9.35	9.10

N-C - Not Callable

Statistical Section

Dow Jones Closing Stock Averages

	30 Industrials		20 Transportation		15 Utilities		65 Composite	
	Close	Change	Close	Change	Close	Change	Close	Change
Dec. 22	838.63	Dn 5.75	165.85	Dn 1.10	81.35	Up 0.19	255.54	Dn 1.39
Dec. 23	843.75	Up 5.12	167.20	Up 1.35	81.19	Dn 0.16	256.92	Up 1.38
Dec. 24	851.94	Up 8.19	169.12	Up 1.92	82.12	Up 0.93	259.59	Up 2.67
Dec. 25	HOLIDAY							
Dec. 26	859.81	Up 7.87	170.68	Up 1.56	82.73	Up 0.61	261.91	Up 2.32

NASDAQ Daily Closing OTC Indices

	Composite	Industrial	Bank	Insurance	Other Finance	Transportation	Utility
Dec. 22	2384	1732	92	141	379	66	184
Dec. 23	75.59	78.85	71.27	78.51	76.75	83.59	64.96
Dec. 24	75.88	79.05	71.17	79.37	77.12	83.72	64.96
Dec. 25	HOLIDAY						
Dec. 26	77.13	80.31	71.95	80.26	78.82	84.45	65.36

New York Stock Exchange Volume/ Daily, Weekly, Yearly

	Stocks	Warrants	Bonds
Mon. Dec. 22	15,336,200	51,900	\$19,026,000
Tues. Dec. 23	17,752,030	93,200	22,388,000
Wed. Dec. 24	11,149,590	47,100	12,630,000
Thurs. Dec. 25	HOLIDAY		
Fri. Dec. 26	10,015,400	73,600	15,417,000
Total	54,253,420	105,800	\$ 69,461,000

	Stocks	Warrants	Total All Bonds
Week ending Dec. 26			
1975	54,253,420	\$256,800	\$69,461,000
1974	52,488,256	676,200	\$65,104,000
Jan. 1 to Dec. 19			
1975	4,643,349,688	78,512,700	\$5,117,205,000
1974	3,478,253,288	30,955,300	\$4,009,760,400

American Stock Exchange Volume/ Daily, Weekly, Yearly

	Stocks	Bonds
Mon. Dec. 22	1,975,280	\$1,172,000
Tues. Dec. 23	2,672,615	1,055,000
Wed. Dec. 24	1,298,330	861,000
Thurs. Dec. 25	HOLIDAY	
Fri. Dec. 26	1,438,865	645,000
Total	7,385,090	\$3,733,000

	Stocks	Bonds
Week ending Dec. 26		
1975	7,385,090	\$ 3,733,000
1974	9,190,295	3,353,000
Jan. 1 to Dec. 19		
1975	532,301,770	\$ 255,733,000
1974	474,098,422	254,230,000

American Stock Exchange Index System

	High	Low	Last	Net change
Dec. 22	82.43	81.70	81.75	Dn 0.68
Dec. 23	81.89	81.61	81.89	Up 0.14
Dec. 24	82.37	81.78	82.36	Up 0.47
Dec. 25	HOLIDAY			
Dec. 26	82.59	82.31	82.58	Up 0.22

Dow Jones Closing Stock Averages

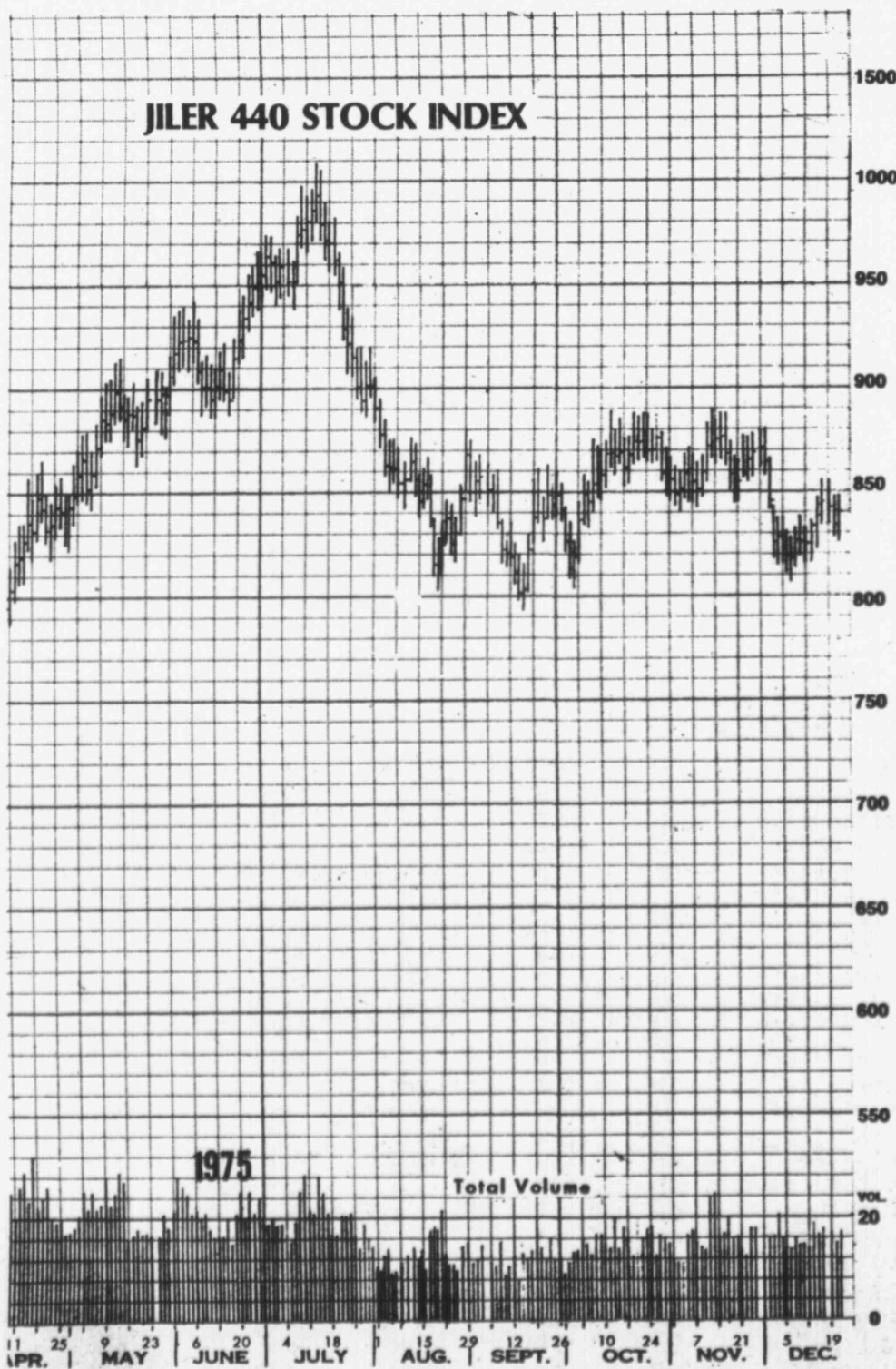
	Dec. 1975	High and Date	Low and Date
Monthly	Industrials	859.81 Dec. 26	818.80 Dec. 5
	Transportation	170.68 Dec. 26	162.53 Dec. 9
	Utilities	82.89 Dec. 1	80.65 Dec. 8
	Composite	266.80 Dec. 1	250.83 Dec. 5
Year 1975			
Yearly	Industrials	881.81 July 15	632.04 Jan. 2
	Transportation	174.57 Nov. 17	146.67 Jan. 2
	Utilities	87.07 Jun 24	72.02 Jan. 2
	Composite	260.80 Dec. 1	205.32 Jan. 2

Standard & Poor's Closing Stock Averages

	Dec. 1975	High and Date	Low and Date
Monthly	Industrials	101.55 Dec. 1	97.13 Dec. 9
	Rails	37.72 Dec. 26	36.11 Dec. 9
	Utilities	44.15 Dec. 1	42.53 Dec. 9
	Total (500)	90.57 Dec. 1	86.82 Dec. 5
Yearly			
Yearly	Industrials	107.40 July 15	77.71 Jan. 8
	Rails	40.18 May 5	34.02 Sep 16
	Utilities	45.61 June 24	35.31 Jan. 2
	Total (500)	95.61 July 15	70.04 Jan. 8

NQB Over The Counter Stock Averages

	Industrials	Insurance
	35 Stocks	15 Stocks
Dec. 22	366.75	73.64
Dec. 23	367.20	73.27
Dec. 24	369.06	73.87
Dec. 25	HOLIDAY	
Dec. 26	372.78	74.37



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 December 23.

Standard & Poor's Closing Stock Averages

	Industrials	Rails	Utilities	Total
	425 Issues	15	40	500
Dec. 22	98.65	37.01	43.13	88.14
Dec. 23	99.36	37.06	43.23	88.73
Dec. 24	100.18	37.49	43.50	89.46
Dec. 25	HOLIDAY			
Dec. 26	101.07	37.72	43.86	90.25

Dow Jones Closing Bond Averages

	10 Indus.	10 First Grade Rails	10 Second Grade Rails	10 Utilities	Total 40 Bonds
Dec. 22	78.00	48.73	61.50	86.01	68.56
Dec. 23	78.01	48.75	61.53	86.31	68.65
Dec. 24	78.15	48.47	61.43	86.28	68.58
Dec. 25	HOLIDAY				
Dec. 26	78.42	48.47	61.43	86.56	68.72

New York Stock Exchange Common Stock Indices

	Dec. 22	Dec. 23	Dec. 24	Dec. 25	Dec. 26
Composite					
High	46.73	46.77	47.18		47.60
Low	46.48	46.47	47.81		47.28
Close	46.48	46.77	47.18		47.60
Industrial					
High	51.75	51.87	52.33		52.81
Low	51.52	51.55	52.17		52.43
Close	51.52	51.87	52.33		52.80
Transportation					
High	31.49	31.85	32.35		32.74
Low	31.36	31.35	32.20		32.52
Close	31.36	31.35	32.35		32.74
Utility					
High	32.75	32.83	32.94		33.14
Low	32.72	32.70	32.90		33.03
Close	32.73	32.79	32.94		33.14
Finance					
High	43.56	43.72	44.27		44.91
Low	43.38	43.35	43.84		44.41
Close	43.38	43.72	44.27		44.91

CHICAGO BOARD OPTIONS EXCHANGE

Main table containing multiple columns for stock symbols (e.g., ALUMINUM CO AMER, AMERADIA HEBBS CORP), dates, and prices. It is organized into several vertical sections.

Table with columns: Since Issued, High, Low, Open, High, Low, Last, Net Chg, Current Price, Premium, Over-Subscription. Rows include LORAIN CORP, LOUISIANA LD & EXPL CO, MCDONALDS CORP, MERCK & CO INC, MINNESOTA MIN, MOBIL OIL CORP, MOMBANTO CO, NATIONAL SEMICONDUCTOR CORP, NORTHWEST AIRLINE INC, OCCIDENTAL PETE CORP, PENNSYLVANIA, POLAROID CORP, RCA CORP, RAYTHEON CO, REYNOLDS R J IND INC, SCHLUMBERGER LTD, SKYLINE CORP.

Table with columns: Since Issued, High, Low, Open, High, Low, Last, Net Chg, Current Price, Premium, Over-Subscription. Rows include SOUTHERN CO, SPENCER RAND CORP, SYDNEY OIL CO, SYNTHEX CORP, TEBBRS PETE CORP, TEXAS INSTRUMENTS, TEXASBULL, UAL INC, UNITED TECHNOLOGIES CORP, UPJOHN CO, UTAH INTL INC, VIRGINIA ELEC & PWR CO, WALTER WILSON CORP, WEYERHAEUSER CO, WILLIAMS COS, WOLFRUM F W CO, XEROX CORP, YOUNG & RUBICAM INC.

Continued From Page 23

Table with columns: Company Name, Net Chg, Current Price, Premium, Over-Subscription. Rows include PUTNAM DUFFUND INC, QUAKER CORP, RAYBOND CO, REAL ESTATE INVY TR CALIF, REYNOLDS R J IND INC, SCHLUMBERGER LTD, SKYLINE CORP, SOUTHERN CO, SPENCER RAND CORP, SYDNEY OIL CO, SYNTHEX CORP, TEBBRS PETE CORP, TEXAS INSTRUMENTS, TEXASBULL, UAL INC, UNITED TECHNOLOGIES CORP, UPJOHN CO, UTAH INTL INC, VIRGINIA ELEC & PWR CO, WALTER WILSON CORP, WEYERHAEUSER CO, WILLIAMS COS, WOLFRUM F W CO, XEROX CORP, YOUNG & RUBICAM INC.

Table with columns: Company Name, Net Chg, Current Price, Premium, Over-Subscription. Rows include YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC, YOUNG & RUBICAM INC.

AMERICAN STOCK EXCHANGE OPTIONS

Main table containing stock exchange options data with columns for stock name, date, price, and volume. Includes sub-sections like 'AMERICAN EXCHANGE OPTIONS' and 'MERCURY INC'.

U.S. Gov't Securities & Agencies

Values are as of Friday, December 26, 1975

Federal National Mortgage Association

Debentures

Rate-maturity	Bid	Ask	Yield to maturity
5.700X 12/10/1975	--	--	--
8.250X 12/10/1975	--	--	--
5.650X 03/10/1976	99.81	100.06	5.25
7.125X 03/10/1976	100 1/8	100 3/8	5.17
5.850X 06/10/1976	99 3/4	100	5.83
6.700X 06/10/1976	100	100 3/8	5.84
10.000X 06/10/1976	101 1/2	101 7/8	5.75
5.850X 09/10/1976	99 1/4	99 3/4	6.20
6.125X 09/10/1976	99 5/8	100 1/8	5.93
7.500X 09/10/1976	100 1/2	101	6.01
6.250X 12/10/1976	99 1/4	99 3/4	6.52
7.450X 12/10/1976	100 3/8	100 7/8	6.49
8.450X 12/10/1976	101 1/4	101 3/4	6.53
4.500X 02/10/1977	97	97 3/4	6.61
6.300X 03/10/1977	98 7/8	99 3/8	6.84
7.050X 03/10/1977	100	100 1/2	6.60
8.300X 03/10/1977	101 1/4	101 3/4	6.75
6.375X 06/10/1977	98 7/8	99 3/8	6.83
6.500X 06/10/1977	99	99 1/2	6.86
7.200X 06/10/1977	99 7/8	100 3/8	6.92
6.875X 09/12/1977	99 3/8	99 7/8	6.94
7.375X 09/12/1977	100.41	100.53	7.03
7.850X 09/12/1977	100 7/8	101 3/8	6.97
7.250X 12/12/1977	99 3/4	100 1/4	7.11
7.550X 12/12/1977	100 3/8	100 7/8	7.06
6.700X 03/10/1978	98 3/8	98 7/8	7.25
8.450X 03/10/1978	101 7/8	102 3/8	7.26
7.150X 06/12/1978	99 1/8	99 5/8	7.32
7.450X 06/12/1978	99 7/8	100 3/8	7.28
7.150X 09/11/1978	98 3/4	99 1/4	7.45
6.750X 12/11/1978	97 5/8	98 1/8	7.47
8.950X 12/11/1978	103	103 1/2	7.60
7.250X 03/12/1979	98 5/8	99 1/8	7.56
7.850X 06/11/1979	99 3/4	100 1/4	7.76
9.800X 06/11/1979	105 1/8	106 1/8	7.74
6.400X 09/10/1979	95 1/8	95 5/8	7.78
7.800X 09/10/1979	99 5/8	100 1/8	7.75
8.500X 10/10/1979	101 7/8	102 3/8	7.76
6.550X 12/10/1979	95 5/8	96 1/8	7.70
7.750X 12/10/1979	99 3/8	99 7/8	7.79
6.875X 03/10/1980	96 1/8	97 1/8	7.68
7.250X 03/10/1980	97 1/2	98	7.81
7.625X 04/10/1980	98 3/4	99 3/4	7.69
8.500X 06/10/1980	102 1/4	102 3/4	7.76
7.500X 09/10/1980	98	99	7.75
8.750X 09/10/1980	102 3/4	103 1/4	7.90
6.600X 12/10/1980	94 1/4	95 1/4	7.77
8.000X 12/10/1980	100 5/8	100 3/4	7.81
7.050X 03/10/1981	96	97	7.76
7.250X 06/10/1981	96 1/2	97 1/2	7.82
7.250X 09/10/1981	96 3/8	97 3/8	7.83
9.700X 09/10/1981	106 1/8	107 1/8	8.11
7.300X 12/10/1981	96 1/2	97 1/2	7.83
8.875X 03/10/1982	103 1/4	104 1/4	7.99
6.650X 06/10/1982	92 3/8	93 3/8	7.98
6.800X 09/10/1982	93 3/8	94 3/8	7.89
8.600X 10/11/1982	102 1/8	102 5/8	8.09
7.350X 12/10/1982	95 1/2	96 1/2	8.01
6.750X 06/10/1983	92	93	8.01
7.300X 06/10/1983	95	96	8.02
6.750X 09/12/1983	91 5/8	92 5/8	8.05
8.000X 12/12/1983	99 1/2	100 1/2	7.91
8.400X 12/12/1983	102.56	102.81	7.92
6.250X 06/11/1984	88 1/8	89 1/8	8.05
8.200X 07/10/1984	100 1/2	101 1/2	7.95
7.950X 09/10/1984	99	100	7.95
6.900X 12/10/1984	91 1/2	92 1/2	8.00
7.650X 03/11/1985	97	98	7.96
8.625X 10/01/1990	99	101	8.50
7.000X 03/10/1992	87 1/2	88 1/2	8.30
7.050X 06/10/1992	87 7/8	89 7/8	8.30
7.400X 10/01/1997	87 5/8	89 5/8	8.45
7.100X 12/10/1997	86	87	8.41

Government National Mortgage Banks

Rate-maturity	Bid	Ask	Yield to maturity
6.750X 09/30/2000	86 1/2	87	7.96
8.100X 09/30/2000	95 3/4	96 1/4	8.44
8.250X 09/30/2000	96 3/4	97 1/4	8.52
8.500X 09/30/2000	99	99 1/2	8.55
9.750X 09/30/2000	104 1/4	104 3/4	9.26
6.500X 01/01/2001	85	85 3/4	8.48
8.000X 01/01/2001	95 1/4	96	8.51
8.500X 01/01/2001	99	99 3/4	8.49
9.000X 01/01/2001	102 1/4	102 7/8	8.55
5.250X 06/01/2001	80 3/4	81 1/4	6.81
5.500X 06/01/2001	81 3/4	82 1/4	7.00
6.000X 06/01/2001	84	84 1/2	7.36
6.250X 06/01/2001	85	85 1/2	7.54
6.500X 06/01/2001	85 1/4	85 3/4	7.80
6.700X 06/01/2001	86	86 1/2	7.94
6.800X 06/01/2001	86 1/4	86 3/4	8.03
6.850X 06/01/2001	87	87 1/2	8.01
7.000X 06/01/2001	88	88 1/2	8.07
7.250X 06/01/2001	90 1/2	91	8.09
7.300X 06/01/2001	90 1/2	91	8.14
7.450X 06/01/2001	91 3/4	92 1/4	8.18
7.500X 06/01/2001	91 7/8	92 3/8	8.22
7.750X 06/01/2001	93	93 1/2	8.37
8.000X 06/01/2001	95 1/2	96	8.38
8.150X 06/01/2001	96	96 1/2	8.49
8.200X 06/01/2001	96 3/4	97 1/4	8.46
6.500X 06/15/2003	85 1/4	85 3/4	7.76
8.000X 09/15/2004	95 1/2	96	8.37
8.250X 09/15/2004	96 3/4	97 1/4	8.51
9.000X 10/15/2004	102 1/4	102 3/4	8.74
7.250X 06/15/2005	90 1/2	91	8.05
6.750X 06/15/2014	81	82	8.31

United States Treasury Notes

Rate-maturity	Bid	Ask	Yield to maturity
7.000X 12/31/1975	100	100.06	2.32
5.875X 02/15/1976	99.97	100.03	5.53
6.250X 02/15/1976	100	100.06	5.67
8.000X 03/31/1976	100.56	100 5/8	5.48
1.500X 04/01/1976	97 5/8	98 5/8	6.35
5.750X 05/15/1976	99.91	99.97	5.80
6.500X 05/15/1976	100.19	100 1/4	5.80
6.000X 05/31/1976	100	100.06	5.83
8.750X 06/30/1976	101.44	101 1/2	5.75
6.500X 08/15/1976	100.16	100.22	6.15
7.500X 08/15/1976	100.78	100.84	6.14
5.875X 08/31/1976	99.78	99.84	6.11
8.250X 09/30/1976	101.44	101 1/2	6.21
1.500X 10/01/1976	95 1/4	96 1/4	6.50
6.500X 10/31/1976	100.16	100.22	6.23
6.250X 11/15/1976	99.97	100.05	6.14
7.125X 11/30/1976	100 3/4	100 7/8	6.14
7.250X 12/31/1976	100.91	101.03	6.19
8.000X 02/15/1977	101.59	101.72	6.41
6.000X 02/28/1977	99 3/8	99 1/2	6.44
6.500X 03/31/1977	99.78	99.91	6.57
1.500X 04/01/1977	92 1/2	93 1/2	7.00
7.375X 04/30/1977	100.78	100.91	6.66
6.875X 05/15/1977	100 1/8	100 1/4	6.69
9.000X 05/15/1977	102.81	102.94	6.75
6.750X 05/31/1977	99.91	100.03	6.73
6.500X 06/30/1977	99 1/2	99 5/8	6.76
7.500X 07/31/1977	100 7/8	101	6.83
7.750X 08/15/1977	101.19	101.31	6.89
8.250X 08/31/1977	101.97	102.09	6.91
8.375X 09/30/1977	102 1/4	102 3/8	6.92
1.500X 10/01/1977	89.94	90.94	6.98
7.500X 10/31/1977	100.84	100.97	6.93
7.750X 11/15/1977	101.34	101.47	6.91
7.250X 12/31/1977	100.31	100 3/8	7.03
6.250X 02/15/1978	98.44	98.56	6.98
8.000X 02/28/1978	101.72	101.84	7.07
1.500X 04/01/1978	87 1/4	88 1/4	7.16
7.125X 05/15/1978	99.94	100.06	7.09
7.875X 05/15/1978	101.47	101.59	7.14
7.625X 08/15/1978	100.94	101.06	7.18
8.750X 08/15/1978	103 5/8	103 3/4	7.17
1.500X 10/01/1978	84 5/8	85 5/8	7.25
6.000X 11/15/1978	97.06	97.19	7.09
8.125X 12/31/1978	102.19	102.31	7.26
1.500X 04/01/1979	82	83	7.42
7.875X 05/15/1979	101.47	101.59	7.34
7.750X 06/30/1979	101.03	101.16	7.37
6.250X 08/15/1979	96 3/8	96 5/8	7.32
8.500X 09/30/1979	103.31	103.44	7.44
6.625X 11/15/1979	97.44	97.69	7.32
7.000X 11/15/1979	98.94	99.19	7.24
1.500X 04/01/1980	77	78	7.61
6.875X 05/15/1980	98 3/8	98 5/8	7.25
9.000X 08/15/1980	105.81	106.06	7.43
7.000X 02/15/1981	97.69	97.94	7.49
7.375X 02/15/1981	99 1/4	99 1/2	7.49
7.750X 11/15/1981	100.44	100.69	7.60
8.000X 08/15/1982	101 1/2	101 3/4	7.65
8.125X 08/15/1982	101.84	101.97	7.51
7.875X 11/15/1982	100 1/2	100 5/8	7.76

United States Treasury Bonds

Rate-maturity	Bid	Ask	Yield to maturity
4.000X 02/15/1980	87 7/8	88 7/8	7.15
3.500X 11/15/1980	84 1/8	85 1/8	7.16
7.000X 08/15/1981	97 7/8	98 7/8	7.40
6.375X 02/15/1982	93 3/8	94 3/8	7.53
3.250X 06/15/1983	77 1/2	78 1/2	6.99
6.375X 08/15/1984	94.56	95.56	7.25
3.250X 05/15/1985	77.56	79.56	6.31
4.250X 05/15/1985	79	80	7.22
6.125X 11/15/1984	88 5/8	89 5/8	7.62
3.500X 02/15/1990	77 1/2	78 1/2	5.74
8.250X 05/15/1990	102 3/8	102 7/8	7.92
4.250X 08/15/1992	78 5/8	79 5/8	6.23
4.000X 02/15/1993	78 1/4	79 1/4	5.95
6.750X 02/15/1993	89	90	7.81
7.500X 08/15/1993	95 1/2	96 1/2	7.87
4.125X 05/15/1994	78.44	79.44	5.98
3.000X 02/15/1995	77 3/4	78 3/4	4.69
7.000X 05/15/1998	89 5/8	90 5/8	7.90
3.500X 11/15/1998	77 1/2	78 1/2	5.10
8.500X 05/15/1999	103 3/8	104 3/8	8.08
7.875X 02/15/2000	97 5/8	98 5/8	8.00
8.375X 08/15/2000	102 1/2	102 3/4	8.11
8.250X 05/15/2005	100.94	101.44	8.11

Federal Land Banks

Rate-maturity	Bid	Ask	Yield to maturity
6.250X 01/20/1976	99 7/8	100	4.26
5.000X 02/24/1976	99.69	99.94	5.30
5.375X 07/20/1976	99 1/4	99 3/4	5.82
6.350X 10/20/1977	98 5/8	99 1/8	6.86
4.125X 02/20/1978	93 1/4	94 1/4	7.05
5.125X 04/20/1978	94 1/2	95 1/2	7.27
6.400X 07/20/1978	96 7/8	97 7/8	7.32
5.000X 01/22/1979	92 1/4	93 1/4	7.50
6.850X 04/23/1979	97 1/4	98 1/4	7.45
6.800X 10/23/1979	96 5/8	97 5/8	7.52
6.700X 04/20/1981	94 5/8	95 5/8	7.72
6.900X 04/20/1982	94 1/4	95 1/4	7.87

Twelve Federal Land Banks

U.S. Gov't Securities & Agencies

Federal National Mortgage Association Part. Certificates

Rate-maturity	Bid	Ask	Yield to maturity
4.700X 12/01/1975	--	--	--
5.450X 04/01/1976	99 3/8	99 7/8	5.91
4.500X 07/01/1976	98 1/2	99 1/8	6.22
4.700X 12/01/1976	97 1/2	98 1/2	6.39
5.200X 01/19/1977	97 5/8	98 5/8	6.57
5.450X 04/01/1977	97 5/8	98 5/8	6.62
4.500X 07/01/1977	95 3/4	96 3/4	6.78
4.700X 12/01/1977	95 1/4	96 1/4	6.79
5.400X 04/01/1978	94 1/2	96 1/2	7.09
4.500X 07/01/1978	92	94	7.14
6.125X 08/14/1978	95 1/2	97 1/2	7.18
4.700X 12/01/1978	91 3/8	93 3/8	7.24
5.350X 04/01/1979	92 1/2	94 1/2	7.27
5.400X 06/23/1979	92 1/4	94 1/4	7.29
4.500X 07/01/1979	89 1/4	91 1/4	7.36
4.700X 12/01/1979	89	91	7.37
5.300X 04/01/1980	90 3/8	92 3/8	7.41
5.400X 06/23/1980	90 3/8	92 3/8	7.42
4.500X 07/01/1980	86 3/4	88 3/4	7.48
4.700X 12/01/1980	86 5/8	88 5/8	7.50
5.250X 04/01/1981	88 3/8	90 3/8	7.49
5.375X 06/23/1981	88 1/2	90 1/2	7.51
5.200X 01/19/1982	86 3/4	88 3/4	7.54
5.100X 04/06/1982	77 1/2	79 1/2	7.87
6.400X 12/11/1982	85 1/2	87 1/2	8.05
6.050X 02/01/1988	82 5/8	84 5/8	8.06
6.450X 04/08/1988	85 1/2	87 1/2	8.07
6.200X 08/12/1988	83 3/8	85 3/8	8.07

Farmers Home Administration (FDHA) Insured Notes

Rate-maturity	Bid	Ask	Yield to maturity
6.625X 08/31/1976	99 1/4	100 1/4	6.25
6.350X 03/31/1977	97 1/8	99 1/8	7.10
6.450X 06/30/1977	97 1/8	99 1/8	7.08
6.875X 08/31/1977	97 5/8	99 5/8	7.12
6.550X 12/29/1977	96 5/8	98 5/8	7.31
7.200X 03/21/1978	97 3/8	99 3/8	7.51
7.250X 05/12/1978	97 3/8	99 3/8	7.55
7.350X 07/05/1978	97 1/2	99 1/2	7.57
7.300X 12/28/1978	97 1/8	99 1/8	7.64
8.900X 01/31/1980	101	103	8.01
7.000X 11/30/1980	93 1/2	95 1/2	8.14
6.400X 03/31/1981	90 3/4	92 3/4	8.15
7.875X 06/30/1981	97	99	8.11
7.100X 01/04/1982	93	95	8.18
8.625X 07/31/1985	99 1/4	101 1/4	8.43
7.500X 08/31/1986	91 1/2	93 1/2	8.45
7.125X 12/29/1987	88 1/2	90 1/2	8.41
7.500X 03/21/1988	90 1/4	92 1/4	8.55
7.500X 05/12/1988	90 1/4	92 1/4	8.54
7.750X 12/28/1988	92 3/4	94 3/4	8.43
9.000X 04/23/1989	102 1/2	104 1/2	8.43

Federal Home Mortgage Association

Rate-maturity	Bid	Ask	Yield to maturity
7.050X 08/25/1976	99 7/8	100 5/8	6.09
6.150X 02/25/1977	98 1/2	99 1/2	6.61
8.600X 11/27/1995	98 3/4	100 3/4	8.52
7.750X 08/26/1996	91 1/2	93 1/2	8.42
7.150X 05/26/1997	85 1/2	87 1/2	8.42
8.200X 03/15/2005	95 7/8	97 7/8	8.40

Gold & Silver Quotes

GOLD & SILVER QUOTES
Daily Closing Prices For Week of Dec. 19 - Dec. 24

	12. 19	12. 22	12. 23	12. 24
FIX AM - PM	138.90	139.10	142.142.40	141.25 140.80 140.25
N.Y. Comex AU	145.50	143.20	141.30	141
N.Y. Comex AG	4.25	4.30	4.25	4.25

	Bid	Ask	Bid	Ask
Kruggerand	146.151	146.148	144.30	144.30
Austrian 100-Cor	146.146	141.143	139.141	139.141
Mexican 50 Peso	181.182	179.181	177.179	176.75 179.75
British Sovereign	43.44	43.45	41.42	41.43

11,000 Silver Bag: 2980-3020 2985-3028 2990-3020 2990-3020

Previous Week Close

	12. 19	12. 22	12. 23	12. 24
N.Y. Comex Gold	138.40	137.80	138.20	138.00 138.00
N.Y. Comex Silver	3.94	3.94	4.08	4.08 4.04

Sources: Desk & Co., Wholesale Gold Coin & Bullion Dept., 28 Broadway, NYC 10006 (Tel. 425-6999)

Values are as of Friday,

December 26, 1975

General Services Administration

Rate-maturity	Bid	Ask	Yield to maturity
7.125X 11/01/2002	83 3/8	84 3/8	8.63
7.200X 11/01/2002	84 1/8	85 1/8	8.63
7.250X 11/01/2002	84 5/8	85 5/8	8.63
7.300X 11/01/2002	85 1/8	86 1/8	8.64
7.400X 11/01/2002	86 1/8	87 1/8	8.64
7.150X 12/15/2002	85	87	8.37
7.500X 03/01/2003	88 1/2	90 1/2	8.39
8.100X 07/31/2003	94 7/8	96 7/8	8.39
8.125X 07/31/2003	95 1/8	97 1/8	8.39

Twelve Federal Intermediate Credit Banks

Rate-maturity	Bid	Ask	Yield to maturity
6.150X 12/01/1975	--	--	--
6.050X 01/05/1976	99.97	100.03	4.59
6.650X 01/05/1976	100	100.06	4.02
6.600X 02/02/1976	100	100 1/8	5.12
6.150X 03/01/1976	99.97	100.09	5.44
5.800X 04/01/1976	99.91	100.03	5.52
7.000X 05/03/1976	100.28	100.41	5.67
7.800X 06/01/1976	100.56	100.69	5.82
7.700X 07/01/1976	100.72	100.84	5.90
6.900X 08/02/1976	100 1/4	100 3/8	6.19
6.200X 09/01/1976	99.84	99.97	6.22
6.550X 10/04/1976	100.09	100.16	6.33
7.100X 01/03/1977	100	100 1/2	6.58
8.700X 04/04/1977	101 7/8	102 3/8	6.71
7.100X 01/03/1978	99 5/8	100 1/8	7.03
7.400X 01/02/1979	99 1/8	99 5/8	7.54
7.400X 01/02/1980	98 1/2	99	7.69
7.900X 01/05/1981	100 3/8	100 1/2	7.78

Tennessee Valley Authority Issues

Rate-maturity	Bid	Ask	Yield to maturity
4.400X 11/15/1985	--	72 3/8	8.60
4.625X 07/01/1986	--	75	8.20
4.500X 02/01/1987	--	73 1/4	8.20
5.700X 05/15/1992	76	--	8.43
6.375X 11/01/1992	82	--	8.39
8.250X 10/15/1994	97	--	8.57
9.000X 03/15/1995	--	104 1/2	8.52
7.300X 10/01/1996	--	87	8.66

United States Treasury Bills

maturity	Bid	Ask	Equivalent bond yield
11/28/1975	--	--	--
12/04/1975	--	--	--
12/11/1975	--	--	--
12/16/1975	--	--	--
12/18/1975	--	--	--
12/24/1975	99.96	99.96	4.88
01/02/1976	99.86	99.87	4.88
01/08/1976	99.77	99.79	4.89
01/13/1976	99.70	99.72	4.89
01/15/1976	99.67	99.69	4.95
01/22/1976	99.57	99.60	4.93
01/29/1976	99.47	99.50	4.98
01/31/1976	99.41	99.45	5.21
02/05/1976	99.37	99.39	5.13
02/10/1976	99.29	99.32	5.13
02/13/1976	99.25	99.27	5.15
02/19/1976	99.16	99.19	5.17
02/26/1976	99.06	99.08	5.22
03/04/1976	98.95	98.97	5.27
03/09/1976	98.87	98.90	5.28
03/11/1976	98.84	98.87	5.30
03/18/1976	98.73	98.75	5.37
03/25/1976	98.62	98.64	5.43
04/01/1976	98 1/2	98.54	5.43
04/06/1976	98.42	98.47	5.43
04/08/1976	98.39	98.42	5.48
04/15/1976	98.28	98.32	5.58
04/22/1976	98.17	98.20	5.55
04/29/1976	98.05	98.09	5.57
05/04/1976	97.96	98.02	5.57
05/06/1976	97.93	97.97	5.66
05/13/1976	97.81	97.86	5.69
05/20/1976	97.69	97.73	5.70
05/27/1976	97.57	97.63	5.71
06/01/1976	97.48	97.53	5.75
06/03/1976	97.45	97.49	5.78
06/10/1976	97.34	97.38	5.78
06/17/1976	97.22	97.27	5.81
06/29/1976	97.01	97.08	5.82
07/27/1976	96.49	96.58	5.94
08/24/1976	95.99	96.09	6.04
09/21/1976	95.50	95.60	6.11
10/19/1976	94.99	95.11	6.18
11/15/1976	94.52	94.62	6.26
12/14/1976	94.08	94.14	6.28

Bank for Cooperatives

Rate-maturity	Bid	Ask	Yield to maturity
5.800X 12/01/1975	--	--	--
5.650X 01/05/1976	99.97	100.03	4.28
6.800X 02/02/1976	100.03	100.16	5.09
7.400X 03/01/1976	100.22	100.34	5.35
7.500X 04/01/1976	100 3/8	100 1/2	5.48
6.750X 05/03/1976	100 1/4	100 3/8	5.61
6.000X 06/01/1976	99.94	100.06	5.83
6.250X 07/01/1976	100.09	100.16	5.92
7.700X 04/04/1977	100 5/8	101 1/8	6.75
8.550X 10/02/1978	102 3/8	102 3/4	7.42
8.000X 10/01/1979	100 1/2	101	7.68

Export-Import Bank of the U.S.

Rate-maturity	Bid	Ask	Yield to maturity
5.700X 12/01/1976	98 5/8	99 5/8	6.12
6.250X 08/02/1977	98	99	6.92
6.450X 02/01/1978	97 7/8	98 7/8	7.03
8.350X 08/28/1978	101 7/8	102 7/8	7.15
7.300X 11/27/1978	98 3/4	99 3/4	7.40
7.000X 03/07/1979	97 3/4	98 3/4	7.45
6.400X 05/03/1979	96 1/2	97 1/2	7.45
5.100X 02/20/1982	84 7/8	86 7/8	7.83

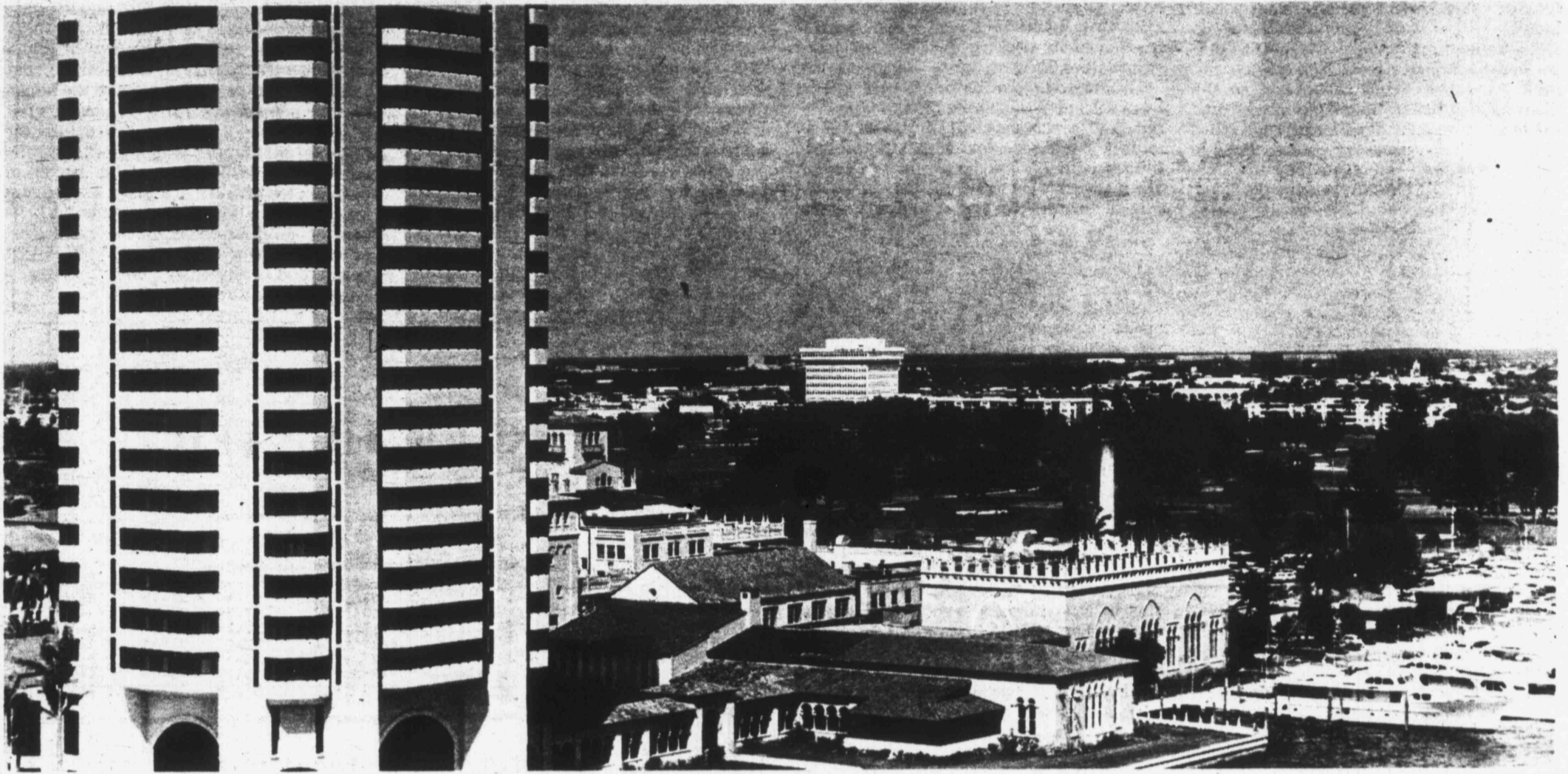
Foreign Exchange Rates

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

		Dec. 18	Dec. 19	Dec. 22	Dec. 23	Dec. 24
Australia	Dollar	1.2537	1.2536	1.2537	1.2538	1.2544
Austria	Schilling	.0540	.0540	.0541	.0541	.0541
Belgium	Franc	.025315	.025375	.025390	.025390	.025370
Canada	Dollar	.9645	.9641	.9652	.9662	.9660
Denmark	Krone	.1618	.1619	.1620	.1623	.1621
Finland	Markka	.2599	.2599	.2599	.2600	.2600
France	Franc	.2242	.2244	.2249	.2249	.2247
Germany	Deutsche Mark	.3810	.3820	.3821	.3828	.3831
India	Rupee	.1115	.1115	.1115	.1115	.1115
Ireland	Pound	2.0218	2.0214	2.0213	2.0215	2.0220
Italy	Lira	.001465	.001466	.001468	.001467	.001467
Japan	Yen	.002272	.002267	.002268	.002268	.002269
Malaysia	Dollar	.3873	.3867	.3872	.3871	.3873
Mexico	Peso	.0800	.0800	.0800	.0800	.0800
Netherlands	Guilder	.3714	.3722	.3727	.3734	.3731
New Zealand	Dollar	1.0374	1.0373	1.0372	1.0373	1.0376
Norway	Krone	.1800	.1798	.1799	.1800	.1803
Portugal	Escudo	.0248	.0247	.0248	.0247	.0247
South Africa	Rand	1.1480	1.1476	1.1476	1.1476	1.1476
Spain	Peseta	.016725	.016780	.016780	.016775	.016775
Sri Lanka	Rupee					

Securities Industry Association

Annual Convention - December 2-5, 1975



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Boca Raton shapes SIA policy positions

SIA strongly opposes passage at this time of liberalized provisions under which municipalities could unilaterally place their financial affairs in the hands of a Federal bankruptcy court. The existence of such provisions would cast doubt on the basic strengths of municipal credit and make it more difficult and costly for cities to accomplish necessary financing no matter how well managed they may be. Because of these effects, we urge that such legislation be considered only after thorough and extensive hearings to fully examine the potential damage to the municipal securities markets.

SIA strongly opposes any legislation that abrogates the contractual rights of holders of municipal debt, including any device to postpone orderly full payment of principal and interest when due.

SIA actively opposes those pieces of legislation that would create Federal lending agencies which could directly purchase state and local government bonds issued for purposes selectively designated as "high priority" or that are arbitrarily or administratively considered unmarketable at "reasonable rates."

SIA opposes programs of Federal financial assistance to municipalities only in those cases where it seems clear that the proposed assistance is unnecessary: (a) grants to wealthy municipalities which can finance their facilities without Federal assistance and (b) loans at arbitrarily fixed low interest rates to municipalities or institutions which can readily obtain financing from other sources at rates which are reasonable in relation to current market rates.

SIA recommends Federal assistance for a municipality only on application of a state which has enacted a financial control program giving the state or a special state board or agency effective control over the financial operations of a municipality in difficulty with a view to the restoration of the municipality to financial viability. The application to the Federal Government should show that (1) the state has exhausted all credit markets and use of trust investments within the generally accepted rule of prudent investing; (2) a clear case of financial emergency exists within the state; (3) a plan for loan repayment has been submitted, with a complete analysis of the taxes or other revenues available and certification that the plan has been properly enacted and meets the requirements of the state constitution.

Federal assistance should be aimed at the problem of market access, and should not include any subsidy, wither of the cost of borrowing or of repayment. The conditions should be sufficiently onerous to discourage any use except in extraordinary financial emergencies.

SIA supports revenue sharing and special revenue sharing in concept, since they would render more Federal assistance to issuers on the current account without creating an administrative problem.

SIA opposes the imposition of a minimum income tax upon the interest income of individuals from state and local government securities. SIA believes that any such action would cause severe problems in the marketing of such securities, and would severely increase the borrowing costs of state and local governments.

SIA is strongly opposed to the exemption from Federal taxes of interest paid on savings accounts. This position was adopted because of adverse effects on the municipal markets and the potential resulting harm to the issuers of municipal securities.

SIA supports efforts to eliminate the use of tax-exempt securities to finance pollution control facilities, which are not owned and operated by local governments. By granting tax exemption to securities used to finance privately owned facilities for corporations organized for profit, the demands on the tax-exempt market are increased appreciably; and as a result, interest costs are higher throughout the market for such securities. Since the Federal Government is committed to improving the quality of our environment, SIA recommends that the Federal Government adopt other ways of assisting private industry in its efforts to meet environmental standards.

SIA: everything was balmy but the future

Continued from page 1

unfunded liability. One example of out-of-date assumptions, Jump said, was the fact that some cities still assume workers retire at 60. In New York, he noted, retirement in the late 40s is now possible. He said his recent studies have shown that New York City may have to increase its present funding of its pension liabilities by more than 40 per cent, a figure which has not been taken into account in its calculations by MAC and others in the plans so far. The panel also thought that any attempt to widen ERISA's coverage to include municipalities would be fought by city and state governments because they could not face the increase in taxes required to make their systems actuarially sound.

The last day of the convention saw a keynote address by I. W. Burnham II, chairman of Drexel Burnham & Co., the incoming chairman of the SIA, and a speech by Roderick Hills, the chairman of the Securities and Exchange Commission. Hills dwelt on two points of sensitivity for brokers. On the growing incursions of banks into the brokers' areas of business, he was in favor of a review of the Glass-Steagall Act which governs the areas of business federally chartered banks may enter, but admitted the SEC had no econometric model to test the effects greater financial concentration would have on the securities industry in the future.

On competitive rates, Hills had the opportunity to comment on the Commission's monitoring report on Mayday and the four months that followed it, which was released the day before. In his opinion, there was no noticeable effect on market quality and the overall financial conditions of the brokerage industry remained sound, but he was concerned that there were substantial differences in the rates paid by institutional and individual customers for similarly-sized orders. On the decline in research-oriented institutional firms, he reiterated the right of institutions to pay soft dollars for their research under Section 28 (e).

Capital shortfall

His second theme was the industry's capital shortage and the decline in the capital base from \$5.4 billion in 1971 to about \$4.2 billion in 1974. "It is not in the public interest," said Burnham, "to stem the proliferation of independent regional firms and to create a securities industry composed of a handful of giants." He thus echoed Virgil Sherrill, the retiring chairman of the SIA, who had earlier said that in the securities industry it was wrong to equate size with excellence.

To solve the industry's capital shortage, Burnham called for the creation of an industry-owned equity bank or investment trust which would help smaller firms re-finance their subordinate debt and provide

capital loans. A trust, he said, could also examine whether the industry could provide itself with services at lower costs than are now available. Custodial services were cited as an example.

Finally, in commenting on the central market question, he noted that the exchanges should consider how to reduce the charges of floor brokers and specialists. They could encourage competing specialists or mergers between specialist firms and upstairs market makers.

The brokers went home from SIA with some problems to consider. Along with predictions that the first half of 1976 would be good for the economy and the second half bad for the market, there was the bigger worry that the faster inflation built in 1977 the more abrupt would be the decline in 1978. Additionally, the securities industry might not have time to readjust to

negotiated rates before its whole structure is changed by as yet undefined amendments to the Glass-Steagall Act. Any broker worrying about his capital position knew that with that kind of news overhanging him capital would be very hard to find from institutional sources. The few publicly-owned securities firms would have a strong capital advantage over the privately-owned brokerages, but they could hardly match the capital clout of the banks. For the industry to survive, SIA leaders felt it would have to define a structure for financial institutions which met the public interest and still left a viable sector of business for brokers — a tough assignment for an industry which was so generous in its rewards until the end of the 1960s and is not given to taking a long view. The 1976 convention is obviously going to reflect a changed industry.

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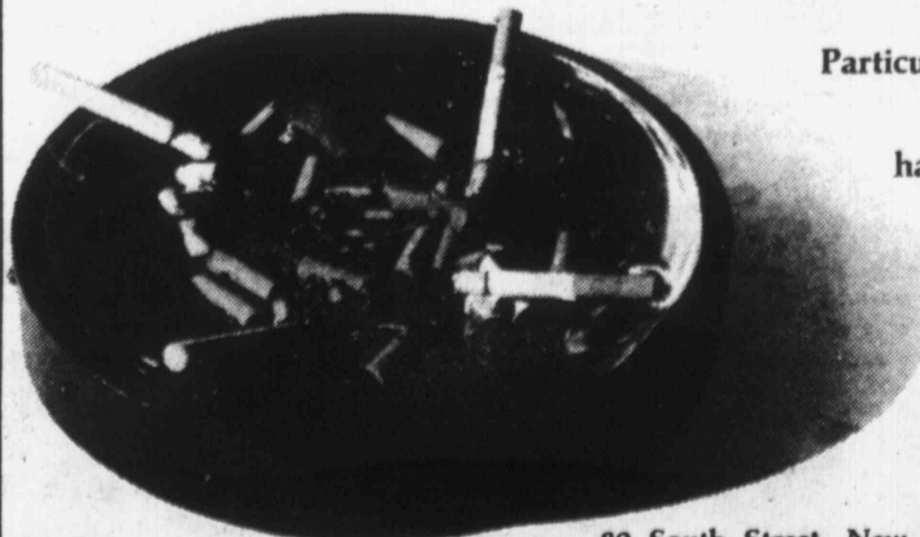
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OPEC screws could tighten

Continued from page 16

the United Kingdom, Norway, the Netherlands, and Mexico. The consumer nations as a whole simply have to accept the fact that they will be increasingly dependent on OPEC oil for a number of years to come. We have it within our capacity, however, to do something about the degree and duration of that dependence. What we can do — if we will — is to clear the deck for developing all the indigenous sources of energy which give hope of being economically attractive.

This will be an expensive undertaking. Significant new supplies of oil and gas from areas outside OPEC tend to be located in remote and difficult areas where operations are inherently more expensive. Let me give you an example. We estimate that the investment required to develop a barrel per day of new productive capacity in the Middle East is currently about \$1,000. The comparable figure on the North Slope is roughly \$15,000. Still higher investments are in prospect for the various synthetics. On top of all this, there is the further aggravation of inflation — just when we need it least.

Studies by several leading banks have projected energy capital requirements of awesome dimensions. Numbers in the \$25-\$40 billion per year range have been suggested for the U. S. alone — two to three times the rate of the recent past. Whatever the exact magnitude, it is certain that if adequate energy is to be developed, the requirements for investment will be huge. Obviously, a program of this magnitude can be carried only by a financially sound industry. It is unlikely that companies will be able to raise the capital needed unless they can maintain a return on equity above the low average that prevailed before 1973. While earnings were generally above the historic average for the past two years, that is 1973 and 1974, they have dropped back since then to a level that's all too familiar.

Somebody has to do the job. The penalty for neglecting it will be unacceptable political risks and — inevitably — a disastrous contraction in economic growth due to inadequate energy supplies.

The industry seems ready and willing to take on the task — if only governments will let it get cracking. The biggest stumbling block to developing new energy resources really lies with the confused, contradictory and in some instances the non-existent energy policies of governments — not with the willingness of the private sector.

Some of the current deterrents include tax and price control policies which make no allowance for the replacement cost of energy development in Canada and Australia noticeably. Our own government's controls on domestic oil prices

See KAUFFMANN, page 35

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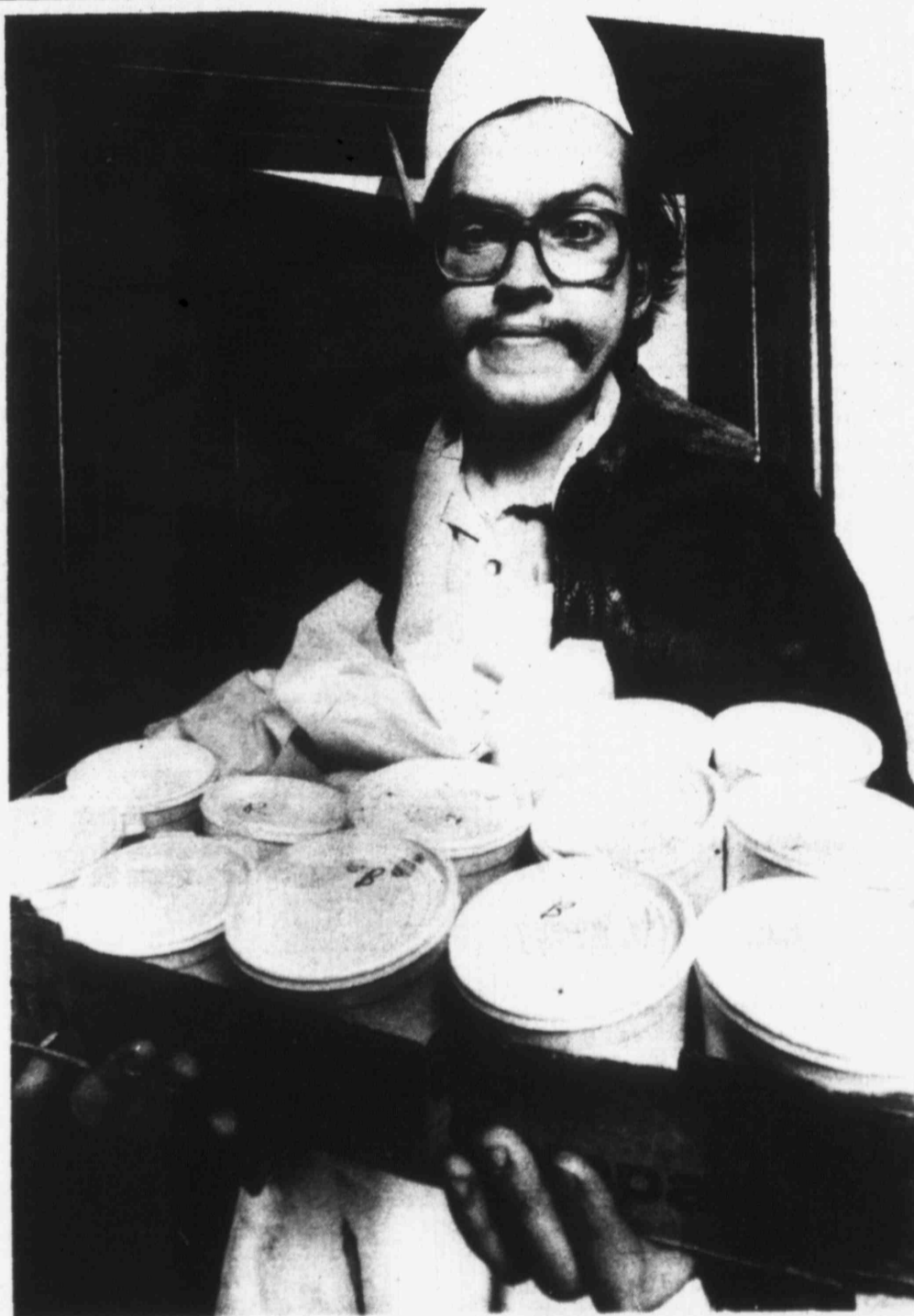
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1976--the securities industry gears for major changes

By EDWARD I. O'BRIEN
President, Securities Industry Association

In looking at the past year there are many events which should at least be noted. We have seen the end of the most significant recession in the country's history since the early 1930s. The month of June saw the signing into law of major securities legislation, again the most important new law since the 1930s. The first of May saw the unfixing of commission rates and the monitoring of the effect of that change in that interim. During the summer, SIA began for the first time the study of the member needs.

In May the first Capital Conference covering both the need for capital and the relationship between capital and employment was convened under the auspices of the Securities Industry Association, the American Bankers Association, Committee of Publicly Owned Companies, the Chamber of Commerce of the United States, and the National Association of Manufacturers. Nineteen Seventy-five also saw the beginning of a new working relationship between the SIA and these other organizations looking at the overall question of capital and tax incentives. As the year progressed we saw the beginning of the re-examination of the relationship between the banks and the securities industry by the Senate, the House, the Securities and Exchange Commission and the United States Treasury. Nineteen Seventy-five also saw the beginning of the National Market Advisory Board and the completion of the work of the Yearley Committee.

This past year has also seen the beginning of the Municipal Rulemaking Board which for the first time is dealing with rulemaking in the overall municipal and government area. Progress has been made in the area of clearance and settlement, permanent rulings have been issued dealing with the ERISA legislation, the central market development has begun, new capital rules have been put in place for the securities industry, the SIA formed a new Human Resources Management Division and a permanent Tax Committee of the SIA was formed and is functioning. These are just some of the highlights of the past year. The year 1975 therefore has been a year of basic change for us as well as a year of progress. Above all 1975 has witnessed definite progress toward the SIA goal of progressive and common sense cooperation between our industry, the self-regulators and government. This development of itself is a reason for satisfaction.

Brief picture

To better understand the Securities Industry Association we should start with a brief picture of its organization. The SIA functions through its 70-member Governing Council, its 27-man Board of Directors, through 11 District organizations located throughout the country, 12 operating Divisions including the new Human Resources Management Division, and over 30 regular and 8 ad hoc committees. There are hundreds of people within the securities industry working directly within the SIA. SIA derives its policy positions and its thrust from its Governing Council which meets in February each year. Last February it met in Glen Cove and as the result of that meeting certain directives were given with respect to the new securities legislation and also from that Governing Council was developed the continuing framework for the policy positions of the Securities Industry Association covering over 20 major SIA objectives.

Tax reform has been a matter of high priority for the SIA for years and it is increasingly recognized that tax reform is vital for our free enterprise system in order that the incentives based on private initiative are restored to the American system. This year we tried to tie together tax reform and capital formation and in so doing we inaugurated the first Conference on Capital and Employment where we attempted to tie together the close relationship between the need for capital in the United States, a need which is beyond dispute, and the relationship between that capital need and tax reform and investment. The other half of that equation is employment. It is our conviction that capital development has a direct bearing on the employment situation in this country and we intend to continue to emphasize the relationship between capital, tax reform and jobs; we hope that members of the labor unions throughout America will join in that effort.

Nineteen Seventy-five also saw SIA

members active in the field of education and self-improvement. In May a National Operations Forum was held in New York participated in by operations experts from across the country. This two-day forum served to focus the attention of members of the industry and self-regulators alike on the need, in fact the absolute need of the industry for efficient and economical clearance and settlement, and it was really for this reason that that Forum was held. We are indebted to the Operations Division of SIA for having the initiative and the good judgment to conduct that forum. Since the forum was held we have seen considerable progress in the industry objective of bringing about a merger of the New York Stock Exchange, AMEX and NASD clearance facilities in New York and we owe a particular acknowledgement to the statesmanlike cooperation exhibited by representatives of these three organizations as well as the outstanding assistance from the Securities and Exchange Commission.

Goals for 76

As we pass into the next era for the securities industry we should keep in mind some goals for the year about to begin. (1) It is important that the basic concepts of the SIA be adhered to; namely, that this is an industry association that belongs to and functions on behalf of the members. (2) We need to remember that we are in a sophisticated political world where it is not enough to simply wish that something comes to pass in the Congress or the regulatory agencies but rather we must work continuously and with great expertise in bringing about our objectives. This means that we must still further strengthen our political action effort, not only in Washington but throughout the country, and we must dedicate all of our initiative and ingenuity to this most worthy undertaking. It is a serious mistake to think that governments will go away. Our goal is

See SECURITIES, Page 40

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Kauffmann: we have oil fantasy

Continued from page 31

actually encourage energy consumption, discourage the development of new supplies and effectively screen the U. S. economy from the reality of replacement costs. Eventually, reality has to catch up, and the longer we postpone the day the more it will hurt. Just consider that when we in this country consume a unit of oil or gas at less than its current replacement cost we run the grave risk of using a resource at an unrealistically low price which may not be available to our grandchildren at any price!

We need policies which not only make sense but which are clear and reasonably consistent. As things stand now, concern that governments may step in later to change the rules or move back the goal posts may well prevent the game from really getting under way.

Perhaps the ultimate threat of government policymakers anywhere is embodied in the divestiture proposals now under consideration in our own Congress. These include bills that would bar oil companies from other areas of the energy business such as coal or nuclear and proposals that would break up large companies into smaller units restricted to certain functions within the petroleum business, such as producing, or refining, or marketing. Proponents claim these measures would increase competition, leading to lower prices and development of more supplies. We find no merit in these claims.

In fact, we believe that the actual effects would be just the opposite — a reduction in meaningful competition, higher prices caused by operating inefficiencies, and a disastrous slowdown in energy development. Surely no one has to tell you what the impact would be on the financial markets. It would produce total uncertainty and total disruption of investment plans. Investors would justifiably conclude that risks faced by newly formed and inexperienced and fragmented companies would be greater than those faced by existing concerns.

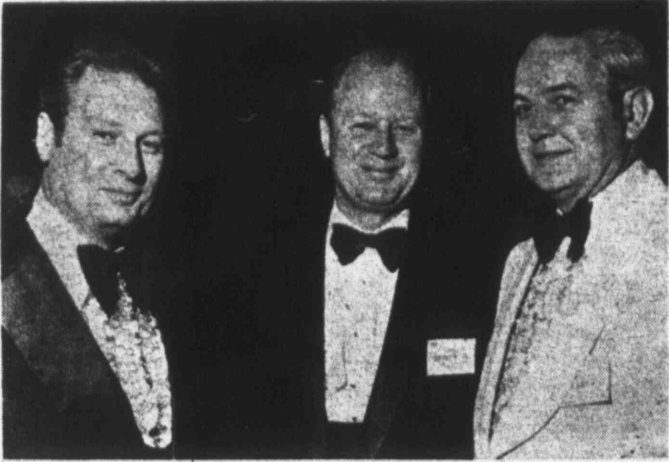
It is worth noting that a wide variety of companies of all sizes are already contributing to the energy business. But there are certain tasks that only a large enterprise can take on. A single production platform in the North Sea costs more than \$250 million. My own company not long ago spent more than \$300 million on leases in the eastern Gulf of Mexico — and came up with nothing to show for it except a few very dry holes. There are occasions when one has to have the resources to take unusual risks — and the potential rewards must justify those risks.

In summary, getting on top of the energy problem will not be easy. It will be an expensive and time-consuming task. It will require courage, creativeness and discipline — courage to plunge ahead in some risky ventures, creative minds to discover and develop new energy resources and discipline to stay with the job. What it does not require — indeed — what we must dispense with — is the cynicism and demagoguery which bring discredit to an industry that, whatever its shortcomings may have been, has served this nation and the free world extremely well for a long time.

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Glass-Steagall, central market the key challenges in '76

By I.W. BURNHAM II
Chairman, SIA

We are indeed fortunate that 1975 is coming to an end with most securities firms in the black. The trend of profitability since July has been downward. It has been a trend that should cause concern for all of us. The large volume of trading through April, when we still had fixed rates, was profitable. Since Mayday, the strong trend in the bond and stock market plus an unequalled volume of public bond offerings has masked to some extent a serious price war.

We were all well aware that competitive rates would mean lower rates, primarily for the large institutions. And we were aware that this would severely impact the profitability of our industry. We also knew this could only lead to fewer firms and a further shrinkage of capital in our industry. That capital has already fallen from \$5.4 billion in 1971 to about \$4.2 billion in 1974.

This is far too little capital for an industry that is being challenged to maintain full services for investors, liquid markets for institutions and to provide public and corporate America with billions of dollars of capital through debt and equity offerings.

We have warned the SEC, the legislators, in fact, the business world at home and abroad that it is not in America's public interest to have a securities industry that is shrinking in number of firms and in capital. We have warned that it is not in the public interest to stem the growth and proliferation of independent regional firms and to create a securities industry composed of a handful of giant firms. We have sounded the warning loud and clear but, thus far, we have not been heard. Now we are, by the sheer economic pressures of a price war, in the process of seriously damaging our own industry. We are very much like a person who is on the way to becoming an alcoholic — he just keeps taking one more drink even though he knows it may do him great harm. Finally, he will either have to get hold of himself, or else!

Those who throw up their hands in despair and say let's live with what I choose to call "destructive rates" are satisfied to see our industry shrink in both number of firms and total capital. Any business school will tell you that the history of price instability for roughly similar products is loss of profitability and shrinkage.

The course of growth and expansion is the road that most of the successful firms have taken, both in the big cities and in the regions. It cannot continue with the large spread between retail rates and those paid by institutions — in particular with the range of discounts being released each week through the Comptroller of the Currency. We believe a semi-regulated industry such as ours cannot endure a price war, and we have urged the SEC to speed up their process of monitoring our securities commission business. As our official policy statement clearly indicates, we seek a floor for all types of institutional rates somewhere below the fixed retail rates prior to Mayday. Above that floor we see no reason not to continue competitive rates. It is our view that a floor will end the disastrous price cutting, and is in the public's interest. We have transmitted our views to the New York Stock Exchange and the AMEX in the hope that they will seek a floor by formal petition to the SEC.

We must also give consideration to whether we need an industry-owned trust company to provide services for ourselves and some of our clients at lower costs than are now available. Public offerings are a road open only to relatively large firms: in fact, a select few. Cumbersome and difficult rules imposed by regulation discourage investment by outside sources in equity or subordinated debt. Profitability is an absolute criterion to

raising capital funds but the bias against investment in our industry by banks, individuals and insurance companies leads me to conclude that we probably need something different, such as an industry-owned equity bank or even an investment trust. This bank or trust would get its seed capital from all of us and then borrow or sell further equity and debt publicly or privately. Its role would be to aid firms in working out capital plans, finding capital, and where appropriate, it would provide capital. I believe it could operate very profitably because I believe in this industry.

Two of the challenges we face in 1976 are of the utmost importance. First, both the Senate and the House will soon begin to hold hearings on the Glass-Steagall Act, with particular emphasis on the activities of commercial banks. Clearly there is a genuine need to examine the activities of commercial banks in regard to investment banking and securities transactions for their customers. SIA policy unequivocally supports the Glass-Steagall principle and holds that, "the public interest continues to require separation of the securities business in the corporate investment banking and equities area from commercial banking."

A second important challenge confronting us is the proposed Central Market System. Consistent with the Congressional mandate, we believe a plan for a Central Market System should be in place by the end of 1976. We expect to do our part in furthering this objective and I am hopeful that SIA will be able to submit its views on the appropriate principles, caveats and guidelines for a National Central Market System by June. It is constructive that several firms have already evolved plans

and I expect more to come. However, I do not foresee an automated black box market system or marketplace. I do not see a black box substituting for a human brain. If an attempt were made to do this, it would be time for those of us who have lived for years in the real world of risk-taking to call a halt, to say No! Is there a person in this room or a firm represented here that is prepared to enter an open bid for a large block of shares that might involve millions of dollars by merely pressing a button — and then to have that bid stand exposed to the marketplace and to have that bid hit automatically with no chance for a human brain to think and to react?

SIA wants to see a market system with equal rules for all and with strongly competitive stock exchanges that are adequately capitalized and can carry out not only the task of market making but also of self regulation. But if the exchanges want to exist and to thrive they must in fact make the best markets. It appears that charges of floor brokers and specialists are now too high and must be reduced. The Exchange itself should consider whether to authorize and encourage competing specialists. Finally, mergers and associations between specialist firms and upstairs market-making firms should be facilitated and encouraged to help cope with the needs of a vast central market system.

It is only the best marketplace that will attract the business. There is no reason that America's great securities exchanges cannot be the best. If they can't meet the challenge, then this nation will not have the auction market system to which most of us are devoted. We will have dealer markets which will have neither depth nor breadth and the public interest will not be served.

Securities industry gets ready

Continued from page 34

to further refine a constructive working relationship between industry and government, where the respective needs of industry and government can meet in intelligent compromise. (3) We must remember that the securities industry has gone through a period of travail but that we have accomplished a great deal and that the expectation of better things to come is a justifiable expectation. This means that we must keep our message of justifiable pride before the public. That message is one of a strong securities industry which can serve the public needs and which is a vital part of the American economic system which places emphasis on individual initiative. (4) Reform in our industry is proceeding, whether it relates to central market or clearance and settlement, or the development of new structures under the aegis of the National Securities Market Advisory Board. The membership of the SIA through its strength and nationwide

organization must keep pressing for efficiency and economies throughout the length and breadth of the securities network at both the regulatory and the self-regulatory levels. (5) The fifth and last point relates to our ability to compete. Competition is something which will be with us for all time as long as our present philosophy of government prevails. We should make certain that the competition we face is fair competition and that we are able to both meet competitor from within and outside the securities industry on a fair basis and that undue advantages are not granted to one side or to the other. It also means that competition is something that we will have to live with, but it also provides us with opportunities. When dealing with the problem of competition whether from the banking institutions or any other area, we must make certain that we are prepared to compete ourselves and above all that the public interest is properly reflected by preserving a climate of fair and equal competition.

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