Open Monday, Thursday & Friday Evenings 'til 9:00 P.M.

WIGGS

Since 1903

MID-SUMMER SALE!

We, the people of Wiggs, do hereby proclaim July 12, 1976 the grand beginning of our Annual Mid-Summer Furniture Sale!

Let it be hereby known that we are offering the very finest of values throughout our furniture galleries, including special selections from our Ethan Allen Collection.

Ye Olde China & Gifte Shoppe, has gleaned a gathering of silver, specials, fine china, crystal, pewter, cookware, gourmet accessories & gifts.

Hear ye, hear ye!...in so much as this Sale is always an exciting event (bringing people from all over the territory to select the bargains) let it also be known that we allow all Special Orders to be placed at the Mid-Summer Sale prices!

Let's keep tradition alive! Come, spend some time with us in our 15 galleries. We offer such modern conveniences as the privilege of charging your purchases on BankAmericard, Master Charge or availing yourself of Wiggs Convenient Terms.

Wiggs

Since 1903

4080 TELEGRAPH RD. (at Long Lake Rd.) BLOOMFIELD HILLS • 644-7370

Hog futures are speculator's meat

OF all the livestock traded in Chicago the live hog futures seem to be the most popular. Actually there are three separate commodity futures contracts for various parts of the hog and they are all traded at the same exchange, the Chicago Mercantile Exchange.

These three futures contracts are the live hog contract which refers to trading the entire hog on a live basis, the Pork Belly contract which deals only with meat and fat from the underside of the hog, uncured bacon, and the ham contract which comes from the rear of the hog. The most active of these three are the live hog futures and of course the notorious Pork Belly futures contracts. The ham futures market is seldom traded.

The live hog futures contract is one of the newest contracts for livestock. It began trading in 1966 and has grown in popularity and activity ever since. The contract calls for the delivery of 30 000 pounds of live hogs or about 130 to 150 hogs between the market weights of 200 to 230 pounds during the months of February, April, June, July, August, October and December.

These delivery months were selected to aid the hedger or the professional producer, processor and merchandiser of live hogs and pork products.

THE FUTURES speculator however is little concerned about the delivery specifications or procedures. All that really matters to Live Hog futures trader is that each one cent increase or decrease in the price per contract is equal to $300 in cash and that he can control the 30 000 pound contract for about $900 or about six per cent of the contract's total value.

If the contract is trading at 50 cents per pound the total value of one contract is $15 000 (50 cents x 30 000 equals $15 000). So if a hog futures trader wants to buy (let's say June live hogs at 50 cents a pound and the price increases to 51 cents) he has made $300 on his $900 investment. This is what is known as good leverage.

He also could have realized this return in one day, as the price for hog futures can move 1½ cents per pound either higher or lower than the previous day's settlement price.

The hogs now look bullish. That is hog prices are expected to appreciate in value from current levels into the late summer months and early fall. The reasons for this expectation are many but perhaps the best explanation lies in the recent demand splurge for red meat products and the accompanying increased slaughter of hogs to accommodate this demand.

THE OFFICIAL slaughter figures released daily by the USDA are important to the hog trader. If slaughter is down or declining in number relative to previous years, this is usually a bearish fact, indicating that demand is poor and supplies of pork are adequate and that a build up of additional pork inventories are not required.

Hog slaughter in January, February and March was greater than expected. Also the average weight of the hogs during this period declined sharply. This means that even though the number of hogs slaughtered was increasing daily to meet the increased demand for pork, the average weights of the hogs were declining.

This is a very bullish situation and has contributed in no small part to the phenomenal price increase of live hog futures, from a low point of 41 cents per pound in October to the high point traded last week in the June live hog contract of 62.90 cents per pound.

In real dollar values that is an increase of more than $1600 per contract, a good return for only a $900 investment in about four months ago.

Traditionally the price for livestock has been determined more by demand fundamentals than by supply. That is if demand for pork is strong then prices could go very high before demand is satisfied.

THIS YEAR, given an improving economy, less unemployment and more disposable income per family, demand for meat and in particular pork products could become very strong indeed, especially during the late spring, summer and early fall.

Also remember that even in a year of relatively poor demand fundamentals prices for hogs at the Chicago Mercantile Exchange peaked at over 65 cents per pound because of a low hog supply on farms.

Since there are only about a one per cent greater supply of hogs this year than last, according to the latest USDA Crop Report, and a sharp increase in disposable income, potential demand seems reasonable to assume that live hog prices this summer will approach or exceed those of last year.

Questions may be sent to E. Robert Florez, P.O. Box A-3612, Chicago, Illinois 60690. He will reply in this column.

$2 trillion debt creates illiquidity

BY E. ROBERT FLOREZ

As the U.S. economy slowly plows its way through the second quarter of 1976 many questions are being raised about whether the present economic expansion will be sustained.

Market analysts, economists and politicians are searching everywhere for signs that the present economic growth is not just a fluke but a real and lasting recovery.

The traditional sources of economic indicators used by most economic forecasters such as numbers of unemployed workers, housing starts, auto sales and the like have definitely revealed that the economy is in an expansionary phase.

However, there is one major economic factor that is really little understood by the casual observer and most analysts, and one that tends to be swept under the rug as a temporary situation by most politicians. Though it is precisely these elected individuals, the local, the state and congressional politicians who have created the single most severe economic condition in this country since the great depression of the 1930s.

This condition or problem is referred to as illiquidity.

ILLIQUIDITY IS created by debt. Debt of course is an obligation of owing money or services to someone.

In the U.S. the end of total personal, corporate and government debt is in excess of $2 trillion. With the greater portion of it belonging to the government, as it borrows from the private citizen to pay for programs such as the food welfare system, Social Security and Peace Dividend, to name a few.

(Other symptoms of illiquidity are bankrupt REITS and bad banker loans made through the private banking system. As a result of such excessive federal borrowing to finance its non-productive programs, money is taken away from the private sector.

This money could be employed productively in various enterprises within the private sector of the economy.

MONEY OR CAPITAL, like any commodity has a price or cost. Owners of money naturally look for the highest and safest return on their investments. The federal government, by the virtue of its ability to tax, offers the holder of government securities a guaranteed return for his investment.

Government securities are exempt from taxation so in many cases the return from them is better than from those securities held in the private sector which are fully taxed. This inequitable position the government has created for itself is called crowding out.

That is, they absorb so much of the private and most productive sector of the economy. This with the most productive sector being squeezed out of existence how and where will capital or money be created in the future?

The answer is in Washington, D.C. on a printing press. The end result is very little real productive capital but a lot of inflated dollars available to spend for services, goods or services.

ROBERT GALE
Formerly of the Diamond Gallery
IS GOING SOUTH
South, that is, to the arcade in South Adams Square (Adams Road South of Maple, Birmingham). I'm pleased to announce the formation of ROBERT GALE, INC. Unique jewelry, fine diamonds, realistic prices. Open all summer's end!
Convenient Free Parking

Sherwood Studios INC
PROFESSIONAL INTERIOR DESIGNERS
20-50% OFF
TOP-OFF SPECIAL ORDERS
EVERYTHING IN THE STUDIO
SEMI-ANNUAL SALE
NOW IN PROGRESS
Mon.-Sat. 10:00 - 5:30
Wed. & Thursday 10:00 - 8:00
1811 - TWELVE MILE
544-9060

Buy Now, or Lay-Away 'til next Fall...Interest and storageFREE!
Demi-Buff
FEMALE MINK COATS reg. $3750 NOW $2950
Full-length, 100" of fullness and double Mink tie-belt...
Full length
MINK COATS Fully let-out... reg. $1595 NOW $1295
AlGervais furs
782 Ouellette Ave.
Across from Mario's of Windsor
1-519-253-2111