

market watch

John Vernier

Natural resources, defense stocks up

Stock market activity over the past few weeks has been spectacular, to say the least.

The market, has gained approximately 6 percent since the beginning of the year, while many individual stocks have far surpassed that amount.

The volume of trading has leaped to daily average of more than 50 million shares, straining the mechanical facilities of the securities industry almost to its maximum.

The jolt of world events, particularly in Iran and Afghanistan, has caused investors to reevaluate the entire investment arena.

For many years investors have been primarily interested in attaining the higher income that has been available through corporate and municipal bonds and high dividend paying stocks, as opposed to other types of investments.

SUDDENLY, the emphasis has changed. Motivated by the spectacular rise in the price of gold and silver, common stocks of literally any and all companies that own natural resources of any kind have enjoyed strong investor demand.

The logic follows the line of thinking that all tangible assets — particularly those still in the ground — will increase in price commensurate to the increases in the prices of gold and silver.

As a result, the prices of the shares of practically all mining companies have increased appreciably.

The oils, which were already strong because of the increases in the price of oil, have added even more to their prices based upon the

value of the oil reserves still in the ground.

ANOTHER AREA of the market that has benefited from recent events is the defense industry.

The Russian invasion of Afghanistan will almost certainly guarantee that the U. S. defense budget will be increased substantially.

The most obvious beneficiary to any increased defense expenditures would be the aerospace industry.

Companies such as Boeing, Lockheed, General Dynamics, McDonnell Douglas, Martin Marietta, and Rockwell have already experienced sharp upward moves in their stocks.

There are many other areas of the market that stand to benefit from the situation, such as electronics, steel, and aluminum.

THE ALING auto industry also stands to gain from the increased tension between the U.S. and Russia provoked by their thrust into its neighbor's territory.

Chrysler, especially, has already received a multimillion dollar contract to build tanks. While this order was already on the books and would have probably come anyway without the Bolshevik aggression, it is probable that the order is more secure under present circumstances and there could be further orders forthcoming.

This could prove to be a very important crutch to the company during this difficult transition to the "new" Chrysler.

The writer is with Manley, Bennett, McDonald & Co. in their Plymouth office.

Commissioners pass truancy test

BY TOM LONERGAN

Say what you will about the decisions Oakland County's commissioners make.

But it's difficult to find fault with their meeting attendance. According to records kept by the Board of Commissioners clerk staff, 17 of the 27 commissioners attended at least 90 percent of county board and committee meetings last year.

THERE WERE 20 county board meetings during 1979. The number of committee meetings a commissioner attends varies with the number of committee assignments.

Henry Root, R-Troy, had the poorest attendance record, showing up at 67 percent of 94 meetings.

Root is chairman of the public services committee and also a member of the personnel and finance committees.

Democrats James Doyon of Madison Heights, Betty Fortino of Waterford Township and Patricia Kelly of Ferndale had 100 percent attendance records. Each is assigned to two board committees.

Board vice chairwoman Lillian Moffitt, R-Bloomfield, attended 94 percent of 114 meetings. She's assigned to four committees.

AMONG OBSERVER & Eccentric area commissioners, Lawrence Pernick, D-Southfield, had a 95 percent attendance record; John Peterson, R-Rochester, 95 percent; Robert Page, R-Birmingham, 91; Alexander Perinoff, D-Southfield, 90; Ralph Moxley, R-Birmingham, 90; Paul Kasper, R-Bloomfield Hills, 90; Joseph Montante, R-West Bloom-

field, 89; and John McDonald, R-Farmington, 88.

Before he resigned from the board in early August, Robert McConnell, R-Farmington Hills, had a 79 percent meeting attendance record. His successor, William Caddell, R-Walled Lake, missed one of five meetings last year after his November election.

The part-time commissioners receive an \$11,925 annual salary. Mrs. Moffitt receives \$500 more as vice chair, while board Chairman Wallace Gabler, R-Royal Oak, receives an extra \$1,000 per year.

Gabler, who chairs the county board meetings, is assigned to only one board committee but is required to sit on a number of county panels. For four of them — the drain board, plat board, airport committee and retirement commission — he receives \$35 per meeting.

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