

U-M professors predict zero growth in real GNP

University of Michigan (U-M) economists predict little more than zero growth in real gross national product (GNP) over the next four quarters.

"Our forecast of four successive quarters of near-zero increases in real GNP must be read as a prediction of an economy teetering in a precarious position, and is entirely consistent with an actual path of development involving small decreases, small increases or a mixture of small ups and downs," state Professors Saul H. Hyman and Harold T. Shapiro in their latest communication to members of the University's Economic Outlook Conference.

Only in the second half of 1975, when real GNP is forecast to rise at a two percent annual rate, can what might be called economic recovery be detected, they say.

"THIS PATH of near-zero growth followed by a modest upturn generates continuous increases in the unemployment rate, which is forecast to average 5.5 percent in the fourth quarter of this year and 6.4 percent in the fourth quarter of 1975," they explain. The rate of inflation will decrease throughout the coming year and half, but will remain very high by historical standards till mid-1975, they add.

The forecast, prepared by the U-

M Research Seminar in Quantitative Economics, cites the following major components as contributing to the "no growth" situation:

- A 1.4 percent rise in the volume of consumer purchases, including a very modest recovery in the auto market.
- A 1.5 percent rise in the volume of government purchases.
- A small rise followed by a small decline in the rate of real business capital formation.
- A further decline in residential construction activity followed by an upturn in the spring quarter of 1975.
- A \$6 billion decline in the rate of inventory accumulation.

Hyman and Shapiro say the modest economic recovery that begins in mid-1975 is paced by a rise of more than \$4.5 billion (1958 prices) in residential construction expenditures during the second half of 1975.

A balanced though moderate increase in all the major categories of consumer purchases.

Hyman and Shapiro say the slight rebound in the second half of 1975 returns real GNP only to its mid-1973 level, leaving it still more than \$6 billion (1958 prices) below the peak level of the fourth quarter of 1973.

"It is important to note that the recovery path revealed in our forecast is heavily dependent on a sharp turnaround in residential building activity, with housing starts leading the rise in the spring quarter of 1975," they point out, noting that the phenomenon of homebuilding activity leading the economy out of recession is by now "classical lore." Nevertheless, it is not a matter "independent of the economic environment of recession, and in our forecast the upswing in housing activity depends on a stance of monetary policy which re-establishes a level and structure of interest rates conducive to a sharp rise in the flow of funds into the mortgage market," they emphasize.

DISCUSSING INFLATION, they note that the average rate of inflation in the private nonfarm sector in the first half of 1974 was over 13 percent.

"We forecast a 10 percent rate of

inflation during the balance of this year, followed by rates of 8.1 percent and 6.8 percent in the first and second halves, respectively, of 1975," the economists say. To a considerable extent they attribute the high inflation rates during the coming year to a combination of large money wage increases — at an average rate of about 10.5 percent from mid-1974 to mid-1975 — and a small net drop in output per man-hour.

The U-M economists cite a number of factors which could alter their forecast. "Recently, there has been much discussion of the possibility of cutting the fiscal 1975 Federal budget in order to apply some 'stiff anti-inflationary medicine' to the economy," they note.

"IF, FOR EXAMPLE, a \$5 billion cut is imposed in the third quarter of 1974 and maintained throughout the six quarter forecast horizon, we predict the impact will be no net real growth at all from mid-1974 to mid-1975, compared with our original forecast of 0.4 percent growth over the same period." They add that the cut would also make the recovery after mid-1975 a bit more sluggish and the unemployment rate higher by one-tenth of a percentage point.

They say that if the auto industry makes more of a recovery than they currently expect, that, too, would have a major impact.

"If, starting in the fourth quarter of 1974, auto exports were raised by \$2.3 billion (1958 prices), the real rate of growth would exceed that in our forecast

by 0.6 to 0.7 percent at an annual rate over the entire forecast period," they explain. "By the end of 1975, the unemployment rate would be lower by 0.3 percent, and the overall rate of inflation would even be slightly below that in our forecast."

They note that their forecast produces a path in which business capital spending (in current dollars) rises by 10.4 percent for calendar 1974, but only five percent for calendar 1975 — the latter figure far below what many observers expect for capital expenditures in 1975.

"IF THERE is enough capital spending to keep the volume of business fixed investment constant at \$58 billion (1958 prices) from the fourth quarter of 1974 to the fourth quarter of 1975, the effects will be broadly similar to those already discussed in connection with the auto recovery alternative," they say.

The U-M economists recognize that any number of economic and/or political events — foremost that of the new Ford Administration in Washington — could dramatically alter the outlook.

"We have made no attempt to factor such events into our forecast," they note. "It is possible, however, to reinterpret some of our alternative forecasts as corresponding to particular kinds of shifts in consumer sentiment. For example, the auto recovery alternative can be considered as reflecting a fair and sustained improvement in consumer sentiment."

Trouble Shooting test reorganizes for 1975

The Plymouth Trouble Shooting Contest for 1975 will be reorganized and expanded for greater high school participation, according to F. G. Hazlethorn, Chrysler-Plymouth general sales manager.

In 1975, the state eliminations will be extended to students at all eligible schools through a written examination as a qualifier for a single final state mechanical competition.

To broaden the high school competitive base, the post-high school segment of the contest has been discontinued.

"WE ARE DELIGHTED to be able to welcome new high schools," Hazlethorn said. "In the past, we have had to limit enrollment in the

program because of our physical capability to operate regional contests. But now, a different concept — resulting from many conversations with authorities on vocational education — enables us to extend the program to more schools and more students. We can foresee as many as 800 more schools in the program next year," he said.

Sponsored by Chrysler-Plymouth Division and the Plymouth Dealers of America under the auspices of Departments of Education in the 50 states, Trouble Shooting contests test the knowledge of student auto mechanics and their ability to put theory into practice. There are two parts to a contest — a written examination and a me-

chanical test in which students find and fix malfunctions which have been deliberately hidden in cars. Both parts contribute to the final score.

"Next year's contest will place more emphasis on quality of workmanship and academic excellence," Hazlethorn said. "This is a further step in the direction taken in 1969 when the written examination was added to the mechanical competition. Since then, leading educators have repeatedly told us that experience would prove the importance of stressing accomplishment in the classroom. Their point was that trouble shooting can be taught by rote, without students necessarily understanding the reasons for the step-by-step procedures they are taught to follow, but, the best academic students will almost always prove to be the best Trouble Shooters."

"THAT HAS PROVEN to be true. More than 80 percent of first place teams in regional contests score well above the national average in the written examination," he continued.

In 1975, teams will qualify for the mechanical competition through the grades on the written examination. Written examinations will be given in schools in convenient locations in every state during April. Students who qualify through the examinations will proceed to the mechanical competition.

Hazlethorn said that the time of the written examination will be extended from 30 minutes to one hour without increasing the number of questions, to help students who know their subject, but do not read rapidly.

THERE WILL BE one championship contest in each state. A combination of the grades scored in the written examination and the mechanical competition will establish one championship team for each state, and the state champions will be invited to the national finals, where they will compete for scholarships and other prizes.

"To accommodate the new format of the program, the post-high school competition will be discontinued," Hazlethorn said. "The Trouble Shooting originated as an activity for high schools, which are the backbone of the U.S. vocational education system. For six of the 13 years that Trouble Shooting has been a national event, participation has been limited to high schools."

"One of the objectives of Trouble Shooting has always been to encourage high school students to continue their education, and since the cost of this program — as with the cost of almost everything else — continues to rise, we feel that Trouble Shooting will be most effective if our efforts are concentrated in high schools."

Roose is tops

Wayne State University senior all-around ace Bob Roose was the First Annual Ken Doherty Decathlon, hosted by WSU, posting a point total of 6,107 for the rugged, two-day, 10-event competition.

LARSON and JAMES ALDERMAN, 2500 Orchard Lane Road, Farmington Hills, Michigan 48021, are the attorneys for the STATE OF MICHIGAN THE PROBATE COURT OF THE COUNTY OF OAKLAND, IN and ESTATE OF ANNA E. JONES, deceased. Take notice that on the 1st day of October A.D. 1974 at 4:30 P.M. in the Probate Courtroom, Oakland County Courthouse, Pontiac, Michigan, before the Honorable ROBERT D. ADAMS, Judge of Probate, a hearing will be held on the petition of KENNETH L. JONES for probate of a purported will of the deceased dated September 1, 1967 and for the granting of administration to KENNETH L. JONES the executor named in the will or some other suitable person and for a determination of heirs. The decedent has been deceased since KENNETH L. JONES at 4112 Vaughn Street, Michigan 48223 and died intestate with no will. The claims filed with the Court on or before November 8, 1973 Notice is hereby given that the estate will be thereafter assigned to the person appointed as executor named in the will. Dated August 14, 1974. Attorney for petitioner Harold A. Larson, Larson and James, P.C., 2500 Orchard Lane Road, Farmington Hills, Michigan 48021. Phone 831-2544. Attorneys Kenneth L. Jones, 11415 Vaughn Street, Farmington Hills, Michigan 48223. Published August 22, 1974.

MINUTES OF A SPECIAL MEETING OF THE FARMINGTON HILLS CITY COUNCIL

A special meeting of the Farmington Hills City Council was held on Monday, July 29, 1974, pursuant to Section 2.04 of the Charter of the City of Farmington Hills, in the Council Chambers in the City Hall, for the purpose of hearing the appeal of William Kelly from the findings of fact and decision of the Police Appeal Board dated April 16, 1974.

Present were Mayor Lichtman and Council members Deacon, Dudley, Oppenheimer, McConnell and Schaeffer. Council member Ortmann was absent. Also present were William Kelly, his attorney, Norman Lippitt, City Attorney, Joseph T. Brennan, and two members of the press.

The meeting was called to order by Mayor Lichtman at 8:13 p.m. Mayor Lichtman made a general statement of the matter and pointed out that the Council had read the transcript of the hearings before the Police Appeal Board and had examined the exhibits and was familiar with the facts in this matter.

Mayor Lichtman then called upon Mr. Lippitt, who thereupon made his argument to the Council on behalf of his client, William Kelly. Mr. Lippitt concluded his remarks at 8:35 p.m. The Council then took the matter under advisement and Mayor Lichtman announced that a decision would be reached and that decision reduced to writing on or before August 5, 1974. There being no further business to come before the meeting, it was adjourned at 8:39 p.m.

Prepared by:
Floyd A. Cairns
City Clerk

Approved by:
Frederick Lichtman
Mayor

OFFICIAL NOTICE OF SALE \$3,000,000.00 FARMINGTON PUBLIC SCHOOL DISTRICT COUNTY OF OAKLAND STATE OF MICHIGAN TAX ANTICIPATION NOTES

Scaled bids for the purchase of tax anticipation notes of Farmington Public School District, County of Oakland, Michigan, of the par value of \$3,000,000.00 will be received by the undersigned at 2500 Shawwassee, Farmington, Michigan, until 7:30 o'clock, p.m., Daylight Savings Time, on the 3rd day of Sept., 1974, at which time and place they will be publicly opened and read.

The notes will be dated September 13, 1974, will mature April 15, 1975 and will bear interest at a rate or rates not exceeding 8 1/2 percent per annum. Both principal and interest will be payable at a bank or trust company located in the State of Michigan to be designated by the original purchaser of the notes which paying agent qualifies as such under the Statutes of the State of Michigan or of the Federal Government, subject to the approval of Farmington Public School District. Denominations and form of notes to be at the option of the purchaser. Accrued interest to date of delivery of such notes must be paid by the purchaser at the time of delivery.

The notes shall not be subject to redemption prior to maturity. For the purpose of awarding the notes the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total dollar value of all interest on the notes, from September 13, 1974, to their maturity and deducting therefrom any premium. The notes will be awarded to the bidder whose bid on the above computation produces the lowest dollar interest cost to the municipality. No proposal for the purchase of less than all of the notes or at a price less than their par value will be considered.

The loan is in anticipation of the 1974 School District Operating Tax due and payable December 1, 1974.

A certified or cashier's check in the amount of 1% of the par value of the notes, drawn upon an incorporated bank or trust company and payable to the order of the Treasurer must accompany each bid as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the notes. Checks of unsuccessful bidders will be promptly returned.

Bids shall be conditioned upon the unqualified opinion of the purchaser's attorney approving the legality of the notes, to be secured at the purchaser's expense. The purchaser shall furnish for execution at his expense. Notes will be delivered at a place to be agreed upon with the purchaser. The right is reserved to reject any and all bids. Envelopes containing the bids should be plainly marked "Proposal for Notes."

EMMA S. MAKINEN, Secretary
Board of Education

APPROVED AUG 13 1974
STATE OF MICHIGAN
MUNICIPAL FINANCE COMMISSION

Published August 22, 1974

Property expressions explained

Thinking about investing in real estate?

You've probably heard and considered all the arguments for it: Property ownership protects against inflation. Value of property frequently rises with price increases elsewhere, while fixed-income investments — savings accounts, bonds and mortgages — are redeemable in a fixed dollar amount, often with a diminished purchasing power.

But arguments for property ownership don't lessen a potential investor's confusion over laws associated with that ownership. Easements, zoning restrictions, covenants, mortgage conditions, and other terms are bewildering when not fully understood.

The following definitions of some terms may lessen confusion for prospective property owners:

Covenant: an agreement that the purchased property will not be used for certain purposes.

Deposit receipt: a contract containing all terms and conditions of purchase of property.

Lien: the right of one who has loaned money for purchase of property to sell property if owner defaults. Liens also may be for unpaid taxes or to satisfy court judgments.

Public rights: these include the right to tax and acquire property for public use.

Right of escheat: the right of government to claim property after owner's death if there are no legal heirs.

Variance: permission to use property in a way not allowed under zoning laws in effect. Zoning right: a public right which dictates how property may be used. Zoning restrictions are decided by a zoning commission and are subject to public hearing before being changed.

SUMMARY OF PROCEEDINGS FARMINGTON HILLS COUNCIL August 5, 1974

A special meeting of the Council of the City of Farmington Hills, Oakland County, Michigan, convened at the City Hall on the 5th day of August, 7:30 P.M. 1974. Present were Councilmembers Keith Deacon, Joseph Doherty, Robert McConnell, William Ortmann, Margaret Schaeffer and Chairman, Fred Lichtman. The Council adopted a resolution supporting the action of the Appeal Board, and reaffirming the decision in all respects of the disciplinary action re: Captain (Lt.) Kelly.

Awarding of contract for Gill Road paving was tabled until August 12th meeting. Series A Bonds, Sewer S.A.D. C78 in the amount of \$705,000 and Series B Bonds, Sewer S.A.D. C79 in the amount of \$775,000 and Series C Bonds, Sewer S.A.D. C81 in the amount of \$50,000 were all awarded to The National Bank of Detroit. Upon recommendation by Mayor Lichtman the Council unanimously approved the following appointments: Farmington Area Advisory Council: Keith Deacon, Sgt. M. Spencer and alternate Richard D. Murphy. Planning Commission: Robert Amori. A resolution was adopted requiring a 12" culvert for Farmington Hills. The meeting was adjourned at 9:40 P.M.

Prepared by:
Floyd A. Cairns
City Clerk

Approved by:
Frederick Lichtman
Mayor

Published August 22, 1974

ADVERTISEMENT FOR BIDS ROAD CONSTRUCTION

City of Farmington Hills, Michigan

Scaled proposals for the construction of the following project will be received by the City of Farmington Hills, at the Clerk's Office, 31555 Eleven Mile Road, Farmington Hills, Michigan 48024, until 10:00 A.M. Eastern Daylight Time, Monday, August 26, 1974, at which time they will be publicly opened and read. Plans and proposals may be obtained at the above address, on or after 8:30 A.M. Eastern Daylight Time, Thursday, August 15, 1974. No charge will be made for the first set of bidding plans; however, a charge of \$3.00 will be made for each additional set of bidding plans after the first set. This will not be refunded.

A bid deposit in the form of a certified or cashier's check or bank money order payable to the City Treasurer in the required amount must accompany each bid.

PROJECT NUMBER R-101 (FOURTEEN MILE ROAD) Broomfield resurfacing on 0.81 miles of Fourteen Mile Road from Hunter Drive to Farmington Road and 1.61 miles of Fourteen Mile Road from West of Carnegie Hill Road to East of Halstead Road in the City of Farmington Hills.

No Michigan Department of State Highways and Transportation pre-qualification is required for this project. However, it is the intention of the City of Farmington Hills to award this contract to a contractor fully capable both financially and with previous experience in this type of work.

The bid deposit required for this project is \$500.00. The project will consist of the following approximate material quantities:

Broomfield, Aggregate Pavement, 2,300 tons. All proposals must be plainly marked as to their contents. The City reserves the right to reject any or all proposals, or to waive defects and to accept the proposals that in the opinion of the City are in the best interest of and to the advantage of the City of Farmington Hills.

FLOYD A. CAIRNS
Farmington Hills City Clerk

Published August 15, 19 and 22, 1974

GENERAL REVENUE SHARING

General Revenue Sharing provides federal funds directly to local and state governments. Your government must submit the report advising you how these funds have been used or obligated during the year from July 1, 1973, through June 30, 1974. This is to inform you of your government's practices and to encourage your participation in decisions on how future funds should be spent.

CATEGORIES (A)	CURRENT YEAR	OPERATING MAINTENANCE
1. PUBLIC SAFETY	\$ 11,282	\$ 11,462
2. GOVERNMENTAL PROTECTION	\$	\$
3. PUBLIC TRANSPORTATION	\$	\$
4. HEALTH	\$	\$
5. RECREATION	\$	\$
6. UTILITIES	\$	\$
7. SOCIAL SERVICES	\$	\$ 3,040
8. FINANCIAL	\$	\$
9. MULTIFAMILY AND GENERAL GOVT.	\$ 25,408	\$
10. EDUCATION	\$	\$
11. HOUSING	\$	\$
12. WASTE DISPOSAL	\$	\$
13. ECONOMIC DEVELOPMENT	\$	\$
14. OTHER	\$	\$
15. TOTAL	\$ 37,590	\$ 14,502

ACTUAL USE REPORT

THE GOVERNMENT OF FARMINGTON CITY has received General Revenue Sharing payments totaling \$42,976 during the period from July 1, 1973 through June 30, 1974. VOUCHER NUMBER 23 2 063 007 FARMINGTON CITY CITY TREASURER FARMINGTON MICHIGAN 48024

VESTMENT FUND REPORT	
(1) Balance on June 30, 1973	\$ 8,135
(2) General Revenue Sharing from Federal Gov. July 1, 1973 through June 30, 1974	\$ 42,976
(3) Interest Earned	\$ 82
(4) Total Available	\$ 51,193
(5) Total Amount Expended	\$ 51,892
(6) Balance on June 30, 1974	\$ 50

(1) The report must have been submitted to the City Clerk by the date indicated on the report. (2) The report must have been submitted to the City Clerk by the date indicated on the report. (3) The report must have been submitted to the City Clerk by the date indicated on the report. (4) The report must have been submitted to the City Clerk by the date indicated on the report. (5) The report must have been submitted to the City Clerk by the date indicated on the report. (6) The report must have been submitted to the City Clerk by the date indicated on the report.