

Today's investor

Stop work order can be difficult to execute

Q. I recently placed a stop loss order on an unlisted stock. My broker was away and his secretary took the order and sent me a confirmation. When the order was executed, the stock was sold way below where I asked it to be sold, and I lost over \$500. When I complained to the broker, he said their acceptance of the order was a mistake, that they do not accept stop loss orders on unlisted stock. I think he made a mistake and should make good on my loss.

A. There are two things you should keep in mind about stop loss orders. One is that the price you set isn't necessarily the price

you are going to get. The stop loss order means that when the price of your stock reaches a certain point, your order becomes an order to be executed at the market on the next transaction.

Sometimes that may be very close to the last sale, and sometimes it may be well below the order. This kind of order can only be executed on orders on stock exchanges with a specialist system because they are the only ones that have the mechanics to handle such orders. Therefore, your broker is correct in saying he can't handle a stop loss order in an unlisted stock.

Unlisted stocks are sold in what

is called a dealer market. Brokers who deal in that particular stock maintain a market in the stock, but there is no one place where all the buy and sell orders in that stock are accumulated and arranged in time and price order.

Your broker can sell the stock for you when the price gets down to a certain point, but he has to find a buyer. In a declining market, especially one as thin as the market has been recently, the next bid for an unlisted stock is likely to be well below the last sale.

Q. I hear a lot of people talk about their stocks these days and how much the price has gone

down. I feel sorry for these people because I think they have completely the wrong idea. I have been buying stocks for over 40 years, I try to buy good ones and I don't sell very often. It is a fact that I can't sell most of my stocks for what I could have two or three years ago, but I've never had any intention of selling them anyway. I bought stocks to help build up my retirement income, and they've

done a tremendous job. My dividend income is up almost \$2,000 from what it was two years ago, so you see I'm not really all that con-



By THOMAS E. O'HARA
Board Chairman
National Association of Investment Clubs

Equality in jobs lacking

Discrimination in employment is still a major problem in the United States despite much publicized efforts to give each job applicant a fair shake, says Benjamin Wolkinson, of the School of Labor and Industrial Relations at Michigan State University.

Talking about the land of "equal opportunity" employers, Wolkinson says there are good judicial and legislative decisions on paper, but in practice minorities of the nation are often the last to be hired.

"Steps are being taken to erase discrimination," Wolkinson says. "But employers are still hiding behind superficial cloaks of neutrality like tests and other selection criteria which have unrelated to job performance have unfair effects on who is hired."

The author of a recent book on discrimination in unions, Wolkinson says some organizations aren't willing to spend the money it takes to rework hiring practices and reevaluate tests.

"The job of forcing employers and unions into compliance with the Civil Rights Act of 1964 which outlawed discrimination in employment is left to an overburdened federal commission.

cerned about what I could sell my stocks for today. I think you ought to tell your readers to buy stocks as a way of building income and to quit worrying about how much they can be sold for every day.

A. Thank you, you've told them better than I could. Your philosophy is the kind I see most long-term, successful investors following.

Q. I have been a purchaser of top quality growth stocks like IMB and MMM and Eastman Kodak for a long period of time. While their prices are down recently, they have made very good profits for me over the years. My broker has been telling me recently that he thinks the most money might be made in the next two to five years in some of our major cyclical-type industrial companies that are now selling at very low price-earnings ratios and giving very good dividends. Do you think he is right?

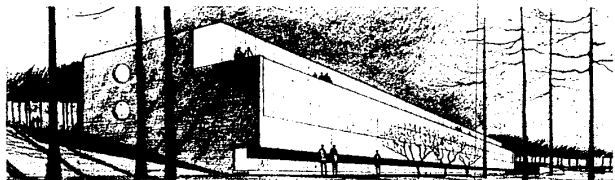
A. To me, there are always two major considerations when I purchase a stock — growth and price. I want to see the likelihood of growth in sales and earnings in any company I buy. At the same time, I am not willing to pay any price for growth. I would now begin to consider the purchase of many of our major growth companies because in many cases recent prices have been down about 25

percent from peaks earlier in the year which I felt were excessive. Most of our major growth companies still have the good qualities which make them excellent investments, and when their prices come down to price-earnings ratios that are below the average, I would be willing to buy them.

While most of our major industrial corporations do not have high growth rates, they do have moderate rates of growth and currently their prices are ridiculously low. In the kind of shortage-plagued economy that we seem likely to have for the next few years, it seems to me that there is an excellent opportunity that our major companies will get their share of materials, and, in a seller's market, they should get excellent prices for what they produce.

I suspect their profits will remain good. Consequently, I tend to agree with your broker that because of the extremely low prices many of our major industrial companies are selling at today and because of the kind of economy we seem to be moving into, most should be very profitable investments over the next two to five years.

O'Hara welcomes your questions but will answer them only through this column. He will send information about investment clubs or a copy of NAIC's monthly magazine, "Better Investing," to any reader requesting it. Write: Today's Investor, P.O. Box 220, Royal Oak, Michigan 48068.



Bank relocates

The Farmington Hills office of Manufacturers Bank, located at Northwestern and Inkster roads, will be relocated this fall to the Wood Creek Pavilion Limited Building at 30840 Northwestern at Thirteen Mile Road. The bank will include six teller stations, a customer conference room, a safe deposit vault and a night depository. It will have two drive-in windows using a remote control pneumatic tube system. The new building was designed by the Southfield firm of Rossen and Neu-

mann Associates and developed and built by San Sobel and the American Construction Co. Using beige brick and bronze toned glass the building features a balcony that runs the length of the building off the second floor offices. Live plants will be used throughout the bank's interior which was designed by Anna Kennedy Associates, Birmingham. The office is expected to open early this fall.

Autos not only key to pedestrian safety

Hope of lowering the nation's annual pedestrian fatality and injury toll lies in improving traffic patterns, lighting, education, law enforcement, driver training and licensing.

This is the joint conclusion of Fred O. Jones, director, advance product engineering, General Motors engineering staff; Dr. Brian S. Repp, senior research engineer, GM research laboratories; engineering mechanics department; and Jayne Potgiesser, formerly of the GM engineering staff.

The GM engineers collected and analyzed data from a variety of

sources relating to pedestrian-vehicle impacts which during 1973 caused 10,600 deaths and 120,000 disabling injuries in the United States.

"THIS IS NOT to say that modified design of vehicles cannot reduce pedestrian trauma," they reported. "All indications, however, point to the realization that the reduction of pedestrian injuries through vehicle design may be minimal.

"Furthermore, because the pedestrian accident is a multiple impact event, vehicle design

changes which may appear intuitively sound must nevertheless be very carefully explored before any judgments of their effectiveness can be rendered. A design change which may reduce impact forces to lower body extremities, for example, may very well result in an increase in trauma to the more vulnerable upper body and head regions."

After reviewing accident data, they discuss several alternative countermeasures, most of which were based on case histories in the United States and abroad.

• Traffic control — pedestrian injured and death dominate in urban areas.

• Lighting — a significant portion of pedestrian accidents occur in dusk-to-dawn hours, and as much as a 33 percent reduction in all nighttime accidents has been reported as a result of improved lighting. Lighting studies at urban sites in the United Kingdom showed that savings resulting from accident reductions were sufficient to cover both improvement and operating costs.

• Pedestrian/vehicle isolation — bridges, underpasses, fences and sidewalks designed to reduce potential vehicle-pedestrian encounters may prove cost-effective in reducing fatalities in troublesome areas. In central business districts the "small concept" can effectively isolate the vehicle from the pedestrian. A Virginia traffic report showed that the highest number of injuries and fatalities occurred in urban areas where sidewalks were unavailable.

• Traffic flow planning — spot studies indicate pedestrian accident totals decrease with conversion to one-way street systems.

• Public information programs — "As far back as 1935, when the pedestrian death toll was about 45 percent of the total highway death toll, AAA began a nationwide pedestrian protection program," the GM researchers reported. "Since the program was initiated in 1937, the number of pedestrian deaths has been cut in half while all other traffic fatalities have risen 35 percent.

"THE EQUAL Employment Opportunity Commission (EEOC) has a backlog of 80,000 cases," Wolkinson estimates. "It will take them at least two years to get around to all of those cases. The ones they choose to take to court must be landmark cases."

"The cases will have to set precedent or benefit a large number of employees," Wolkinson continues. "The medium and small employer is pretty sure he's not going to get sued because the commission just doesn't have the time to spend on the small case."

Wolkinson says each discrimination case which is taken to court is reinforcing the idea of equal opportunity in employment, and several employers are going to see the handwriting on the wall.

"The employers are going to get the message that it is a lot less costly for them to comply with the law than to spend time in court."

Builders back mortgage relief

The Builders Association of Southeastern Michigan and its affiliate, the Apartment Association of Michigan, have endorsed the Cranston bill now before Congress. The bill would provide emergency mortgage relief for middle-income families.

The policy of the builders in Michigan is in line with that of the National Association of Home Builders. The bill introduced by Sen. Allan Cranston of California, if passed, would direct the government's National Mortgage Association to make commitments to purchase FHA, VA and other mortgages by lenders at a rate of seven percent.

Richly rewarding

7 1/2%

Earn the highest interest possible with this new 7 1/2% certificate of deposit at Capital Savings & Loan. Deposit \$5,000.00 minimum or more 4 years and earn a compounded interest rate with an effective annual yield of 7.71%. Federal regulations require a substantial interest penalty for early withdrawal.

CAPITOL Savings & Loan

27215 SOUTHFIELD RD. — Just N. of 11 Mile
Lathrup Village, Michigan
559-4000

HOME OFFICE: LANSING, MICHIGAN
OTHER OFFICES: PONTIAC, OKEMOS, GRAND LEDGE, ST. JOHNS, MASON, WILLIAMSTON

Ride out the gasoline problem in luxury.

Today's rising gasoline prices aren't drive you to distraction. Or even to an economy car. Look what you get from the 1974 Audi 100LS. An interior like the Mercedes 280. And 22 miles to the gallon. About the same legroom and headroom. A lot of cars for the money. A lot of miles to the gallon.

*Miles based on German Industry Standards

Tom Sullivan Porsche Audi Co.

199 South Hunter Blvd.
Birmingham

OVERSEAS DELIVERY AVAILABLE

A roadster or a mushroom?

AAA knows, see our ad this edition

NOTICE TO TAXPAYERS

Beginning October 1, 1974 an additional penalty of \$3.00 will be added to each 1972 and prior years delinquent tax that appears unpaid on the records of the county treasurer.

This amount is added according to the provisions of section 211.59 compiled laws of Michigan for 1948 to cover the expense of sale on those taxes and descriptions subject to sale at the next May tax sale.

Immediate payment will save you this additional penalty and keep your property from appearing in the public list of lands to be offered at tax sale.

C. HUGH DOHANY

OAKLAND COUNTY TREASURER
1200 N. TELEGRAPH ROAD
PONTIAC, MICHIGAN 48053