

# Car export market may be improving

Thanks to a healthy Canadian economy, the outlook for the Michigan automotive industry is not all bad.

A Michigan State University economist predicts that Michigan exports of automotive products are almost certain to set a record in 1974, and sales should continue to rise in 1975.

In his study of Michigan exports, published in the "Michigan State Economic Record," David I. Verway said automotive exports in 1972 accounted for about two-thirds of Michigan's total exports, worth over \$3.2 billion, and 7.4 percent of the industry's shipments.

"IN 1972, for the second year," Dr. Verway said, "Michigan ranked first among the 50 states in manufactures exported to other countries."

He noted that from 1960 to 1972, Michigan exports increased by nearly 250 percent; the nation's exports saw a 150 percent increase during the same period.

The growth in automotive exports from the U.S. is the result of the Automotive Products Trade Act (Autopact) of 1965. This agreement allows motor vehicle manufacturers to send their products across the U.S.-Canadian border without paying import tariffs to either country.

"To qualify in Canada," Dr. Verway said, "a company must be considered a bona fide manufacturer of passenger cars, buses or commercial vehicles and must meet or exceed Canadian production-to-Canadian sales ratios."

"These and other constraints ensured the growth of the smaller, Canadian segment of the industry, which consisted, by and large, of Canadian subsidiaries of the large motor vehicle manufacturers headquartered in the United States."

A U.S. company could qualify if it manufactures motor vehicles or motor vehicle bodies, or installs fifth wheel or other motor vehicle equipment on new chassis.

BOTH COUNTRIES profit from the Autopact, Dr. Verway indicates. The U.S. is assured of a continued growth in the market for exports to Canada. Prior to Autopact, Canada had an automotive trade deficit amounting to \$563 billion; automobile prices were between nine and 30 percent above U.S. prices for the same models; and Canadian auto workers were earning 20 to 25 percent less than their U.S. counterparts.

Autopact has given Michigan a "distinct locational advantage," Dr. Verway said, because the Detroit-Windsor area is becoming the center of the Canada-U.S. automotive industry.

Canada's automotive industry is still relatively small compared with Michigan's.

"Shipments from Canadian vehicle and supplier plants totaled around \$6 billion during 1972, whereas plants located in Michigan shipped well over \$23 billion, out of a combined Canada-U.S. total of \$112 billion," the researcher said.

"The 1975 outlook (for automotive exports) is excellent because many of the models that are expected to do well in Canada are made in Michigan and not in Canada," Dr. Verway concluded.

# How to invest in anti-pollution stocks

Q. Can you tell me where I can get a list of companies that are in the anti-pollution business? Also, where can I get a list of all of the Light and Power Companies in the United States?

A. Your public library probably has "Poor's Register of Corporations."

This book lists corporations according to the business they are in.

Q. How can I join an Investment Club?

A. Joining an existing Investment Club is difficult because clubs usually have only 10 to 15 members, and to get in, you need to know one of the members who will push your name when the club has an opening.

It is easy to form your own club. Write the National Association of Investment Clubs, 1315 E. Eleven Mile Rd., Royal Oak, Mich. 48067, for information.

Q. A year or so ago, I bought 100 shares of Adventure Lands of America, Inc. (over-the-counter now) I paid \$5 a share then, before it came out for the public to buy. I recently received some literature that the asking price is now \$7.50 a share. Also the company is issuing an additional 980,000 shares at \$5 a share.

I am on a pension and would like to know if you think it would be a good thing to buy a few more shares of the new issue.

Also, will the new issue help or hurt the shares I now have?

I have visited their motel and recreation grounds in Des Moines, Ia., and it sure is a nice place.

A. I don't know anything about Adventure Lands (there is nothing about it in any of the services I carry), and I don't know anything about your personal financial situation, but there are two things I would like to suggest.

This company is obviously a new company, and that means it is untried. You mention that you are on a pension, and that suggests to me that you may not have a surplus of funds available.

A new venture always has a more than normal degree of risk connected with it, and I would suggest a person on a pension, unless you are prepared to lose the money, should not be investing in that kind of a venture.

Q. When I received the invoice from my broker, it had stamped across it "This Order Unsolicited." I called my broker, and he said all it meant was that I called him and asked him to buy the stock, he didn't call me. I've bought stock the same way before, but this is the first time that has been stamped on my invoice. Why was this done?

A. I can guess at several reasons why your invoice was stamped "unsolicited". If the stock was one

that was not listed on a stock exchange, it may not have been "qualified" for trading in your state. Stocks which are listed on a national securities exchange are generally allowed to trade freely in every state.

An unlisted stock has to be "qualified" or "registered" for trading in each state. A corporation may not secure this approval in more than a few states because it costs it money and time in each state. A corporation that has only one plant and is located in Illinois might clear its stock for trading in Illinois, Wisconsin and Indiana, reasoning that people farther away would not know it or be interested in its stock. If you buy that stock in Michigan your broker can buy it for you providing you are the one who asks him to make the transaction.

He would be in violation of the law if he made an effort to sell you the stock. By stamping "unsolicited" on your invoice he is stating his claim that you are the one who wanted the stock, you asked him to buy it, he didn't try to sell it to you.

There could be some other reasons. Some brokerage firms may have house rules that their salesmen cannot sell stocks below a certain dollar value or sell certain stocks that the firm believes are of questionable value.

If you ask your broker to buy such a stock for you, his firm may let him handle the order, but he usually has to satisfy the manager that he did not make any effort to get you to buy the stock and stamping your invoice confirms on the firm's records.

Q. My broker holds my stock in his office. A few months ago I sold some shares of a stock, and two months later I received a dividend. The dividend came on my broker's check. I know I shouldn't receive the checks because I sold the stock two weeks before the ex-dividend date. My broker said the transfer of the stock was slow and I should keep the dividend. Isn't the person who bought the stock when I sold it really entitled to the dividend?

A. From the information you have given, the purchaser is entitled to the dividend, and you may hear from your broker a little later on asking you to return that dividend. On the other hand, the purchaser may be careless or timid and not ask his broker for that dividend. In which case you will be ahead the amount of the dividend.



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

All of this just points up the fact that each of us should be aware, when we buy a stock, whether or not we are entitled to the latest dividend, and when we are, we should follow through with our broker until we get it.

There is a lot of room for error in the transfer process as far as getting dividends to the rightful owner is concerned. My mail brings enough cases to my attention to show dividends do get to the wrong people, and every investor should make certain he receives those due him. He should be particularly careful when he has just bought or sold a stock.

Mr. O'Hara welcomes your questions but will answer them only through this column. He would be pleased to send a complimentary copy of "Better Investing" Magazine or information about Investment Clubs to any reader requesting it. Write: Today's Investor, P. O. Box 220, Royal Oak, Michigan 48067.

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## Seminars to help business students

Seminars to assist students seeking to enter graduate schools of business are being offered by the Bureau of Business Services and Research at Eastern Michigan University.

They are designed specifically to prepare students for the Admissions Test to Graduate Study in Business, used by many graduate schools.

Sessions will be devoted to test-taking techniques and both the English and mathematics sections. Sample materials will be provided, along with an opportunity to be tested under realistic conditions.

The first session for the Jan. 25 ATGSB is 6 p.m. Monday, Nov. 11, and will run until 10 p.m. Seven succeeding seminars will be held each Monday during the same hours. A similar program will be set up March 22.

Fee for the series is \$35. Registration and checks should be sent to the Bureau of Business Services and Research, 330 Goodison Hall, Eastern Michigan University.

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## "The Yellow Pages is the best prescription for curing profit problems!"

"We've used the Yellow Pages since we opened our pharmacy in East Detroit, and we keep using it. We like to keep our name before a constantly changing public," claims Joseph A. Sokal, Hennessy Pharmacy, 20803 Brock, East Detroit. "One year we used a coded telephone number in our ad and received approximately 100 calls per week on that line alone. Almost our entire advertising budget goes for the Yellow Pages."

"The Yellow Pages is a great friend to have—especially when a businessman is just getting started," says Michael Richardson, Dependable Battery Co., 13550 Dix Toledo Road, Southgate. "Two years ago I opened our battery shop and placed an ad in the Yellow Pages hoping to draw retail business to supplement our wholesale accounts. You can imagine our surprise when we got a large wholesale account that had located us through the Yellow Pages! Wholesale or retail, our Yellow Pages ad more than pays for itself."

"When I bought Warren Rustproofing, one of the first things I did was increase the Yellow Pages advertising. We are now in five different directories. We don't advertise in any other medium because we don't need to. Approximately 75% of our new business comes from the Yellow Pages. Our faith in the Yellow Pages has been rewarded. Although this year and the one before were supposed to be slow in retail sales, we've done fine."

Jim Malget, Warren Rustproofing, 25600 Van Dyke, Center Line.

"A little less than two years ago, I decided to open my own driver training school," explains Peggy Ostro, ABC Driving School, 542 West 8 Mile Road, Ferndale. "As quickly as I could, I took out a large ad in the Yellow Pages. Why? Because it's the best source of business I know. At least 90% of my business, and perhaps more during my first year, could be traced directly to my Yellow Pages ad. The Yellow Pages is the most efficient advertising medium I know."



Travel the Yellow Pages road to sales success. Call your Yellow Pages representative!