

Edison Asks Hike In Rates

Inflation May Strain International System

The Detroit Edison Company has petitioned the Michigan Public Service Commission for the first increase in the company's electric rates since 1949.

The petition specifies a dollar amount for the increase but requests the Commission to review the present rates and establish increases to compensate for rising costs.

However, the petition asks for an immediate surcharge of two per cent on all customer bills rendered after August 31, 1968 to provide for increases in Federal income taxes.

Edison Chairman Walter L. Cliser said the request is not necessitated by increases in many expenses including the 10 per cent surcharge recently enacted by Congress, state and city income taxes as well as property taxes, the cost of borrowed money required for the expansion of electric power facilities and operating expenses such as wages, materials and supplies.

Cliser noted that the company had carried on the business without increasing rates for more than 19 years and had actually reduced rates 17 times in the interim.

Cliser said that for nearly 20 years Detroit Edison has been successful in offsetting increasing costs through efficiencies made possible by the use of large, modern generating mills, power-pooling and other technological and management advances.

However, even modern technology and the most effective management procedures have been unable to overcome the spiraling costs the company has faced in recent years.

HE POINTED OUT that notwithstanding the company's intensive cost-control procedures, operating expenses have risen at a faster pace than revenues.

Since January 24, 1949 (the date when the last rate increase became effective) major factors of expense have increased as follows: property taxes by 10 per cent per dollar of gross revenue, Federal income taxes by 60 per cent per dollar of gross revenue, and average hourly labor rate by 138 per cent.

Amateur Gets Share Of Trotter Thrills

Joe Owen is only 19, and still in vet school, but he's getting his share of thrills training and driving standardbreds at Northville Downs.

Joe is the son of Russell Owen, of Sherwood, Mich., a small village just south of Battle Creek. His dad has been in the harness business most of his life.

Joe hasn't won in half a dozen starts this season but he isn't discouraged.

"I remember last season I got off to a terrible start," the youngster said. "I lost my first 15 races but came back to win 35 dashes before the year was over."

MOST of his victories came behind Sizzler Hanover, a four-year-old pacer who won 25 heats, second best heat record in the nation in 1967. Only Stanley Dancer's Nerve Pride topped Sizzler. Nerve Pride won 26 times.

Owen's pride and joy this year is Clem's Choice, the 15-year-old trotter who has lifetime earnings of \$62,000.

"If I can keep him sound and flat we'll win a few this summer," Owen said.

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France is considering a devaluation of its monetary system which would put a strain on the entire international monetary system.

The national uprising in France recently has been followed by an inflationary rise of prices, threatening another round of social strife this fall.

The French crisis will probably have mixed results on the international level. Salary raises and increased social benefits handed out to settle the three-week wave of strikes across France are expected to increase purchasing power by some \$4 billion this year and nearly 10 billion next year. This could trigger an import explosion that should immediately benefit France's Common Market partners, especially West Germany.

Immediate benefits either to American or British exporters. But the flood of exports to France could easily create a demand inflation in West Germany and other Common Market countries which would be to the advantage in the long run to Americans and British.

With greater unencumbered financial reserves than the United States, the French will not face a need to cut the franc's value until next year, experts say.

THE GOVERNMENT has already served notice it will lift to save the franc with all of the nation's considerable resources. And government informants say the regime will only consider devaluation as part of a broad reform and revaluation of the monetary system.

The strikes that virtually halted all communications and industrial production, however, have left the franc the most overvalued money in the West.

It has been crawling along for weeks at its floor level of 6740 francs to the dollar, the rate at which the government is obliged by international convention to buy in order to ward off a further devaluation.

Banks in Belgium, West Germany and Switzerland, though report a continuing flow of dollars per cent being changed into francs, Swiss franc and other currencies despite the strict exchange controls imposed May

31 by the new finance minister, Maurice Couve de Murville.

THE CONTROLS were tightened after the discovery of widespread evasion. The original measure permitted residents of France to take 1,000 francs, roughly \$200, with them every time they went abroad. This was reduced to 100 francs, or \$20, on a 24-hour period. It was discovered some Frenchmen were going back and forth across the border taking 1,000 francs with them every time. Couve de Murville was still counting the cost to the nation of the strikes which at their height idled an estimated eight million to 10 million workers. He is not expected to make

Law Expert To Address U-M Grads

ANN ARBOR -- John P. Dawson, who for nearly 30 years was one of the most highly regarded professors in the University of Michigan Law School, will deliver U-M's summer commencement address on Aug. 4.

Prof. Dawson has been at Harvard Law School since 1937. He is the Charles Sumner Fairchild professor of law there. Some 2,300 students will receive degrees in the Hill Auditorium ceremony. Graduates and faculty will march into the hall at 1:45 p.m. and the ceremony will begin at 2.

The commencement speaker's topic is "Our Belonged University."

Dawson joined the Michigan faculty in 1927, after having earned his bachelor of arts and juris doctor degrees here. He earned a doctor of philosophy degree as a Rhodes scholar at Oxford University in 1930.

He remained at U-M until 1937, when he joined the Harvard faculty to work with other specialists in his own area of legal research. Dawson returned to Michigan to deliver the Thomas M. Cooley lectures in 1959 and to serve as a visiting professor in 1963.

public a balance sheet until after France's final round of elections.

But even before announcing the cost, France appealed to Common Market partners for help in curbing their exports to France. Reaction was mixed. Bonn said immediately it would go along with some measure of curbs, but others, notably Italy and the permanent commission of the Common Market, expressed hostility.

The Bank of France has already given some indication of the drain since the start of the social crisis at the beginning of May. In May the nation lost \$306.6 million of its reserves, bringing them down to \$5,720 billion of which \$5,233 billion was in gold. The bank's bulletin for June 1-13 indicated a further loss of \$311 million, mainly to French and foreign holders of franc convertibles, and into dollars and other foreign currency at the expense of the Bank of France's Reserves.

College, Custodians In Accord

Although negotiations with the Faculty Forum, which represents the faculty, are stymied, Schoolcraft College's administration has reached agreement with the International Union of Operating Engineers, Local 547, representing the maintenance, custodial and security staff.

Terms of contract have boosted hourly rates from a low of \$2.40 to a high of \$4 per hour and for salaried workers from a range of \$4,992 to a ceiling of \$8,320.

The contract covers eight different classes of workers including security officers, custodians, matrons and general maintenance.

The union members gained several fringes including new employees will receive a physical examination at the expense of the college—previously it was paid by the worker; two additional paid holidays, making a total of nine compared to seven in the past; employees will be paid for jury duty up to 60 days, (excluding compensation received for jury service) contracted to no allowance for such duty.

In addition, the new pact provides: matrons and security officers will wear uniforms purchased by the college with an allowance of \$40 for matrons and \$90 for security officers annually; retirement is made mandatory at the age of 65.

IN THE MEANTIME, the French government made two drawings on the International Monetary Fund—IMF—of \$745 million June 4 and 40 million June 17 to exhaust the quota it could draw unconditionally. France can still draw nearly \$1 billion from the IMF but on condition that it submit its books for examination, a move President Charles de Gaulle is unlikely to permit.

The cost of the strikes in lost production is expected to be somewhere between \$4 billion and \$5 billion.

Additional payments on the national wage bill which last year totaled just under \$40 billion amount to between 14.6 and 21.1 per cent more in the public sector and between 10 and 14 per cent more in the private sector.

At the same time pensions to war veterans, widows and widowers were increased by 2.4 per cent, roughly \$1 billion in a full year.

FURTHERMORE the raising of the minimum wage of farm workers to the same level as industrial workers, plus increased social benefits and greater aid to small-scale farmers, is expected to amount to nearly \$2 billion in a full year.

Farmers' associations said the increased cost this year will hit the farm employers to the tune of \$280 million just at the time when farm revenue this year is expected to drop by 9.5 per cent.

The associations warned that approximately 10 per cent of the country's 700,000 farm workers will be laid off this year to join the continuing exodus of peasants to the cities and further swell the ranks of the nation's 500,000 unemployed.

Livonia VFW Honored K.C.

Kansas City -- Ray Paquin, 1937s Fitzgerald, Livonia, Commander of Post 4102 in Northville, of the Michigan Veterans of Foreign Wars, has been honored by the national organization by selection for its highest award, according to an announcement by Joseph A. Scerra, Gardner, Mass., Commander-in-Chief of the V.F.W. Paquin was selected as an All American Post Commander in recognition of his having increased V.F.W. membership within his Post and expanding all other programs sponsored by the national organization. Paquin was one of 44 Post Commanders of the V.F.W.'s 10,000 Posts to be selected for this honor.

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