

Report of the MSA Financial Advisory Committee for 1980 and 1981

As mentioned in previous reports, the lack of adequate and timely reports from the AGU bookkeeping staff has hampered the activities of this committee, and of the Society's treasurer. Uncertainties about the actual financial figures for 1980 and 1981 have prevented our reporting on those years until this late date. We are therefore very happy to report that Mr. Vincent Gallo, hired to overhaul and supervise the AGU accounting operation, has made a substantial effort to correct the problems which we have experienced, and that these efforts seem to have been largely successful. We anticipate that in the future the reports submitted by the AGU staff will permit a more timely evaluation of the Society's financial condition.

Table 1. MSA investment portfolio, 1980

| Security | Cost | Market Value 12/31/80 |
|---|-----------------|--------------------------|
| Senior Securities | | |
| 15,000 Commercial Credit Co. Notes 8.400% 3/1/81 | 15,000.00 | 14,681 |
| 35,000 Georgia Power Co Ist. 7.625% 11/1/01 | 25,550.00 | 18,856 |
| 15,000 Intl. Bank Recon. & Develop Note 8.150% 1/1/85 | 15,022.50 | 12,656 |
| 10,000 U.S. Steel Corp. Sub. Deb. Conv. 5.750% 7/1/01 | 10,000.00 | 5,450 |
| 30,000 U.S. Treasury Notes 8.000% 2/15/83 | 30,004.69 | 27,403 |
| 25,000 U.S. Treasury Notes 14.250% 3/31/84 | 26,649.83 | 25,984 |
| Total Senior Securities | 122,227. | 105,031 |
| Common Stocks | | |
| 300 Aetna Life & Casualty | 7,959.91 | 10,612 |
| 400 American Standard | 5,799.35 | 13,150 |
| 200 Amsted Industries | 3,574.50 | 8,625 |
| 200 Analog Devices | 6,252.88 | 7,050 |
| 50 Apple Computer Inc. | 1,100.00 | 1,706 |
| 200 Avantek | 4,858.00 | 13,000 |
| 450 Boeing Co. | 6,617.00 | 19,856 |
| 300 Burlington Northern Inc. | 8,859.00 | 19,312 |
| 200 Capital Cities Communications | 7,615.00 | 11,750 |
| 600 Computer Sciences | 7,300.00 | 11,400 |
| 200 Computervision Corp. | 3,739.35 | 15,100 |
| 300 Sea Containers Inc. Comb. Ccf. | 7,183.88 | 5,775 |
| 300 Cray Research Inc. | 4,556.65 | 14,550 |
| 200 Datapoint Corp. | 3,922.31 | 23,850 |
| 400 Dresser Industries | 6,837.01 | 21,400 |
| 200 EG & G | 5,568.50 | 8,725 |
| 400 Federal Express Corp | 10,032.06 | 17,700 |
| 300 Fluke John Mfg. | 7,177.74 | 7,425 |
| 450 General Data Comm. Inds. Inc. | 4,466.71 | 7,550 |
| 100 General Instrument | 4,946.42 | 9,300 |
| 400 General Dynamics | 7,194.40 | 17,100 |
| 400 Hilton Hotels | 4,410.84 | 16,900 |
| 300 Hospital Corp. of America | 3,657.29 | 16,275 |
| 300 Houston Natural Gas | 8,709.23 | 16,200 |
| 180 Intl. Business Machines | 10,283.75 | 12,217 |
| 500 Levi Strauss & Co. | 5,208.68 | 21,500 |
| 400 M A Com. Inc. | 9,900.00 | 12,850 |
| 264 MCA | 7,780.73 | 12,639 |
| 400 Melville Corp. | 8,251.49 | 13,900 |
| 200 Monolithic Memories | 4,200.00 | 4,350 |
| 100 NBI Inc. | 6,681.51 | 6,250 |
| 486 Overseas Shipholding Group Inc. | 7,940.28 | 20,594 |
| 300 Parker Drilling Co. | 5,315.00 | 20,850 |
| 200 Philip Morris | 6,880.73 | 3,650 |
| 400 Printronix | 6,899.74 | 11,000 |
| 200 Raytheon | 5,877.16 | 22,000 |
| 300 Revco, D.S. | 8,061.00 | 9,000 |
| 200 Rolm Corp. | 3,543.50 | 9,350 |
| 300 Scientific Atlanta | 3,707.00 | 11,175 |
| 100 Smith Kline Corp | 4,142.50 | 8,000 |
| 600 Sony Corp. Amern. Sh. New | 9,135.45 | 9,300 |
| 200 Spectra Physics Inc. | 5,779.46 | 10,750 |
| 150 Standard Oil Indiana | 12,849.50 | 11,981 |
| 600 Storage Technology | 3,376.00 | 13,575 |
| 200 Tandem Computers Inc. | 4,000.00 | 15,200 |
| 100 Tandy Corporation | 10,011.60 | 9,875 |
| 200 Texaco Inc. | 7,244.87 | 9,600 |
| 148 Teledyne | 6,106.51 | 31,958 |
| 400 Tiger International Inc. | 9,374.50 | 9,300 |
| 300 Triad Systems Corp. | 6,057.00 | 9,900 |
| 500 Tymshare Inc. | 4,637.50 | 24,312 |
| 200 Viacom Intl. Inc. | 7,326.56 | 11,000 |
| 200 Wang Laboratories Cl.B. | 3,247.51 | 8,200 |
| Total Equities | 336,407 | 694,700 |
| Cash | 1,519 | 1,519 |
| Total Account | 460,154 | 801,251 |

Table 2. Dividends and interest from investments, 1980

| Interest | | |
|-------------------------------------|--|-----------------|
| Commercial Credit | | 1260.00 |
| Georgia Power and Light | | 2668.76 |
| International Bank R & P | | 1222.50 |
| GNMA | | 1882.31 |
| U.S. Steel | | 575.00 |
| U.S. Treasury Note 1983 | | 1587.67 |
| | | 9196.24 |
| Dividends | | |
| Aetna Life | | 612.00 |
| American Standard | | 800.00 |
| Amsted Industries | | 482.00 |
| AT & T | | 270.00 |
| Boeing | | 630.00 |
| Bristol Myers | | 252.00 |
| Burlington Northern | | 266.25 |
| Capital Cities Communication | | 40.00 |
| Church's Chicken | | 132.00 |
| Dresser Industries | | 230.00 |
| EG & G | | 60.00 |
| Fort Howard Paper | | 140.00 |
| General Dynamics | | 282.00 |
| General Instruments | | 65.00 |
| Gulf Canada | | 27.99 |
| Hilton Hotels | | 518.00 |
| Hospital Corp. of America | | 152.95 |
| Houston Natural Gas | | 375.00 |
| IBM | | 619.20 |
| Levi Strauss | | 517.50 |
| Louisiana Land Development | | 135.00 |
| MCA | | 298.16 |
| Melville Corp | | 640.00 |
| Northwest Industries | | 410.00 |
| Ogilvie-Mather | | 32.00 |
| Overseas-Shipholding | | 222.75 |
| Owens Illinois | | 80.00 |
| Parker Drilling | | 72.00 |
| Philip Morris | | 240.00 |
| Raytheon | | 275.00 |
| Revco | | 270.00 |
| Scott Foresman | | 252.00 |
| Scientific Atlanta | | 39.75 |
| Sea Containers | | 126.00 |
| Smith Kline | | 172.50 |
| Texaco | | 250.00 |
| Tiger International | | 280.00 |
| Viacom | | 64.00 |
| Wang Lab. | | 13.00 |
| Xerox | | 260.00 |
| | | 10604.05 |
| Total Dividends and Interest | | 19800.29 |

The state of the Society's finances is generally satisfactory. The performance of our investment portfolio, managed by William G. Campbell and Co., Inc., has been

Table 3. Capital gains and losses realized in 1980

| | Cost | Proceeds | Gain |
|----------------------------------|-------------------|-------------------|------------------|
| 200 American Telephone | 11,086.46 | 10,011.69 | -1074.77 |
| 5 American Telephone Cv.Pfd. | | 230.06 | 230.06 |
| 200 Bristol-Myers | 6,721.00 | 7,454.11 | 733.11 |
| 400 Church's Fried Chicken | 8,712.00 | 9,917.03 | 1,205.03 |
| 400 Dome Petroleum | 7,305.50 | 23,349.14 | 16,043.64 |
| 400 El Paso Co. | 6,528.67 | 9,486.77 | 2,958.10 |
| 200 Fort Howard Paper Co. | 8433.00 | 8,685.42 | 252.42 |
| 200 General Foods | 5,759.00 | 6,555.64 | 796.64 |
| General Dynamics | 1,798.60 | 3,020.11 | 1,221.51 |
| Gulf Canada | 6,900.00 | 6,245.79 | -654.21 |
| 300 GNMA Pool | 21,143.48 | 15,519.09 | -5624.39 |
| 22644 Hospital Corp. of America | 1,206.91 | 4,822.73 | 3,615.82 |
| 100 Levi Strauss & Co. | 1,041.74 | 3,272.38 | 2,230.64 |
| 300 Louisiana Land & Exploration | 17,434.80 | 15,227.48 | -2207.32 |
| 600 MCI Communications | 3,776.25 | 5,404.50 | 1,628.25 |
| 400 Northwest Industries | 6,867.68 | 10,661.64 | 3,793.96 |
| 400 Owens Illinois | 10,168.63 | 10,304.67 | 136.04 |
| 32 Raytheon | 940.34 | 2,330.41 | 1,390.07 |
| 400 SPN Co. | 7,702.00 | 11,273.62 | 3,571.62 |
| 280 T-Bar Inc. | 4,000.00 | 4,892.66 | 892.66 |
| 100 Tymshare Inc. | 927.50 | 8,409.11 | 7,481.61 |
| 200 Xerox | 9,806.50 | 10,082.66 | 276.16 |
| | 148,260.06 | 187,156.71 | 38,896.65 |

Table 4. MSA investment portfolio, 1981

| Security | Cost | Market Value 12/31/81 |
|---|------------|--------------------------|
| Senior Securities | | |
| 35,000 Georgia Power Co let. 7.625% 11/1/01 | 25,550.00 | 17,062.50 |
| 15,000 Intl. Bank Recon. & Develop Note 8.150% 1/1/85 | 15,022.50 | 12,562.50 |
| 10,000 U.S. Steel Corp. Sub. Deb. Conv. 5.750% 7/1/01 | 10,000.00 | 5,725.00 |
| 25,000 U.S. Treasury Notes 8.000% 2/15/83 | 26,649.83 | 25,234.25 |
| 15,000 U.S. Treasury Notes 14.250% 3/31/84 | 14,996.88 | 15,037.50 |
| Total Senior Securities | 92,219.21 | 75,621.75 |
| Common Stocks | | |
| 200 Amdahl Corp. | 6,512.82 | 5,900.00 |
| 200 Amsted Industries | 3,574.50 | 7,025.00 |
| 700 Analog Devices | 17,700.16 | 12,250.00 |
| 200 Apple Computer Inc. | 4,952.92 | 4,425.00 |
| 800 Avanteq | 4,858.00 | 13,600.00 |
| 300 Burlington Northern | 8,859.00 | 16,087.50 |
| 200 Capital Cities Communications | 7,615.00 | 14,750.00 |
| 200 Cetus Corporation | 4,600.00 | 2,700.00 |
| 300 Computer Consoles | 7,486.70 | 6,562.50 |
| 400 ComputerVision Corp. | 3,789.35 | 13,000.00 |
| 300 Cray Research Inc. | 4,556.65 | 10,950.00 |
| 300 Cullinane Database Systems Inc. | 8,367.00 | 10,425.00 |
| 400 Datapoint Corp. | 3,922.31 | 20,500.00 |
| 400 Dresser Industries | 6,837.01 | 13,300.00 |
| 300 Dycan Corp. | 9,225.00 | 5,512.50 |
| 200 EG&G | 5,568.50 | 7,900.00 |
| 600 Federal Express Corp. | 14,164.12 | 37,500.00 |
| 400 Foothill Group Inc Cl-A | 6,500.00 | 7,050.00 |
| 300 General Instrument | 4,946.42 | 13,275.00 |
| 300 Hewlett Packard | 12,813.00 | 11,887.50 |
| 300 Hilton Hotels | 3,308.13 | 11,400.00 |
| 450 Hospital Corp. of America | 3,657.29 | 15,412.50 |
| 300 Houston Natural Gas | 8,709.23 | 13,350.00 |
| 400 I S C System | 6,548.00 | 7,900.00 |
| 500 Intermedics Inc. | 11,500.00 | 16,562.50 |
| 200 Liz Claiborne Inc. | 6,336.31 | 5,850.00 |
| 400 M A Com Inc. | 9,900.00 | 10,100.00 |
| 800 Monolithic Memories | 17,615.44 | 9,600.00 |
| 300 NBI Inc | 6,681.51 | 9,450.00 |
| 300 Network Systems Corp | 5,193.89 | 6,450.00 |
| 200 Novo Industrial A S /DR | 7,159.92 | 7,975.00 |
| 629 Overseas Shipbuilding Group Inc | 6,851.08 | 10,221.25 |
| 300 Paradyns Corp | 9,487.50 | 12,262.50 |
| 600 Parker Drilling Co | 5,315.00 | 12,675.00 |
| 300 Prime Computer Inc | 10,106.03 | 7,087.50 |
| 800 Printronix | 13,799.48 | 14,600.00 |
| 400 Raytheon | 5,877.16 | 14,950.00 |
| 200 Rola | 3,543.50 | 6,400.00 |
| 600 Scientific Atlanta | 3,707.00 | 16,200.00 |
| 400 Smith Kline Corp | 23,048.24 | 27,050.00 |
| 600 Sony Corp Amer Sh New | 9,135.45 | 10,500.00 |
| 600 Storage Technology | 3,576.00 | 21,000.00 |
| 500 Superior Oil | 18,587.16 | 18,437.50 |
| 300 Sykes Datatronics Inc | 6,425.00 | 8,550.00 |
| 600 Tandem Computers Inc | 4,000.00 | 16,650.00 |
| 400 Tandy Corporation | 10,011.60 | 13,500.00 |
| 200 Teledyne | 5,501.36 | 27,700.00 |
| 200 Taradyns | 8,592.79 | 7,000.00 |
| 350 Texas Oil & Gas | 12,243.40 | 12,250.00 |
| 300 Triad Systems Corp | 6,057.00 | 9,750.00 |
| 400 Tymshare Inc | 4,637.00 | 11,450.00 |
| 800 Viacom Intl Inc | 14,653.12 | 19,200.00 |
| 300 Wal-Mart Stores | 13,149.09 | 12,750.00 |
| 200 Wang Laboratories Cl.B | 3,247.51 | 6,650.00 |
| 100 Warner Communications | 5,457.35 | 5,487.50 |
| Total Equities | 391,141.11 | 611,977.50 |
| Cash | 8,179.23 | 8,179.23 |
| Total Account | 491,539.55 | 695,778.48 |

good. Market value increased from \$558,000 at the end of 1979 to \$695,788 at the end of 1981 (Tables 1 and 4); deducting dividends and interest received and reinvested

Table 6. Capital gains and losses realized in 1981

| | Cost | Proceeds | Gain |
|---------------------------------|-----------|-----------|------------|
| 300 Aetna | 7,959.91 | 9,986.34 | 2,026.41 |
| 400 American Standard Inc | 5,799.35 | 11,505.34 | 5,705.99 |
| 450 Boeing Co | 6,617.00 | 15,031.91 | 8,414.91 |
| 15,000 Commercial Credit | 15,000.00 | 15,000.00 | .00 |
| 600 Computer Science Corp | 7,300.00 | 6,873.08 | (426.92) |
| 300 Dycan Corp | 8,802.85 | 7,413.72 | (1,389.13) |
| 100 Federal Express Corp | 2,950.00 | 6,853.75 | 3,903.75 |
| 400 Gen Dyn Corp | 7,194.40 | 12,701.03 | 5,506.63 |
| 450 Gen. Datsocom Ind | 4,466.71 | 8,171.94 | 3,705.23 |
| 100 Hilton Hotels | 1,102.71 | 4,323.27 | 3,220.56 |
| 180 Intl. Business Machines | 10,283.75 | 11,084.30 | 800.55 |
| 315 John Pluke | 7,177.74 | 6,989.53 | (188.21) |
| 500 Levi Strauss | 5,208.68 | 16,462.74 | 11,254.06 |
| 264 MCA Inc | 7,751.37 | 11,803.04 | 4,051.67 |
| 400 Melville Corp | 8,251.49 | 17,008.35 | 8,756.86 |
| 100 Overseas Shipholding Group | 1,089.20 | 2,032.55 | 943.35 |
| 200 Philip Morris | 6,880.73 | 10,471.89 | 3,591.16 |
| 300 Revco D S Inc | 8,061.00 | 10,376.71 | 2,315.71 |
| 300 Sea Containers Inc | 7,183.88 | 6,013.53 | (1,170.35) |
| 200 Spectra-Physics | 5,779.46 | 4,029.26 | (1,750.20) |
| 150 Standard Oil of Ind | 12,849.50 | 6,996.94 | (5,852.56) |
| 22 Teledyne | 604.30 | 3,683.06 | 3,078.76 |
| 200 Texaco Inc | 7,244.87 | 6,913.37 | (331.50) |
| 400 Tiger Intl | 9,374.50 | 8,126.72 | (1,247.78) |
| 30,000 U.S. of Amer Treas Notes | 30,004.69 | 26,834.38 | (3,170.31) |
| 500 Weyerhaeuser Co | 18,462.89 | 13,589.54 | (4,873.35) |
| | | | 44,875.29 |

Table 5. Dividends and interest from investments, 1981

| Interest | |
|----------------------------|-----------|
| Commercial Credit | 630.00 |
| Georgia Power | 2,668.76 |
| GNMA | 144.77 |
| International Bank R & D | 1,222.50 |
| U.S. Amer. Treas. Series A | 2,478.26 |
| U.S. Steel | 575.00 |
| U.S. Treas. Note Series D | 3,562.50 |
| U.S. Treas. Note Series Y | 2,075.54 |
| Dividends | |
| Aetna Life and Casualty | 159.00 |
| Amdahl Corporation | 40.00 |
| American Stad. | 660.00 |
| Amsted Ind. | 496.00 |
| Boeing Company | 157.50 |
| Burlington Northern | 301.50 |
| Cap. Cities Comm. | 40.00 |
| Dresser | 272.00 |
| EG&G | 100.00 |
| General Dynamics | 144.00 |
| General Inst. | 106.50 |
| Gulf Canada | 27.62 |
| Hilton Hotels | 440.00 |
| Hos. Corp. of America | 154.65 |
| Houston Natural Gas | 435.00 |
| IBM | 154.80 |
| Levi Strauss | 686.25 |
| M/A Comm. | 46.00 |
| MCA, Inc. | 99.01 |
| Melville | 495.00 |
| Overseas Ship. | 303.76 |
| Parker Drilling | 96.00 |
| Philip Morris | 280.00 |
| Raytheon | 480.00 |
| Revco | 150.00 |
| Scientific-Atl. | 54.00 |
| Sea Containers, Inc. | 63.00 |
| Smith Kline | 328.00 |
| Sony | 89.64 |
| Standard Oil Company | 292.50 |
| Superior Oil | 40.00 |
| Texaco, Inc. | 390.00 |
| Texas Oil & Gas | 21.00 |
| Tiger Int. | 170.00 |
| Viacom International | 90.00 |
| Wang Laboratories | 24.00 |
| Weyerhaeuser | 325.00 |
| | 21,569.06 |

(Tables 2 and 5), this represents appreciation of 17.3%, as compared with an increase in Standard and Poor's 500 stock average of 13.5% over the same period. Activity in the portfolio during the year was somewhat larger than previously, and resulted in net realized capital gains of \$38,896 in 1980 (Table 3) and \$44,875 in 1981 (Table 6).

Respectfully submitted

The Committee for 1980:

P. B. Barton
C. W. Burnham
G. W. Fisher (Chairman)
J. J. Norton
M. Ross
J. A. Tossell

The Committee for 1981:

P. M. Bell
F. R. Boyd
G. W. Fisher (Chairman)
O. B. James
J. J. Norton
J. A. Tossell