

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	20,596
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
		<u>9196.24</u>
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
		<u>10604.05</u>
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
50 Gulf Canada	6,900.00	6,245.79	-654.21
300 GNMA Pool	21,143.48	15,519.09	-5624.39
22644	1,206.91	4,822.73	3,615.82
99 Hospital Corp. of America	1,041.74	3,272.38	2,230.64
100 Levi Strauss & Co.	17,434.80	15,227.48	-2207.32
300 Louisiana Land & Exploration	3,776.25	5,404.50	1,628.25
600 MCI Communications	6,867.68	10,661.64	3,793.96
400 Northwest Industries	10,168.63	10,304.67	136.04
400 Owens Illinois	940.34	2,330.41	1,390.07
32 Raytheon	7,702.00	11,273.62	3,571.62
400 SPN Co.	4,000.00	4,892.66	892.66
280 T-Bar Inc.	927.50	8,409.11	7,481.61
100 Tymshare Inc.	9,806.50	10,082.66	276.16
200 Xerox	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 Computerization 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 Fluke	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