

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: Donated Historical Materials
Collection/Office of Origin: Frieden, Lex, Collection
Series: Printed Materials
Subseries: Periodicals

OA/ID Number: 52130
Folder ID Number: 52130-014

Folder Title:
"Houston - April 1983"

Stack:

Row:

Section:

Shelf:

Position:

Houston

APRIL 1983/\$1.25

The Synfuel Scenario

**In The Market
For Your Money
Remember When
Saving Was Simple?**

**The Independents
Drug Store Sodas And
A Grocer Who Delivers**

**Who's Feeling The
Oil Price Squeeze?**

**A Lot Depends
On OPEC's Stability**

Special Scotland Section

The \$18 Billion Board



J. RUDNEY ATALLA
Director and Vice President
Usina Central do Paraña, S.A.
São Paulo, Brazil



SAM AYOUB
Senior Executive Vice
President and Chief
Financial Officer
The Coca-Cola Company



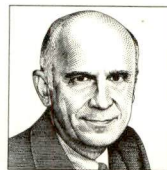
THOMAS D. BARROW
Vice Chairman
Standard Oil of Ohio



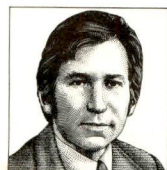
CHARLES C. BEALL, JR.
Vice Chairman
Texas Commerce
Bancshares, Inc.
Chairman, TCB-Houston



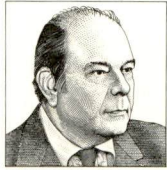
DONALD L. BENTSEN
Founder & President
Tide Products, Inc.



JACK S. BLANTON
President
Scurlock Oil Company



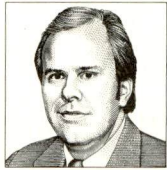
CHARLES C. BUTT
President
H. E. Butt Grocery
Company, Inc.



THOMAS L. CARTER
Investments



EDWARD A. CLARK*
Senior Partner
Clark, Thomas, Winters &
Shapiro



BERRY R. COX
Independent Oil & Gas
Producer



J. H. CREEKMORE
President
Houston Endowment Inc.



HARLAN CROW
Partner
Trammell Crow Company



CAM F. DOWELL, JR.*
Banking



CHARLES W. DUNCAN, JR.
President
Warren-King Companies &
Former Secretary of Energy



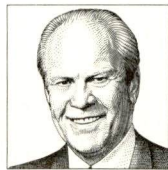
JOHN H. DUNCAN
Executive Committee
Chairman
Gulf+Western Industries, Inc.



HERBERT E. FISHER
Founder
Kaneb Services, Inc.



J. ROBERT FLUOR
Chairman &
Chief Executive Officer
Fluor Corporation



GERALD R. FORD*
38th President
of the United States



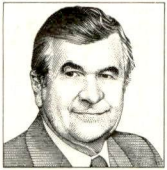
**EUGENIO GARZA
LAGUERA**
Chairman and CEO
Valores Industriales
Monterrey, Mexico



JAMES B. GOODSON
Chairman &
Chief Executive Officer
Southland Life Insurance
Company



PAUL R. HAAS
Founder,
Chairman & President
Corpus Christi Oil & Gas
Company



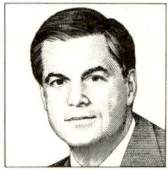
WILLIAM C. HARVIN
Managing Partner
Baker & Botts



**FORREST E.
HOGLE**
President &
Chief Executive Officer
Texas Oil and Gas Corp.



HAROLD S. HOOK
Chairman &
Chief Executive Officer
American General Corporation



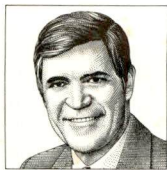
CHARLES L. JARVIE
Investments



**MRS. LYNDON B.
JOHNSON**
Chairwoman
LBJ Company



BARBARA JORDAN
Professor
LBJ School of Public Affairs,
The University of Texas
at Austin



DON D. JORDAN
President &
Chief Executive Officer
Houston Industries
Incorporated



HENRY F. LEMIEUX
Chairman &
Chief Executive Officer
Raymond International Inc.



JAMES R. LESCH
Chairman &
Chief Executive Officer
Hughes Tool Company



BEN F. LOVE
Chief Executive Officer
Texas Commerce
Bancshares, Inc.



THOMAS B. MCDADE
Vice Chairman
Texas Commerce
Bancshares, Inc.



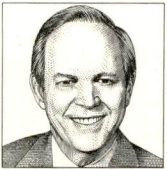
**RICHARD W.
MONCRIEF**
Oil & Gas Producer



ROBERT MOSBACHER
Oil & Gas Producer



W. D. NOEL
Director
The El Paso Company &
El Paso Products Company



TRAVIS H. PETTY
Chairman &
Chief Executive Officer
The El Paso Company



**WILLIAM W.
PHILLIPS, JR.**
Chairman
Texas Commerce Bank-
Beaumont



**T. BOONE
PICKENS, JR.**
President,
Chairman & Founder
Mesa Petroleum Co.



JAMES L. POWELL
Rancher, Chairman—
Board of Regents
The UT System



KENNETH W. REESE
Executive Vice President
Teneco Inc.



J. HUGH ROFF, JR.
Chairman, President &
Chief Executive Officer
United Energy Resources, Inc.



CHARLES SAPP
Partner
Liddell, Sapp, Zivley, Brown &
LaBoon



**FRED D.
SCHNEIDER, SR.**
President
Great Western Management &
Realty Corp.



ROBERT R. SHELTON
Petroleum & Ranching



HARRY K. SMITH
Chairman &
Chief Executive Officer
Big Three Industries, Inc.



**EDWARD B.
WALKER, III**
President &
Chief Operating Officer
Gulf Oil Corporation



**C. HOWARD
WILEMON, JR.**
Chairman
Texas Commerce Bank-
Arlington



SAM D. YOUNG, JR.
Chairman
El Paso National Bank



Houston

April 1983
Vol. 54, No. 3

Published by the Houston Chamber of Commerce

2 THIS MONTH

5 ECONOMIC NEWSLETTER

9 BUSINESS

Who's Feeling The Oil Price Squeeze?
New UH Center Tracks Foreign Current Events
Symposium On Asia Planned For May
Women Business Owners Hold Second Seminar

20 BRIEFS

22 THE SYNFUEL SCENARIO

By Patrick Jankowski
Out of the dark days of the oil embargo was to come the dawn of a new technology that would wring gasoline out of the very rocks. The glut was not in the script.

28 IN THE MARKET FOR YOUR MONEY

By Rosanne Clark
Remember when just saving some money was a virtue? Well, it's not that simple any more.

34 THE INDEPENDENTS

By Patrick Jankowski
They're not as easy to find as they once were, but there still are people who'll serve you a soda at a drug store, deliver your groceries, sell you a 100 pounds of feed and shoe your horse.

41 SPECIAL SCOTLAND SECTION

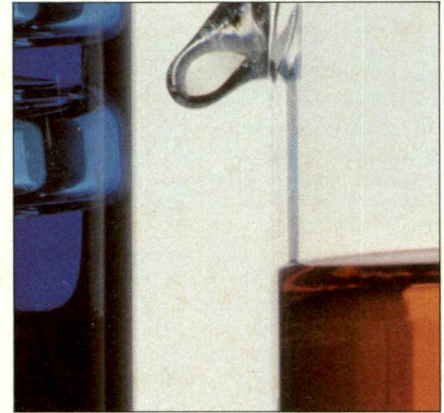
53 CITY

Switch To Single Tax Appraisals On Schedule
City Police To Try Propane In Patrol Vehicles
Hilton Gives \$21 Million To UH Hotel School
Naisbitt Outlines His "Megatrends" for CofC
Lost Federal Funding Impact Not Bad In '82

64 PRO/FILE

Scaling Barriers To Independent Living

72 EDITORIAL



Synfuels

Page 22



Money

Page 28



Independents

Page 34

ON THE COVER: Photography by James LaCombe. Glassware courtesy of Curtin Matheson Scientific, Inc., a Coulter subsidiary company.

HOUSTON MAGAZINE (ISSN 0018-6678) April 1983, Volume 54, Number 3, Copyright 1983, business news/community development magazine published monthly except for semi-monthly in February and September by the Houston Chamber of Commerce. Offices at 1100 Milam, 25th Floor, Houston, TX 77002. Telephone (713) 651-1313. Second class postage paid at Houston, TX. POSTMASTER: Send address changes to HOUSTON Magazine, 1100 Milam, 25th Floor, Houston, TX 77002. Subscription rate: \$12 for 14 issues. Allow six weeks for new subscription to begin. Advertising rates and demographic information available on request. Copyright 1983 by Houston Chamber of Commerce. All rights reserved. Printer: Gulf Printing Co.

RICHARD STANLEY editor; ROSANNE CLARK assistant editor; PATRICK JANKOWSKI staff writer; MIKE MARSHALL advertising manager; RON DALTON advertising representative; LINDA ROBERTS advertising assistant; JAMES LaCOMBE photographer; DAVID CAMPBELL graphics coordinator; MARY MIDKIFF communications director; ROY CLINE business manager.

This Month

A calendar of events from early April through early May.

Special Events

Second Annual Bluegrass Festival, featuring music, arts, crafts, rides, games, food and a silent auction, **April 16**, noon-6 p.m., Palmer School, Loop 610 West at Fournace. 669-8131.

Fifth Annual Industrial Energy Conservation Technology Conference & Exhibition, **April 17 through 20**, Shamrock Hilton Hotel, 6900 South Main. (512) 472-5059.

Houston International Film Festival, showcases competition in feature films, shorts, documentaries, television productions, commercials, experimental films and independent video, **April 19**, River Oaks Theatre, 2009 West Gray, **April 20 through 24**, Greenway 3 Theatres, Greenway Plaza. 780-9712.

A Celebration of Texas Heritage, featuring crafts, entertainment and food representative of the state under six flags, benefits The Harris County Center for the Retarded, **April 22, 23 and 24**, Albert Thomas Convention Center.

47th Annual Arabia Temple Shrine Circus, Sam Houston Coliseum, 810 Bagby, **April 28 through May 8**, Monday through Friday, 8 p.m.; Saturday, 11 a.m., 3 p.m. and 8 p.m.; Sunday, 2 and 6:30 p.m.; free senior citizens performance, **April 28**, 1 p.m. 626-1144.

Bellville 2nd Annual Charity Country Livin' Festival, food, contests and music celebrating the blooming of the bluebonnets, Bellville Park, take I-10 west to Sealy then Highway 36 north to Bellville, **April 9**, 10 a.m.-11 p.m.; **April 10**, noon-6 p.m. 865-3407.

Saks Center Third Annual Spring Antique Show, 1800 South Post Oak Blvd., opening night preview party benefits Houston Ballet Scholarship Fund, preview **May 2**, show runs **May 3 through 7**, 10 a.m.-6 p.m. 225-0275.

Houston Junior Forum's Annual Showtime, musical and comedy routines by Junior Forum members, benefits Recreation Center for Older Adults and H.J.F. Community House, Jones Hall, 615 Louisiana, **May 6**, 8 p.m. 977-1065.

Music

Houston Symphony Orchestra, Jones Hall, 615 Louisiana, open rehearsal, noon, **April 8**; a program of Bach, Bartok and Rimsky-Korsakov, **April 8 and 9**; a program of Rossini, Mendelssohn and Shostakovich, **April 30, May 1 and 2**; a program of Paine, Mozart and Mahler, **May 7, 8**

and **9**; Friday, Saturday and Monday, 8 p.m.; Sunday, 2:30 p.m. 227-ARTS.

L'Orchestre de Paris, Jones Hall, 615 Louisiana, **April 25**, 8 p.m. 227-ARTS.

The Pittsburg Symphony, Jones Hall, 615 Louisiana, **April 15**, 8 p.m. 227-ARTS.

Rice University, Shepherd School of Music, Hamman Hall, Shepherd Singer's Rice University Chapel, **April 7**; Houston Concert Band, **April 10**; SYZYGY, **April 12**; Rice Chorale, **April 13**; Campanile Orchestra, **April 18**; Rice Jazz Ensemble, **April 19**; Shepherd School Symphony Orchestra, **April 20**; Julliard String Quartet, admission charged, **April 28**; Houston Youth Symphony, **May 1**; soprano Phyllis Curtin, admission charged, **May 2**; flutist Albert Tipton, **May 3**; tenor Howard Hensel, admission charged, **May 5**; all performances 8 p.m. in Hamman Hall unless otherwise noted. 527-4933.

Clear Lake Symphony, University of Houston at Clear Lake, 2700 Bay Area Blvd., a program of Borodin, Khachaturian, Glinka, Tchaikovsky, Rimsky-Korsakoff and Stravinsky, **April 16**, 8 p.m. 488-9390.

University of Houston School of Music, UH Concert Chorale, Dudley Recital Hall, 4 p.m., **April 17**; Jazz Ensemble, Cullen Auditorium, 8 p.m., **April 18**; Wind Ensemble, Cullen Auditorium, 8 p.m., **April 21**; Houston Music Teachers' Association Concerto Competition Winners, Dudley Recital Hall, 8 p.m., **April 28**; UH Concert Chorale, St. Luke's United Methodist Church, 3471 Westheimer, 4 p.m., **May 1**; UH Symphony Orchestra, Cullen Auditorium, 8 p.m., **May 2**; all performances free. 749-3796.

The Houston Chamber Singers, Central Presbyterian Church, 3788 Richmond, a program of Mozart, Dufay, Dvorak, Kodlay and Ives, 8 p.m., **May 7**; 5 p.m., **May 8**. 627-3609.

Texas Chamber Brass, Carillion Mall, 10001 Westheimer, a program of Joplin and Sousa, **April 30**, 8:30 p.m. 524-6706.

Sidewalk Symphonies, RepublicBank Houston, Milam and Lamar, Charly McClain, **April 14**; Gap Magione, **April 21**; Bubbha Thomas and The Lightmen, **April 28**; Texas Chamber Orchestra, **May 5**; all performances at noon. Free. 757-6441.

Maginnisingers, Trinity Episcopal Church Parish Hall, 1015 Holman at Main, featuring songs of love, **April 24**, 8 p.m.

First Unitarian Church Choir and Instrumentalists, First Unitarian Church, 5210 Fannin, a program of Hindemith, Schonberg, Debussy,

Thompson, Holst, Fine, Benjamin and Pfautsch, **April 16**, 8 p.m. Free. 526-1571.

Christ Church Cathedral, 1117 Texas, The Cloister, Bob Kuldell and his Jazz Combo, **April 13**; pianist Whit Sanders, **April 20**; 11 a.m.-1:30 p.m. 222-2593.

Films

The Museum of Fine Arts, Houston, 1001 Bissonnet, "I Am A Cat," **April 8**; "Castle of Purity," **April 9**; "The Human Factor," **April 15**; "The Amulet of Ogom," **April 16**; "Celeste," **April 22**; "Hopper's Silence," **April 23**; "George Kuchar—The Comedy of the Underground," **April 29**; "Bolivar," **April 30**; "Slow Attack," **May 6**; "Teveye," **May 7**; all films at 8 p.m. in Brown Auditorium. 526-1361.

Rice University Media Center, University Blvd. at Stockton, "The Last Movie," **April 8**; "Tracks," **April 9**; "On the Beach," **April 10**; "Bad Company," **April 12**; "Murmur of the Heart," **April 13**; "Dr. Strange-love," **April 14**; "Kid Blue," 7:30 p.m. and "Mad Dog Morgan," 9:30 p.m., **April 15**; "The Deerhunter," **April 16**; "Shock Corridor," **April 17**; "Video/TV; Humor/Comedy,"

April 19; "Wages of Fear," **April 20**; "Marat/Sade," **April 21**; "The American Friend," **April 22**; "Out of the Blue," 7:30 only, **April 23**; Tuesday, Wednesday and Thursday, 7:30 p.m.; Friday and Saturday, 7:30 and 10 p.m.; Sunday, 7:30 p.m.; unless otherwise noted. 527-4853.

Theatre

"The American Dream," by Edward Albee, Alley Theatre, Arena Stage, 615 Texas, through **April 15**, Tuesday through Friday, 12:15 p.m. 228-8421.

"The Dining Room," by A.R. Gurney Jr., Alley Theatre, Main Stage, 615 Texas, previews **April 8, 9, 10, 12 and 13**, 8 p.m.; runs **April 14 through May 15**; Tuesday through Friday, 8 p.m.; Saturday, 4 and 9 p.m.; Sunday 2:30 and 7:30 p.m. 228-8421.

"Holy Ghosts," by Romulus Linney, Alley Theatre, Arena Stage, 615 Texas, previews **April 26 and 27**, 8 p.m.; runs **April 28 through May 29**, Tuesday and Wednesday, 8 p.m.; Thursday and Friday, 8:30 p.m.; Saturday, 4 and 9 p.m.; Sunday, 2:30 and 7:30 p.m. 228-8421.

"The Woolgatherer," by William Mastro Simone, Chocolate Bayou Theatre TOPS Stage, 1823 Lamar,



The Texas Chamber Brass will perform an evening of "Beautiful Brass Music" April 30 at 8 p.m. in the Carillion Arts Center, 10001 Westheimer.

April 8, 9, 10, 15, 16 and 17; 8 p.m. 759-9840.

"Gemini," Albert Innaurato, Chocolate Bayou Theatre Mainstage, 1823 Lamar, **April 22 through May 21;** Thursday, Friday and Saturday, 8 p.m.; Sunday, 3 p.m. 759-9840.

"An American Fable," by Richard Laub, Chocolate Bayou Theatre TOPS Stage, 1823 Lamar, **May 1 through May 28;** Thursday, Friday and Saturday, 8 p.m.; Sunday, 3 p.m. 759-9840.

"The Hollow," by Agatha Christie, Theatre Suburbia, 1410 West 43rd, **April 15, 16, 22, 23, 29, 30, May 6 and 7;** 682-3525 for times.

"The Skin of Our Teeth," by Thornton Wilder, University of Houston at Clear Lake, Satellite Theatre, 2700 Bay Area Blvd., **April 22, 23, 29, 30,** 8 p.m.; **May 1,** 2 p.m. 488-9334.

"Wings," by Arthur Kopit, Main Street Theatre, 2540 Times Blvd., **April 7 through April 30,** Thursday, Friday and Saturday, 8:30 p.m.; Sunday, 3:30 p.m. 524-6706.

"El Grande de Coca-Cola," by Ron House, Ron Neville-Andrew, Allan Sherman, Diz White, and Sally Williams, Main Street Theatre, 2540 Times Blvd., **April 15, 16, 22, 23, 29 and 30,** 11 p.m. 524-6706.

"Bertram and His Dancing Bear," by Scotti Sween, Main Street Theatre, 2450 Times Blvd. **April 10 and 17,** 1:30 p.m. 524-6706.

"Rashoman," by Fay and Michael Kanin, University of St. Thomas, Jones Theatre, 3910 Yoakum, **April 21, 22, 23, 27, 28, 29 and 30,** 8 p.m. 522-7911.

"Backstage to Broadway," by E.L. Baker, Theatre on Wheels, Memorial Drive United Methodist Church Scout Lodge, 12955 Memorial Drive, **May 7,** 10:30 a.m. 467-5727.

"The Importance of Being Earnest," by Oscar Wilde, Stages, 709 Franklin, **through April 30,** Thursday and Friday, 8 p.m.; Saturday, 7 p.m.; Sunday, 3 p.m. 225-9539.

"Funny For Money," Steve Farrell and Paul Menzel, Comedy Workshop, 2105 San Felipe, **continuing,** Tuesday, Wednesday and Thursday, 8:30 p.m.; Friday and Saturday, 8:30 and 11 p.m. 524-7333.

"Joseph and His Amazing Technicolor Dreamcoat," by Tim Rice and Andrew Lloyd Weber, University of Houston Central Campus, Wortham Theatre, **April 22, 23, 24, 27, 28, 29, and 30,** 8 p.m. 749-3459.

"A Chest of Dreams," Country Playhouse Rehearsal Hall, 12802 Queensbury, **April 23, 30, May 7 and 14,** 11 a.m. and 2 p.m. 467-4497.



The world's number one tenor, Luciano Pavarotti, will perform his most popular songs and arias in The Summit on April 22 at 8 p.m.

"Man of La Mancha," The Music Hall, 810 Bagby, **April 14, 15, 16, 21, 22, and 23,** 8 p.m.; **April 17 and 24,** 2 p.m. 622-1604.

Art Exhibits

Museum of Fine Arts, Houston, 1001 Bissonnet, "Heart Mountains and Human Ways: Japanese Landscape and Figure Painting," **through April 24;** "Japanese Netsuke From Houston Collections," **through April 10;** "The Pennsylvania Germans: A Celebration of Their Arts, 1683-1850," **through May 15;** "Fashions, Furniture, and Facts: Ackermann's Repository, 1809-1828," **April 19 through July 17;** "Ezekiel Gibbs," **through May 15;** "Photographs and Portfolios by Paul Strand," **May 6 through July 3;** "A Century of Modern Sculpture: 1882-1982," **continuing,** Tuesday through Saturday, 10 a.m.-5 p.m.; Sunday, 1-6 p.m. 526-1361.

Contemporary Arts Museum, 5216 Montrose, "Louise Bourgeois," **through May 8;** "Michael Tetherow: Paintings," **through May 29;** Tuesday through Saturday, 10 a.m.-5 p.m.; Sunday, noon-6 p.m. 526-3129.

Sarah Campbell Blaffer Gallery, University of Houston Central Campus, "1983 Student Exhibition," **April 15 through May 1,** Tuesday through Saturday, 10 a.m.-6 p.m.; Sunday, 1-6 p.m. 749-1320.

O'Kane Gallery, University of Houston Downtown Campus, "Vernon King—Acrylics, Prints & Pastels," **April 4 through April 15;** "Josefa Vaughan—Works on Paper, Canvas, Stone," **April 18 through May 6,** Monday through Friday, 10 a.m.-5 p.m. 749-1950.

Sewall Art Gallery, Rice University, "The Art of Metal in Africa," **through April 10;** Tuesday through Saturday, 10 a.m.-5 p.m.; Sunday, noon-6 p.m.; "Twentieth Annual Student Exhibition," **April 19 through May 7;** Monday through Saturday, noon-5 p.m. 527-4815.

Rice Museum, Rice University, "Black Folk Art in America: 1930-1980," **through May 15,** Tuesday through Saturday, 10 a.m.-5 p.m.; Sunday, noon-6 p.m. 522-0866.

Houston Center For Photography, 1440 Harold, "Messages From Earth," **through May 1,** Saturday and Sunday, noon-5 p.m. 523-5757.

Jewish Community Center, 5601 S. Braeswood Blvd., "Fifteenth Annual Juried Photography Exhibition," **May 7 through June 8,** 729-3200 for times.

Christ Church Cathedral, 1117 Texas Ave., collages by Gayle Christie, **through April 15,** pen and ink drawings by Jim Bettison, **April 16 through May 13,** Monday through Friday, 11 a.m.-1:30 p.m. 222-2593.

Houston Public Library, 500 McKinney, "Art Outreach," features works by the elderly and patients in the city's hospitals, **April 11 through 30;** Monday through Friday, 9 a.m.-9 p.m.; Saturday, 9 a.m.-6 p.m.; Sunday, 2-6 p.m. 224-5441.

Opera

Luciano Pavarotti, The Summit, **April 22,** 8 p.m., 227-5277.

"Tales of Hoffman," Jones Hall, 615 Louisiana, **April 21, 23, 24, 26, 27, 28 and 29,** Tuesday, Wednesday, Thursday, Friday and Saturday, 8 p.m.; Sunday, 2:30 p.m. 227-5277.

"The Fantasticks," Texas Opera Theatre, 1984 Grand Opera House, 2002 Post Office in Galveston, **May 7,** 8 p.m. 763-6459 or 488-0005.

"Sugar Babies," with Mickey Rooney and Ann Miller, The Music Hall, 810 Bagby, **April 26 through May 15,** Monday through Friday, 8 p.m.; Saturday, 5 and 9 p.m.; Sunday, 2 and 7 p.m.; no performance May 13. 546-0246.

Dance

Ballet Folclorico Nacional de Mexico, Jones Hall, **April 16 and 17,** 8 p.m. 227-ARTS.

Festival of Dance, University of Houston at Clear Lake, 2700 Bay Area Blvd., UH/CLC Auditorium, **April 29 and 30,** 8 p.m. 488-9288.

Museums

Houston Museum of Natural Science, Hermann Park, "Patterns of Navajo Weaving," **through May 1;** "Romantic Austria," 6 and 8:30 p.m., **April 29;** museum hours, Tuesday through Saturday, 9 a.m.-5 p.m.; Friday, 7:30-9 p.m.; Sunday and Monday, noon-5 p.m.; **Burke Baker Planetarium,** "The Stars of Spring," 1 p.m., **April 30;** "Cosmic

Catastrophes," **through May 29;** Wednesday and Friday, 4 p.m.; Saturday and Sunday, 2, 3 and 4 p.m.; Friday evenings, 8 p.m.; tours of the observatory on the roof, Friday, 7-9 p.m.; Sunday, 1-4:30 p.m. beginning every half hour. 526-4273.

The Museum of Printing History, Graphic Arts Conference Building, 1324 West Clay, exhibits include an example of the oldest printed material in the world, the Dharani scroll, one of only a few known to exist, and the only known copy of the rules for the colonization of Texas printed in 1828 by the state's first printer, Samuel Bangs; Monday through Saturday, 10 a.m.-4 p.m. 522-4652.

Museum of Fine Arts, Houston, 1001 Bissonnet, Tuesday through Saturday, 10 a.m.-5 p.m., Sunday, noon-6 p.m. 526-1361.

Contemporary Arts Museum, 5216 Montrose Blvd. Tuesday through Saturday, 10 a.m.-5 p.m., Sunday, noon-6 p.m. 526-3129.

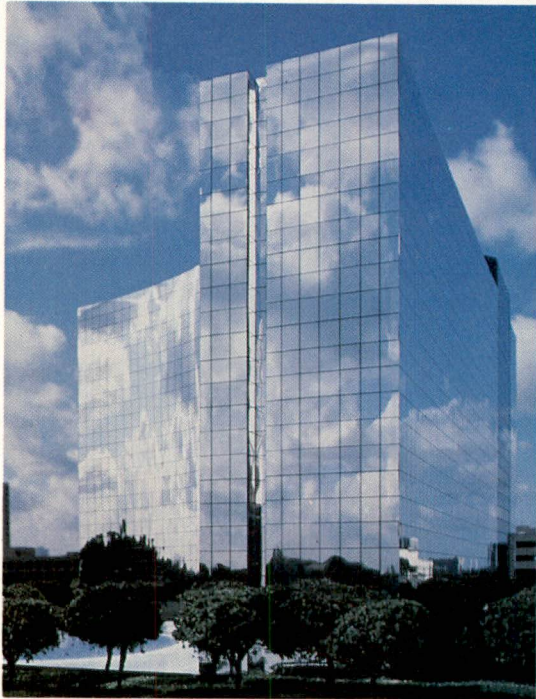
Museum of Medical Science, 5800 Caroline, Hermann Park, exhibits, displays and models showing the inner workings of the human body, TAM, a transparent mannequin, lights up and explains various functions of the body. Films on health sciences shown on request. Most exhibits narrated in English and Spanish, Sunday and Monday, noon-4:45 p.m.; Tuesday through Saturday, 9 a.m.-4:45 p.m. 529-3766.

Sports

Houston Rockets Basketball, The Summit, vs. Denver, 7:30 p.m., **April 9;** vs. Los Angeles, 8 p.m., **April 12;** vs. Utah, 7:30 p.m., **April 16;** 627-0600.

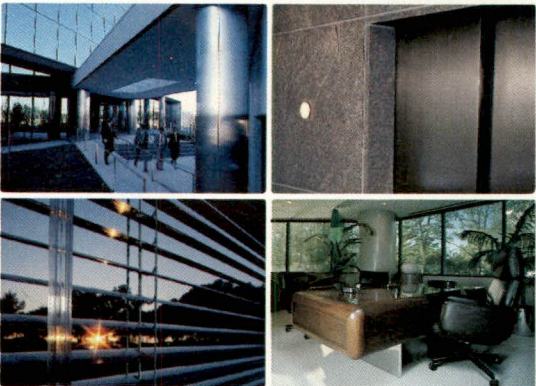
University of Houston Cougar Baseball, Cougar Field, Cullen at Elgin, vs. Dallas Baptist, 1 p.m., **April 12;** vs. TCU, noon, **April 16;** vs. TCU, 1:30 p.m., **April 17;** vs. Stephen F. Austin, 2:30 p.m., **April 19;** vs. Trinity, 2:30 p.m., **April 26;** double-headers April 12 and 16, 749-7366.

Houston Astros Baseball, The Astrodome, vs. Los Angeles, **April 5 and 6;** vs. Pittsburgh, **April 7, 8, 9 and 10;** vs. Montreal, **April 15, 16 and 17,** 2:20 p.m., **April 16;** vs. Cincinnati, **April 19, 20, and 21;** vs. Philadelphia, **April 22, 23 and 24;** Tuesday through Saturday, 7:35 p.m.; Sunday, 1:35 p.m.; unless otherwise noted. 799-9555.



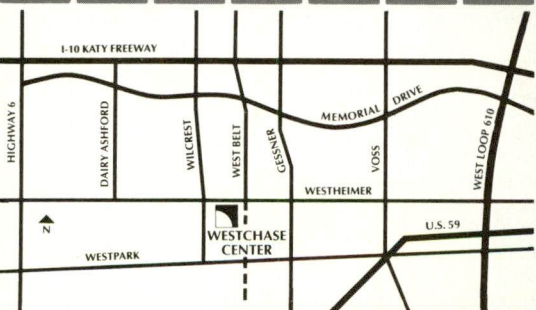
Now a reality
and ready for
immediate
occupancy...

One Westchase Center



Westchase Center, ideally situated at 10777 Westheimer, was conceived as the premier office environment in Houston. Now, One Westchase Center is a reality. The first 500,000 square foot building of the three-phase landmark development of the Vantage Companies is ready for immediate occupancy.

One Westchase Center provides from 1,000 to 40,000 square feet on a single floor, and the features and amenities are endless. Come by today and see the ways your company can benefit by locating in One Westchase Center.



For more information, contact your broker or Jim Peters.

Vantage
Companies

713/626-7770

4635 Southwest Frwy. ■ Houston, Tx 77027

Economic Newsletter

ECONOMIC NEWSLETTER PANEL

Div. Research Committee
Houston Chamber of Commerce

Chairman

M.E. Norman Jr.,
M.E. Norman & Co., Inc.

Vice Chairman

Nat Eisenberg,
President,
Economic Advisory Services

Ronald D. Coben,
Director—Research,
Foley's

Ross Doan,
Vice President of
Rate & Corporate Planning,
Houston Lighting & Power Co.

Charles T. Franckle,
Vice President and Economist,
First City Bancorporation
of Texas, Inc.

Ralph L. Harrington Jr.,
Manager, Marketing Research
Dept.,
The Houston Chronicle

Isaac C. Kerridge Jr.,
Vice President-Stockholder
Relations & Economist,
Hughes Tool Co.

Richard V. Lewis,
Executive Director,
Associated General Contractors
of America, Inc.

Francis J. Magrino,
Vice President & Manager,
Economics Dept.,
Texas Commerce Bank

A.L. McMillan,
Assistant Director, Fiscal,
Dept. of Aviation,
City of Houston

Ronald M. McMonagle,
Labor Market Analyst,
Texas Employment Commission

Ron Ripple,
Marketing Representative,
Entex, Inc.

C.A. Rousser, Jr.
Director of Trade Development,
Port of Houston Authority

Andrew P. Walker,
Customer Services Staff
Supervisor—Forecasting
Southwestern Bell Telephone Co.

Phil Wilson,
Phil Wilson Publishing Co.

Gordon Wise,
President,
Imperial Capital Management

HOUSTON STILL RATED AAA & Aaa

(Editor's Note: Nat Eisenberg, vice chairman of the Economic Newsletter Panel and author of this newsletter, accompanied Houston Mayor Kathryn Whitmire to New York for the recent bond rating meetings at which Houston was awarded two triple "A" ratings.)

YOUR NEWSLETTER PANEL AT WORK—The graphs, tables and discussions that appear regularly in this Newsletter were the basis for the economic presentations that I made before the bond rating agencies in New York. I would like to take this opportunity to thank all the members of the Economic Newsletter Panel and the Research Division of the Chamber for their excellent insights into the regional economy which they present in our monthly meetings. Their contributions made my task much easier.

U.S. ROTARY RIG HISTORICAL STATISTICS

	CYCLICAL TROUGHS		CYCLICAL PEAKS	
	WEEKLY	ANNUAL AVERAGE	WEEKLY	ANNUAL AVERAGES
1942	680	761	1955	3,137
1971	814	976	1981	4,530
				3,969

ANNUAL AVERAGES											
'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82
976	1,107	1,194	1,472	1,660	1,658	2,001	2,259	2,177	2,909	3,969	3,105

THE PENDULUM OF PERCEPTION—Just four years ago, the main headline was the energy "shortage." Today, the top story is the energy "glut." Believe it or not, the only thing that has really changed in the past four years is the "shifting sands" of the supply-demand equation. The oil barrel is not full today, nor was it empty four years ago. It was "half empty" then. It is "half full" now. It would be an act of wishful thinking to assume that our energy problems are behind us forever. We must not forget that oil is still "black gold" and remains a finite and precious commodity.

THE ETERNAL DRILLING CYCLE—However, this shift in the pendulum of perception has had a profound impact on the drilling industry as it undergoes one of its periodic shakeouts like the last one in the late 1950s. Although the rig count should average near 2,000 in 1983, this would be a level of activity similar to the late 1970s and is still quite high by historical standards.

—Nat Eisenberg

REGIONAL ECONOMIC INDICATORS

	PORT OF HOUSTON (millions of short tons)	NON-RESIDENTIAL NATURAL GAS USAGE (billion cubic ft)	NON-RESIDENTIAL ELECTRICAL USAGE (% change)	INTERCONTINENTAL AND HOBBY TOTAL PASSENGERS (% change)	HARRIS COUNTY DEPARTMENT STORE SALES (% change)
'67	57.6	474.1	12.4	14.1	9
'68	57.4	480.0	11.3	19.2	13
'69	54.8	490.2	10.4	11.1	11
'70	62.4	539.8	8.5	0.4	6
'71	68.4	572.0	11.2	7.1	10
'72	71.4	550.7	15.5	13.2	12
'73	86.2	567.1	8.9	9.5	11
'74	89.1	530.2	2.9	9.2	12
'75	86.4	491.7	7.3	5.7	16
'76	90.0	498.2	6.0	14.6	12
'77	102.4	497.9	8.8	20.2	12
'78	109.2	476.7	8.3	22.0	13
'79	122.4	445.4	5.3	16.3	8
'80	106.2	431.9	3.1	2.9	9
'81	98.9	373.8	4.7	11.5	13
'82	77.3	294.7	(3.9)	10.7	1

COMPARATIVE ECONOMIC INDICATORS

HELP WANTED INDEX (1967 = 100)

	HOUSTON	U.S.
'67	100.0	100.0
'68	128.2	109.6
'69	149.0	120.9
'70	135.0	92.9
'71	135.0	82.5
'72	160.1	102.6
'73	204.7	125.9
'74	226.8	110.2
'75	203.2	80.3
'76	243.6	95.3
'77	335.2	118.3
'78	423.7	149.4
'79	431.7	157.5
'80	378.8	128.9
'81	436.0	118.6
'82	286.4	88.0

CONSUMER PRICE INDEX (Annual Average Percent Change)

	HOUSTON SMSA	U.S.
'67	2.6	2.9
'68	4.3	4.2
'69	6.4	5.4
'70	5.2	5.9
'71	3.5	4.3
'72	3.6	3.3
'73	5.7	6.2
'74	11.7	11.0
'75	11.6	9.1
'76	7.6	5.8
'77	7.2	6.5
'78	9.5	7.7
'79	13.2	11.3
'80	12.6	13.5
'81	10.0	10.4
'82	7.0	6.1

AUTO SALES (Percent Change)

	HARRIS COUNTY	U.S.
'67	(1.1)	(7.8)
'68	17.8	16.9
'69	(2.9)	(1.0)
'70	(6.5)	(12.5)
'71	20.7	21.4
'72	8.9	6.9
'73	10.2	4.6
'74	(14.1)	(22.8)
'75	9.0	(3.4)
'76	13.5	17.6
'77	12.1	10.0
'78	7.4	1.8
'79	(0.6)	(5.4)
'80	(15.1)	(15.1)
'81	12.3	(5.6)
'82	(8.7)	(5.9)

INDUSTRIAL PRODUCTION (1967 = 100)

	HOUSTON	U.S.
'67	100.0	100.0
'68	111.8	106.3
'69	121.1	111.1
'70	129.9	107.8
'71	137.1	109.6
'72	150.9	119.7
'73	158.8	129.8
'74	163.5	129.3
'75	168.7	117.8
'76	181.8	130.5
'77	199.0	138.2
'78	216.9	146.1
'79	226.8	152.5
'80	230.5	147.0
'81	238.5	150.9
'82	216.8	138.6

NON-FARM EMPLOYMENT (Annual Average Percent Change)

	HOUSTON SMSA	US
'67	7.5	3.0
'68	6.4	3.2
'69	6.3	3.7
'70	4.0	0.7
'71	2.5	0.5
'72	6.0	3.5
'73	7.9	4.2
'74	7.9	1.9
'75	6.1	1.7
'76	6.3	3.9
'77	6.9	3.9
'78	9.2	5.1
'79	7.7	3.7
'80	6.0	0.9
'81	7.8	1.1
'82	1.9	(1.8)

UNEMPLOYMENT RATE (Annual Average Percent)

	HOUSTON SMSA	US
'67	3.6	3.8
'68	3.3	3.6
'69	3.4	3.5
'70	3.9	4.9
'71	4.9	5.9
'72	4.6	5.6
'73	4.4	4.9
'74	3.5	5.6
'75	4.0	8.5
'76	4.5	7.7
'77	4.4	7.0
'78	3.9	7.0
'79	3.3	5.8
'80	4.2	7.1
'81	4.3	7.6
'82	6.5	9.7

This summer in Texas.
More than sixty events in three weeks.
Opera to jazz. Avant-garde to country western.
Major stars to local favorites.
Come. Enjoy. Be a part.

WE ARE WHAT WE CREATE



THE SAN ANTONIO FESTIVAL
A TURNING POINT IN THE ARTS OF TEXAS

MAY 14 - JUNE 5, 1983

For ticket information: In Texas call toll-free 1-800-292-1164 • In San Antonio call 224-3000

B U I L D I N G B L O C K

As South Texas cities race skyward brick by brick, beam by beam, a dream shared by many is steadily being constructed into reality. And providing a solid financial foundation as a framework for responsible expansion are the NBC of Texas banks. They help businesses with the strength and resources that are becoming the cornerstone bridging today and tomorrow.



**National Bancshares
Corporation of Texas**



Committed to excellence.

In the Houston area:

Houston Bank of Commerce • National Bank of Commerce of Houston • Peoples Bank
Other NBC of Texas Banks in: San Antonio, Austin, Corpus Christi, Kerrville, Eagle Pass, Rockdale, and Mission. FDIC.

WHO'S FEELING THE OIL PRICE SQUEEZE?

A Lot Depends On Whether OPEC Holds Together

OPEC's agreement to reduce the benchmark price of crude oil from \$34 to \$29 a barrel after a series of emergency negotiations is being taken with "a grain of salt" by Houston oil executives who are uncertain whether the agreement will finally stabilize falling oil prices.

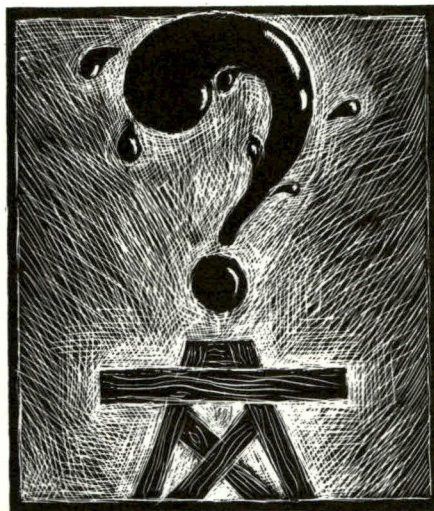
"The industry is split fifty-fifty over whether the price will hold," says oil analyst Greg Stoerner of Underwood, Neuhaus & Co. "In the near-term, prices will firm up on the spot market and some companies who rapidly depleted their inventories in anticipation of the price decline may step back in to replenish their supplies. But if demand doesn't pick back up soon, we will go through another period where prices are threatened and price cutting will start again."

"We're in a 'wait and see' position," adds Paul N. Howell, chairman and chief executive officer of the Howell Corp. "If the price sticks for six months, you will see an improvement in drilling. But if it doesn't stick, there's no telling where the price will go. It depends on whether the general economy picks up. A net increase in world consumption of crude oil will do more to stabilize the price of oil than OPEC's ability to agree on oil prices."

OPEC's decision to reduce the price of crude by \$5 was triggered in February when Britain knocked \$3 off the price of North Sea crude, sending it down to \$30.50 per barrel. OPEC member Nigeria, which competes directly with North Sea oil, responded by breaking with the cartel and slashing its prices by \$5.50, pricing its oil at \$30. Spot market prices plunged to \$27-\$28 per barrel as renegade OPEC members, led by Iran, discounted or undercut the \$34 price, and there were real concerns that

the price would go as low as \$25 or even \$20 a barrel.

After a series of whirlwind meetings led by Saudi Arabia, however, OPEC finally reached an agreement to cut prices, a first in the cartel's 22-year history, and to set a production ceiling of 17.5 million barrels per day, with strict quotas for each member except Saudi Arabia.



The \$29 price tag really comes as no surprise to the oil industry. As Howell points out, it is just a confirmation of the price oil has been selling for on the world market for the last few weeks.

Oil analysts are quick to point out that an OPEC agreement doesn't necessarily mean that prices will stabilize. They say a similar deal made one year ago fell apart within four months.

State of Confusion

Uncertainty over the stability of oil prices is playing havoc with all branches of the oil industry, where enthusiastic expectations that oil would climb to at least \$60 a barrel by 1985 already have been deflated by a worldwide recession and oil glut. A successful conservation ef-

fort and an exceedingly mild winter only exacerbated the industry's problems.

Obviously, some sectors of the Houston oil industry have been more severely affected by falling oil prices than others. Among the hardest hit are the land-based drilling contractors and oil field equipment and service companies. Independent oil producers that depend heavily on registered drilling funds and "promoted" money for their cash flow also are feeling the squeeze.

Those less severely affected are the large integrated oil companies with large financial reserves and cash flow. However, even these powerhouses are complaining that what they gain at one end (reduced drilling costs and cheaper refining costs) they lose at the other end (shrinking markets and reduced sales).

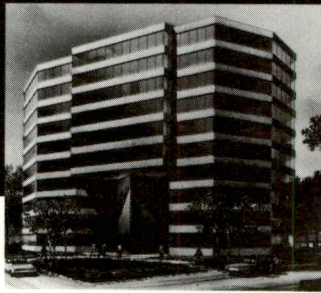
A Drilling Dilemma

Before prices began to fall from the \$34 barrel benchmark, John Blocker, president, chairman and chief operating officer of Blocker Energy Corp., predicted at an economic conference sponsored by Rice University that the drilling industry would begin to pick up in mid-1984 to 1985. Now he's extended that recovery period to mid-1985 to 1986 and believes 1983-84 will be a critical period for most drillers. "Whoever survives that period will survive anything," he concludes.

Blocker says the oil glut is hurting land-based drillers far more than offshore drillers, with land-based drilling down 50 percent and offshore down 25 percent. Offshore drilling could recover a year earlier than land-based drilling, he says, because that's "still the happy hunting grounds."

As of the week ending March 4, the U.S. rig count was 2,043, a far cry from last year's figure of 3,911 at this time, and Blocker believes it will soon dip be-

PETROCENTER



Memorial residents. Make more of your time. Elegant office space at I-10 and Wilcrest. Four-level atrium. Covered parking. Special security. No premium in price. Call The Fairfield Companies, 461-4000.

The Fairfield
Companies

Business

low 2,000.

In worse shape than the drilling contractors are the rig manufacturers and suppliers. He says their recovery will lag behind the drillers an additional year. No land-based rigs are currently being built in this country, he says.

Joseph and the Pharaoh

Carl Savit, senior vice president of Western Geophysical, compares the current oil situation to the biblical story of Joseph and the Pharaoh in which Egypt experienced seven fat years and seven lean years. "I'm not really worried about this crisis because the same thing has happened before," he says. "In 1952-53, we reached a peak of 666 seismic crews and then suddenly came crashing down to 180 to 190 crews. A lot of geophysical companies went out of business. We've been in business for 50 years and know that when there's big prosperity you better put some of it away, because then you're going to hit rock bottom."

Savit says the geophysical industry has stabilized now, but as of the end of January 1, the number of seismic crews was "dropping like lead balloons." He

says the total U.S. land and marine crew count for January was 456, compared to 695 for January 1982. Despite the drop, Savit says the count is still higher than the 1979 count of 335.

Drilling Funds Flee The Market

For independents, financing is the key to staying afloat during the current oil situation. According to Howell, independent oil producers that are financed through private placement money or registered drilling funds have been the hardest hit by price instability, because that source of funding has virtually "fled the market." What makes their situation worse, says Howell, is that many independents use those funds not only to drill, but to take care of administrative expenses. He says independents with their own cash flow, such as himself, are better able to weather the storm.

For Howell and George P. Mitchell, president and chief executive officer of Mitchell Energy & Development, the drop in natural gas demand is more worrisome than the drop in oil prices because it has caused many pipeline companies to restrict their sales. (Natural gas



INVEST IN BEAUTY

"from our Loom
to your home"™

Abrahams

ORIENTAL RUGS, DHURRIES & KILIMS

6120 Richmond

Houston, Texas

(713) 783-3363

Direct Importers

Retail and to the Trade

Ferrari. The reality is beyond imagination.



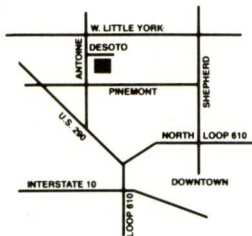
Only a personal demonstration can convey the feelings of pride and accomplishment that come with owning that which is equal only to itself.

Your authorized dealer believes that a Ferrari is an investment worth protecting. He offers skilled service by factory trained technicians and the exclusive Ferrari factory warranty program.

For the name of the authorized Ferrari dealer nearest you, call these numbers toll-free: (800) 447-4700 or, in Illinois, (800) 322-4400, in Alaska and Hawaii, (800) 447-0890.

FOURPLEX INVESTMENT

**First Year Write Off:
\$30,000+***
**Rental Income
Guaranteed**
Equity Buildup
90% Financing



Candlewood Glen
From low \$240's



Highland Green
From low \$260's

TWO STRATEGIC HOUSTON LOCATIONS
Phase II now Selling in Both Projects

A well-constructed Renaissance Property fourplex offers a great deal to the income real estate investor—beginning with completely unique, specially-negotiated financing (through F.N.M.A.) that allows payments beginning at rates as low as 8%* during the critical early years ... and immediate positive cash flow. On-site management and owners' association add to the appeal. Special tax advantages to cash buyers. Ask for more information on why Renaissance Property's fourplex concept is succeeding in Houston ... and how your investment risks are virtually eliminated.

*On an investment of approximately \$30,000—if you act NOW at current rate.

Renaissance Property, Inc.

2400 Fountainview, Suite 402
Houston, 77057
713/266-3643

Models now open by appointment.

Business

is a major source of earnings for many independents.) They point out that the producer suffers about a 20-cent loss in revenues from a \$1 drop in crude; the government suffers the brunt in the form of taxes. If natural gas pipelines are "shut in," however, the producer loses 100 percent.

The Major Leagues

Opinions vary on the extent the major oil companies, with their large exploration, production, refining and distribution networks, will be affected by price instability. Dale Steffes, principle and founder of Planning & Forecasting Consultants, says the money may not flow as easily as it once did in this sector, but the major oil companies are "still in the driver's seat." He believes the service industry's loss could be the oil companies' gain.

"The petroleum industry spends \$50 billion a year to service industries that drill wells, survey land, etc.," Steffes explains. "But because the service industry is hurting so badly, they have reduced their costs by 25 percent. That is \$12 billion the industry gets in cheaper services."

Even if the price goes down to \$25 a barrel, Steffes believes much money can still be made in oil and gas exploration because of U.S. demand for oil at that price. He also believes a lower price tag on imported oil benefits petrochemical companies which must buy that oil to refine their products.

On the contrary, Robert W. Scott, editor of World Oil Magazine, believes that all sectors of the oil industry, including the major oil companies, are being hurt by the oil glut because "a 20 percent decline in market means a 20 percent drop in sales." He cites the drop in profits as proof the major oil companies are feeling the pinch. Exxon Corp. alone, reported its 1982 income down 13.3 percent from 1981.

Cheaper imported oil may help reduce refinery costs, Scott points out, but petrochemical companies still have to sell their products at a cheaper price in order to be competitive. Presently, demand for petroleum products is so poor, he says, that refineries are only running at 60 to 65 percent capacity.

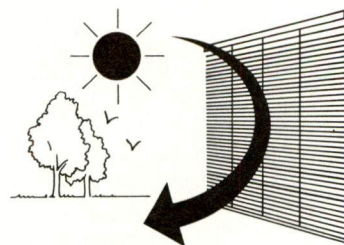
As one Exxon spokesperson puts it, "What you gain in one situation you lose in another."

Diminishing Government Revenues

Most analysts believe the federal gov-

Flexalum Thermo-Stop the energy-efficient blind for all seasons

Have cooler summers...

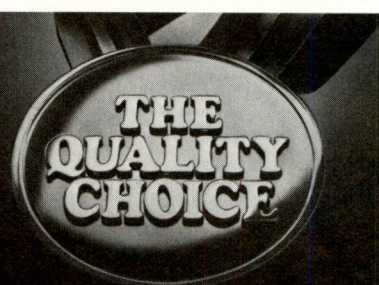


Here's how beautiful Thermo-Stop Blinds work to save energy ... and save you money! When blind is closed with energy-saving finish toward the outside, Thermo-Stop saves air conditioning by reducing heat transfer ... blocking up to 38% of summer's heat while for those windows in direct sunlight, Thermo-Stop TURNS BACK up to 75% of the sun's visible light BEFORE it is converted into room HEAT.

(Made in Houston)

GULF COAST WINDOW COVERING DISTRIBUTORS

5205 Lillian Houston, TX 77002
(713)861-8282



in Orange

Quality Inn Orange House

For business or pleasure. In center city Orange. Just 4 miles from the interstate. Convenient to all downtown attractions. Lutch Theatre, Heritage House Museum and Stark Museum all within three blocks. Features newly refurbished rooms. Restaurant, lounge and pool. Extensive banquet and meeting facilities.

Quality Inn Orange House
601 W. Division St.
Orange, TX 77630

For reservations call 713-886-5540
or toll-free:

800-228-5151





*Oil and
Gas...
Thanks!*

The Houston Oil and Gas industry, for the last six years, has been a major reason for the success of Talent Tree Temporaries. We feel in these challenging economic times, that all of Houston's industries must set their sights for SUCCESS and let the arrow fly, hitting the mark squarely and decisively!

Houston's Oil and Gas industry is like no other in the world. It helped shape early Houston and will continue to guide its destiny.

Therefore, as we continue to climb from this recession, Talent Tree Temporaries would like to introduce you to *"TEMPONOMICS"*; the effective and economical utilization of temporary staffing. It makes for a *Dollar and Sense* economy.

For our partners in success, *Thank You*, Houston's Oil and Gas industry.

Michael T. Willis

Michael T. Willis

President/Talent Tree Temporaries



®
TALENT TREE
TEMPORARIES

** Call one of our Temporary Staffing Specialists for complete details.*

Greenway Plaza 4 Greenway Plaza 965-0840 □ Northwest 12200 N.W. Freeway 688-6558 □ Westchase 9703 Richmond 789-1818
Galleria 2620 Sage Road 840-7300

Time. It's the most valuable amenity a business location can offer you.

And executives who reside in the Memorial surroundings can now have more of this amenity. At no premium in price. And with absolutely no compromise in office elegance, sophistication, or flexibility.

The Fairfield Companies have created three office environments especially for business men and women who can benefit from a location conveniently near this prestigious residential area.



The Fairfield Companies

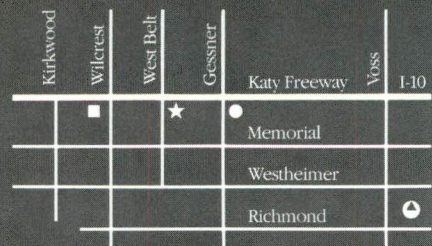
All three developments are situated in the burgeoning Town & Country business corridor, with an excellent array of fine restaurants, shops, hotels, banks, and other services nearby. And with access to all parts of the city by way of I-10 and important north/south thoroughfares.

We invite the area's executives to look into the beauty of this convenience. Because the time is right for bringing business closer to home.

For leasing information:
713/461-4000

The Fairfield Companies
10497 Town & Country Way
Suite 900
Houston, Texas 77024

- *Petrocenter*
I-10 (Katy Freeway) at Wilcrest
- ★ *Town and Country Central*
I-10 (Katy Freeway) at West Belt
- *Energy Tower*
I-10 (Katy Freeway) at Gessner



Business

ernment will lose more income than the oil industry from the \$5 drop in oil prices because revenues from the windfall profits tax, which takes approximately 50 percent of the profit from a barrel of oil, will be reduced. Last year, the federal government received \$17 billion from the windfall profits tax and it is estimated that it could lose an estimated \$800 million for every \$1 drop in the price of domestic crude.

The Reagan Administration insists, however, that any loss in windfall profits tax would be far outweighed by the economic stimulus of increased consumer spending, lower interest rates and reduced inflation. Data Resources Inc., a private economic research firm, foresees an additional growth of 0.5 percent in the Gross National Product with the \$5 reduction in oil.

Banking Woes

It is uncertain exactly how banks with large energy loan portfolios will be affected by the \$5 drop in prices. Steffes is concerned that these banks may have completely overextended themselves by basing their loans on \$34 prices.

Banks with heavy loan exposures to both Mexico and U.S. energy companies could be in double jeopardy because Mexico was depending on its oil exports to pay back more than \$80 billion in outstanding loans.

Bank analyst Sandra Flannigan of Rotan Mosle isn't that pessimistic. She says Texas banks have successfully weathered previous downturns in the energy sector and believes, in general, that the energy lending policy of major Texas banks has been conservative. "Production lending, for example, is done on the basis of proven reserves, with the normal practice being to lend no more than 50 to 60 percent of the present value of proven reserves," she explains. "Furthermore, the banks have a good loan charge-off record. Reserves for possible loan losses have generally been built to levels that exceed the industry norm."

She says the real concern lies with "latecomers" to energy lending who may have made marginal loans to get a "foot in the door." She points to small land drillers, small refiners, small seismic companies and highly leveraged independent drillers as areas of the energy industry more susceptible to potential loss than others.

However, Flannigan admits that even the most secure banks will probably see

Investment opportunities to broaden and meet the needs of your portfolio.

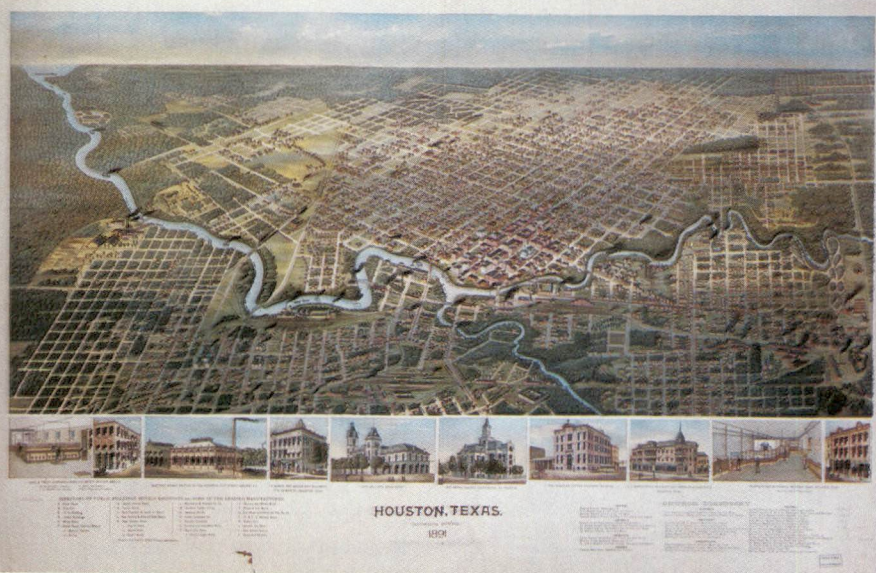


Johnston Group
Realty/Energy
Investments

Income Producing Real Estate
Developmental Oil & Gas Programs
Commercial Land Reserves
Tax Advantaged Shelters

2077 S. Gessner Suite 125, Houston, TX 77063 713/784-7914

HISTORIC VIEWS



offers in a limited edition a rare, beautiful and historically important view of the city of Houston in 1891 on the verge of its modern development after the Buffalo Bayou was deepened making Houston a port city.

This map is carefully reproduced on fine-grade, extra heavy weight, neutral pH, vellum cover paper stock, and is shipped in protective mailing tubes that insure the print's arrival in perfect condition. HISTORIC VIEWS maps are also available beautifully matted and framed in traditional, hand-crafted cherry or maple. Satisfaction guaranteed.

An affordable, attractive addition for home, office, museum, library, etc. Or, an ideal gift.

Maps of Dallas, San Antonio and other American cities are also available.

SIZE: 16 1/2 X 21 1/2 PRICE \$18.75

FRAMED IN CHERRY: \$95.00

Send to: HISTORIC VIEWS • RD2 • Salem, NY 12865. Allow 4-6 weeks for delivery

For Mastercard or VISA phone: 1-800-368-3238

20/20 Foresight



Raintree Village

A legend in the making, Raintree Village is a 450 acre neighborhood of quality homes in west Houston's new "energy corridor" just off Interstate 10.

With two schools to be located within the development, and recreational facilities including creative playgrounds for children and hiking paths along Mayde Creek, Raintree Village is a dream come true for homebuyers.

The legend of the Raintree, from which this community gets its name, tells of a place where all who live there will prosper. Raintree Village will fulfill the dream for many; to be one of them call Al Lum Properties

at (713)
654-2121.



RAINTREE VILLAGE

Al Lum Properties

With the ability to turn foresight into profits, Al Lum Properties has earned the trust of builders, developers and financiers over the past 20 years.

The company, which offers investment, management and marketing services, prides itself on delivering a quality product within budget on time. This commitment means results at Al Lum Properties, with more than \$500,000,000 in completed transactions and many award-winning developments to its credit.

Recognized as "Texas' Top Land Salesman" by Texas Parade Magazine, Al Lum can find the right property and develop it to its fullest potential. As a Certified Public Accountant, he can put your overall investment goals into perspective with your landholdings in the current market.

When you have 20/20 foresight, but need help in turning it into a profitable real estate investment, you need Al Lum Properties.



1010 Lamar, Suite 350
Houston, Texas 77002
(713) 654-2121



Individual Membership
Society of Industrial Realtors

Business

an increase in non-performing assets and a slow-down in loan volume growth during these troubled times.

Consumer Bonus

Not all sectors of Houston's economy are being hurt by the price slide. The drop in oil prices comes as a boon to consumers, whom Data Resources says can save an average of \$85 a year in energy costs by the \$5 barrel reduction. At the gas pump, that means a 10 percent savings.

Also reaping the benefits from the price reduction are the utilities and transportation industries. A spokesperson for Continental Airlines applauded the price drop, saying, "Fuel prices are one of the major operating costs of an airlines, second only to labor costs. Hopefully this will result in a tremendous savings in the cost of jet fuel."

Houston: A Lagging Recovery

Overall, the drop in oil prices is viewed as a temporary setback for a city already forced to shift its accelerating growth rate into a lower gear by a national recession, worldwide oil glut and three devaluations of the Mexican peso.

Until now, Houston has escaped the economic turmoil that has plagued the nation in the seventies because of its vast oil technology and expertise. If the oil glut had not occurred, most experts believe the city would have gone virtually unscathed during the nation's latest economic crisis.

Unfortunately, the oil crisis has taken its toll. The Houston Industrial Production Index dropped 21 percent from December 1981 to December 1982, the Port of Houston experienced a 22 percent drop in tonnage from 1981-82, and the seasonably unadjusted unemployment rate for January 1983 skyrocketed to 9.1 percent.

Still a Shining Star

Despite these negative factors, the Houston economy is performing remarkably well and still occupies a position of strength that makes it the envy of other regions in the nation, says Charles A. Kasdorf, manager of the Houston Chamber of Commerce research division.

Nat Eisenberg, president of Economic Advisory Services, points out that even in Houston's worst years, it is better off than the best years at the national level. Historically, he says Houston's better-than-average regional growth has occurred during times when oil prices were less than \$2 a barrel and

when real oil prices were falling for an extended period. It would be a "serious analytical blunder," he says, for anyone to suggest that Houston's strong long-term growth trend will be permanently altered because oil prices are now falling.

He calls the current situation a "shakeout at a peak level" that will return the oil industry to a more rational operating level. He believes the level of oil activity will go back to the late seventies, which experienced a high level of activity. Unfortunately, there are more people nibbling on the "energy pie" than there were in 1979, he says.

Kasdorf believes that during the next two years, the Houston economy will continue to experience reduced levels of energy activity. "We cannot expect Houston to lead the nation in recovery from this recession," he concludes. "But the prospects for the resumption of sustainable rapid growth are excellent because of Houston's speciality in energy. Regardless of what alternative energy sources are developed, the nation will remain primarily dependent on fossil fuels at least through the balance of this century and that means that inevitably demand will again be strong for the products we manufacture and the knowledge we provide in the energy field." —R.C.

New UH Center Tracks Foreign Current Events

The tortilla strike in Mexico or Libya's expansionist aims in Africa may spell more to the American businessman than meets the eye. To analyse the risks faced by U.S. companies interested in investing or expanding into foreign markets, an Institute for International Business Analysis has been established by the University of Houston.

As a joint undertaking between the Colleges of Business Administration and Humanities and Fine Arts, the institute draws upon the expertise of university faculty to monitor social, economic and political changes in developing third world countries and to identify the way these changes impact individual corporations.

Institute assessments are based on current information from International Monetary Fund and World Bank re-

ports, the Foreign Broadcast Information Service and about 2,000 to 3,000 other sources of information. The group, headed by Director Thomas F. O'Brien and Associate Director Steve Wyatt, is currently compiling comprehensive profiles on 12 countries in Latin America and Africa in order to provide scenarios for doing business in these countries over the next 18 to 36 months.

In addition to risk analysis, the institute will hold quarterly briefings to discuss issues of special concern to the international business community and yearly seminars focusing on business opportunities in one region. The first seminar, which will focus on the de la Madrid administration in Mexico, will be held April 29 in the Conrad N. Hilton College of Hotel and Restaurant Management.

For more information on the institute please call, 749-7139. □

Symposium On Asia Planned For May

A major symposium on members of the Association of Southeast Asian Nations (ASEAN) will be sponsored by the Houston Chamber of Commerce International Business Council in conjunction with U.S. International Trade Week, May 16-20.

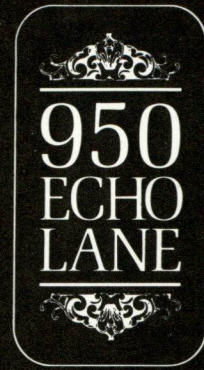
Senior executives from the public and private sectors of Thailand, Malaysia, Singapore, Indonesia and the Phillipines will discuss current economic affairs and investment opportunities in their respective countries at the Westin Oaks Hotel.

For registration information, call 658-2441 or 658-2442. □

Women Business Owners Hold Seminar

The National Association of Women Business Owners will hold its second annual "Build Your Business Seminar" May 7 at the Ramada Inn Northwest Crossing.

Two half-day sessions will deal with promoting a business and with credit and collections. For further information, call Linda Posey, 781-1030. ■



- **ATRIUM AREA:**
Marble floors, custom wood paneling, English antiques
- **OFFICE SPACE:**
Hand-carved mahogany doors, Parquet wood reception area, highest quality carpet

Designed for the discriminating by:

AMELANG PARTNERS

Investment Builders
contact

Dusty Fogel or Arnold Tauch
(713) 468-6700/664-3000

ENERGY TOWER



Enjoy working closer to home. In 160,000 s.f. of elegant office space. Excellent detailing. Special security. Low minimum space requirements. No premium in price. Call 461-4000.

The Fairfield Companies

GRAND MARQUIS GIVES YOU WHAT 99% OF TODAY'S CARS CAN'T.

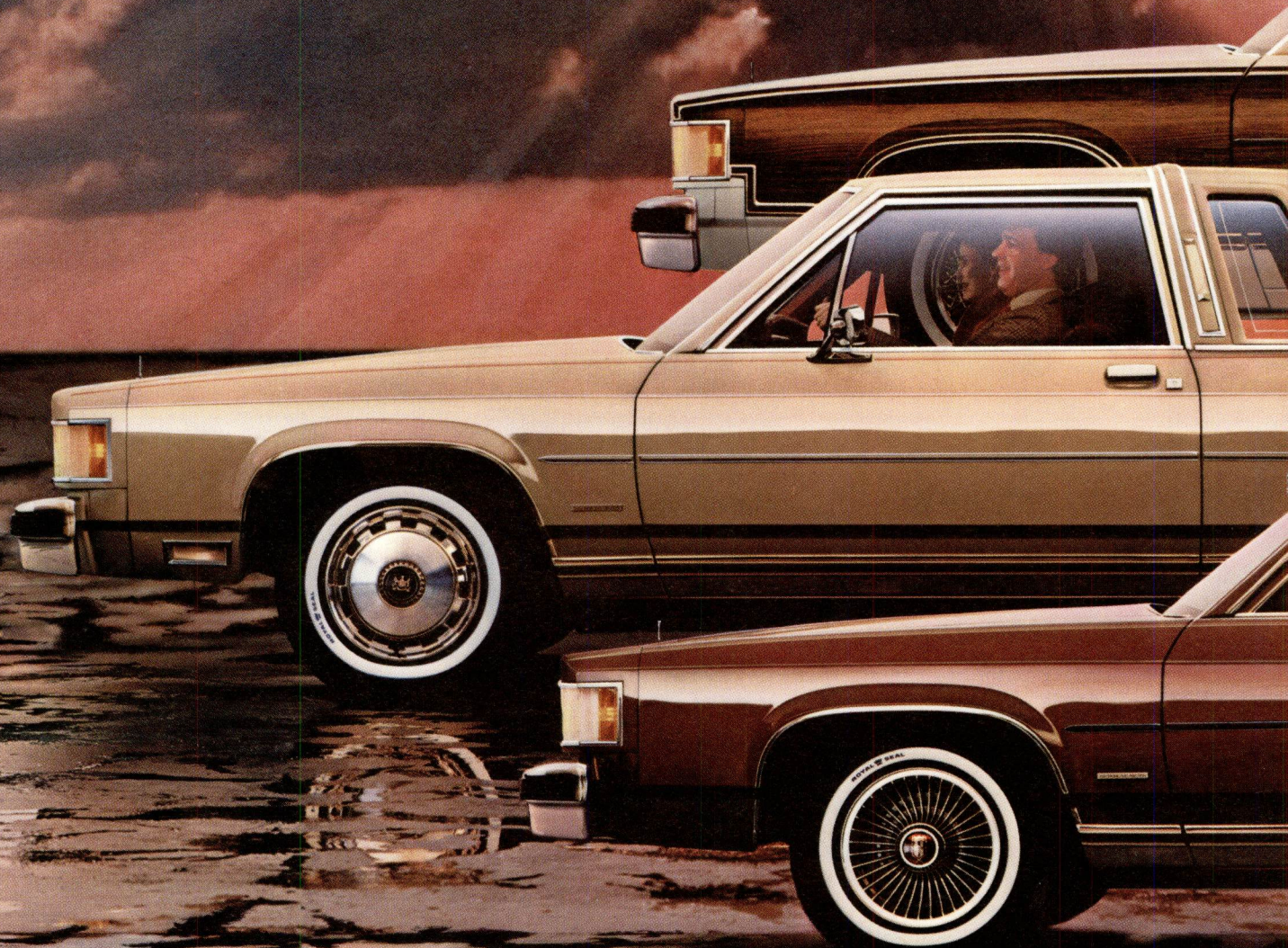
Traditional, full-size interior room for six, and all their luggage.

In fact, sedans have 132 cubic feet of useable space; the wagons—165 cubic feet.

Sedan or wagon, Grand Marquis gives you the largest cargo capacities available today: 22 cubic feet in the sedans; 89 cubic feet in the wagon (rear seat folded down).

These figures are based on EPA total interior volume indexes. Figures are exclusive of those for other Ford Motor Company cars.

But there's more substance to Grand Marquis than size alone. There's quiet, born of attention to the smallest detail. Extensive sound deadening materials surround the passenger compartment. Solid body/frame construction and thick rubber mounts minimize road noise. Exhaust pipes are laminated to reduce exhaust noise. Even the



Get it together—buckle up.

MERCURY

*26 EST. HWY. 117 EPA EST. MPG. Compare to the estimated MPG of other cars. Your mileage may differ depending on speed, weather, and trip length. Actual highway mileage less. California estimates lower.

doors are carefully structured to reduce noticeable wind noise. But the Grand design goes even further.

The instrumentation. The multifunctional control levers. Even the placement of the entertainment accessories is thoughtful and precise.

The refined coil spring front suspension, four-bar link rear suspension, and front stabilizer bar combine for Grand Marquis' legendary smooth ride.

Electronically fuel-injected 5.0L V-8 engines deliver impressive driveability, and Automatic Overdrive Transmissions increase fuel efficiency.*

Standard creature comforts include: Luxurious Twin Comfort Lounge seats, power windows, and AM/FM stereo with dual rear speakers. Plus, there's a list of options as impressive as Grand Marquis' room.

Grand Marquis from Mercury. Delivering the room 99% of today's cars can't.

For your copy of the Grand Marquis catalog and name of your nearest Lincoln-Mercury Dealer, **call us toll-free 1-800-MERCFAX**. Or write: Lincoln-Mercury, P.O. Box 1254, Troy, MI 48099. We'll be pleased to hear from you.



GRAND MARQUIS

LINCOLN-MERCURY DIVISION



Briefs

New In Town

International Divers Inc. established its corporate headquarters at 15915 Katy Freeway.

L.A.S. Enterprises, which sells home improvement products, has opened a Houston office at 1000 South Loop West in Plaza del Oro Business Park.

Kayport Package Express, a new overnight package express service, will start operating from the Houston area in mid-March.

Concol Pipe Inc. of Alabama, a national and international distributor of standard line pipe, announced plans to open a branch here.

Commack, a communication design, marketing, advertising and public relations firm, started operations at 12 Greenway Plaza.

Take Note

InterNorth Inc. now has a 29.5 percent interest in the **ETSI Pipeline** project, a coal slurry pipeline joint venture in which **Texas Eastern Corp.** has a 29.5 percent interest.

Allied Bancshares Inc. opened its newest bank, **Allied Bank River Bend**, in Dallas.

Gulf Refining and Marketing Co. will discontinue its branded marketing in 18 northwest Ohio counties as well as its remaining branded marketing operations located in nine counties in south-east Michigan.

Contracts, Mergers And Agreements

Westin Hotels selected **Golemon & Rolfe Associates, Inc., Architects**, to design its 550-room luxury hotel in Rosemont, Ill., near Chicago's O'Hare Airport.

Tracor Inc. signed a letter of intent for acquisition of **Houston Atlas Inc.**, a manufacturer of analytical instruments.

Oceaneering International Inc. has signed a letter of agreement with the **People's Republic of China** to cooperate in jointly providing diving services to the foreign oil services operating in China.

The CRS Group Inc. purchased the outstanding stock of **Environmental Planning & Research Inc.** of San Fran-

Highlights

The \$115 million **Town & Country Center** opened, with 85 percent of the 36-acre complex committed for lease.

Continental Divide Pipeline Co. withdrew its application to build a 162-mile natural gas pipeline in Colorado and New Mexico. The project, a joint venture by **Transwestern Pipeline Co.**, a **Texas Eastern Transmission Corp.** subsidiary, and **Northwest Pipeline Corp.**, involved purchase of gas from Northwest by Transwestern and Texas Eastern. The companies said the project would no longer be competitive in light of the decline in natural gas markets, decreasing price pressures from competitive fuels and the current Canadian export price for gas.

Tenneco Inc. announced that its wholly owned subsidiary, **Tenneco Chemicals**, had disposed of its last remaining business operation and was in the process of liquidating. The company will continue polyvinyl chloride, methanol and other petrochemical operations through its **Tenneco Oil Company Processing and Marketing** unit, as well as international chemicals operations through its **Albright & Wilson, Ltd.** subsidiary.

cisco and has been awarded a \$34 million contract by the **Veterans Administration** for work on its Denver Medical Center.

Houston Pipe Line Co. signed a five-year agreement to deliver a daily average of 300 million cubic feet of natural gas to **Houston Lighting & Power Co.** **Houston Pipe Line** is a subsidiary of **Houston Natural Gas Corp.**

Brown & Root Inc. and the **China Offshore Platform Engineering Corp. of the People's Republic of China** have formed a joint venture company to be named **China Brown & Root Marine Engineering and Construction Co. Ltd.**

Josephson International of New York signed a letter of intent to acquire all the capital stock of **Wilson Business Products.**

Browning-Ferris Industries Inc. has acquired **CECOS International Inc.** and **Newco Waste Systems Inc.** which with their subsidiaries and affiliates represent

the chemical waste and solid waste collection, processing and disposal operations of **Mader Capital Inc.** of Buffalo, N.Y.

The law firm of **Foreman & Dyess** merged with the Lafayette, La. law firm of **Gates and Simmons.**

Blocker Energy Co. formed a joint venture with **Military Commercial Corp.**, a Sudanese government entity, to offer drilling and related oil field services.

Going Up

Wayne Duddlesten, Inc. announced a 10-year, \$750 million development program for **Cypress Northwest**, a 761-acre multi-use project on Barker-Cypress Road.

Sunbelt Hotels announced plans for its fifth Texas property, **The Beaumont Hilton Hotel.**

Gary Cutsinger and Dallas-based **Gulf Management Resources** announced plans for **Cypress Station**, a multi-use project on 16.78 acres near I-45 and FM 1960.

Ground was broken for a 252-suite **Lexington Apartments and Motor Inn** at 16410 I-45 North.

Construction began on **Champions Woods**, an \$8 million apartment project by **Westlake Property Co.** in Champions Park.

Weingarten Realty and **Randall Properties** announced a joint venture shopping center, **Randall's Center/Norchester**, at Jones and Grant Roads.

Weingarten Realty Inc. and **Cunningham Walters Properties** announced plans for **Texas Commerce Plaza**, a three-building office complex at River Pointe, their 112-acre multi-use development on the northwest corner of I-45 and the proposed Loop 336 South.

Heron Developments Inc. and **Iratex Interests** announced plans to build a six-story office condominium near U.S. 59 and Hillcroft called **Regency Square Office Condominium.**

Homart Development Co. announced plans to expand **Baybrook Mall** by approximately 365,000 square feet.

DARLCO Inc. began construction on the \$112 million, 70-acre Phase Two of **Southwest Techniplex**, a mixed-use development on the Southwest Freeway at Kirkwood.

Commerce Green

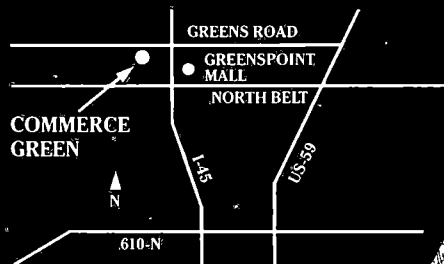
The new sphere of influence.

Look to the north. At the crossroads of this extraordinary area, just west of Interstate 45 and the North Belt, Lincoln Property Company and Metropolitan Life Insurance Company have master-planned a landmark. Commerce Green.

Situated on Greens Road at the entrance to Greens Crossing, the project includes five 12-story office towers and a luxury business hotel. Together they form a dramatic landscape of sculptured glass and changing colors surrounded by a forest of live oak trees.

Elegant and imaginative, Commerce Green is an unrivalled setting for business of every size and sophistication. The beginning is One Commerce Green, 345,000 square feet ready for occupancy in the fall of 1983.

In Commerce Green, we've created the crown for the top of a glittering city. And with it, we've created a new sphere of influence.

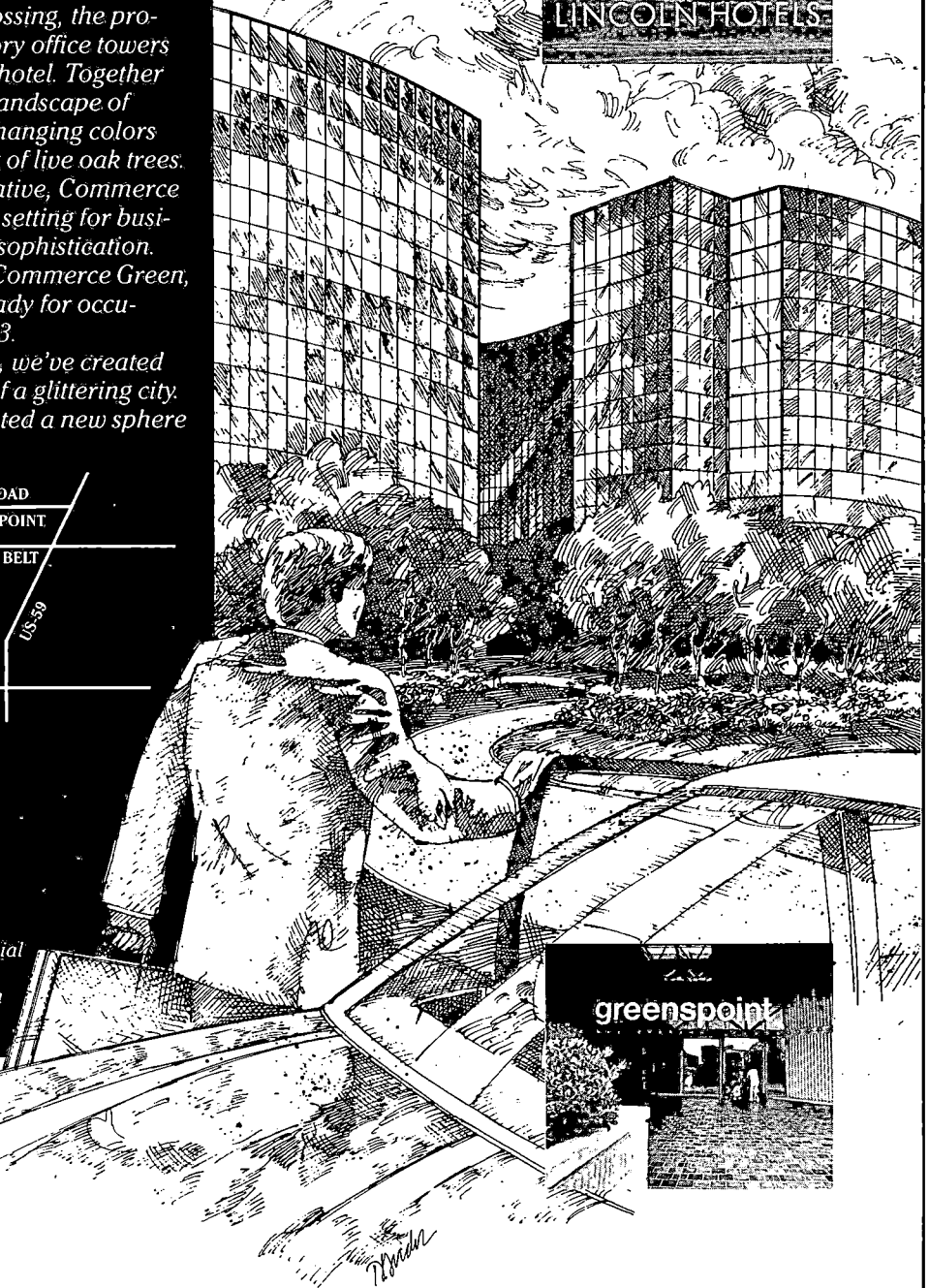
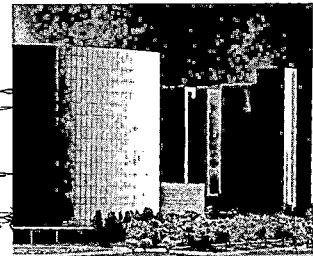


LPC

Lincoln Property Company
9207 Country Creek Drive
Suite One

Houston, Texas 77036
(713) 777-9090

Equity financing by Centennial
Equities Corporation,
a subsidiary of Metropolitan
Life Insurance Company



The Synfuel Scenario

By Patrick Jankowski

Out of the dark days of the oil embargo was to come the dawn of a new technology that would wring gasoline out of the very rocks. The glut was not in the script.

When Panhandle Eastern Pipe Line Co. began developing its WyCoalGas synfuel project in 1972, the South African government had the only large-scale synthetic fuel industry in operation. But what seemed like a risky venture for Panhandle at the start soon promised to be a shrewd investment. In 1973, in response to the Yom Kippur War, OPEC doubled its price for oil to \$5.18 a barrel and its Arab members cut off shipments to the United States altogether.

The nation grew concerned about its energy supplies and many more companies started synthetic fuels programs. They formed partnerships, selected plant sites and began engineering studies. After several changes, WyCoalGas's partners decided to produce gasoline, liquid propane and pipeline-quality gas. The federal government offered help with the capital costs through the Department of Energy and the Synthetic Fuels Corp. WyCoalGas applied to the SFC for assistance.

But then what was not supposed to happen happened. Oil flooded the market, a glut occurred, and prices dropped. The ensuing economic chaos

caused many companies to shelve their projects. Partnerships dissolved. In March of last year, unable to find replacements for the two partners who dropped out of the project, Panhandle Eastern placed its \$3.75 billion WyCoalGas project on "indefinite suspension." Now, 10 years and two energy crises later, South Africa remains the only nation with a full-scale, working synthetic fuels industry.

"There is no way we could now produce synthetics and come close to the market price for the same natural energy products," explains Ray Newsom, former president of WyCoalGas Inc. "Unless we see the economics of the program or energy conditions change, we may never do it."

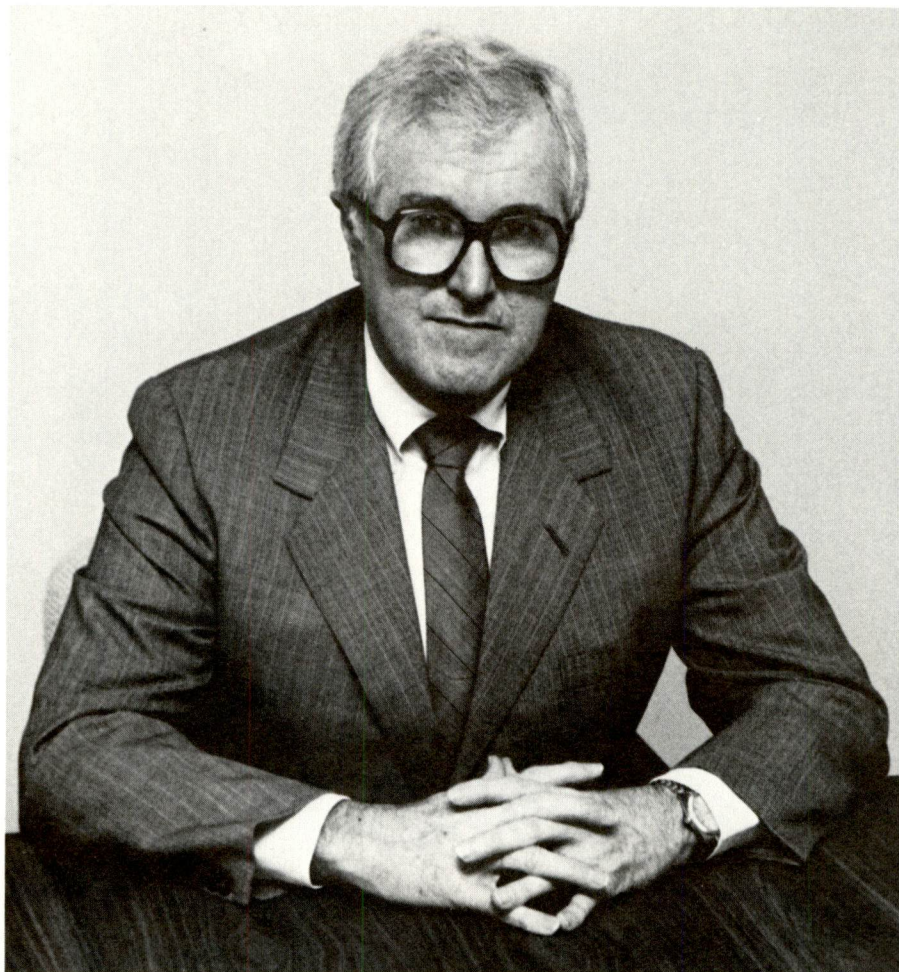
According to Newsom, Panhandle Eastern—along with many other energy companies—based its feasibility studies on inflation continuing at double digits, with energy prices rising slightly faster. "In fact, a lot of people whom the industry looked upon as experts or knowledgeable in such matters said that was going to happen," he explains. At that rate, oil would reach \$65 to \$80 a barrel by 1990, making Panhandle Eastern's project—along with many

other companies'—economically viable, he says.

Unfortunately, oil prices have dropped significantly in recent months. While the early '70s looked sunny for synfuels, the early '80s have become overcast with project cancellations. The Hampshire Project, of which Kaneb Services Inc. was a partner, canceled its proposed \$2 billion coal-to-methanol venture due to uncertain oil prices, lack of government support, and inability to find two more partners. The Tri-State Synfuels Co., of which Texas Eastern Corp. was a partner, suspended development of its project to convert coal to gasoline, liquid propane and pipeline quality gas because of falling oil prices. Exxon withdrew from its \$5 billion shale oil project because of escalating construction costs and a poor economic outlook for the project.

"If the price of natural products went up high enough, it might make synfuels competitive. They are not competitive now. To do a project at present would need massive government support to make it economical," says Newsom.

With so much difficulty setting up a synfuel project, one might wonder whether the nation really needs syn-



Victor Schroeder suspects that some companies entered the synfuel business only because they saw it as a chance to receive government money.

thetic fuels. A decade ago, there was little doubt. Industry analysts talked of how synfuels would provide the nation with a secure energy supply and eventually allow the United States to become energy independent. When the industry could produce a barrel of synthetic crude, OPEC would then realize it could charge no more for a barrel of its oil than it cost the United States to manufacture a synthetic substitute. Finally, the nation would insure itself of an adequate energy supply to meet its needs in the 21st century.

"We have a tremendous oil resource in solid form, in coal and oil shale in the United States," says Victor A. Schroeder, president and a board member of the SFC. "There is more oil in oil shale resources in the United States than there is in conventional oil in the Persian Gulf."

With the current oil glut, the consequent drop in prices, and the non-OPEC production which has come on-stream in recent years, the need to establish a synfuel industry doesn't

seem as pressing anymore.

"If OPEC can't control the price of oil, and with the other production worldwide, as citizens we are not as threatened by loss of supply as we were in the early 1970s," Newsom says.

As Gorman Smith, president of Transco Coal Gas Co., a subsidiary of Transco Energy Co., says, "If economics were the only criteria for establishing a synfuels industry, the nation would not need one now."

But Smith compares synfuels to an insurance policy—something one takes for granted until they need it. The glut won't last forever, nor will non-OPEC countries always be able to supply our needs. "There is not enough oil in Mexico and other parts of the world to rely upon for infinity," Schroeder says. And one must also examine the political risks and real costs of protecting our supply lines in the Mediterranean Sea and Indian Ocean, he adds.

Yet some economic purists argue that the free market should provide the nation with a synfuel industry. Since it

The market might encourage synfuel development, but the market for energy has never been "free."

hasn't established one yet, the nation obviously doesn't need one yet. When it does, the market will provide them, these purists reason.

Schroeder agrees with them.

"The free market can and will provide us with synfuels," he says. However, the problem is that a free market for oil prices has never existed. Over the past 50 years, the federal government and OPEC have manipulated the price of oil, thus distorting the market.

Ron Scarbeck, manager of Texaco's Cool Water Coal Gassification Project, adds that delaying development of the nation's synfuel industry would be like delaying the development of its defense forces. Neither can be legislated into existence over night.

Newsom says it would take five to six years at best but more probably 10 to 15 years to bring any significant synfuel production on stream.

Lack of technology is no cause for delay, he explains. New sets of technologies have brought only marginal improvements in the past. However, as Schroeder points out, there are about 13 different ways to convert coal to synfuels, so some should be evaluated in commercial-scale plants. Transco's Smith believes the nation should start several plants now and study the economics and environmental impact of each.

"If we had 40 rail cars full of studies, we would not know what it takes to operate each plant," he says.

And if the United States suffered a sudden interruption of supplies, it would have no knowledge base from which to hasten the duplication of these plants, he adds.

To help the synthetic fuel industry construct these plants, Congress passed the Energy Security Act of 1980 which established the United States Synthetic Fuels Corp. Congress gave the SFC \$15 billion and a mandate to nurse the embryonic industry with loan guarantees and price supports. By 1984, it must present Congress with a comprehensive plan for developing a synfuel industry

based upon its experience to date—though not a single project will be operative by then. The SFC will probably spend \$7 billion on three medium-sized coal plants, \$4.8 billion on three shale projects, and \$3 billion on tar sands.

The number of “off-the-wall” proposals to the SFC has convinced Schroeder that many companies pursued synfuels only because they saw them as an opportunity for some easy government money. As a result, he believes the drop in oil prices has actually helped the industry.

“A good many companies now have falling incomes, and as they fall, the companies less serious about synfuel de-

velopment will drop out of the competition,” he says. “At the same time, the more serious companies, those that depend on energy as a source of revenues and profits, will recognize this program as a port in a storm.”

He views the drop in oil prices as good for other reasons.

“It will drive home to many people in the industry just how volatile our energy situation is, and how little control we have over our supplies, and how vulnerable we are to whims elsewhere,” he says.

Still, there seems to be an ironic twist. For years the energy industry chastised the federal government for meddling in

How Much Potential?

“Synthetics” is actually a misnomer for liquid and gas fuels derived from oil shale and coal.

Estimates of how much energy synfuels might provide vary. Coal represents as much as 85 percent of the remaining fossil fuel reserves in the United States, or the energy equivalent of six to seven times the oil reserves of Saudi Arabia.

The U.S. Geological Survey says that of the 2 trillion barrels of oil shale resources in the U.S., 80 billion to 200 billion are recoverable.

Still, “nobody expects synfuels to totally replace conventional oil,” says B.E. Dinger, regulatory affairs manager for Tenneco Oil Shale. “But they will be able to augment our fuel supply.”

the industry’s markets. Now, when the energy industry wants to develop a synthetic fuel potential, it pleads with the government to enter the market. In fact, the Energy Security Act authorizes the SFC to set up and operate its own synthetic fuel plants if it finds the private sector incapable of doing so. Schroeder doesn’t think that will occur.

“I don’t think anyone on the board of directors wants to set up a government-owned corporation,” he says. “We need to support the industry at arm’s length so the free market can take over and make the leaps in technology that will inevitably come once the industry gets going.” The act also mandates the SFC be partially dismantled by 1992 and totally out of business by 1997.

So far, the SFC has completed three solicitations for proposed projects and had a fourth solicitation outstanding at press time. Although it has reviewed over 100 proposals, it has to date granted only two letters of intent—

Ironically, the energy industry now is courting government involvement to get synfuels moving.



Even if the industry had 40 rail cars full of studies, it would not know how to operate a synthetic fuels plant without building one, Gorman Smith says.



Without a dramatic change in oil prices or massive government support, it will be impossible to develop a synthetic fuel industry in the near future, says Ray Newsom.

documents saying the two parties are pleased with negotiations thus far and intend to reach a final agreement.

The First Colony peat to methanol project in North Carolina has received one of the letters. According to current negotiations, the project will receive \$465 million in price supports and loan guarantees. The agreement should last 15 years and guarantee the project \$1.05 per gallon for its product. Koppers Co., J.B. Sunderland, Energy Transition Corp. and Transco Energy Cos. are the partners.

The Santa Rosa Oil Sand Project in New Mexico has also received a letter of intent. The SFC intends to guarantee the partners, Solv-Ex Corp. and Foster Wheeler Corp., \$25 per barrel of crude over the project's first eight years. Loan guarantees and price supports will total \$41 million.

Some energy companies have criticized the SFC for not acting faster to

award loan guarantees and price supports. "Until we know what the game is," Schroeder responds, "We are not going to call any plays. The seven board members are not going to spend the taxpayers' money in anything but a responsible manner."

Not all loan guarantees have come from the SFC. The Department of Energy has provided a loan guarantee and price support to the Great Plains Coal Project. The \$2 billion project, sponsored by American Natural Resources Co., MidCon Corp., Tenneco and Transco, is scheduled to start up in 1984.

"To have participated in the Great Plains project without any government loan guarantees would have greatly restricted our abilities to operate our other businesses," Transco's Smith says.

The large capital outlays necessary for a synfuel plant also restrict who can participate.

"I suspect, when you talk about the size of the capital investment, by definition you've got to have a major operator or you can't generate capital, with or without government support," says B.E. Dinger, regulatory affairs manager for Tenneco Shale Oil, a subsidiary of Tenneco.

Panhandle Eastern's Newsom laments that the industry needs help with the permitting process as well as the financing.

"We never knew who to go to for all the permits," he says. "There is no central directory or organized plan on where to go and what a company needs."

Although Newsom expected permit hassles regarding potential air, water and solids pollution, the potential historical and social impact studies in Wyoming overwhelmed him. The partnership had to examine how the plant would affect schools, roads, courthouses, and so forth, and whether new structures will need to be built as a result.

"If you can't show the general economy will be stimulated, then you will pay for them (new facilities)," he says. At one point, the partnership was going to build and staff a hospital to serve the influx of people associated with the plant.

To avoid destroying anything historical, the partnership had to hire experts to examine the site for artifacts. If they found anything, the partnership would have had to excavate it, erect a historical marker on the spot, or give the item to a museum, Newsom explains.

"The project ran into all kinds of things," he says. "We had no idea that when building a plant in Wyoming we would get involved with the whooping crane."

The project would have used water from the North Platte River. The river runs through a spot in Nebraska where the whooping cranes rest on their journey south. Panhandle Eastern suspended the project before it ever got around to solving this problem, he says.

So, for the synthetic fuels industry to survive, either oil prices will have to rise dramatically, or the government will have to offer support.

"We don't think that it is likely that prices will take off in the near future, so there is only one option if we want a synfuels industry—government support," Newsom says.

Without, South Africa may remain the only country with a viable synfuel industry. ■

Q U A L I T Y

Performance is everything.

Robert E. McKee, Inc. builds quality
into their service, management and budgets.

In combination with hard work, integrity and ingenuity,
we successfully manage the construction process from start to finish — with on time occupancy.

From high rises, office buildings, hospitals, hotels, civic centers, city halls,
scientific, industrial and educational complexes
to solar installation — we have sixty-nine years of experience,
and it's all built on quality.

McKEE CONSTRUCTION

Dallas

El Paso
7575 San Felipe

Houston
Suite 327

Los Angeles
Houston, Texas 77063

San Diego
713/782-9044

Denver

*Enserch Tower
Houston, Texas*



A Santa Fe Industries Company



AISLE 9
CONSUMER BANKING PROD.

LOANS

NOW
ACCOUNTS

MONEY
MARKET

O JUMBO
10 25 30

2 1/2 TR
CERT

6 MONTH
C-D 86

SOMINANC

CROSS

MON

In The Market For Your Money

Remember when just saving some money was a virtue? Well, it's not that simple any more.

By Rosanne Clark

Shopping for dollars is becoming a passion even among the most conservative of savers as deregulation enables banks and savings and loans to stock their shelves with a variety of products tagged at market rate interest. The stacked counters may leave their customers spoilt for choices, but one thing is for certain: they'll get a better rate of return than they've received in years, and at no extra risk.

The shopping spree began Dec. 14, when the Depository Institutions Deregulation Committee (DIDC) began allowing federally insured commercial banks, thrifts and mutual savings banks to offer money market deposit accounts to compete with the successful money market mutual funds. The new accounts, initially offered at 10.5 to 11.5 percent, require only a \$2,500 minimum balance, no more than six transfers per month (only three transfers by check) and no minimum maturity period, although institutions must reserve the right to require at least seven days notice prior to withdrawal. What's more, commercial customers can also take advantage of the new accounts.

Consumers paraded back to their banks and S&Ls Jan. 5, when DIDC authorized the Super NOW accounts, an offshoot of the regulated NOW account which allows banks and S&Ls to pay interest on checking accounts. The Super NOW accounts, initially offered at 7.5 to 8.5 percent, have the same features as the money market deposit accounts, but allow unlimited transactions. Individuals, certain non-profit organizations and governmental units are eligible for

the Super NOW accounts; commercial customers are not.

Both the money market deposit and Super NOW accounts are a result of the Depository Institutions Deregulation Act of 1980, which created DIDC and initiated the phased-in deregulation process, and the Garn-St. Germain Depository Institutions Act of 1982. The latter not only authorized the new accounts, but also eliminated the interest rate differential in favor of thrifts Jan. 1, 1984 and gives federally chartered S&Ls commercial checking and lending powers. (State-chartered associations in Texas already had these powers.)

Time deposits are also covered by the deregulation package. In March 1982, DIDC adopted a schedule to phase out interest rate ceilings, beginning with the longer term time deposits. Effective May 1 of that year, the interest rate ceiling was lifted on certificates with maturities of 42 months or more.

The same day the Super NOW account became effective, the interest rate ceiling was lifted on the shorter-term 7- to 31-day accounts.

At the beginning of this month, the gap between short-term and long-term ceiling-free deposits was narrowed when banks and S&Ls began offering market-rate interest on 30-month certificates. On certificates of 18 months to less than 30 months maturity, the interest rate ceiling for thrifts was changed to the average yield for 18-month Treasury securities and 25 basis points less for commercial banks.

Over the next three years, the ceiling will be lifted on certificates with maturities of 18 months or more (April 1,

1984); certificates with maturities of 6 months or more (April 1, 1985); and certificates with maturities of 14 days or more (March 31, 1986).

The deregulated certificates will carry no minimum denomination, but must be offered in \$500 denominations. The early withdrawal penalty is six months loss of interest. Institutions may make the certificates negotiable and may permit additions during the first year without extending the maturity.

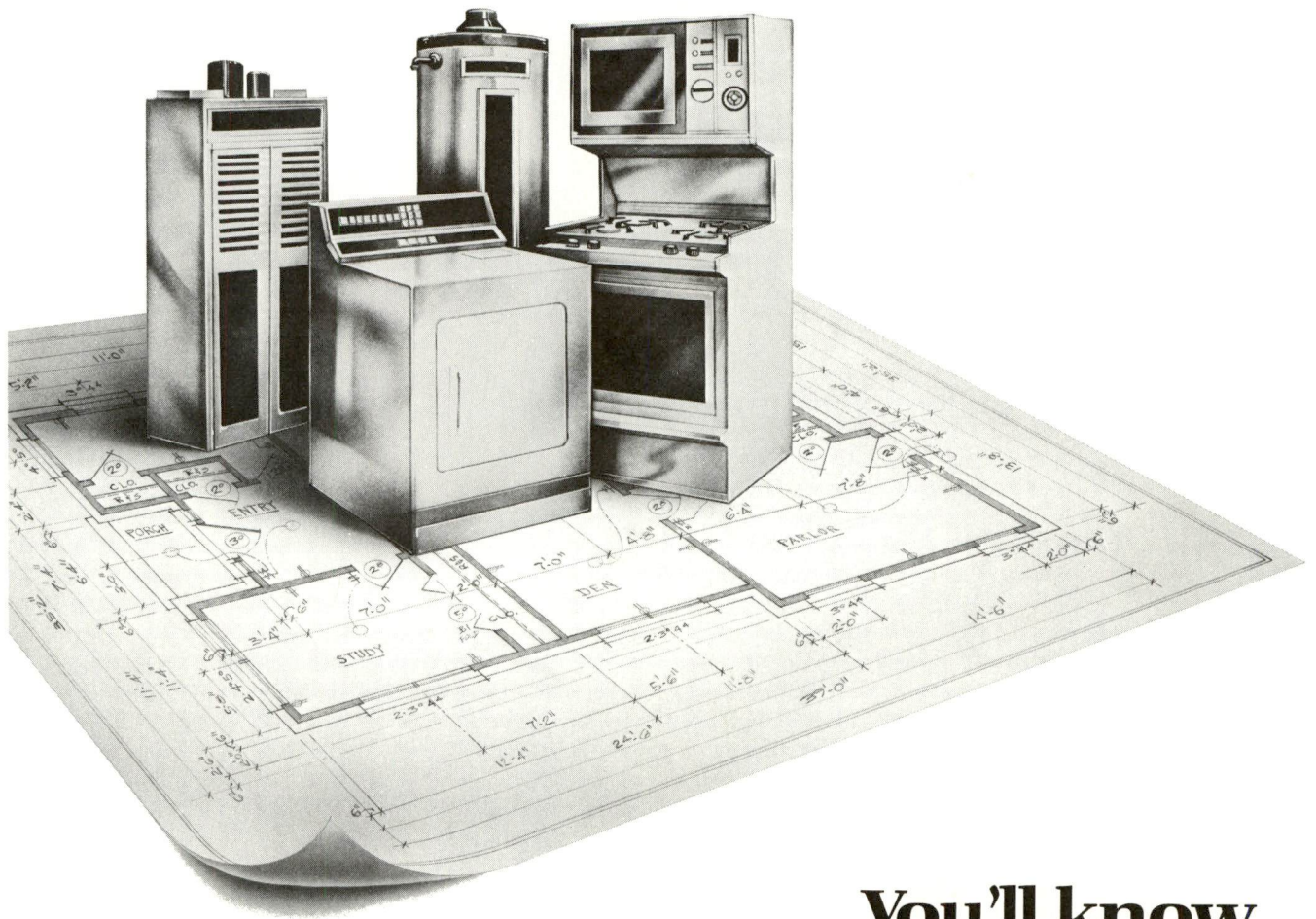
According to Charles C. Beall Jr., executive vice president of Texas Commerce Bancshares, Inc., deregulation is "a bonanza for savers."

"For the first time in nearly 15 years, small savers can obtain market rates on their savings accounts with depository institutions," he says. "For the first time in half a century, market interest rates are available on transaction balances. The result should be an increase in the consumer savings rate as a fraction of personal income."

Deregulation is indeed a boon for consumers who for years saw their pass-book savings accounts being eaten away by inflation because their rates were locked in at 5.25 percent at banks and 5.5 percent at S&Ls. Until the NOW accounts were initiated at the same interest rates in 1980, consumers received no interest on checking accounts. The only way they could get ahead of inflation and get a better return with little or no risk was to lock their money away in time deposits, most of whose rates were tied to the interest paid on short-term Treasury bills, or invest in a variety of uninsured instruments such as mutual funds.

The success of the money market deposit accounts is proof that consumers were ready for a change. In the Eleventh Financial District (which covers all of Texas and part of Louisiana, Oklahoma and New Mexico), more than \$13.3 billion poured into the new accounts the first two months they were offered, even though interest rates have begun to steadily decline.

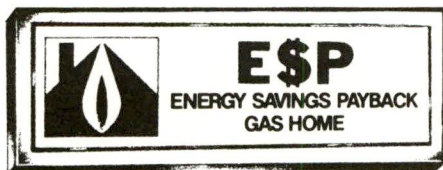
The Super NOW accounts, which presently average between 6.5 and 7.5 percent, received \$1.68 billion in deposits during the first month they were offered in the Eleventh Financial District. The Super NOW accounts have been less successful than the money market deposit accounts, say financial analysts, because their rates are not substantially higher than the NOW account and it is harder for many consumers to maintain a \$2,500 balance in a checking account. ▽



You'll know energy savings are built in when you see these signs.

ESP is a sure sign that your new home is an energy and money saver. ESP stands for Energy Savings Payback. Because homes with gas appliances use energy more efficiently than their electric counterparts, you'll save hundreds of dollars a year. And thousands of dollars over the life of your appliances. So look for the ESP sign when you're house-hunting today. Then plan on saving energy and dollars tomorrow.

For more information about homes with ESP, call Entex at (713) 654-5100, or write P.O. Box 2628, Houston, Texas 77001.



ENTEX



Most banks and thrifts base both accounts on an index of money market funds, such as the Donaghue or Wall Street Journal weekly average of money funds, and whatever they believe they can afford to pay to remain competitive. Rates usually change weekly, on Tuesdays, as do rates on time deposits. The rate on time deposits tied to short-term Treasury bills, is currently averaging between 8 and 9 percent.

As Jim Day, vice president of public relations for First City Bancorporation of Texas, puts it, "Except for inertia, there's not much reason for someone to keep all their money in a passbook savings account anymore." He believes passbook savings will become virtually obsolete in the next few years.

Deregulation may increase the profitability of individual savers, but it's going to decrease the profitability of financial institutions that must pay more for the deposits, and that's causing a variety of reactions from bankers and S&L officials.

"It's like taking a captive animal in a zoo and releasing it into the wild," says critic F. Hagen McMahon, executive director of the Independent Bankers Association of Texas. "The effect could be devastating."

Raymond M. Oshman, executive vice president and chief operating officer of San Jacinto Savings Association, thinks differently. "It's the best thing since sliced bread, because it takes away the strict regulations the banks and S&Ls have been under since the 1930s," he observes. "Now prices and products can be left to the discretion of the individual institutions, whereas in the past all the products looked the same."

The enthusiasm of Bank of the Southwest President C. Richard Vermillion Jr. is more tempered. "I'm in favor of deregulation, but it's the timing that I'm concerned about. I'd prefer they not throw all of these things at us at once, but allow us more time to re-price our products and to absorb the impact more slowly.

"A lot of my concern has to do with the economic environment," he continues. "If this was a booming economy as opposed to one which is coming out of a recession, and there was substantial loan demand and earning asset opportunities for banks to absorb the new liability (deposit) costs, deregulation could come much faster. But the fact is we're in a slow economic period. Houston is experiencing its first recession for all practical purposes, and that, coupled with deregulation on the liability side, is

making it hard for banks to absorb additional costs and maintain profitability."

Vermillion is particularly disturbed that deregulation comes at the same time as the federal mandate for 10 percent withholding on interest earned in interest-bearing deposits, effective July 1. He says the implementation of such a "costly" system will be a tremendous burden on banks, particularly in a growth market like Houston where financial institutions "really have all they can do to keep up managing their assets and liabilities without the government throwing in new bells and whistles."

In general, large banks and thrifts with a high concentration of assets and capital tend to favor deregulation because it allows them to compete more effectively against other financial institutions. Small banks and S&Ls, however,

worry that they may not have sufficient capital to offer all the products necessary to defend their markets against outside encroachment.

All agree, however, that deregulation solely on the liability or deposit side will increase the cost of funds and make it difficult for financial institutions to maintain the net interest margin generated in recent years by their loan and investment portfolios. (Net interest margin is the rate of loans and earning assets versus the interest expense on deposits).

"Banks have traditionally relied upon demand deposits to make a lot of money for them because the spreads (between interest income and interest expense) have been so big," explains Robert B. Lane, president of the Texas Bankers Association. "Now they will have to pay

A Nice, Steady CD Might Be The Answer

Choosing the right certificate of deposit or money market account can be confusing, given the vast array of products on the market. Before making your final decision, you should consider three factors: the nation's overall interest outlook, how the account's interest rate is figured, and what service charges are involved.

Many banks and thrifts that originally offered money market accounts at a higher interest rate than CDs are now reversing that trend. In the hopes of influencing their customers to lock in money for extended periods, they are offering some long-term CDs at interest rates 2 to 3 percent higher than money market accounts. Gibraltar Savings, for example is advertising 11 percent on four-year certificates and 11.5 percent on eight-year certificates.

As interest rates drop, shifting some money into CDs may not be a bad idea. As James A. Coles, president of United Savings points out, you'll gain a far better return on a four-year certificate at 11 percent than in a money market account that remains around 8 percent.

Raymond M. Oshman, executive vice president of San Jacinto Savings Association, offers this example. "If you put \$5,000 in a 30-month CD at 9.5 percent interest compounded daily,

you'll have \$5,506 at the end of a year. If you put the same \$5,000 in a money market account and the interest rate stays in the range of 8 percent, you'll only have \$5,400 at the end of the year. Even if the interest rate goes up to 10 percent, it's \$5,500."

How the interest is computed is another factor. Two banks or thrifts with the same advertised rate may have different effective yields depending on whether the interest is simple or compounded daily.

For example, with a 9 percent interest rate, the effective yield would be 9 percent if figured at simple interest, 9.38 percent when compounded monthly and 9.42 percent when compounded daily.

Service charges also make a difference on your effective yield. Some of Houston's top banks charge a penalty if your minimum balance in a money market account drops below \$2,500. Texas Commerce Bank, for example, charges \$10 for balances under \$5,000 and \$7 for balances between \$5,000 and \$7,500.

As Oshman points out, the volume of the transaction is not always as significant as the dollar average, particularly in low-balance checking accounts. He says if you average between \$3,000-\$4,000 in a checking account, it may pay you to have a Super NOW account. If you only average \$500-\$1,000, a regular checking account is your best bet. In fact, you may want a checking account which pays no interest but has a low service charge if you find that service charges are eating up the interest you are earning. —R.C.

more for a significant portion of their deposit base.”

Lane says smaller banks have traditionally had a higher net interest margin than larger banks, because they have a higher proportion of below-market funds. In 1981, small banks with assets of \$24 million or less had a 5 percent

spread between interest income and interest expense. The spread averaged 3 percent with banks of \$200 million or more in assets.

Banks must maintain a positive spread between interest income and interest expense in order to remain profitable, says Lane. However, according to

a survey recently completed by the Texas Bankers Association, Texas banks will suffer at best a 40 percent decline and at worst a 78 percent decline in net interest margin with deregulation.

Declining interest rates may also affect how banks and S&Ls respond to

Continued on page 68

MONEY MARKET ACCOUNTS & SELECTED LONG-TERM CDS AT HOUSTON'S TOP 10 BANKS & THRIFTS

Bank or Thrift	Account Name	Minimum Balance	Service Charge	Withdrawals Per Month	Interest Paid	Interest Rate
First City National	Money Market Savings	\$2,500	Balance Below \$5,000/\$2 mo.	Six	Compounded Daily	8.30%
	Money Market Checking	\$2,500	Balance Below \$20,000/\$6 mo. Below \$10,000/\$12 mo.	Unlimited	Compounded Daily	7.30%
	42-Month Certificate	\$ 500	—	—	Simple Interest	9.0% Floating Rate 9.45% Fixed Rate
Texas Commerce	Money Market-Plus	\$2,500	Balance: \$7,500-\$9,999/\$5 mo.; \$5,000-\$7,499/\$7 mo. \$5,000 less/\$10 mo.	Unlimited Lobby Withdrawals (three third party checks per month)	Simple Interest	7.95%
	Money Market-Checking 30-Month Certificate	\$2,500 \$1,000	Same as MM + —	Unlimited —	Simple Interest Simple Interest	7% 9.45% Fixed Rate
Bank of the Southwest	Money Market Savings	\$2,500	Balance Below \$10,000/\$3 mo.	Six	Compounded Monthly	8.05%
	Money Market Checking	\$2,500	Balance Below \$10,000/\$5 mo.	Unlimited	Compounded Monthly	6.90%
	30-Month Certificate	\$1,000	—	—	Compounded Daily	9.45% Fixed Rate
Allied Bank of Texas	Money Market Savings	\$2,500	Balance Below \$1,500/\$10 mo.	Six	Compounded Monthly	8%
	Money Market Checking	\$2,500	Balance Below \$10,000/\$10 mo.	Unlimited	Compounded Monthly	7%
	42-Month Certificate	\$ 500	—	—	Simple	8.5% Floating Rate
RepublicBank Houston	FLEXFUND	\$2,500	None	Six	Compounded Monthly	8%
	FLEXCHEK	\$2,500	Balance Below \$2,500/\$10 mo.	Unlimited	Compounded Monthly	Under \$5,000 5.25% \$5,000-\$10,000 6% Over \$10,000 7%
	30-Month Certificate	\$1,000	—	—	Simple	9.45% Fixed Rate
Gibraltar Savings	Money Market-Plus	\$2,500	Balance Below \$500/\$5 mo.	Six	Simple	7.71%
	Sweep Account	\$2,000	Balance Below \$500/\$5 mo.	Unlimited	Simple	7.71%
	Four-Year Certificate	\$ 500	—	—	Simple	11% Fixed Rate
	Eight-Year Certificate	\$ 500	—	—	Simple	11.5%
Houston First American Savings	Insured Money Fund Account	\$2,500	Balance Below \$500/\$10 mo.	Six	Compounded Monthly	Under \$20,000, 8.24% Over \$20,000 8.74%
	30-Month Certificate	\$ 100	—	—	Compounded Quarterly	9.7% Fixed Rate
	42-60-Month Certificate	\$ 500	—	—	Simple	10% Fixed Rate
University Savings	Money Master Fund	\$2,500	None	0	Compounded Daily	8.5%
	30-Month Certificate	\$ 500	—	—	Compounded Quarterly	9.5% Fixed Rate
United Savings	Insured Money Fund	\$2,500	None	Unlimited Lobby Withdrawals (No checks)	Compounded Monthly	8.5%
	Super NOW	\$2,500	None	Unlimited	Compounded Monthly	7%
	30-Month Certificate	\$ 100	—	—	Compounded Quarterly	9.7% Fixed Rate
	Four-Year Certificate	\$1,000	—	—	Compounded Quarterly	10.8% Fixed Rate
San Jacinto Savings	Money Market Savings	\$2,500	Balance Below \$2,500/\$10 mo.	Six	Simple	8.5%
	Super Checking	\$2,500	Balance Below \$2,500/\$25 mo.	Unlimited	Simple	7.5%
	30-Month Certificate	\$ 100	—	—	—	9.7% Fixed Rate
	42-Month Certificate	\$ 500	—	—	Simple	10.5% Fixed Rate

NOTES: Interest rates shown are as of March 15, 1983, and are subject to change.

**Good News to all you Houston-area residents
who are tired of sending a whopping share of
your investment earnings to the I.R.S.**

Buchanan & Co., Inc. and
TAX-FREE INTEREST
have come to the rescue.

Buchanan & Co., Inc., one of the Sunbelt's fastest-growing
and most respected investment banking firms, has just opened
a full-service branch office in Houston.

Backed by the strength of a multi-state organization,
and staffed by experienced investment professionals,
Buchanan/Houston is now THE SOURCE in this part of the state for
First Mortgage Revenue Bonds, Insured Municipals Income Trusts,
and other very attractive investment opportunities.

If you are an upper-income, experienced investor, a
young professional just starting a portfolio, or somewhere in between,
you should get to know the tax-free bond specialists at
Buchanan & Co. Inc.

Call or come by right away so YOU can begin earning
TAX-FREE INTEREST* now.

*Interest earned is free from all federal, and in some cases also state and local, income taxation.

Call Collect (713) 447-6084



Investment Bankers

11811 North Freeway, Suite 680, Houston, Texas 77060

Also Jackson, MS, Memphis, TN, Phoenix, AZ, Tucson, AZ, Tampa, FL

MEMBER: **NASD, SIPC, PSA, SIA**

THE INDEPENDENTS

Almost in the shadows of downtown skyscrapers, some small, old-fashioned businesses still do their modest trade. Some even thrive, though they no longer loom as large in our daily lives as they once did, and most of us have forgotten how significant a place they had in helping us take care of our personal business.

HOUSTON Magazine visited with four of these businesses whose origins seem to lie in less driven times: a soda fountain and drug store, a grain and feed store, an independent neighborhood grocery, and a farrier.

The men who run these businesses range from 38 to 74 years of age. Some grew up here, some elsewhere. One learned his trade from his father, another at school and a third from his predecessor. What they have in common is their solitary independence in the face of threatened obsolescence. That, and the value they place on that independence.



By Patrick Jankowski

H

ouston's Pharmacy at 2119 Washington Ave. is not your typical neighborhood drug store. It doesn't sell lawn mowers, stereo equipment or patio furniture. The pharmacy doesn't have a cosmetics counter, but it does have a soda fountain where one can still order a cheeseburger and chocolate malt. Even the owner, T.K. Gantt, differs from most modern pharmacists. He earned his license over 50 years ago through an apprenticeship before the state mandated college training for pharmacists.

Gantt began working in Huston's as a delivery boy in 1925. Coca-Cola sold for a nickle then, hamburgers for a dime and a plate lunch for 25 cents.

Gantt: The Soda Fountain Stays



In the '20s, a man could still become a pharmacist through either a four-year apprenticeship or one year of college training. When Gantt started his apprenticeship, J.C. Huston, then owner of the store, promised to sell him half interest in the store when he received his license. Gantt apprenticed five years instead of four, took his exam, and received his license on Oct. 29, 1929, the day of the great crash on Wall Street.

The crash made Huston nervous, so he decided to sell Gantt the entire store instead of just half. As part of the purchase agreement, Huston agreed to work for Gantt one year without pay to help him get started. For business rea-

sons, Huston persuaded Gantt not to change the store's name.

"If I'd changed the name, I was liable not to make any money, because he was well liked," Gantt says. "Everyone in this part of the country knew Mr. Huston."

Because Huston continued to work behind the counter, none of the customers ever suspected the store's ownership had changed. Gantt signed a three-year note for \$6,000 and paid it off in two. And even though he has moved the store several times and Huston died in 1942, he never saw any need to change the store's name. It has been Huston's for more than 80 years.

But Gantt ran into problems within 30 days of taking over. Huston had never signed a formal lease on the building, so when its owner died, the executor of his estate sold the building to Humble Oil & Refining Co. for a service station site. Gantt moved his store from 2101 Washington to 2011 Washington.

"I had to keep an awful sharp pencil then, because we were in a depression," he says.

Gantt had two delivery boys working for him then. One worked the day shift six days a week and earned \$9. The other worked nights five days a week and earned \$5. Huston, a registered pharmacist, earned 50 cents an hour.

But the Washington Ave. neighborhood remained strong, and so did Gantt's business. The railroad industry still thrived in Houston. Over 95 percent of the people in the neighborhood worked for Southern Pacific, and at one time 13 drug stores plied their business on Washington Ave., Gantt says. And in 1954, he built his present store. All three stores have been on one of two neighboring blocks through the past eight decades.

But much has changed. The neighborhood has become predominantly Hispanic. Many of the old residences and businesses have fallen down and car dealerships have sprung up in their lots. And only two drug stores remain, Huston's and Camp Logan Pharmacy. The Camp Logan store is for sale, and the owner says if he doesn't sell it by May 1st he will close it. So, Huston's will soon be the only pharmacy left on Washington Ave. Gantt expects his business may increase some as a result, since it has increased a little each time a store has closed.

"My business has increased a little bit

each year from the time I bought the store. Not a whole lot, but that's better than going down," he says.

But the store has also changed. Until six or seven years ago, a full-time doctor had his office in the store. He would refer patients to Gantt and vice versa. The names of these doctors, some deceased, others retired, still hang on the walls inside the store. The last doctor moved out of the store because he needed a larger office and Gantt did not have the space for expansion. His son, who frequently runs the cash register and helps with the books, now uses the office for his real estate business.

Gantt stopped making home deliveries about five or six years ago, but he still provides credit for customers who need medicine but are short on cash. He says he is especially understanding when the medicine is for a child.

And in spite of the fact that the soda fountain causes headaches and good help is hard to find, Gantt says he will never shut down his soda fountain. "If I took it out it would be like a morgue in here," he says. "There would be no customer traffic." To help out, his wife works behind the fountain and his daughter frequently helps.

Yet Gantt concedes that the soda fountain drug store will soon be found only in history books and old movies.

"These stores, like the one you see here, will soon be like the mom-and-pop grocery stores, and you know what happened to them," he says.

Gantt expects chain drug stores will eventually rule the market they now dominate. The successful independents will be located in medical complexes or professional buildings, and they should have a healthy business. He concedes he probably could have made more money in another location. He had a chance to open the first pharmacy in Spring Branch, but didn't take it. And he had several opportunities to sell in the past, but never accepted any.

Gantt is now 74, and he doesn't know what his family will do with his business when he dies.

"If they find a buyer, okay, but people just don't buy these type of stores any more," he says. "They will probably just sell off the merchandise and lock the doors."

When that happens, the last soda fountain and drug store on Washington Ave. will be gone forever.



Pasternak: *The Urbane Grocer*

Cary Pasternak is a third generation grocer in a city where few things have been around for more than one. In 1937, his grandfather opened a store in the Sixth Ward where his father and uncles worked before opening their own stores. Starting in junior high school, Pasternak also worked in his father's and uncles' stores. Now, after stints as a landscaper and home remodeler, Pasternak owns his own grocery store—the first to actually bear the family's name.

Pasternak's Grocery at 529 W. Alabama is one of the few independent or neighborhood-type operations left in the city. At 7,500 square feet, it is less than one-fifth the size of many chain stores, yet it carries a full line of groceries. Like many of the Mom and Pop stores of the past, Pasternak knows many of his customers by name, tries to excell in service, and even offers a home delivery service. Unlike the typical neighborhood stores from the past, Pas-

ternak doesn't sell groceries on credit but does offer gourmet and specialty foods as well as the standard fare.

A food store has always occupied the brick building in Montrose where Pasternak's is now, but the store, like the neighborhood it serves, has gone through a cycle of birth, growth, deterioration and re-birth. When first built in the '20s, ABC Foods occupied the store and a bakery, barber and shoe repairman occupied the shops next door. Majestic Food Market moved in during the '40s, and Better Foods took it over in the early '60s.

According to Pasternak, it had become a "glorified convenience store" with an "undesirable clientele" when he bought it in 1977. The store was dark and dirty. A 25-case display of cheap wine, the type one drinks from a brown paper bag, sat in front of the meat case. The freezer and refrigeration units leaked onto the floor. The linoleum had

worn through to the slab in several places. And the store was plagued with shoplifting and bad checks.

Pasternak struggled to overcome that image the first three years he owned the store. He replaced the floor tile, plumbing, wiring and several freezer units. He also raised the ceiling in the front of the store and uncovered some windows which had been boarded over. Now, the store is a clean, well-lighted place.

As a result, his clientele has changed. Most of his customers are single and in their 20s to 40s. Pasternak himself is single and 38. Pasternak's customers tend to buy only what they will cook that day, and they also tend to be concerned about quality. This summer, he hopes to have a system where customers can phone an order in during the morning and pick it up on the way home in the evening. He also hopes to work out a system so customers who want to prepare a specific type of meal can call the



Photography by James LaCombe

store beforehand and he can gather all the ingredients for them.

"The building has always been here, but I know people who live two blocks away from the store who say they've never seen it even though they pass by it every day," he says.

He blames this on people not noticing a grocery store unless it is set back from the street with a sea of parking spaces in front of it, like the chain stores have.

Pasternak's sits a car width from the street, with the main parking on the side of the building. He has never thought about relocating his store, because he likes working only nine blocks from his home, enjoys the slower pace of the inner city, and believes the neighborhood has great potential. Unfortunately, the pace of running the store hasn't been too relaxed. He works six days a week, often seven, but says he doesn't mind

because he enjoys it.

Pasternak believes independents can effectively compete with the major chains, some by offering better service and comparable prices, others, like himself, by catering to the customer with more refined tastes in food. As a result, he doesn't believe the independent grocer will be forced out of business.

Besides, he points out, "My dad heard that even when he was a kid."

Photography by James LaCombe



Warren: *A Little Out Of Place*

Hendrick Grain Co. looks like it belongs in rural Texas of the '20s, not inner-city Houston of the '80s. Weathered feed signs hang on its white-washed walls. Aluminum cattle tanks and a cage with rabbits share the front deck with racks of garden seeds. The wooden floors have been worn smooth by years of customer traffic. In fact, owner E.B. Warren concedes the building may be a little out of place.

"I don't do as much business as I probably could do out in the country," he says.

But if a building could sink roots, no one would ever budge Hendrick Grain

Co. from its place at 6619 Harrisburg. Grain and feeds have been sold there since J.P. Hendrick, Warren's father-in-law, founded the business in 1923.

When it was built, the grain store was in the city of Magnolia Park and served the ranches and dairy farms in the area where the Johnson Space Center is now. But the city of Houston annexed Magnolia Park in 1926, and in the 1950s the dairies and ranches started selling out. Now most of Warren's large customers have gone.

"Most customers buy a sack or a pound or two at a time," he says, "but we used to be able to sell two or three

tons to just one dairy."

When Warren, now 59, bought the store from his father-in-law in 1968, he added garden supplies, seeds and horse tack to compensate for the drop in feed sales. Now most of his customers are home gardeners, weekend ranchers and individuals with animals.

Warren says he tries to boost sales through advertising, but the discount centers and garden shops have cut into his business.

"The biggest challenge now is keeping the doors open," he says.

Love: A Better Class Of Horse

Howard Love plies a 19th-century trade in a 20th-century city. Love is a farrier—he shoes horses for a living.

Although a farrier and a blacksmith perform similar work, they are not synonymous. A blacksmith shapes iron with a forge, hammer and anvil. A farrier may also shape metal, but his craft is shoeing horses. In olden times, farriers even treated horses medically. While few farriers still treat horses medically, the craft otherwise hasn't changed in centuries.

“Horseshoeing has stayed the same

for the last several hundred years,” Love says. “Some of our best books were written in the 19th century.”

Love, now 49, first became interested in shoeing horses as a boy when he worked a hand-cranked forge for a blacksmith in Beaumont. A rodeo arena stood behind his house, and whenever a show came to town he would be there to help the farriers.

As a young man, Love worked for Southern Pacific in San Antonio for 10 years before deciding to pursue his

avocation more seriously. Love tried to apprentice with an older farrier, which offered him a chance to learn by observation, but Love wanted more formal instruction, so he enrolled in a farrier school in Grapevine. At first, Love's manager agreed to allow him two and a half months off to attend school then return to his job. But later, the company changed managers and the new one wouldn't abide by the agreement. Love had already made arrangements for school, so he quit Southern Pacific, took his wife and three sons to live with an aunt in Houston, and left for Grapevine.

“When I started, I really didn't intend to do it full time. I intended to do it part time. But the way circumstances came about I ended up doing it full time,” Love says.

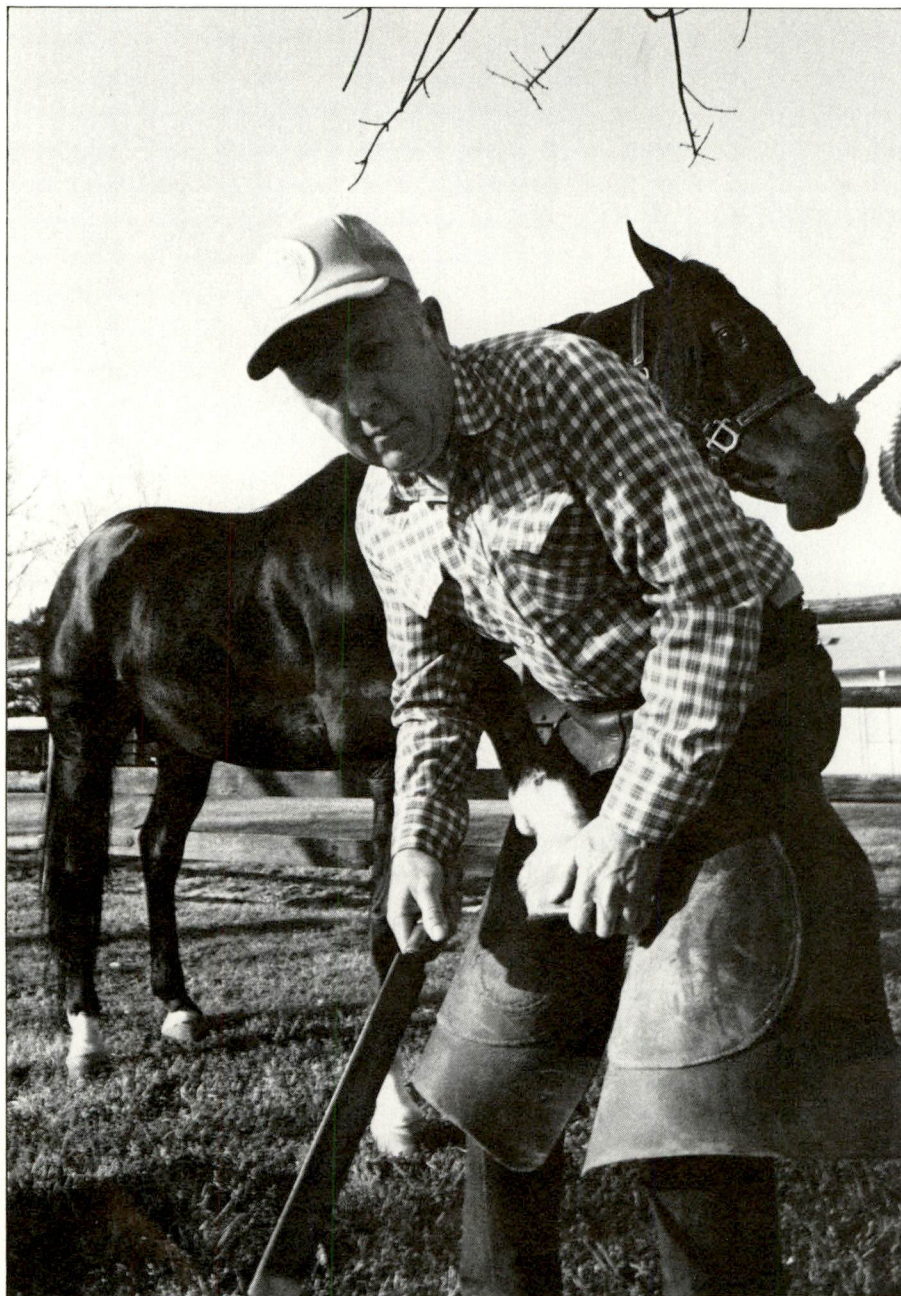
After graduating, Love settled permanently in Houston. Another relative, a large-animal veterinarian, offered to help by referring clients to him. It took two and a half to three years before he had established a wide enough customer base to make a comfortable living.

In his 17 years as a full-time farrier, Love has shod pleasure, working, race and show horses for area owners. “At one time, 95 percent of my horses were Arabian horses,” he says. He has even shod for Ringling Bros. and Barnum & Bailey Circus. But most of his horses now are simple pleasure horses, since a lot of his customers with Arabians have either moved away or sold out.

Love travels to area farms and ranches for four days out of seven. He tries to spend Saturday and one weekday at home for people to bring their horses to him. He has even traveled as far as Luling and Austin to shoe horses, but now stays closer to the Houston area. And on the average, he loses one or two days a month to the weather.

Most of the shoes he uses are factory made, but he does a lot of reshaping in his forge, and he makes some surgical or corrective shoes by hand. He carries everything on his truck that he has at home—anvil, tools, shoes and propane forge—and like all craftsmen he takes pride in his work.

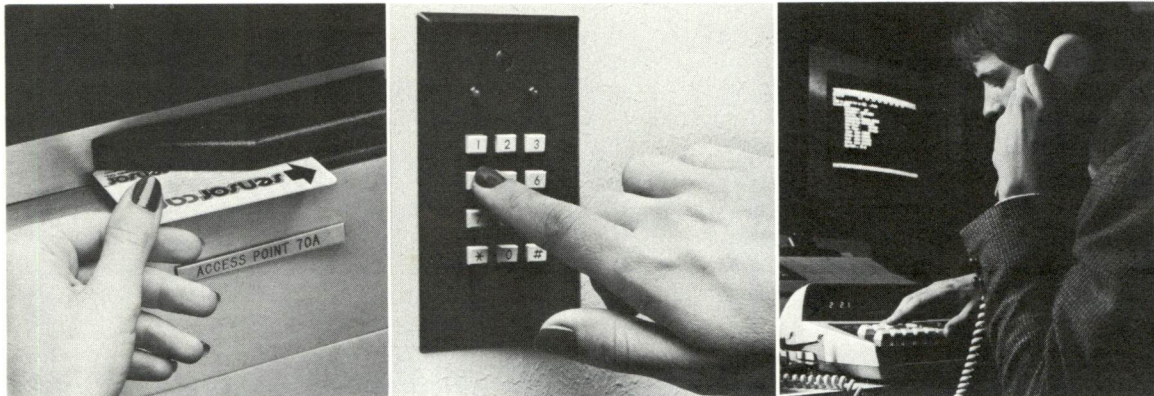
“If the horse walks off with a good



Photography by James LaCombe

Continued on page 70

NOW, OFFICE BUILDING DEVELOPERS CAN PROVIDE BETTER SECURITY AT A LOWER COST.



By providing exceptional security at a moderate price, Security Concepts makes building security a strong leasing tool.

The concept. For less than you'd pay for a traditional guard service, Security Concepts will design and engineer a security system for your building that's as thorough as a corps of guards. It combines hardware and back-up service that would be cost-prohibitive to attempt on an in-house basis.

Our system includes: twenty-four hour a day monitoring of both building and individual suite access, as well as all alarms, from our computerized operations center; all necessary electronic devices, including

card access for tenants and direct phone lines for visitors and emergencies, complete technical and clerical support; and radio dispatched, trained guards patrolling in your area, ready to respond to any incident...from unauthorized entry to the elevator flood alarm.

With Security Concepts, you can do a superior job of fulfilling your responsibility to provide a safe, secure working environment—within budget. And we'll work with you to design a lease/fee plan that will best fit your building's cash flow.

For more information about Security Concepts, contact Tom Walters, President. 713/688-3500.



© 1983, Security Concepts, Inc. LIC 2475

SECURITY CONCEPTS

Operations Center
6110 Pinemont, Suite 222 Houston, Texas 77092

THE PARK.
DISCOVER BOTH SIDES
OF THE STORY.



AN
IMPRESSIVE CORPORATE
ADDRESS.

At The Park in Houston Center, you'll find a downtown corporate environment uniquely suited to the needs and tastes of Houston businesses.

Spanning two city blocks, the 16-story tower is ideally located. Its enclosed skybridges allow access to the First City Tower and Garage, 1 and 2 Houston Center, and The Gulf Tower/3 Houston Center. Also linked by skybridge are the Four Seasons Hotel, corporate apartments at Four Seasons Place, and the Houston Center Club.

With connections to downtown Houston's tunnel system, The Park is within easy walking distance of all existing downtown office, financial, and cultural centers, as well as the future convention center.

The Park's advantageous location is more than matched by the advantages of the building itself. Each floor offers 57,000 square feet of premium office space with two separate business entrances and elevator banks to promote efficient traffic flow. Convenient covered parking exceeds the ratio of all other downtown office buildings.

And on The Park's north side, the office tower overlooks the vibrant retail complex. A shopping and dining experience that is truly unequalled in downtown Houston.

AN
INCOMPARABLE DOWNTOWN
MALL.

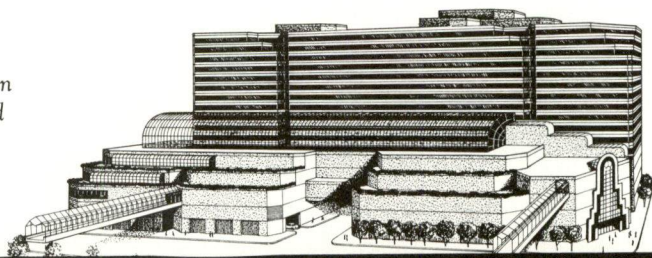
Extending The Park's entire two-block length is its retail area, housed beneath a spectacular curved glass atrium. Designed to be as much showplace as shopping center, over 100 fine stores are spread over two-and-a-half levels.

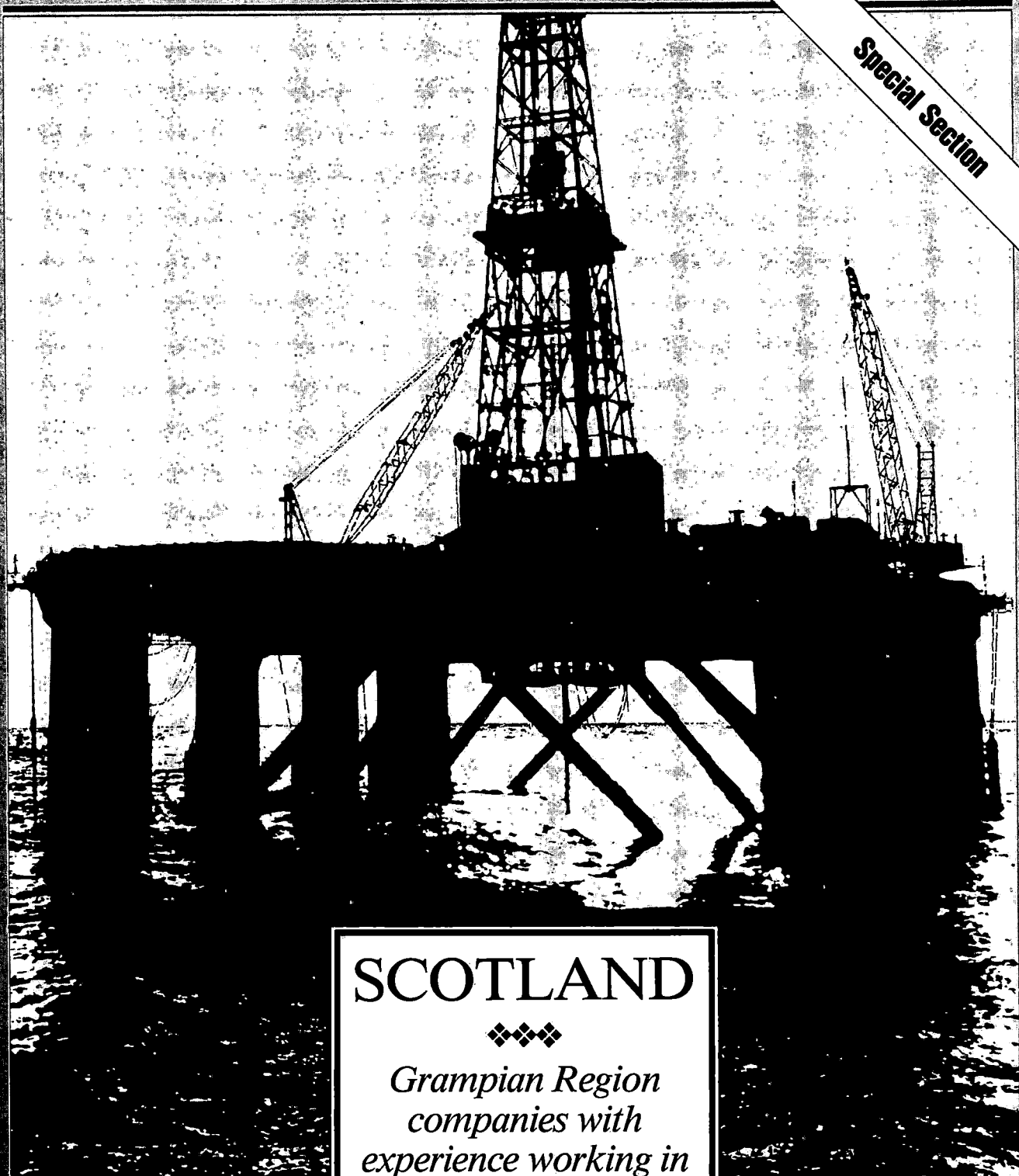
The Park's five-story vaulted entry welcomes visitors with a profusion of glass and greenery. From here, escalators rise into a skylit eight-story space and out into the complex's shopping and dining galleries, offering a unique mix of shops, restaurants, and service centers.

A dining court at the complex's east end offers a variety of culinary experiences. And throughout, lush landscaping and ample seating help make The Park the ideal place to shop, stroll, and simply enjoy.

A splendid shopping experience, a prestigious business address. Apart, each has its own attractions. Together, they create an exciting new focal point for downtown Houston: The Park in Houston Center.

For leasing information, contact: Henry S. Miller Company, (713) 626-8880; or Cadillac Fairview, (713) 654-4444. A project of Cadillac Fairview and Texas Eastern.





SCOTLAND



*Grampian Region
companies with
experience working in
the North Sea—
the world's first
deep-water
exploration area
—should have an
edge in other such
areas.*

By Ghislaine Hubbard

Companies in the Grampian region that matured during the North Sea oil boom of the 1970s are now looking to Aberdeen's reputation as an offshore technology base to secure them work worldwide. At the same time, current proposals for a 50-acre Science Park, linking local academic institutions and businesses, and for freeport status to cut the red tape involved in import/export work, are aimed at bolstering interest and activity in the area.

"By the end of the 1970s it was clear that Aberdeen would be the main support base for North Sea activity," says NESDA, the industrial development arm of the Grampian Regional Council. Since the discovery of oil in the northern North Sea, more than 600 new companies have established themselves in the Grampian area, with a further 200 native companies adapting to meet offshore needs. "We'd like to see the city go one step further and believe that now it has the kind of infrastructure to do so," says NESDA.

A combination of pressure from the UK Government for foreign companies to invest in the UK, the abundance of regulations and legislation covering North Sea installations, and the need for a specialized approach to the hazardous environment—particularly in the northern sector—has meant that a substantial amount of manufacture had to be done in and around Aberdeen, bringing the associated technology in tow. In 1981, Conoco, for example, was buying as much as 90 percent of its drilling muds and chemicals from Aberdeen as well as over 50 percent of its valves, casings, tubulars, piping, wellheads and other equipment.

"The growth of Aberdeen as a technology center followed naturally—development had to be done in situ," says Vetco, which has invested more than £5 million in its Bridge of Don base over the past few years. Research and development now accounts for at least 10 per cent of its UK workload. "The town has always been a commercial base," says Vetco. "Now it is an established manufacturing and technology base with a strong international flavor."

The prime overseas targets for North

Sea expertise—the east coast of Canada, Southeast Asia and Western Australia—look very much like the Grampian region when activity in the northern North Sea started to get underway. Compare the Aberdeen of 1969 when only 260 supply boats used its harbor to the Aberdeen of today with more than 4,000 supply boats docking yearly, and it becomes clear that a sizeable amount of expertise will be needed to develop the infrastructure necessary to support offshore exploration and development in these new areas.

North Sea service companies have both the experience of maturing within a growing offshore arena and the type of drilling and production technology that will be needed firmly under their belts. "Grampian companies that have been operating in the North Sea should have

Aberdeen's academic institutions have made a determined effort to become involved in applied, saleable research and development in support of the offshore industry.

a head start. Those that evolved purely to support oil exploration in the North Sea have frontier experience—the North Sea is the first deep-water exploration area in the world," says NESDA. "A lot of the kind of technology that will be used to develop the Canadian offshore reserves and other overseas developments grew up here."

NESDA admits that UK companies were slow to recognize the potential of North Sea development initially, but points to the success of British Shipbuilders and the Weir Group to illustrate changing attitudes. "It's taken us 10 years to get where we are now, but UK companies, including some of the traditional Scottish operations, have been coming in very fast over the past few years."

Some of the local Aberdeen firms have already been able to establish a

secure international standing. Baker Oil Tools, one of the first companies to move into the Bridge of Don industrial estate, claims it now exports at least 80 percent of the equipment it manufactures in Aberdeen. The Wood Group, one of Aberdeen's success stories, evolved from a fishing, trawling and ship repair company into an operation involving more than 2,000 people with a multi-million pound turnover. It is now one of the largest offshore engineering and support companies in Scotland. Peterhead's Aberdeen Service Company's transformation is even more dramatic. Once little more than "one entrepreneur in a shed," it is now one of the busiest, largest supply bases in Scotland.

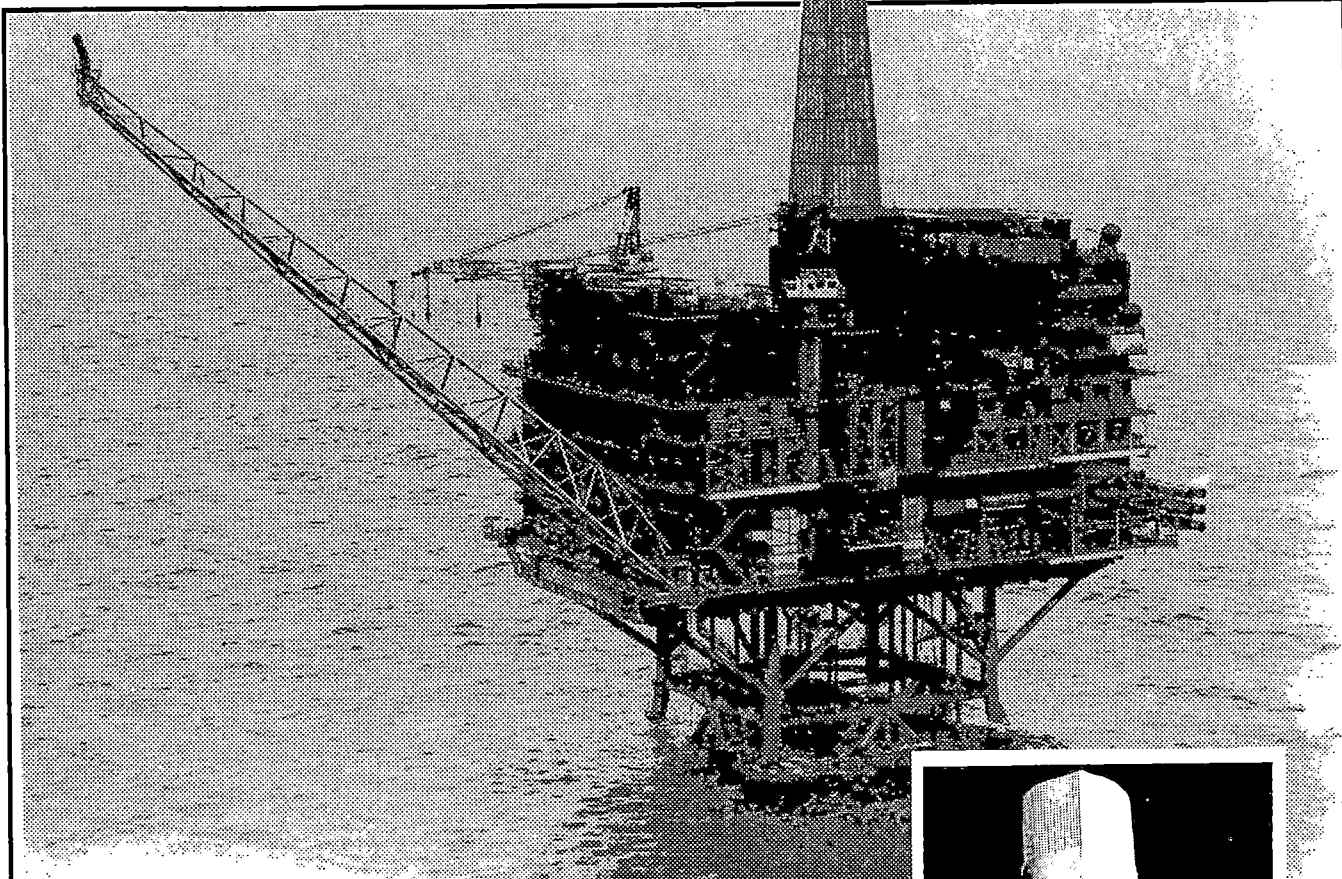
However, only about 15 Grampian based companies have opened branches overseas so far, a fact which reflects a resistance on the part of developing oil and gas areas to allowing any significant share of the profits to fall into foreign hands. Most of the opportunities will take the form of joint ventures, with a maximum 50 percent share being offered to the UK end.

Seaforth Maritime has already been able to form a joint venture with Fednav, a Halifax, Nova Scotia, shipping company, and has an agreement with a company in St. Johns, Newfoundland, to form a base operation. Peterhead Engineering is going in with Abco, a subsidiary of Atlantic Richfield, to operate on Canada's east coast, and a number of specialist companies involved in non-destructive testing (NDT), electronics and engineering from Aberdeen have also been able to get joint ventures onto the drawing board for east coast operations. The UK end will supply the expertise, with Aberdeen as the administrative and research headquarters, and the overseas end will carry out the manufacture and marketing.

"We want to ensure that the orientation towards Aberdeen stays even when there is not much happening in the North Sea," says NESDA. As part of its initiative to develop at least 10,000 extra oil-related jobs for Scotland during the course of the 1980s, it is backing the formation of a Science Park which should help Aberdeen to build up more exportable frontier expertise. The Park, which will be located on a 50-acre site north of the city center, will take the form of a research, development and manufacturing operation where consultants from the local academic institutions can join with businesses which want to make

Continued...

Ghislaine Hubbard is features editor of The Oilman magazine, published in London, England. This article first appeared there and is reprinted by permission.

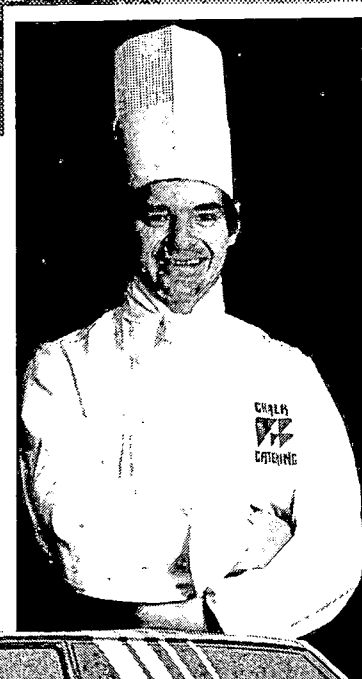


Chalk, one of the first British companies involved in North Sea development employs British personnel and supplies fine British food and service to many major operators. Anywhere in the world from the North Sea to the Gulf of Guinea, from the Adriatic to Mexico, wherever there's offshore drilling, Chalk will follow, giving the men what they want without fuss or difficulty, helping to keep things flowing smoothly, professionals like the men they serve.

CHALK

Catering|Scotland|Limited

No Problems



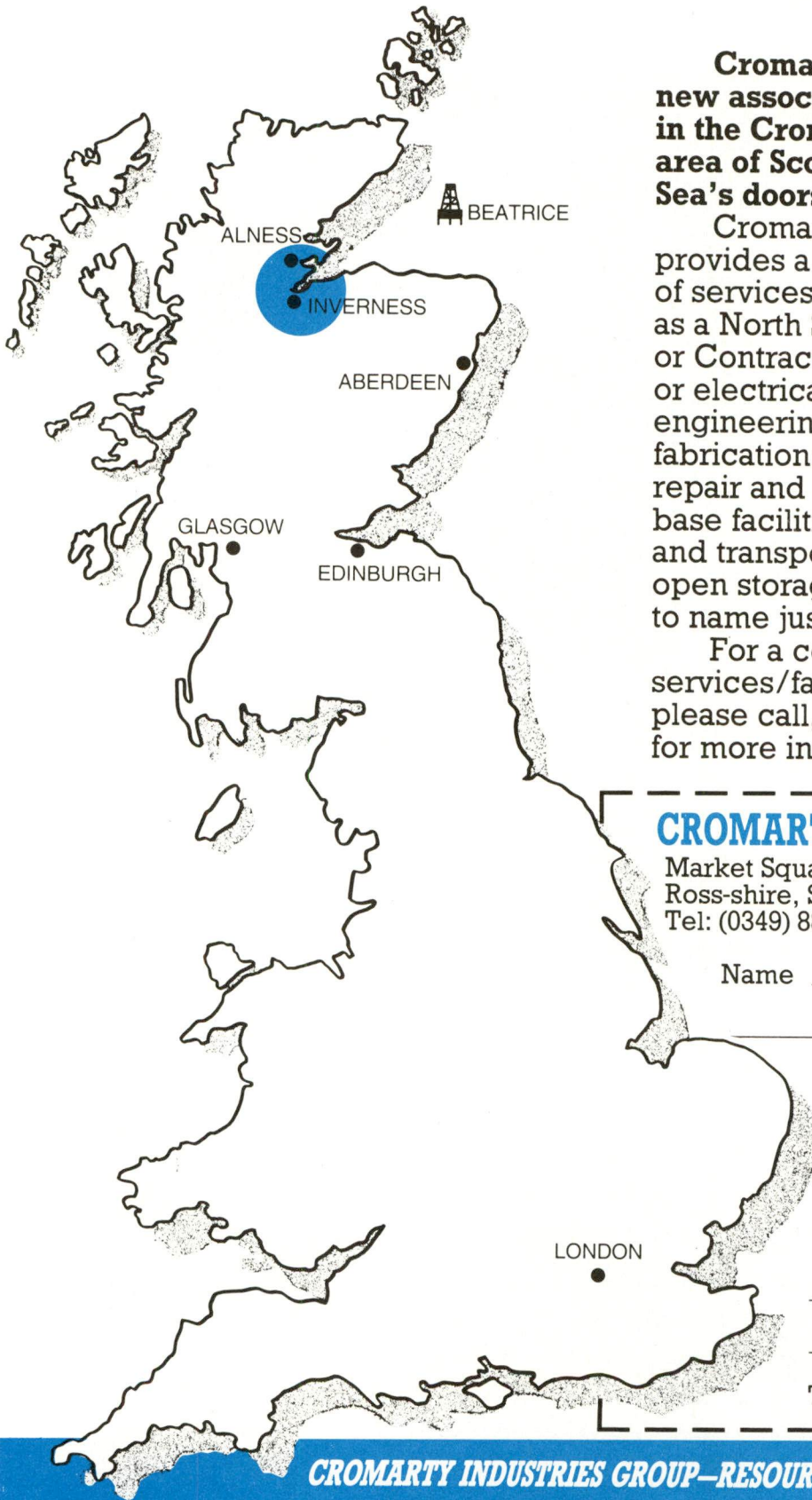
HEAD OFFICE: 52 CARDEN PLACE, ABERDEEN, SCOTLAND. Tel. (0224) 640451 Telex 73426
SOUTHERN OFFICE: 27 BATTERY RD, GT. YARMOUTH, NORFOLK. Tel. Gt. Yarmouth 56458 Telex 97172



Cromarty Industries Group is a new association of industries based in the Cromarty Firth/Moray Firth area of Scotland—right on the North Sea's doorstep.

Cromarty Industries Group provides a whole range of services relevant to your needs as a North Sea Operator or Contractor—mechanical or electrical engineering; engineering design; steel fabrication; module construction; repair and maintenance; marine base facilities; personnel; towage and transport; pipecoating; open storage and warehousing, to name just some.

For a complete listing of services/facilities available, please call, or post the coupon for more information.



CROMARTY INDUSTRIES GROUP ✂

Market Square House, Alness IV17 0TY
Ross-shire, Scotland
Tel: (0349) 884188 Telex: 75267

Name _____

Company _____

Address _____

Tel: _____

CROMARTY INDUSTRIES GROUP—RESOURCES WHERE YOU NEED THEM.

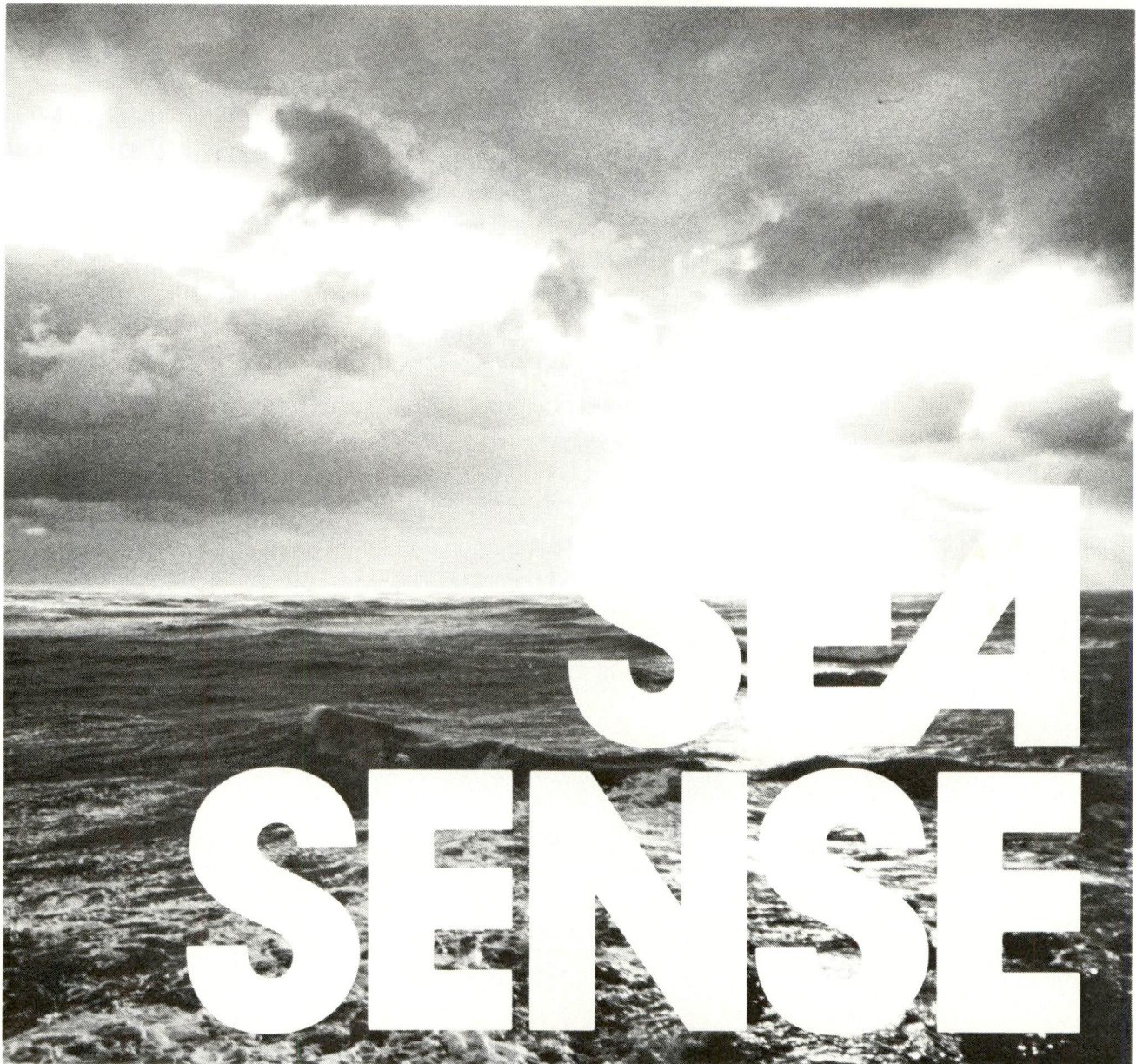


Members of the Cromarty Industries Group:

Atholl Education & Training Services Ltd.
Bank of Scotland
Bannerman Seafoods Ltd. (Transport & Storage)
Big Three Lincoln (UK) Ltd.
Britoil Limited
Caledonian Marine Services Ltd.
Caledonian Towage Co. Ltd.
J. S. Cartwright & Co.
Clydesdale Bank PLC
Cook Engineering (Evanton) Ltd.
Coul Plant Hire
Cromarty Firth Engineering Co. Ltd.
Cromarty Firth Port Authority
Cromarty Firth Stevedoring Co. Ltd.
Cromarty Petroleum Co. Ltd.
Dingwall & District
Chamber of Commerce
James Evans & Sons
Gray & McChristie
Highland Construction Services
Highland Deephaven Ltd.
Highlands Fabricators Ltd.
Highland Personnel Ltd.
Highland Regional Council
Development Department
Humeroak Personnel Services Ltd.
Inverness Technical College
James Jack
(Stevedore & Crane Hirer)
J-Mac Plant Hire Ltd.

Kayto Rig Service & Supplies Ltd.
J. Lawrie & Co. (Aberdeen) Ltd.
Lombard Shipping & Forwarding (Invergordon) Ltd.
Frank Lyons Ltd. (Stevedores & Crane Hirers)
Moray Firth Service Co.
Morrison Engineering
Morrison Quarries Ltd.
Motherwell Bridge Plant Ltd.
McDermott Scotland
Macdonald Ferries (Work Boats)
McGruther & Marshall Ltd.
Mackay & MacLeod
Engineering Ltd.
W. H. MacKay & Sons Ltd.
John Maclean & Sons Electrical (Dingwall) Ltd.
PCT Blackhawk Ltd.
Personnel & Engineering Services Ltd.
Petroprojects International (UK) Ltd.
Restbury Engineering Services Co. (UK) Ltd.
R. K. Carbon Fibre Ltd.
R. K. Textiles (Scotland) Ltd.
Ross & Cromarty District Council
Ross & Cromarty
Tourist Organisation
Ross-shire Nut & Bolt Supplies
Royal Bank of Scotland PLC
Scot Engineering Systems Ltd.
Seaboard Marine (Nigg) Ltd.

Seaboard Offshore Ltd.
Stewart Crane Hire Ltd.
Structural & Piping Inspection Services Ltd.
Thomson Welding & Inspection Ltd.
Tripower Limited
V & W Projects (UK) Inc.
V & M Radiator Services Ltd.



Practical solutions to ocean engineering and logistics problems.

These are what Seaforth is in business to provide.

Today we're a world leader in ocean technology with interests in marine design and construction; ship management and operation; offshore logistics; hyperbaric engineering; and the project management of high value and complex ocean contracts.

All these capabilities provide a unique combination of management resources and technical skills which together, add up to what we simply call – **SEA SENSE.**



Seaforth Maritime Limited

Seaforth Centre,
30 Waterloo Quay, Aberdeen, Scotland
Tel 0224 573401 Telex 73387

SEE US on STAND No.3447/6

When you take ASCo services, expect a painless operation
We provide remedies to a wide range of problems:

South Bay Oil Service Base, Peterhead
Arguably the North Sea's best marine support facility.

Transport
Everything you need for efficient truck transportation.

Engineering
Tubular refurbishment, machining and threading

Property
Offices, warehousing, open storage.

Offshore Services
Experienced personnel for offshore maintenance.

Supplies
Bonded goods, spares, oilfield equipment and consumables.

Recruitment
Provision of skilled oilfield personnel on a permanent or contract basis.

ASCo

prevents headaches offshore and onshore.



If you want professional care and attention for your projects, give us a call. We believe headache prevention is better than headache cure.

Aberdeen Service Company | North Sea Ltd.

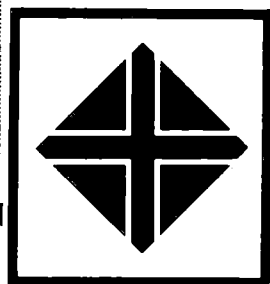
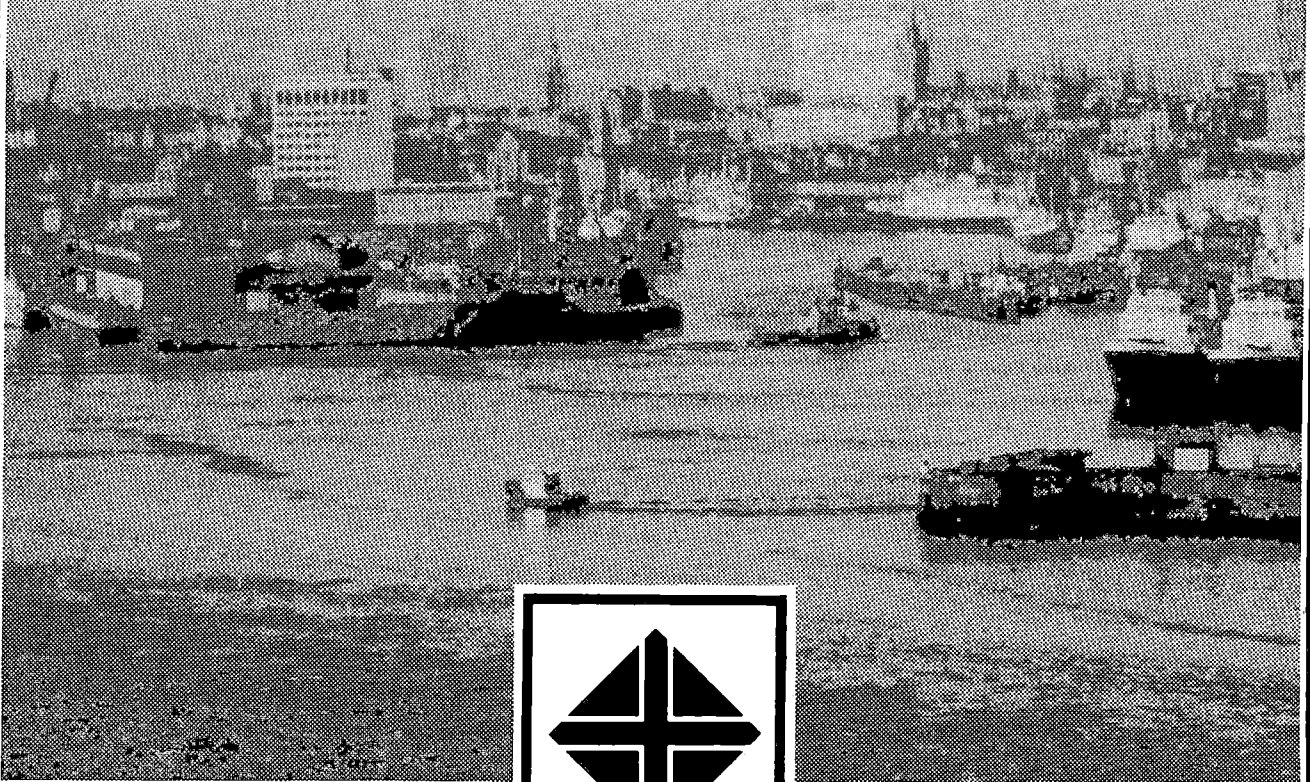
P.O. BOX 167-REGENT CENTRE-REGENT ROAD-ABERDEEN AB9 8UQ-TELEPHONE 0224 20396-TELEX 73433

John Cook Agencies Ltd.

**Shipbrokers and Stevedoring Managers
24 Hour Service**

Main Agents for Oil Rig Service Vessels
Customs & Forwarding Agents Marine Insurance
Lloyds Agents for the Grampian Region
Travel Agents

**59 Marischal Street, Aberdeen
Telephone Aberdeen 29921**



their R&D more tangible but lack the expertise and the funds. Initially NESDA will negotiate the necessary grants. "The idea is to marry the brains of the Universities with the operating expertise and business acumen of the companies," says NESDA.

Aberdeen University Research and Industrial Services (AURIS), which was set up by Aberdeen University to foster outside work in 1981, has already committed three of its subsidiaries to the Science Park. NESDA expects highly specialized companies handling NDT, diving, pollution and corrosion control as well as well stimulation, to figure prominently on its campus.

The academic institutions within Aberdeen have been making a determined effort to consolidate their involvement with the offshore industry over the past couple of years. Aberdeen University admits, "It has taken us time to understand what the oil companies want and to show them that it can be done properly here." The formation of AURIS is just one aspect of its move away from fundamental research and towards applied, saleable technology. As a measure of its success, the university has won the status of main consultants to the offshore industry for marine studies, and runs Offshore Medical Support—a joint venture with BP, Shell and Esso which supplies most of the paramedics to offshore installations. It also administers SOTIAG, the environmental arm of the Sullom Voe terminal.

Pressure to become more commercial undoubtedly came from the UK Government. "When the only department to get increased funding—as opposed to having its funding slashed—was the Department of Engineering, its intentions became fairly clear," says the university. But the university itself is keen to get its research off the ground and into the prototype stage, and is looking for companies which want to form joint ventures so that prototypes can be manufactured and marketed. The university, like many of the Grampian companies, has its eye firmly fixed on the Far East and China. It has already run a number of training courses for Middle Eastern paramedics.

Robert Gordon's Institute of Technology (RGIT), the other major academic institution in Aberdeen, has followed a similar growth pattern. Ten years ago it had fewer than 2,000 students. "Almost none were studying subjects related to the offshore industry," it says. Now it has 3,000 full time stu-

dents, of whom at least 35 percent expect to find jobs in the offshore-related industry, as well as 14,000 short-course students who are already in the offshore industry.

RGIT has seen its mechanical engineering department growing steadily since 1972, and now has the largest offshore survival training center in the world. Other areas which have boomed are mechanical, electronic and offshore engineering, and computer and information technology.

"The North Sea won't keep on expanding for ever," says RGIT. "We'll

have a breathing space to develop overseas outlets for offshore survival training and to develop the standard of offshore-related courses so we can attract people from all over the world."

NESDA's other move to bring more activity into Aberdeen is to launch a freeport where any raw materials entering Aberdeen by airport or harbor for export, whether overseas or to offshore installations outside the three-mile limit, would be duty free. Companies can now get a dispensation from import duty but freeport status would do away with the red tape currently involved. ▶

MEARNS & GILL ADVERTISING LTD

INCORPORATED PRACTITIONERS IN ADVERTISING

7 Carden Place Aberdeen AB91PP Scotland
Telephone 0224 646 311

Charles Barker, Mearns & Gill

PUBLIC RELATIONS LIMITED

7 Carden Place Aberdeen AB91PP Scotland
Telephone 0224 641 304

CROMARTY FIRTH SETS THE PACE

The Cromarty Firth area on the northeast coast of Scotland will be prominently represented on the United Kingdom exhibit section at this year's Offshore Technology Conference.

The Cromarty/Moray Firth area is already a major center for oil-related industry. Its proximity to the North Sea has made it an ideal UK location for two of the world's largest offshore fabrication yards, Brown & Root's Wimpey Highlands Fabricators and McDermott Scotland. Between them, these two yards have constructed the majority of steel production platforms now emplaced in the UK sector of the North Sea.

Cromarty Firth is a sheltered deep-water inlet sited right on the edge of the often turbulent North Sea. A natural harbor, it offers excellent facilities for the inspection, repair and maintenance of mobile drilling rigs. They can anchor there in safety, sheltered from the North Sea's unpredictable and often savage weather.

Located in various communities on the shores of the firth are a wide range of manufacturing and service industries capable of undertaking virtually any task from weld inspection to offshore pollution control. The existence of this infrastructure of established oil-related and service industries is a major complement to the natural advantages offered by the deep-water harbor.

Further evidence of the area's close involvement with North Sea oil is the fact that the northeastern shore of the firth is the location of the reception terminal and tanker loading facility for the Beatrice oilfield. Beatrice is Britain's closest inshore field. Crude from the Beatrice platforms is piped to a landfall on the Cromarty shore and thence to the oil terminal and loading jetty.

The combination of deep water and proximity to the offshore oil- and gas-producing fields has created considerable interest in the potential offered by Cromarty Firth as a location for onshore downstream development. Much of the land on the north shore is already zoned for industrial development and communications into the area have been greatly improved by the construction of new roads and bridges linking the area with the regional capital of Inverness, now a mere half-hour drive away.

One of the newest oil-related facilities in the area is the Invergordon oilfield support base operated by Moray Firth Service Company, a subsidiary of the

Cromarty Firth Port Authority. The new base provides two supply vessel berths available 24 hours a day with a minimum water depth of 29 feet alongside. A third berth is also available with minimal tidal restriction.

The base is designed to allow simultaneous loading of bunkers, drilling fluids, tubulars and all forms of oilfield consumables on a "one-stop shop" basis.

The industries in the area have now formed a new association, Cromarty Industries Group, to focus market attention more closely on the facilities which the Cromarty Firth and its industries have to offer to the oil and gas industry. Apart from steel jacket and module fabrication, other industries in the area include a major pipe-coating plant; mechanical and electrical engineering companies; trucking, craneage and warehousing; inspection, repair and maintenance operations; rig supplies; workboats; and a wide variety of professional services, from project management to computing.

Three members of the Cromarty Industries Group are exhibiting at this year's OTC—Moray Firth Service Company, operators of the new oilfield support base located at Invergordon; James Jack, a company offering comprehensive logistics services, including stevedoring, trucking, warehousing and crane hire; and Personnel and Engineering Services Limited, offering professional consultancy in project management, quality control, construction supervision and personnel administration, as well as engineering facilities for steel component fabrication, pipe spool fabrication, and structural and mechanical installations.

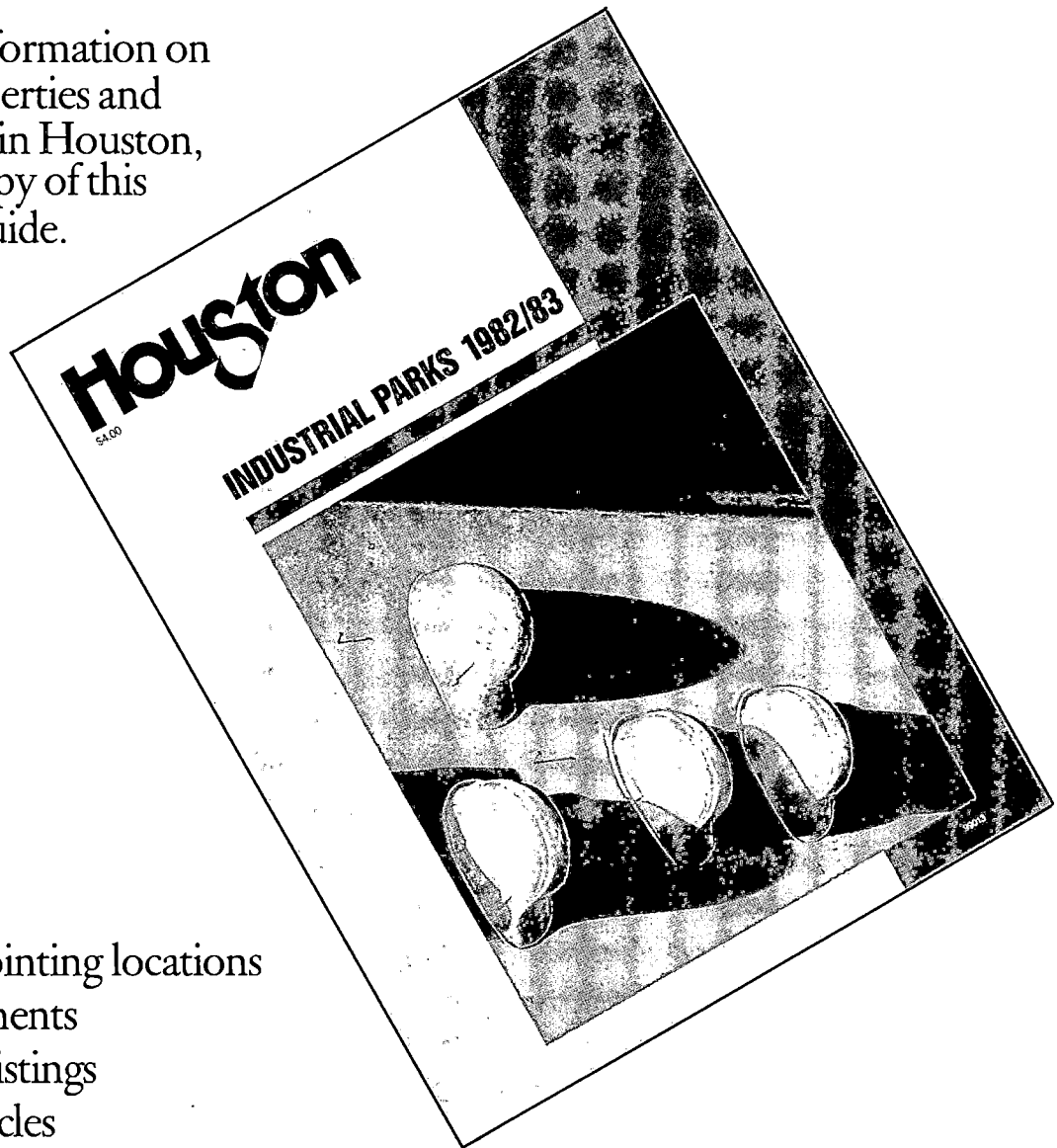
These three companies represent the continuing and growing involvement of the Cromarty Firth area in providing services for the offshore industry in the well established North Sea oil and gas province. In the years ahead, the facilities offered by the Firth and its industries may acquire a new significance as oil and gas exploration moves closer inshore. The Cromarty/Moray Firth area is already attracting considerable interest from oil companies, a number of whom are carrying out drilling programmes in the area. The relative shallowness of the water depths and the proximity to shore means that even fairly small hydrocarbon discoveries in the area could be commercial. ■

Onshore downstream development at Cromarty Firth is a possibility of increasing interest now. New roads and bridges now place the area just a half-hour's drive from the regional capital, Inverness. In addition, much of the north shore already is zoned for industrial development. And, because of the relative shallowness of the nearby waters, even small oil and gas discoveries could be economically viable.

Now Available!

1982-83 Industrial Parks Guide To Houston

If you need information on industrial properties and developments in Houston, you need a copy of this informative guide.



Includes:

- Maps pinpointing locations of developments
- Developer listings
- Feature articles

The cost is only \$4.00 each plus \$1.25 for tax and handling.

Call 658-2418 for more information or use the coupon at right to order your copy.

I would like to order _____ copy(ies) of the new Industrial Parks Guide to Houston. The price is a total of \$5.25 per copy including tax and handling. Please enclose a check for the proper amount to insure prompt delivery.

Name _____
Company Name _____
Address _____
City _____ Zip _____

Return this completed coupon to:
HOUSTON Magazine
1100 Milam Bldg., 25th Floor
Houston, Texas 77002

A no-risk approach to increasing your company's available cash.



Arthur Young's Cash Management Product Director, Mike Templeton, has helped numerous businesses maximize the use of their existing cash.

Our no-cost review will determine if Arthur Young's Cash Management services can help you identify and gain access to additional cash.

Arthur Young's management consultants employ proven procedures to help businesses optimize the use of cash. Our objectives are to help you speed the conversion of sales to collected and usable balances, achieve better control and management of disbursements, and utilize available banking services more effectively. The result: time and time again our methodology has increased available cash.

We start with a review of your situation. If we see no opportunity for improvement, we'll go no further. That's it. We won't charge you for the cost of the review.

Helping managers manage.

Cash Management is only one of several Arthur Young management consulting services dedicated to improving profits. Other services include:

Inventory Management Review—to improve inventory control and usage

Computerized Performance Analysis—to convert reams of data into easily analyzed computer generated graphs

Overhead and Staffing Analysis—to reduce overhead by matching costs to critical company functions

Security Review—to improve the protection of assets and information

Information Systems Planning—to optimize data processing performance

Energy Management—to reduce energy costs and improve controls

For more detailed information, call John Smock in our Houston office: 221-3210.



ARTHUR YOUNG

©1983, ARTHUR YOUNG

SWITCH TO SINGLE TAX APPRAISALS ON SCHEDULE

HCAD Putting All Appraisals Under One Roof

Consistency may be the hobgoblin of little minds, but it seems to be a virtue where property appraisals are concerned.

For years, each of Harris County's 328 taxing units conducted its own property appraisals and levied its own taxes.

Hence, property valued at \$100,000 by the City of Houston theoretically could be valued at \$75,000 by the Houston Independent School District (HISD) and at \$50,000 by the local water district.

That's all changed now as a direct result of the passage of the 1979 Jones-

Peveto tax reform bill requiring the establishment of countywide appraisal districts to place a single appraisal value on property in the county. Although the law was effective Jan. 1, 1982, Harris County and 16 other counties in the state were allowed to phase in the law

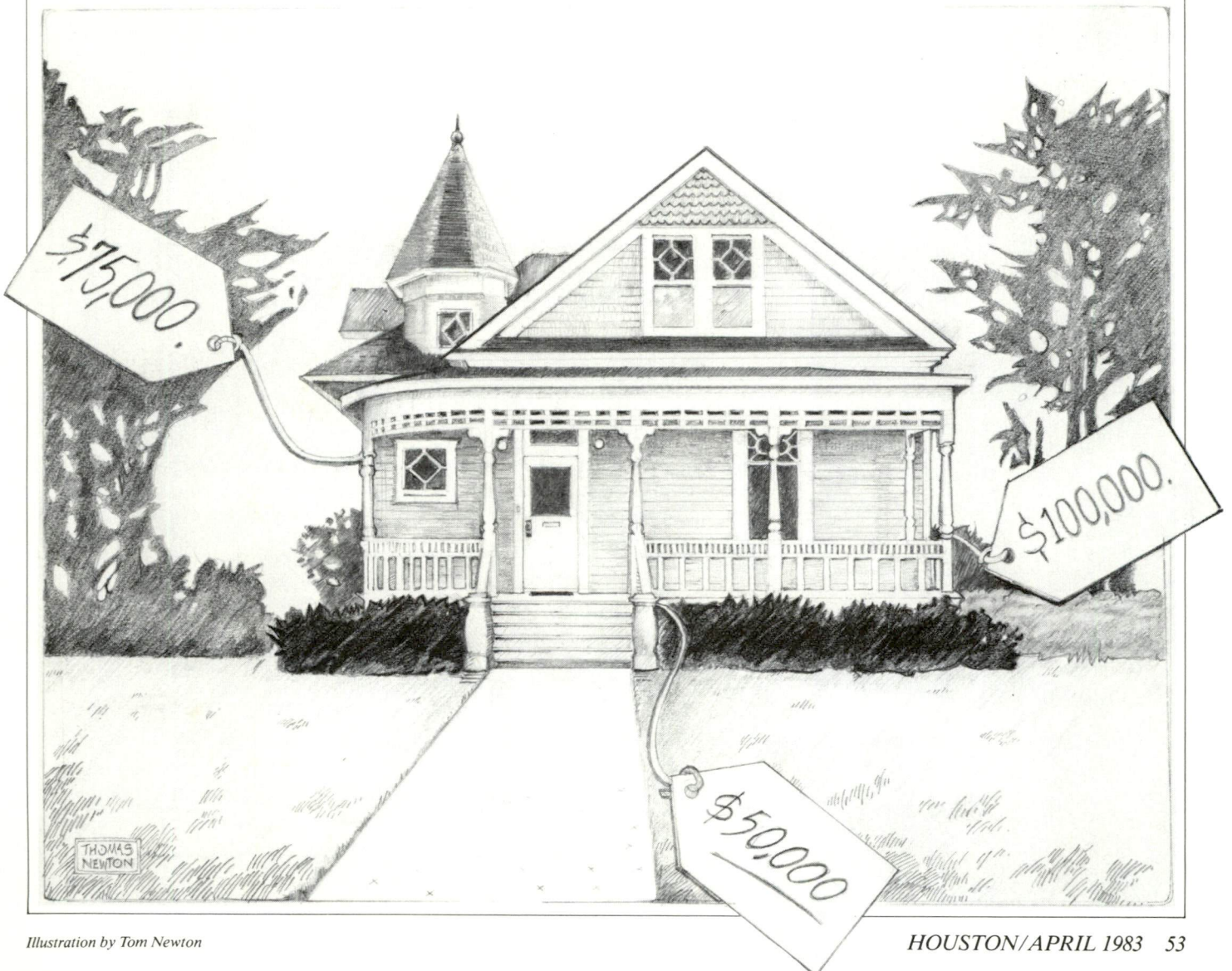


Illustration by Tom Newton

"If we had the CAPITAL we could..."

Leasing Advantages with BIG STATE:

- LOCAL COMPANY
- BUY AT WHOLESALE
- ONE MONTHLY BILLING
- CONSERVES WORKING CAPITAL
- ELIMINATES NEED FOR ADDITIONAL CAPITAL INVESTMENT
- DIVERTS CAPITAL TO HIGHEST RETURN
- PERMITS GREATER TURN-OVER OF WORKING CAPITAL
- CONSERVES CREDIT
- PERMITS LONGER TERM THAN LENDING INSTITUTIONS
- NO DOWN PAYMENTS
- DECREASES OBSOLESCENCE RISK
- SAVES TAX DOLLARS
- MINIMIZES INFLATION RISK BY PAYING TODAY'S COST WITH TOMORROW'S DOLLAR
- SERVING TEXANS SINCE 1948

VEHICLES-EQUIPMENT



525 NORTH BELT EAST, SUITE 120
HOUSTON, TEXAS 77060
713/445-8831

Contact: Bill Nelson

The City

over an extended period of time.

By 1984, only one entity, the Harris County Appraisal District (HCAD), will have the power to appraise all of the approximately 1.2 million pieces of real and personal property in Harris County. This year, the district will be responsible for appraising 800,000 parcels for the City of Houston, HISD and seven surrounding school districts — Alief, Spring Branch, Cypress-Fairbanks, Aldine, North Forest, Galena Park and Pasadena. All taxing units that lie wholly within these school districts also will be covered.

In addition to property appraisals, HCAD will accept applications for exemptions, special valuations and renditions and will hold appraisal review board hearings for taxpayer protests.

Until the county tax appraisal district is complete, however, each taxing unit not yet covered by HCAD will stay in charge of appraisals, appeals to its own appraisal review board and other dealings with its taxpayers. After the transfer of appraisal power, all taxing units will set their tax rates based on the single property appraisals, send out their own tax bills, and collect their own tax money.

Critics of Jones-Peveto claim the law wrests local control away from the taxing units. Proponents argue that "local control" often resulted in vast inequities and multiple valuations of the same property.

"In the long run, centralizing appraisal efforts and eliminating duplications will create a better understanding of tax appraisals for our taxpayers," explains HCAD board member Eugene Shepherd. "In many cases before the enactment of this law, property was not equally appraised across the county. HCAD was initiated to eliminate duplications, and when you eliminate duplications you reduce costs."

HCAD may reduce costs over the long haul, but in the meantime it has caused some concern among local taxing units who find that in addition to paying for their own operating costs they must foot the bill for HCAD's \$20 million budget. That cost, coupled with the loss of local personnel once charged with appraisal powers, caused many local taxing entities to protest the creation of the district.

Despite the protests, HCAD chief appraiser Searcy German, himself a

**OFFICE
REMODELING
AND
LEASE SPACES**

Turn key operation

**INTERSTATE
DRYWALL
CO. INC.**
463-7859

17315 Loch Langham Ct.
Houston, Texas 77084
(713) 463-7859

**Oriental Rugs
Paint Your Floors
with Color**



Bagdad handles only the finest oriental rugs. These treasures of ethnic craft add the perfect accent to the distinctive home or office.

Oriental rugs are more than beautiful... they are also valuable. When you invest, you want the best — from Bagdad, of course.

5869 Westheimer 783-3500



Greenway Plaza will help you pool your resources.



Greenway Plaza's master-planned building program comes with its own mass transit plan.

The Greenway Plaza Van Pool.

So, when you office with us, your company receives a real built-in advantage that pays off for both you and your employees.

Riding in one of our 12-passenger vans can save them as much as 50% of the cost of commuting to

work. This in turn rewards you with reduced tardiness and absenteeism, improved employee morale and a larger labor market.

For a closer look at Greenway Plaza, call Century Development's Neil H. Tofsky at (713) 621-9500.

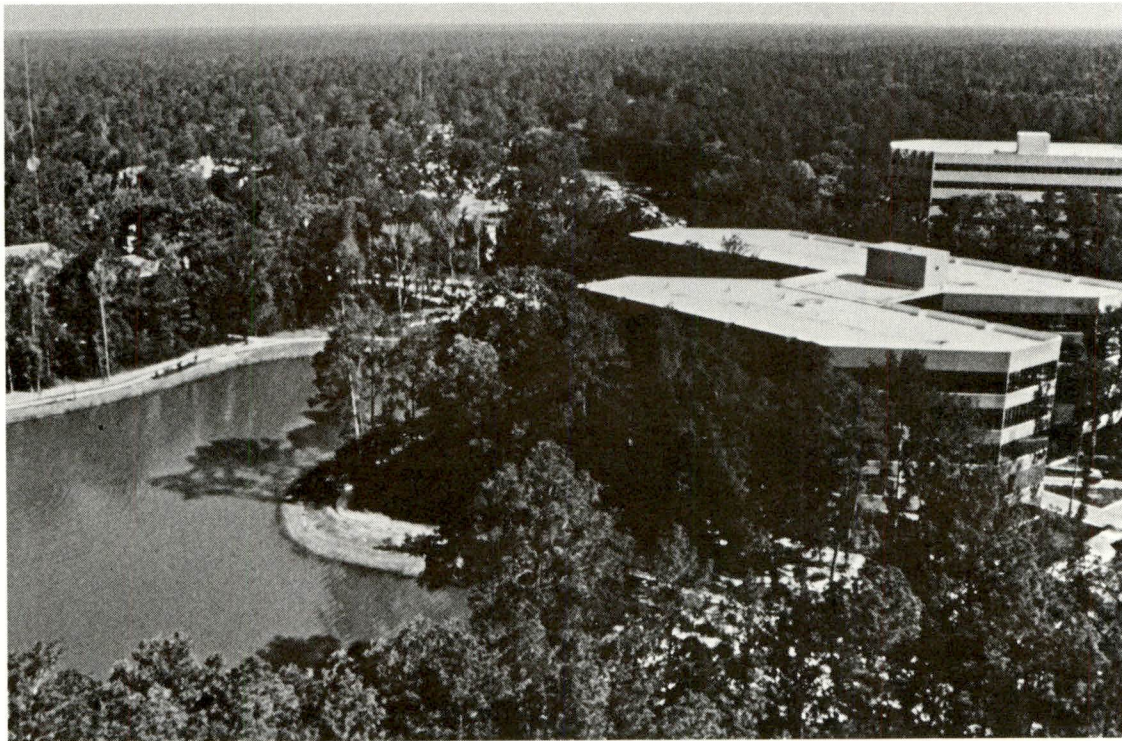
He'll show you how Greenway Plaza is your best choice. Coming and going.

Greenway Plaza

The closest thing to downtown Houston.

A project of Century Development Corporation.

Company growth is a prime reason for seeking your new commercial site. Consider this: our 25,000 wooded acres are living proof—growth comes natural to The Woodlands.



Room to Grow

Houston: America's new capital of energy and opportunity. Growth too rapid to measure. And only 27 miles north of its busy downtown is a different downtown, a different world altogether. The Woodlands: residential and commercial/industrial space carefully sculpted from 25,000 acres of serene forest. All the amenities of civilization, without the chaos.

The Metro Center serves as the central business district of The Woodlands. Nearly a million square feet of sophisticated professional and commercial space is already completed; nearly a million more is on the board or under construction; and, a million-square-foot regional shopping mall is in the final design stages.

Hundreds of wooded acres are available to build on now. Whether your company is sales or service, whether it's a headquarters or branch office you're interested in, your business will find a peaceful, profitable home in the Metro Center.

It's part of 5,000 acres set aside for corporate, commercial and light industrial development. This includes the Research Forest, a campus-like environment conducive to high productivity and low turnover for corporations whose main resource is people.

Also, the Trade Center, which provides for light manufacturing

and warehousing facilities, and is connected by rail to the Missouri-Pacific line, by highway to the main Houston-Dallas artery, Interstate 45.

The Woodlands Inn and Conference Center is a meeting place for several hundred of the FORTUNE 500 companies every year. Testimony to the fact that The Woodlands is both beautiful and convenient, just minutes away from Houston Intercontinental Airport.

In each area, careful planning and control insure that working in The Woodlands remains as enjoyable as living in The Woodlands.

And the living is good. In The Woodlands, homes vary from the very affordable to the very elegant. Good schools, a variety of churches, neighborhood parks, bike paths, hiking trails are all close at hand. And the Village Center is a friendly marketplace where neighbors meet to shop, and the shopowners are neighbors too.

The Woodlands Country Club hosts the annual PGA Houston Open. Tennis and swimming facilities are equally impressive.

If your company is ready to make its move, come to The Woodlands. Because The Woodlands is a real hometown for people and companies, like yours, who want to enjoy life to the fullest, and need room to grow.

Find out for yourself. Call The Woodlands Commercial Development Company at (713) 363-6900. Or write to 2201 Timberloch Place-MC, The Woodlands, Texas 77380.

The Woodlands

A real hometown™ for people and companies

The City

former critic of the Jones-Peveto bill, says he has received tremendous cooperation from the local taxing authorities in gathering data to conduct property appraisals. "It's the law of this state, and we'll abide by it," he states. "We want the changeover to occur with as few disruptions as possible."

To German, fewer disruptions mean less chance of a taxpayer revolt and better chances for continuation of the city's Triple A bond rating. "When bond ratings are determined, the authorities look at the city's Standard & Poor's rating, the tax base and the amount of taxes being sought to service those bonds. They also look at the attitudes of the people who support these programs, and that's why we're concerned about the transfer of power. We want no disruptions and no organized efforts to upset the tax system and our Triple A bond rating."

Creating a more equitable tax burden between businesses and homeowners is another important factor. Traditionally, businesses have borne the brunt of the tax burden because their property has been appraised far closer to fair market value than residential property. Every year, businesses must render (list) personal property to be taxed, whereas homeowners are allowed to forego that requirement.

John Privett, executive director of the Tax Research Association of Houston and Harris County, Inc., points out that many large corporations, manufacturers and utilities in Houston have been taxed at 100 percent market value whereas homes have often been valued at an average of 40 percent market value. He says the disparity is equally great between large and small commercial property owners who often found their properties undervalued after the boom in property values in the seventies.

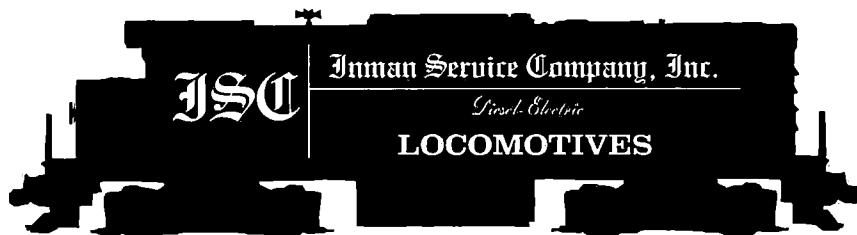
Political pressures on City Hall to avoid raising taxes for homeowners and to hold down the operating cost of government also resulted in big business carrying most of the tax burden, says Privett. "If there is a major business in the area, the taxing authority can send out one appraiser and come back with \$100,000 in new revenues. This way they can run a small tax office with less expense. You need more appraisers and a larger office to appraise homes and small businesses, and you'll still get less revenues."

According to HCAD public information officer Sheila Austin, the new tax law will "keep everyone on a more equal footing." Values for both commercial and residential properties will be reviewed each year and maintained at 100 percent market value, she says. This way residents will be more responsible for their share of the tax burden.

Privett agrees. "One entity conducting appraisals on a regular basis should make the tax burden more equitable," he says. Once HCAD has consolidated

the appraisal powers for the entire county, he suggests the county may want to consider placing collection of taxes under one entity as well.

German is optimistic that property values will not increase substantially as they did last year when the City of Houston and HISD completed a four-year, \$16 million citywide reappraisal effort to update all taxable property. Because some sections of the city had not been revalued for 20 years or more, homeowners found that the tax value of their



"15 Years of Continuous Growth"

"With The Economy In Its Present Condition,
Locomotives And Related "Down-Time" Being So
Costly, Can You Afford NOT To Investigate
ALL Facilities And Services Offered In Your Area?"

R.C. Inman, Pres.

WHEEL AND AXLE SHOP ***COMPLETE REBUILDS***
PREVENTIVE MAINTENANCE ***SALE AND LEASE LOCOMOTIVES***
CONSULTING SERVICES ***OPERATOR INSTRUCTION***

LARGE IN-STOCK INVENTORY OF PARTS
Traction Motors, Generators, Trucks, Pistons
Air Compressors, Engines, Wheels, Axles and Bearings

**OUR ONLY BUSINESS IS
COMPLETE LOCOMOTIVE SERVICE
In Our Shop Or On Your Site**

INMAN SERVICE COMPANY, INC.

**427-6677
"ONE CALL DOES IT ALL"
24 HOUR SERVICE**

Service Division
115 N. Main
Baytown, TX 77520

General Offices
115 N. Main
Baytown, TX 77520

Wheel & Axle Division
201 N. Main
Baytown, TX 77520



A NEW RAINBOW OVER NASSAU BAY.

• 244 guest rooms, each with a spectacular view of the lake • The Compass Rose Restaurant serving fresh Gulf seafood and steaks • Live music and dancing in The Big Dipper Lounge • Swimming pool • Meeting and convention facilities for groups up to 500 • Car rental service • Hobby Airport limousine • Helicopter service • Exciting weekend packages

The NASSAU BAY HILTON on Clear Lake 

3000 NASA Road One Houston, Texas 77058 713-333-9300

The Houston Post:

*Le Depart is the kind of fine restaurant the French take for granted.
—The True French Restaurant.—*

Houston Business Journal:

Le Depart has mastered the art of French Cooking.

Houston City Magazine:

... each dish is a delight.

Le Depart
Restaurant
Français

1717 Post Oak Blvd at Sun Felipe

lunch 11:30-2:30, dinner 6-11

Saturday, dinner 6-12

713/960-1888

closed Sunday



The City

real property increased an average of 300 percent. German predicts only a few small pockets in Harris County will face a substantial increase in value.

Austin says HCAD has accepted the appraisal rates set by the City of Houston and HISD, subject to review. Little change is expected however, as the same firm that conducted those appraisals, Cole-Layer-Trumble Co., will assist HCAD in its appraisals of the entire county.

The appraisal of 1.2 million parcels of real and personal property is a massive undertaking for the 355-member staff of HCAD and 111 Cole-Layer-Trumble employees assigned to the job. So far, HCAD officials report everything is on schedule. Austin says HCAD began collecting data on the seven surrounding school districts in 1982 and is now in the final review stage. During this stage, a trained appraiser determines the value of the homeowner's property based not only on market value but on sales of five comparable homes in the area. For businesses, he looks at companies with comparable inventories and equipment.

Taxpayers not happy with the appraised value of their property can appeal to the HCAD appraisal review board. Although this board has not yet been appointed, officials say it will be a 30-member panel divided into groups of three that will hold public hearings in 10 offices throughout the county. The appeals board will have the authority to review all application for exemptions: homestead, over 65, agricultural property and disability.

Once the final appraisals are certified, the information will be delivered to local taxing units who will set their tax rates accordingly.

The HCAD itself is governed by a five-member board of directors representing each sector of the county: the City of Houston, Harris County, HISD, the suburban cities and the suburban school districts. "This is so everyone will have a view in the matter," Austin says.

"Ultimately, it is the taxpayers of Harris County who will gain the most benefit from the creation of the Harris County Appraisal District," she says. "When the transfer of power is complete, they'll have only one entity providing them with uniform property values, one entity to make their appeals to, and one entity to get tax information from."

—R.C.

City Police Try Propane In Patrol Vehicles

The Houston Police Department is taking a lesson from its country brethren by initiating a six-month pilot program to test the effectiveness of propane-fueled vehicles.

Starting this month, five vendors will convert 50 marked police cars at the Park Place and Clear Lake stations from a gasoline-to-propane-based fuel system. Each vendor will install a different type of carburetor and fuel tank system in order to identify the design which is most economical, gets the best performance and requires the least maintenance.

For the past 50 to 60 years, propane has chiefly been used in agricultural and home heating situations in rural areas.

According to Ben Kennedy, staff coordinator of the police department, propane is cleaner and costs 50 to 60 percent less than gasoline. The Houston Police Department currently pays about 90 cents per gallon for unleaded gas, whereas the price for propane ranges from 51 to 67 cents per gallon.

Performance is another key advantage to propane-fueled vehicles, says Kennedy, after two years studying propane use by police departments in California and Florida. He says 60 percent of police situations involve automobiles in an idling or slow-speed cruise position. Here, program performance has been superb, remarks Kennedy. Spark plugs last 50,000 miles instead of the usual 10,000 miles, the number of oil changes is reduced by three to four times, and less pollution is emitted.

As for high-speed chases, the results are less conclusive. Kennedy says he has seen a variety of reports, some describing a 10 percent performance loss at top speeds, others citing more generated horsepower.

For Kennedy, the only disadvantage is that propane-fueled cars require new carburetors and fuel tank systems. The type of system installed ultimately determines the efficiency of the system. Safety is another factor. Kennedy calls unsafe the current practice of installing propane tanks inside the car's trunk because of the possibility of fumes seeping into the car during the fueling proc-

Complete Stocks



STRUCTURAL BOLTS

Specializing in A325 and A490 Bolts
A325 Type 3 Weathering Bolts
and introducing our own

Automatic Tension Control Bolts



Send for our 80-pg. Catalog for the 80's — on your letterhead, please.

METAL BUILDING BOLTS CORPORATION

10934 HAZELHURST, HOUSTON, TEXAS 77043
TELEPHONE (713) 461-0505

Why not make

DARLINGTON

your key

to better

business in Europe...

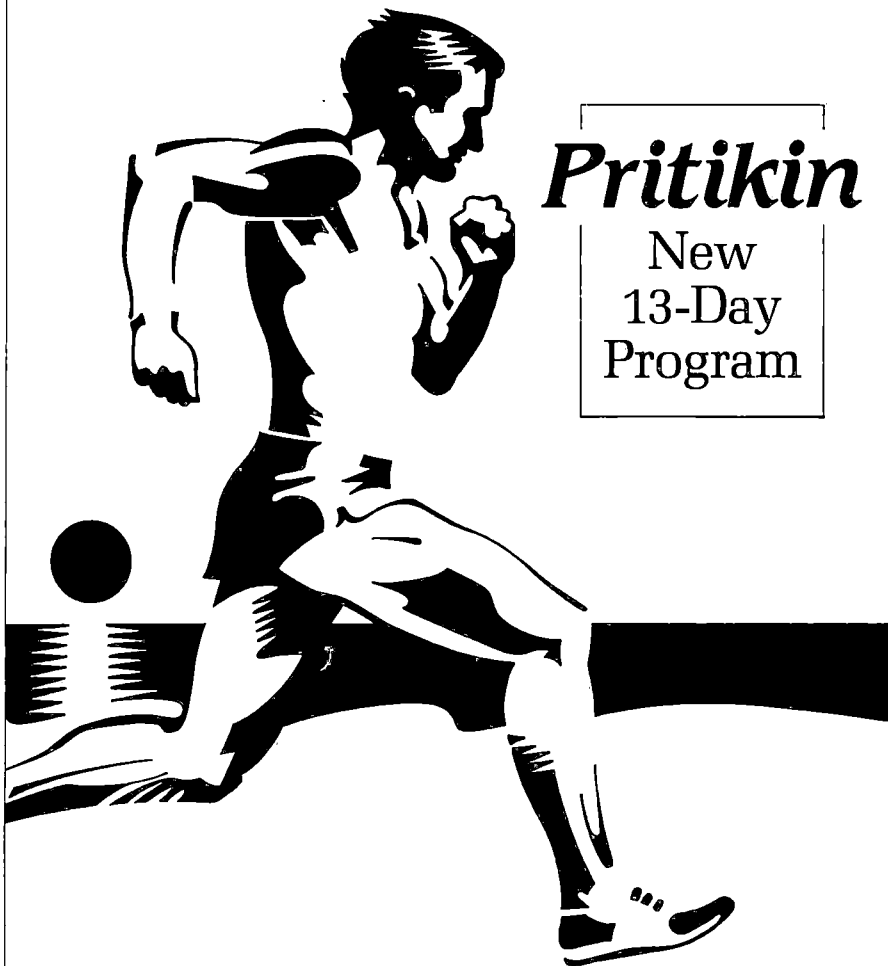


As the world economy begins to show signs of recovery your company may be considering plans for expansion into Western Europe to take advantage of the markets offered by its 300 million plus population.

The ideal place for this expansion is, of course, Britain, and nowhere would it be more warmly welcomed than in the North East of England — already the home of 80 U.S. companies, four of these from Texas! But your company would find more than a welcome in Darlington, County Durham — the largest town in the North East's second largest county. Like other U.S. companies already operating in the town you'd find many practical advantages, such as its superb communications facilities to serve British and Continental markets... its green field industrial sites... attractive executive housing... excellent leisure amenities, and helpful local council, to name but a few. We know that expansion plans take time to mature, and that much needs to be learned about the place where they will take place before a decision can be taken. All we suggest is that you find out more about Darlington as a possible place for your expansion, by contacting:

Alan Wallis,
Industrial Development Officer,
Darlington Borough Council,
Town Hall, Darlington,
Co. Durham, England.





Pritikin

New 13-Day Program

Strong. Healthy. Lean.
That's Pritikin.

Now, the Pritikin Longevity Center in California, world-famous for its 26-day program, is pleased to announce a 13-day program. For weight control, hypertension and mild diabetes.

Pritikin isn't a diet. It's a lifestyle. During your 13-day stay, you'll receive education seminars. A complete fitness evaluation. Exercise classes. Nutrition counseling. Cooking workshops. And individualized physician care.

All under the personal direction of Nathan Pritikin.

You'll stay in a private room in our ocean-front facilities. And enjoy six Pritikin meals a day.

The results?

In our 26-day program:

- Average weight loss is 13 pounds.
- Cholesterol is reduced on average a full 25%.
- 85% of hypertensives completely eliminate medication requirements.

Since 1976, the Center has helped over 10,000 adopt the Pritikin way of life.

For more information on the 13-day program, call today. (213) 450-5433. Ext. 470. Outside Calif., call toll-free (800) 421-9911.

Our goal is getting you back in shape. For good.

Pritikin Longevity Center

1910 Ocean Front Walk
Santa Monica, CA (213) 450-5433.

The City

ess. He prefers a propane tank installed in the same under-the-trunk location as the gasoline tank.

Kennedy is not overly concerned with the danger of collision damage. He says that due to the strength of the propane tank itself, it is virtually impossible to rupture the tank. As for gunfire, he says tests show the tank cannot be penetrated by handguns ranging from a 9mm to a .357 Magnum, but with rifle tests from a .22-.250 and 7 mm are not that positive. However, Kennedy maintains the tank is protected by its location.

Kennedy estimates this form of conversion for HPD police cars will cost \$1,000 per car.

If the pilot program proves successful, Kennedy believes a propane-based fuel system could have tremendous potential for many automobiles and trucks in all the city's departments. In San Antonio, even the garbage trucks use propane fuel. The system is not feasible for all cars, however. Police cars used in undercover work or those traveling long distances should stick to gasoline, Kennedy points out, but for those traveling short distances at slow speeds, the cost of conversion may be beneficial. □

Hilton Gives \$21 Million To UH Hotel School

A major gift of \$21.35 million has been pledged to the University of Houston College of Hotel and Restaurant Management by the Conrad N. Hilton Foundation, the charitable arm of the Hilton Hotels Corp.

The first payment on the 10-year pledge, \$2.135 million, was made February 21. University of Houston officials believe the multi-million dollar gift is the single largest grant ever made to an institution in the Houston area.

According to Dr. Gerald Lattin, dean of the college, \$15.1 million of the contribution will be earmarked for the construction of a four-story addition to the school's existing eight-story structure. The addition will include food laboratories, research kitchen, 75-seat restaurant, library and museum, computer laboratory, faculty offices and classrooms, six executive suites, auditorium lecture hall and hotel engineering laboratory.

The balance of the gift will be used for the endowment of three teaching chairs,

the establishment of a maintenance fund, faculty development, book purchases and alumni affairs program.

This is not the university's first gift from the Hilton Foundation. In 1969, the late Conrad N. Hilton contributed \$1.5 million to help launch the UH program in hotel and restaurant management (which was later named in his honor) and for the next 10 years contributed almost \$1 million for student scholarships and faculty development.

During its 14-year history, the college has developed into one of the top hotel and restaurant management programs in the country. Its enrollment has grown from 40 students in 1969 to 580 in 1983.

□

Naisbitt Outlines "Megatrends" For CofC

Things are not going to get better, things are going to get different, says John Naisbitt, author of "Megatrends: Ten New Directions Transforming Our Lives."

Naisbitt, trend watcher and founder of the Naisbitt Group in Washington, D.C., outlined these trends before a joint meeting of the Houston Chamber of Commerce's Economic Development Council and Future Studies Committee.

"Now you are at a critical juncture," he told the approximately 250 Houstonians gathered to hear him. "Houston has to decide what it really wants to be when it grows up."

According to Naisbitt, what is going on in the nation is going on locally. The nation has not quite left the industrial era and has not quite entered the information era, so the country now lives in the "time of parenthesis," or time between eras. The current waves of nostalgia reflect people wanting something to hold on to in a society in transition.

But the transition has begun. In the 1970s, he says, almost 95 percent of the 20 million new jobs created in the United States came in the information/knowledge sector. A majority of these were in companies less than five years old, and within the past two years "clerk" replaced "laborer" as the number one job title in the nation, he says.

At the same time, the United States is becoming a "labor-free" or "union-free" economy. In 1950, at the peak of the industrialization era, 32 percent of the nation's work force was unionized.

Now, organized labor represents only 19 percent of the nation's work force and only 7 to 8 percent of the Southwest's.

Nor will energy be a concern, Naisbitt believes, for the economy will need less than it does at present. In 1982, for the first time, the nation used less electricity than it did the year before. At the same time, for the fourth consecutive year, the nation used less oil than the year before, he says.

"There is no energy crisis in the new economy and there won't be in the

future," Naisbitt claims.

Middle managers also will become less needed in the new economy. Computers will keep track of the personnel and working arrangements, no matter how complex. Already the recession has allowed companies to make cutbacks in middle management that they should have made earlier, he says.

Naisbitt says more people now have freer access to the nation's economic system. For one, more women and young people have begun entering the

LAST YEAR, WE HELPED DELIVER NEARLY \$1,000,000,000 TO HOUSTON'S ECONOMY.



THE PROFIT IS YOURS.

More than five million visitors came to Houston last year. Tourists, convention delegates and business travelers.

They saw the sights, attended meetings, dined, relaxed, then went home. But the nearly \$1,000,000,000 they spent stayed right here. And if you're in business, that money affected you in a positive way.

This message, and a lot of those profits, are brought to you by the Greater Houston Convention & Visitors Council. Every day, we sell Houston to travelers and organizations around the world.

Through advertising and other promotional activities, we help tourists find

the best of Houston's sightseeing, lodging, shopping and recreation. We also help convention planners find all the right ingredients for well-run, successful meetings. And every time we succeed in attracting just one visitor, we bring to Houston money that would have been spent in some other city.

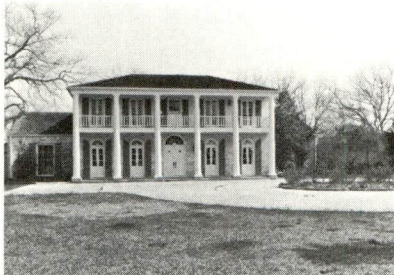
With your membership, we can do our job even better. Call Len Rolston at the Greater Houston Convention & Visitors Council, 523-5050. Or write to 3300 Main St., Houston, TX 77002. We'll tell you how you can help us deliver more millions to Houston.

After all, the profit is yours.



**GREATER HOUSTON CONVENTION
& VISITORS COUNCIL**

FINE COUNTRY HOMES
by MADELINE O'BRIEN



Pecan Ridge Farm

In the Brazos Valley west of Houston, this grand 5-bedroom Texas Colonial home on 24.5 acres is surrounded by wide pastures and huge pecan trees. It has a two-story entry, elegant separate living and dining rooms, "great" room with massive fireplace and a walk-in bar, plus the master bedroom downstairs near the library. Also, a pool, tennis court, barbecue pit, quarters and stable. It's a country estate!
\$995,000



Manorwood Farm

This showplace 6-year-old farm home on 11.6 acres near Houston at Katy, Texas, was designed with a 1920s look. It has lovely interiors, 5 bedrooms, 5½ baths, paneled family room, rustic den, four fireplaces, four porches, a 3-car garage—and countless fine features. Also, a heated pool, separate guest or caretakers house, two barns, a stable and corral, huge oak and pecan trees. It's a most enjoyable country place!
\$875,000

Please call for brochures.


Madeline O'Brien
REALTORS® (713) 621-4953
1775 St. James Place Houston, TX 77056

The City

system and even setting up their own businesses. And although 700 companies may have gone bankrupt in one week of the recession, seven times that many were created in the same week. In 1950, at the peak of industrialization, 95,000 companies incorporated, compared to 600,000 in 1982.

The United States' new economy will also become more decentralized than in the past. The Great Depression and World War II forced centralization upon the United States, but that is now changing. Naisbitt noted that percentage-wise, state legislatures pass more bills annually than the U.S. Congress. "That's why Reagan seems to be riding the horse in the direction it is going," he says.

During the transition, companies will begin locating their operations in places chosen more for their quality of life than for their infrastructure. In the information era, water sources, transportation and resources will become less important, and educational opportunities, crime rates and cultural activities will become more important, he explains.

As the nation becomes what Naisbitt refers to as a "high tech, high touch" society, quality of life will become important in other ways. Naisbitt predicts there will be a resurgence in the need for and strength of human relationships. He predicts that the revolutionary lifestyles of recent years will fade and marriage as an institution will come back in the 1980s. Nor does Naisbitt believe the electronic cottage where everyone stays at home and works by home computer will materialize.

"People want to go to the office. People want to be with people," he says. "The more technology evolves, the more they want to be with people."

As people become more concerned about the quality of life, they will increase their interest in the arts and consequently there will be a renaissance in art, music, literature and dance, Naisbitt predicts.

And as companies get deeper into the new economy, they will begin asking themselves the question: "What business are we in?" he says. Houston will have to ask the same question of itself.

"In the new economies, Houston will have to reconceive what Houston is. It will have to rethink where it stands among international cities. The city has been momentum driven, but will it continue to move forward when the momentum is negative?" he asked. □



in Madisonville, Tx.

If you've got business deep in the heart of Texas, we have a quality place to stay. The new Comfort Inn in Madisonville. Just 45 miles from Texas A&M, 90 miles from Houston, 145 miles from Dallas/Fort Worth!

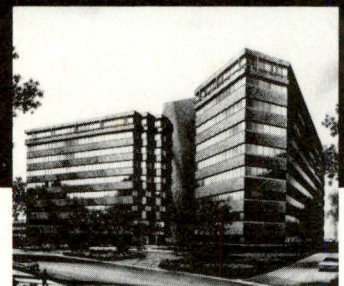
It features attractive rooms with cable TV and HBO. Some with king-size beds. Also an outdoor pool. And club. All at no-frill prices.

For reservations call 713-348-3562. Or toll-free
800-228-5150

COMFORT INN
2007 E. Main Street
Madisonville, TX 77864



**TOWN AND
COUNTRY
CENTRAL**



Live in Memorial? Consider beautiful office space at I-10 and West Belt. Double-height lobby. Special security. Covered parking. At no premium in price. Call The Fairfield Companies, 461-4000.

**The Fairfield
Companies**

Lost Federal Funding Impact Not Bad In '82

The real test of President Reagan's New Federalism in Texas will be in Austin during the current legislative session, according to Susan A. MacManus, an associate professor of political science at the University of Houston.

MacManus, along with Robert M. Stein, an associate professor of political science at Rice University, recently completed a study of the impact of federal budget cuts on local governments and agencies. Prepared for the Princeton Urban and Regional Research Center and funded by the Ford Foundation, the study finds the impacts for fiscal 1982 to be minimal.

Probably the most important finding of their research is that delays in congressional passage of appropriations bills and lack of information about the size of cuts caused many agencies to overestimate and overcompensate for the cuts. For example Gulf Coast Community Services Association received an additional \$800,000 near the end of its fiscal year when congress finally approved the budget, MacManus says.

At the same time, many local officials had underestimated the willingness of area governments and private entities to replace lost federal funds with local money. The City of Houston picked up virtually all the federal funds lost by the City's Health Department. And United Way established an "emergency fund" to help its agencies replace lost federal support, she explains.

Local governments and non-profit agencies also began evaluating their dependency on and the desirability of federal aid. They have developed contingency budgets, improved their revenue forecasting techniques, monitored more closely the budget activities at all government levels, and refined their lobbying efforts, she says.

Also, the views of government and non-profit agencies and those of the private sector have changed greatly since the start of the New Federalism. The former had viewed Reagan's domestic program quite negatively while the private sector, specifically the business community, had viewed it quite positively. By the end of fiscal 1982, the two groups were much more closely aligned, she says.

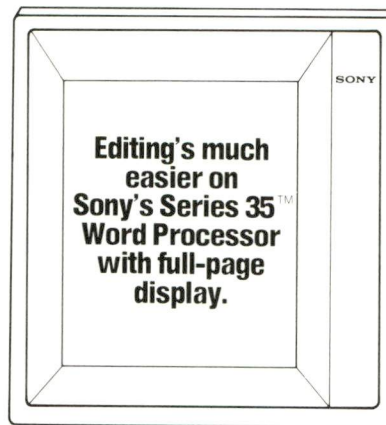
Few social service agencies lost signif-

icant amounts of money, and those which did lose funds were able to replace them from a variety of other sources. However, the business community's initial enthusiasm and willingness to take up some of the slack in non-profit agencies' losses waned as the recession deepened, she says.

MacManus says many agency officials have become apprehensive about their ability to cope with further cut-backs in fiscal 1983, especially if the recession worsens. They hope the State

of Texas will increase aid to local governments and give them more flexibility in raising their own revenues. In general, Houston area agencies expect to fare better than agencies in other areas of the state because any funding formula will probably include population as one of the factors. Although they would rather deal with the State of Texas than the federal government, they still have doubts about the state's capacity and willingness to respond to the needs of its local governments, she says. ■

YOU CAN'T IMPROVE THE BOTTOM LINE UNLESS YOU CAN SEE THE WHOLE PAGE.



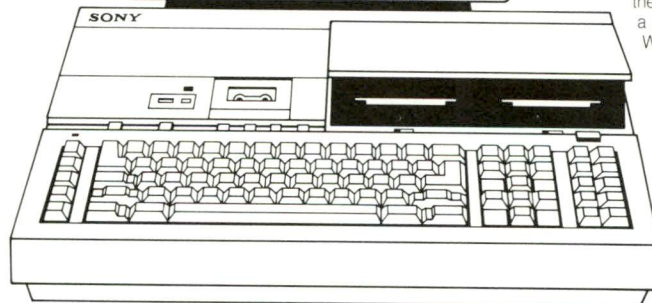
Sony's Series 35™ Word Processor incorporates today's top work-saving features—and adds some innovative new ones.

Like a full-page display that lets you actually see the bottom line and speeds up editing. A Conversational Keyboard™ you can master in hours instead of days. Micro floppydisk that stores more but keeps the unit compact enough to fit on a secretarial return.

And only Sony offers you the exclusive Typecorder™ Personal Word Processor. Small enough to carry with you, it lets you send material directly to your Series 35 Word Processor even over the telephone. So if you're trying to improve the bottom line, do it

the easier way—with a Sony Series 35 Word Processor.

SONY



IPS INC.,
Information Processing System
777 South Post Oak, Suite 770
Houston, Texas 77056
(713) 850-1977

Sony is a registered trademark of Sony Corporation.
Typecorder is a trademark of Sony Corporation.
Series 35 and Conversational Keyboard are trademarks of Sony Corporation of America.

SCALING BARRIERS TO INDEPENDENT LIVING

Handicapped Is Only An Adjective To Lex Frieden

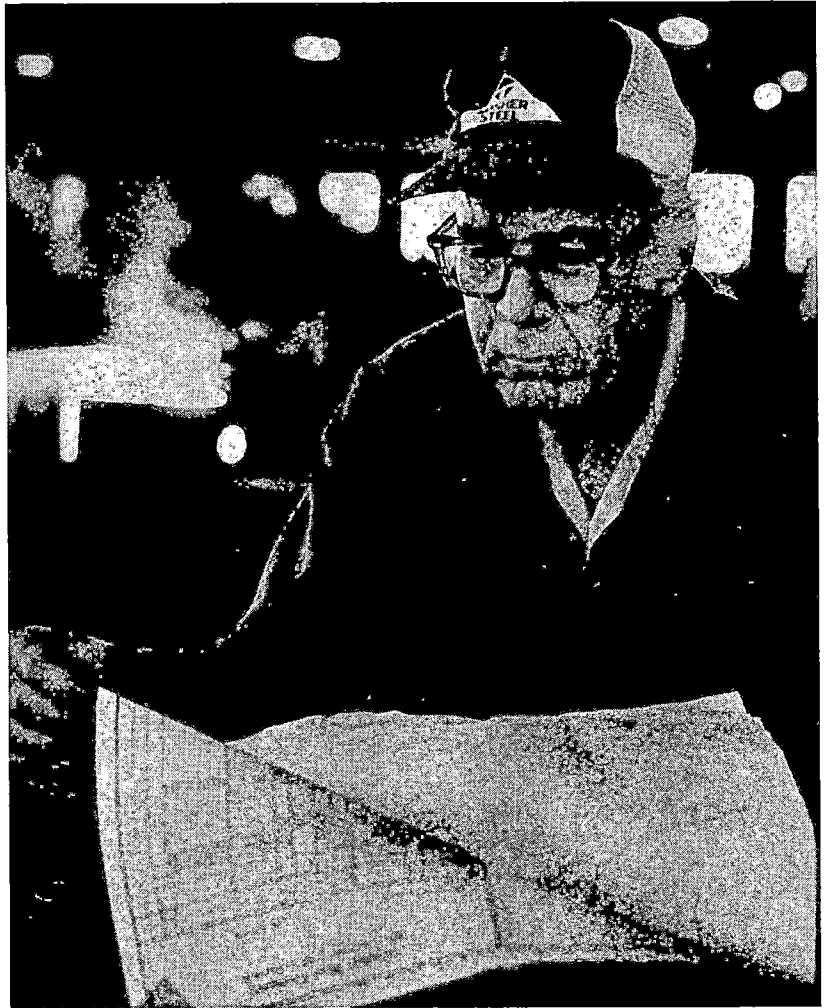
From tying his shoes as a tot to managing his money as a teenager, Lex Frieden spent the first 18 years of his life learning to be an independent adult. But in a split second in 1967 he became a wheelchair user. While a freshman at Oklahoma State University, an auto accident paralyzed him from the neck down. Since then, Frieden has relearned all that he once did so easily.

"In spite of the fact that someone can't move his arms and legs, he can still have control over his life," Frieden says.

Not only has Frieden gained control over his life, he has helped pioneer the independent living movement for handicapped people in the United States. He now serves as director of the Independent Living Research Utilization Project at The Institute for Rehabilitation & Research, as an assistant professor of rehabilitation at Baylor College of Medicine, and has co-founded and worked with numerous committees and organizations to help disabled people.

Frieden came to Houston in 1968 and spent three months as a patient at the then Texas Institute for Rehabilitation & Research. "At the time, there were no alternatives in the community to provide assistance for the people who needed it," he says. Frieden explains that since he required help with his daily needs, like dressing and hygiene, he had two options. He could either move into a nursing home, which didn't appeal to a man of 18; or to move back in with his parents, which would burden them. He discussed new options with other patients at TIRR, and after receiving his bachelor of science in psychology from the University of Tulsa in 1972, he returned to Houston to live in and work with the Independent Lifestyles Program. ▸





BIG MAN IN STRUCTURAL STEEL

Reliable. Competent. Respected.

Take your pick.

They all describe Jorge Abi Rached, Class A Fitter in Mosher's San Antonio plant.

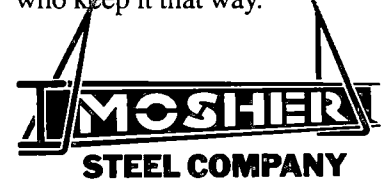
Born in Tampico, Jorge emigrated to the United States in 1952 and went to work in the steel business two years later. He's been contributing to Mosher's success ever since—making certain that the thousands of tons of steel he works on meet the Mosher standard of quality in every respect.

The print he's checking is for a massive column to be used in building an aluminum plant in South Carolina. When that steel arrives as scheduled on the site,

it will fit like a glove. Because Jorge Rached cares about the kind of job he does.

Mosher's reputation as the big name in structural steel is unequalled.

And it's people like Jorge who keep it that way.



Home Office and Plant
P.O. Box 1579, Houston, 77001 (713) 861-8181

Plants in Dallas, San Antonio, Tulsa



A Trinity Industries Company

One of the first in the nation, the program experimented with freeing disabled people from the traditional institutions established to care for them. The group learned they could accomplish many of the things they couldn't do for themselves if they found the right type of help. The group set up a dormitory-type residence in Montrose where the residents, all people with disabilities, ran the house.

This arrangement eventually became a stepping stone for disabled people

to lead even more independent lives. Frieden, wanting more privacy and more space, decided to move out of the house. He met Mac Brodie who had received a head wound in Viet Nam and the two developed what Frieden calls a "symbiotic relationship." Brodie had excellent use of his hands, but had problems with his cognitive abilities. Frieden has excellent cognitive abilities, but little use of his hands. The two became roommates.

"In one sense, I am Mac's attendant,

and in another sense he is mine. We are more independent together than either of us could be by ourselves," Frieden says.

Frieden bought a house and now lives in Tanglewilde with his wife of five and a half years, Joyce, and his attendant Brodie. His wife was disabled by a neurological disease in 1972. He met her while working on the project to develop the Houston Coalition for Barrier Free Living in 1975.

The dorm experiment eventually spawned a new program called "New Options," set up to teach disabled Houstonians in a short time what all the residents had to learn through experience. Frieden now invests much of his time trying to make the public recognize that people with mental, visual, hearing or ambulatory disabilities can still make a contribution to the community. He also works to persuade the government to provide the proper support services so they can make that contribution.

"People who are disabled have the same goals as anyone else. They dream the same dreams, and given the appropriate support, they can reach them," he says.

He has also worked to educate the media to the needs and abilities of people who are handicapped.

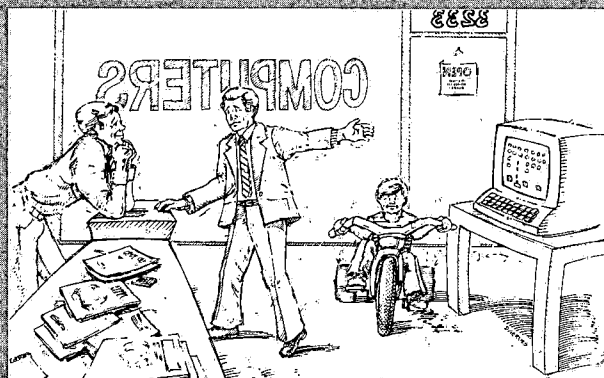
"It doesn't make any difference whether you use 'disabled' or 'handicapped,' but people should learn to use them as adjectives not nouns," he says.

As a result Frieden has been selected as one of the five Outstanding Young Men of Houston for 1981 by the Houston Chamber of Commerce and the Houston Jaycees, as one of the five Outstanding Young Texans of 1982 by the Texas Jaycees, and as one of America's Ten Outstanding Young Men of 1983 by the United States Jaycees. The criteria for each include being under 35 years old, a humanitarian, a professional and having made a substantial contribution to the community, Frieden explains.

But while he has been able to make a significant contribution to society, many handicapped Houstonians can't even find jobs. This is ironic, says Frieden, since they make excellent employees.

According to Frieden, a major chemical company with operations here recently completed a study which showed employees with disabilities have fewer absences from work, are seldom tardy, and generate more output per capita

ANSWERS vs AGGRAVATION?



Have you ever had a critical question about an accounts receivable package, only to be referred to a catalog by the salesperson? This won't happen to you at MicroComputers, Inc. we mean *BUSINESS!* Our staff is made up of industry and application specialists with the answers you need...NOW! We have designed a showroom with the businessman in mind and products with the professional in mind...Seiko, Victor and Dot (the most advanced portable computer). MicroComputers, Inc. provides answers, not aggravation!

"Professionals dealing with Professionals"

MicroComputers, Inc.

10300 Westoffice / Suite 900 / Houston, TX 77042 / (713) 781-9793

than employees without a disability. He attributes this to their greater desire to work, since it allows them a chance to lead a more normal life. Unfortunately, Frieden points out, the unemployment rate for disabled persons actively seeking work exceeds 50 percent.

"It means employers still look at the person's disability, regardless of that person's skills," he says.

Frieden doesn't think they do this with bad intentions; they do it without thinking. In some respects it is unfair, in others it is just bad business, he says.

Few businessmen realize that the hearing, sight, mental and ambulatory disabled make up a sizable consumer market yet to be tapped. According to the U.S. Census Bureau, 17.2 percent of the nation's population has one of these four chronic disabilities. About 7.5 percent of the total population are deaf or severely hearing impaired, but few businesses do anything to appeal to this market. For example, although businesses have telephones so their customers can contact them, few have any system for those hard of hearing. There are machines that enable callers to type messages on their phones and be printed at the other end but few firms have them. And although the state and city building codes require wheelchair ramps for all public buildings and private buildings to be used by the public, few have installed ramps.

"The biggest problems now are the strip centers. Most are not accessible to people in wheelchairs because they have no ramps from the lots to the stores. And there are few convenience stores that a wheelchair user can use," he says.

Frieden says the city of Houston once conducted a study which found that 3 percent of the city's population on any given day are wheelchair users. They aren't all permanently disabled. Some have heart conditions, others broken legs or knee surgery, but the point is that these people can't enter most buildings in the city without great difficulty, he says.

And Frieden says advertisers shouldn't ignore disabled consumers. Because a housewife is a wheelchair user doesn't mean she doesn't wax her floors, he says. And Frieden wonders how much more beer a company would sell if the man who competed in the recent Tenneco marathon in a wheelchair endorsed a particular brand.

But probably the greatest missed op-

portunities involve the state of Texas. According to Frieden, the state spends \$23,000 to \$27,000 a year for each disabled citizen it cares for in an institution. But with the proper support, like the Houston Center for Independent Living, many could live on their own. Such centers would aid people regardless of their disability. They would offer peer counseling, emotional support, the teaching of independent living skills and the training of attendants. These centers could provide a much higher quality of

life than an institution offers for about half the cost, he says. However, Frieden claims the state has so much capital already tied up in institutions it hesitates to experiment with new approaches.

"If someone can live in his own house or apartment, he will have a better quality of life, be a productive and contributing member of the community, and save the government money," he says.

Frieden wants society to give disabled people a chance to join and contribute, not just to hang on. —P.J.

WHEN YOU NEED SNAP-OUT FORMS, YOU NEED CLARKE & COURTS.

DATE
 ACCOUNT NUMBER
 AMOUNT DUE

NOTE NUMBER	FROM	TO	RATE	INTEREST PAYMENT	PRINCIPAL PAYMENT
				Snap-out business forms are a Clarke & Courts specialty. Checks, invoices and more. Carbon and carbonless. Delivered when you need them. Snap-out business forms are quick, convenient and efficient. We've been printing them ever since they've been around. When you need snap-outs, remember, Clarke & Courts does the job right the first time—so reordering is a snap.	

CLARKE & COURTS, INC.

Quality printers and engravers since 1857.

1210 West Clay, Houston, Texas 77019

(713) 528-4185, Business Forms Department

Money

from page 32

deregulation. The loans-to-asset ratio increases and the investment ratio decreases with bank size. In the short term, the TBA says banks relying on investment accounts will have a problem with falling interest rates because they will earn less on those assets. The problem will be less severe with larger banks, which have higher loan-to-asset ratios.

The same profitability problems will affect the S&Ls. "The authority to offer an account that is competitive with money market funds is going to rapidly change the nature of our liability deposits and will have a significant long-term affect on the kind of loans we offer to our customers and the way interest is charged on those loans," explains James A. Coles, president of United Savings and vice president of the National Savings & Loan League. "What we have to create are loans that have a matching sensitivity to the cost of our deposits. This is where the spread comes in. Unless our assets have adjustable or variable interest rates or are very short term, we simply don't have the ability to

maintain a relatively constant spread."

S&Ls are all too aware of the problem of spreads. During the late 1970s, many S&Ls were sent to the brink of bankruptcy when rising interest rates turned margins negative because the rates they paid on their deposits were higher than the income they received on the low-rate home mortgages they had invested in so heavily in the past.

S&Ls aren't about to let that situation happen again. "We're going to have to pay closer attention to asset/liability management now," says Oshman. "In the business of the past, a deposit cost you 'x' amount and a mortgage loan earned you 'y' amount. You had two products on one side of the balance sheet. "With deregulation, the cost of the deposits and the amount you earn on the loans will be on separate sides of the balance sheet and the products you offer must be able to stand on their own."

Banks and S&Ls were relying on new business from the money market deposit accounts and Super NOW accounts to substantially offset the increase in cost, but according to Lane, the financial institutions are not getting as much new money as they would like. Lane believes that for every \$1 increase

in interest expense, banks need \$4-\$5 in new money to be profitable. The amount of new money institutions are receiving ranges from 20 to 40 percent, he says. The rest are conversions from time deposits or passbook savings and NOW accounts.

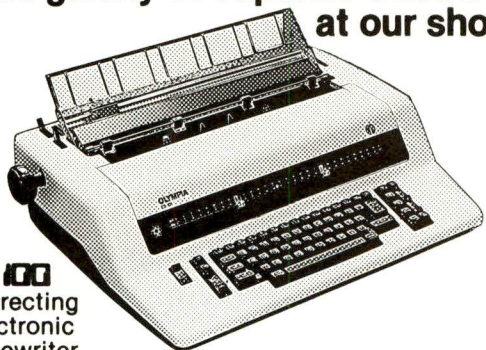
Stephen P. Gubitzi, senior vice president of regional market development for RepublicBank Houston, is not complaining, however. "Even though much of the money we are receiving are conversions from certificates of deposit or passbook savings, we are still retaining money that could have gone elsewhere."

Coles isn't worried either. "For the first time in 15 years, S&Ls are showing a net gain in deposits," he says. "At United Savings, we expect money market accounts to eventually make up 25 percent of our total deposits. We're not getting as much new money from the accounts as other institutions, because we're not paying as much for them as other institutions. In fact, we're interested in shifting our customers back to three- to five-year certificates to protect us against interest rate fluctuations."

Coles notes that many banks and S&Ls are now offering higher rates on certificates of deposit. "From 1980-82, we talked about a downward slope in

OLYMPIA Typewriters

See the newest Stars ...
in the galaxy of superior OLYMPIA products,
at our showroom now.



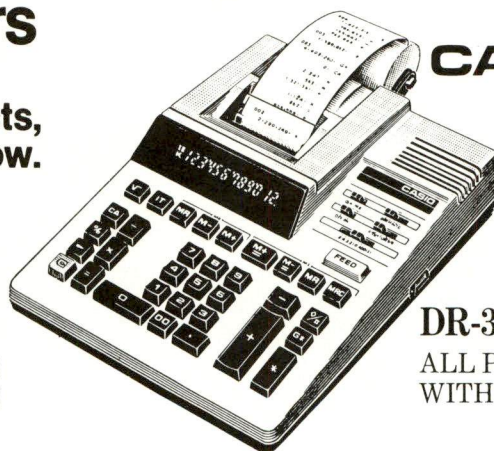
ES 100
Correcting
Electronic
Typewriter

NEW

OLYMPIA ES100, ES101, ES105, ES110

BSI II
IBM II

**NOW
ON
SALE**



CASIO®

DR-3220

**ALL PRINTING
WITH DISPLAY**

Casio DR100 \$149.50 and up

Casio DR110

NEW Casio DR120

Casio DR1212

Casio DR3220

Printers
with
Display

WE SERVICE WHAT WE SELL

J. J. LEMMON CO., INC. 654-9084

1602 San Jacinto Serving Houston Since 1921

the yield curve because of high interest rates. For that reason, it didn't make sense for us to raise our long-term rates. Our yield on all our assets taken collectively is about 11.25 percent. So we couldn't encourage customers to deposit with us at a rate higher than that. But now that interest rates have turned down and we're dealing with an upward sloping yield curve, it does make sense to encourage long-term investment."

To survive deregulation, industry spokesmen say banks and S&Ls will have to change their business strategies and pay closer attention to asset/liability management. Many of these changes, some of which are currently underway, will directly affect the pocketbooks of consumers. Others will just involve a change in procedure or marketing strategy.

Some of the changes taking place include:

Restructuring or creating loans that earn a higher rate for the financial institution: Adjustable or variable rate loans with shorter maturity periods will be emphasized, says Coles. "If the customer wants to have the certainty of fixed payments, he will have to pay for that certainty," he says. "In the current marketplace for conventional mortgages, for example, an adjustable rate mortgage can be placed at 11.5-11.75 percent; a fixed rate goes at 13.-13.5 percent."

The retail and consumer installment loans that United Savings has typically written for 10 to 15 years will have shorter maturity dates, he adds. Longer term loans for home improvements will still be available, but will include a provision allowing for an adjustment of interest rates after three years to bring that rate to market value.

One interesting note: Coles says that the need to create more interest-sensitive assets will encourage S&Ls to seek out commercial lending opportunities more aggressively than in the past. He says many thrifts are joining consortiums in order to make major loans to corporations that they could never make on an individual basis.

Re-examining and re-pricing products: The loss leader approach of providing services at below cost in order to attract deposits is no more. There is a move in the industry towards pricing products according to the cost of delivering those products, says Oshman. The customer that costs the most to service, typically the low balance/high volume customer, will have to pay for that service either in service charges

or reduced interest.

This trend spells an end to free \$100 savings accounts for your kids, \$1-2 wire transfers and \$3-\$6 service charges on low-balance checking accounts. Coles says wire transfers, stop payments and checks returned for insufficient funds will go up to \$10 to \$15. At Houston First American Savings, for example, the service charge for a NOW account when the balance falls below \$500 has increased from \$6 to \$10. The charge for insufficient funds is now \$20 per check and a wire transfer is \$10. Some institutions are even charging for requests on current account history.

Institutions are also beginning to delay paying interest on checks drawn from other banks until they receive the funds, says Oshman. In the past, many institutions have immediately paid interest on checks deposited into interest-bearing accounts, even though they did not have use of those funds for several days.

Focusing Their Markets: The full-service bank is dying, says Lane. Banks of the future will have to be more specialized and concentrate on those markets where they make the most money.

"We can't be all things to all people," adds Vermillion. "Banks and S&Ls will



DISCOVER AMERITRUST

...and find a new world
of financial possibilities.

Ameritrust is opportunity. A strongly-capitalized and highly proficient financial counseling, asset management and trust organization which offers



successful people the expert guidance and personal attention they expect...and deserve. A level of performance and attention that enriches the lives of its clients. Judy C. Bozeman is president of Ameritrust Financial Advisors—bringing to her leadership role more than twelve years of successful banking, trust management and personal financial counseling experience.

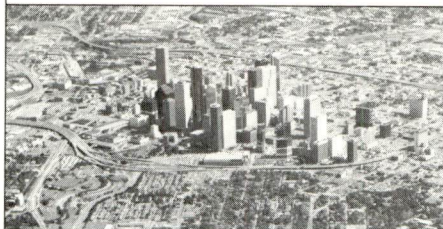
"Your advantage in Ameritrust", Bozeman says, "is our unique combination of investment capabilities, planning technology, personal interest in our clients, and the financial strength to assure success." It's time you discovered Ameritrust. Call for your personal financial audit packet.

Judy C. Bozeman, President


Ameritrust
Financial Advisors, Inc.

6363 Woodway, Fourth Floor Houston 77057
713/780-2314

STOCK AERIALS



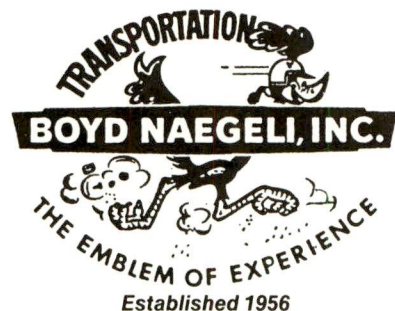
Of HOUSTON and
surrounding counties



MARK NASCHKE
PHOTOGRAPHY
Full Service Studio

- Commercial
- Public Relations
- Conventions
- Architectural

5353 W. Alabama #507
Houston, TX 77056
960-0123



**SPECIALIZING IN
HEAVY EQUIPMENT
AND MACHINERY MOVING**

- Construction
- Oilfield
- Industrial

Self-loading and unloading
rollbacks and lowboys;
float trailers and dump trucks

**FOR YOUR NEXT
MOVE, CALL
THE PROFESSIONALS**

BOYD NAEGELI, INC.
946-4000
TX, NM, OK, LA, AR, MS
TN, SC, FL, NE

have to focus their marketing efforts on those segments where they think they can make the most money and capitalize on those areas. Anytime business becomes more competitive, you've got to generate operating leverage, and one of the ways you do that in banking is by capitalizing on your strengths.

Increasing the use of Automatic Teller Machines (ATM's) and other advanced technology: In the future, banks and S&Ls will emphasize electronic banking and more efficient delivery systems, says Vermillion. John T. Cater, chairman of Southwest Bancshares, Inc., agrees. "Technology is one of the strongest tools available to bankers for cutting operating costs," he says. "The current technology of ATMs has done a great deal to reduce the cost of banking and there will be continued emphasis on their use in the future."

He says the real future in banking technology, however, may lie in point-of-sale systems, which are not allowed under the state prohibition against branch banking. "The cost benefits of these systems are substantial," he explains. "Our industry spends \$11 billion a year processing checks. Experts say that an automated point-of-sale transaction would cost only half as much as processing a check, what with reduced time and labor costs of paper handling. We are 90 percent of the way to having point-of-sale now when you consider the magnitude of our shared ATM system. All that remains is to hook in the retailers."

As Vermillion points out, deregulation is going to be an extra bonus for the consumer, but the industry itself is going to go through some severe dislocations during the transition period. "But we're not unique in that respect," he says. "Look at the airlines and other industries that have been deregulated. What's important to remember is that deregulation will create a lot of opportunities as well as hardships. Anytime there are changes you can sit and let them overwhelm you or you can get in the middle of them and capitalize on them." ■

Horseshoes

from page 38

shoeing job, I'm proud, even if no one else sees it and the horse stands in the mud all the time," he says.

Love now has about 40 to 45 customers. In a six-week period he will shoe about 200 horses and trim the hooves on another hundred. A horse's hooves grow about one-quarter inch every six to eight weeks after which they should be reshod, so he shoes about 35 horses and trims another 18 each week. Unfortunately, owners will delay having their horses shod until just before a show, which forces Love to do a lot of horses in a short time. "I'd like to have enough horses where I can spread them out evenly over a six-to-eight week period and stay regularly busy. The problem is that it just doesn't work that way," he says.

Shoeing can also be dangerous.

"You get kicked once in a while. You get knocked down once in a while. And you have accidents every once in a while," he says.

Love has had his toes stepped on, his jaw broken and his back severely messed up in his tenure as a farrier. As a result, Love has learned to read a horse's temperament, though he says, "A horse can read you a lot faster than you can read them."

While horseshoeing techniques haven't changed much in recent years, the horses have. Ten years ago, would-be equestrians could buy a pleasure horse at an auction for \$60 or \$70. Now they generally pay about \$500. A horse selling for less than that will probably be bought by a slaughter house for dinner tables in Europe. With horse owners having made so large an investment, they tend to take care of their animals, Love explains.

The farrier business has also changed in Houston. For one, there are more farriers and consequently more competition here than 10 years ago. Secondly, the quality of shoeing has also improved.

Love says more farriers have moved here in recent years as word spread about the large horse population in the area. These newcomers solicit business through ads in horse magazines, placing business cards in western wear and feed stores, and through veterinarian referrals. Love hasn't had to actively solicit business in years. The few customers he picks up each year to replace the ones he's lost come from veterinarian or customer referrals. He says demand for farriers should continue to increase, especially if the state legalizes betting on horse racing.

Love doesn't expect the farrier trade to ever become extinct. He says people will always own horses, and where there are horses there will be hooves to be shod. ■



**25th Floor, 1100 Milam Building
Houston, Tx. 77002
713-651-1313**

Executive Committee

WILLIAM C. HARVIN, Chairman of the Board; managing partner, Baker & Botts.
ROBERT S. BRADEN, Vice Chairman; president, Turner Collie & Braden Inc.
HAROLD S. HOOK, Vice Chairman; chairman & chief executive officer, American General Corporation.
PAUL N. HOWELL, Vice Chairman; chairman of the board and chief executive officer, Howell Corporation.
JOHN F. BOOKOUT, Secretary; president & chief executive officer, Shell Oil Company.
ERNEST DEAL, Treasurer; chairman of the board and CEO, InterFirst Bank Fannin .
JACK S. BLANTON SR., Member-at-Large; president, Scurlock Oil Company.
JOHN T. CATER, Member-at-Large; chairman, president & chief executive officer, Bank of the Southwest.
HENRY F. LeMIEUX, Member-at-Large; chairman & chief executive officer, Raymond International, Inc.
BEN F. LOVE, Member-at-Large; chairman of the board & chief executive officer, Texas Commerce Bancshares, Inc.
RANDALL MEYER, Member-at-Large; president, Exxon Company U.S.A.
STEWART ORTON, Member-at-Large; executive vice president, Federated Department Stores, Inc., Foundation.

KENNETH SCHNITZER, Member-at-Large; chairman of the board, Century Development Corporation.
WILLARD E. WALBRIDGE, Member-at-Large; consultant.
LOUIE WELCH, President and Chief Executive Officer, Houston Chamber of Commerce.
LEONARD S. PATILLO, Executive Vice President and General Manager, Houston Chamber of Commerce.

Board Members

FRED C. ACKMAN, chairman, president and chief executive officer, Superior Oil Company.
ROBERT H. ALLEN
JOHN W. ANDERSON, vice president-customer services, Southwestern Bell Telephone Company.
W. J. BOWEN, chairman of the board and chief executive officer, Transco Companies, Inc.
RONALD BROWN, chairman and chief executive officer, RepublicBank Houston.
ERNEST H. COCKRELL, president, Cockrell Oil Corporation.
ROBERT J. CRUIKSHANK, partner, Deloitte, Haskins & Sells.
JOHN P. DIESEL, president, Tenneco Inc.
JOHN H. DUNCAN, chairman of the executive committee, Gulf + Western Industries Inc.
THOMAS J. FEEHAN, president and chief executive officer, Brown & Root Inc.
JOE H. FOY, senior partner, Bracewell & Patterson.
GIBSON GAYLE JR., chairman of the executive committee, Fulbright & Jaworski.
E. O. GAYLORD, chairman of the board and president, Distribution Systems Inc.
REX R. GIVAN, general area manager, Sears Roebuck and Company.
DR. NORMAN HACKERMAN, president, Rice University.
DR. PHILIP G. HOFFMAN, president, Texas Medical Center Inc.

FRANK P. HORLOCK, chairman of the board, Horlock Beverage Company, Inc.
HOWARD W. HORNE, chairman of the board, The Horne Company Realtors.
ROY M. HUFFINGTON, chairman, chief executive officer and president, Roy M. Huffington Inc.
RICHARD J.V. JOHNSON, president, The Houston Chronicle.
DR. C. A. LeMAISTRE, president, University of Texas System Cancer Center at Houston.
JAMES R. LESCH, chairman of the board and chief executive officer, Hughes Tool Company.
LEO E. LINBECK JR., chairman and chief executive officer, Linbeck Construction Corp.
FRANK LORENZO, president and chief executive officer, Texas Air Corporation.
WALTER MISCHER JR., president, The Mischer Corporation.
S. I. MORRIS, partner, Morris/Aubry Architects.
BOB J. PERRY, president, Perry-Houston Interests Inc.
MARCELLA D. PERRY, president, Heights Savings Association.
J. HUGH ROFF, president and chairman of the board, United Energy Resources Inc.
NAT S. ROGERS, chairman of the board, First City National Bank.
ROBERT T. SAKOWITZ, chairman, president and chief executive officer, Sakowitz Inc.
A. FRANK SMITH JR., senior partner, Vinson & Elkins.
C. JIM STEWART, chairman of the board, Stewart & Stevenson Services Inc.
GILBERT M. TURNER, chairman of the board and chief executive officer, Boring & Tunneling Co. of America Inc.
M. A. WRIGHT, chairman and chief executive officer, Cameron Iron Works Inc.
R. E. WRIGHT, consultant and former vice president, Texaco Inc.
JACK EVANS, president, Houston Jaycees; tax manager, Saber Energy Inc.

Professional Staff

Executive Division

LOUIE WELCH, president and chief executive officer
LEONARD S. PATILLO, executive vice president and general manager
LEE A. TUCKER, executive assistant to the president
STEPHEN E. TAYLOR, staff executive
MARJORIE PACE, assistant to the president
NONNY G. LEVERENZ, executive assistant
ELAINE SMITH, assistant to the executive vice president

Community Betterment Division

CHARLES T. LANSDEN, director
SUSAN A. KNIGHT, program manager
PARKER R. LEDBETTER, program manager
JACK S. WESTNEY, program manager
JANET WAGNER, program manager
LYNN TEACHEY BURDINE, program manager, Business Volunteers for the Arts

Economic Development Division

J. L. TAYLOR JR., director
KENT R. FULLER, manager, Economic Development.
ROBERT L. HORLANDER JR., staff associate, Small Business.

BARBARA A. LEZAR, manager, International Business.
MIGUEL SAN JUAN, staff associate, International Business
ROSIE BARRERA, program manager, Economic Development.
SAADAT SYAL, staff executive, Economic Development.
RAYMOND H. WOLTER JR., staff executive, Economic Development.
WILLIAM C. MURPHY, staff associate, Economic Development.
KATHLEEN ZIMMERMAN, administrative associate, Economic Development

Communications Division

MARY M. MIDKIFF, director
PATRICK NEWPORT, staff associate, Media Relations.
RICHARD G. STANLEY, editor, HOUSTON Magazine.
ROY W. CLINE, business manager, HOUSTON Magazine.
MIKE H. MARSHALL, advertising manager, HOUSTON Magazine.
JAMES R. LaCOMBE, staff associate, Photography/Audio-Visual.

Future Studies Division

FLOYD MARTIN, director

Governmental Relations Division

COLETTE L. GRINSTEAD, director
HELEN SCHMALZ, program manager
DEBORAH S. CARTWRIGHT, staff associate

Internal Operations Division

ROY W. CLINE, director
CAROLYN C. BEST, manager, Accounting
JOHN A. DONALDSON, manager, Administrative Services.

Membership Division

DAVID R. ADAM, director
NORMA J. SAUCER, administrative associate.

Research Division

HOWARD N. MARTIN, director
CHARLES A. KASDORF III, manager
EDITH CHAMBERS, administrative associate
NANCY LOWTHER, administrative associate, Information Services.

Transportation Division

ROGER H. HORD, director
TERRENCE PARENT, manager, Aviation.
FRANK R. KENFIELD, program manager
NORMA GARZA, administrative associate

A YEAR OF REAL PROGRESS UNDER THE MOBILITY PLAN

Major Projects Are Already Moving

By William C. Harvin
Chairman
Houston Chamber of Commerce

Just one year after the Chamber's Regional Mobility Plan was made public, it is not only on track, it is ahead of schedule.

The quick action by various governmental bodies to endorse our proposal to improve mobility in the Houston region was essential to our getting off to a good start and confirmed our belief that a comprehensive transportation plan for the region was a critical necessity.

What has been especially gratifying, however, is the speed with which work has been undertaken on specific projects set out in the RMP. Seven major city and state projects are now under construction, including a freeway section of the North Belt from I-45 to Drummet Road; widening of FM 149; a new bus lane and widening of the Gulf Freeway; and widening of Westpark.

These projects—and 38 more scheduled to start this year—were planned before the Chamber's Committee for Regional Mobility began its milestone work of sequencing and setting priorities for the 237 projects in the RMP. The important thing is that they could be started on an accelerated schedule due to the direction and community of purpose the RMP established.

The stimulant effect of the RMP was evident shortly after the plan was completed by transportation experts from the Metropolitan Transit Authority, the City of Houston, Harris County, the Texas Department of Highways and

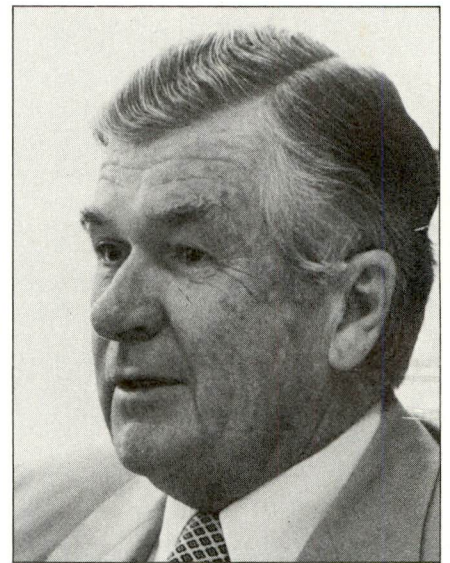
Public Transportation and the Texas Turnpike Authority working with the Chamber's committee. Shortly after reviewing the \$16.2 billion, 15-year plan, the Texas Highway Commission increased the funds it had apportioned to the Houston area.

An important feature of the plan is that it addresses the need for additional funding to accomplish its objectives. The Chamber now is working in Austin to support passage of the Traeger-Cain bill, which would increase state highway construction and maintenance funding by about \$700 million per year and would establish a new City Street Improvement Fund to provide general fund revenues of more than \$100 million to improve streets in the state's cities.

While the economic climate is not the best for increased state financial commitments, we are optimistic about chances for passage, especially in light of the fact that the work detailed in RMP will generate 25,000 jobs in Harris County annually, plus 62,500 jobs in related activities.

The Metropolitan Transit Authority is to be commended also for the accomplishments it has contributed to implementation of the RMP. Not only has it added to the bus fleet, improved and expanded service and significantly advanced its planning on several fronts, but it has sealed its commitment to a first-rank public transportation system with a contract to deliver 130 rail cars for its heavy rail system.

The Chamber is continuing its efforts to improve the RMP and to monitor its implementation. The Committee for



Regional Mobility, chaired by John B. Turner Jr., has several reports in preparation by its technical group, has added a representative of the Houston-Galveston Area Council to its membership and has been in contact with other area organizations which have prepared their own supplementary "subregional" mobility plans.

The RMP represents a community commitment matched in our history only by the decision to create the Ship Channel out of Buffalo Bayou. Our momentum now shows that we have not lost that spirit.



REACHING FURTHER. DOING MORE.



From medicine to manufacturing, Texas business is the business of First City. More than 60 member banks statewide with over \$16 billion in assets.

MEMBERS FDIC © 1983 FCBOT

