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AN EMPIRICAL STUDY: SYSTEMATIC BIAS INTRODUCED INTO THE RELATIONSHIP OF CONCENTRATION AND RATES OF RETURN BY THE AGE OF FIRMS, THE EXPENSING OF RESEARCH AND DEVELOPMENT, AND BY RISK (AS MEASURED BY THE BETA COEFFICIENT).

City University of New York, Ph.D., 1976
Business Administration

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(AS MEASURED BY THE BETA COEFFICIENT)

by

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1976

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Abstract

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by

William L. Henrich

Adviser: Professor Steven Lustgarten

It has generally been held that a positive association between industry structure and profits implies certain inefficient conduct on the part of firms in a industry. Empirical studies investigating this hypothesis attempt to measure market structure - rate of return relationships and thereby to infer market conduct.

Most, though not all, tests of the effect of market structure on rates of return found at least some positive correlation between the two variables; and, almost all authors claimed to have confirmed the existence of monopoly power for the industries they sampled. This conclusion appears to be related, in part, to the simplicity of the relationship they hypothesized.

The theoretically most important variable explaining return, risk, has not been examined closely. The most fully developed theory of risk has evolved from financial theory. The financial measure, Beta, will be introduced into the market structure (concentration) - rate of return (profits) relationship in this study.

Further, most previous studies using profit rates as an estimator of performance relied upon reported accounting profits. However, the bias resulting from the standard practice of expensing research and development expenditures distorts the firm's "true" rate of return. As a result, reported rates of return cannot be considered unbiased measures of economic profitability, especially in structure-performance studies with inter-industry comparisons. This study adjusts for the bias introduced into accounting rates of return by the arbitrary expensing of R & D.

Professor Yale Brozen has grouped the risk and the R & D expense explanations of why accounting profit rates are not good measures of performance with yet another variable - age. This group of variables, he speculates, affects the concentration-profits relationship through introduction of "systematic accounting bias" into the measure of profits; furthermore, this bias may increase

with concentration.

With respect to age, accounting convention reports assets at historic costs and depreciates assets at rates based upon historic costs. However, in periods of inflation, assets cannot be replaced at historic acquisition costs. As a result, firm balance sheets will generally understate the current value of those assets; profit statements will overstate the returns to the firm, and profit rates will be overstated. Firm age, Brozen hypothesizes, may serve as a surrogate measure for this bias; if so, a positive relation between age and profit rates would be observed.

This study considers whether firms in industries with high concentration ratios have higher risk, more bias caused by expensing R & D, and are older than firms in industries with low concentration.

The findings of this study strongly suggest that measures of performance based upon accounting rates of return are significantly biased due to the age of firms and as a result of conventional accounting treatment of research and development. These systematic measurement errors appear to significantly impact rates of return and inter-industry rate of return differentials. Public policy seeking to alter the performance of industries must account for these influences; if not, serious misallocations could occur.

This study, however, also strongly suggests that risk, as measured by the Beta coefficient, does not impact firm rates of return. If so, public policy makers need not be concerned with the influence of risk.

Perhaps the most interesting implication of this study is the finding that high concentration alone does not imply high rates of return. While an association between industry barriers and rates of return is highly significant, none appears in the concentration-rate of return relationship. On this basis, it would seem appropriate for public policy makers to seek more refined and more widely available measures of industry barriers. Concentration ratios, as measured by the Census Bureau, just do not enable the investigator to identify differences in rates of return, at least at statistically significant levels.

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CHAPTER I

INTRODUCTION

TWO PHILOSOPHIC VIEWPOINTS

Within the context of concentration, profitability, and public policy there exists two basic philosophic theories: the Neoclassical and the Schumpeterian. The Neoclassicists hold that a perfectly competitive system generates the most optimal conditions under which production can take place. Given the preconditions for perfect competition (homogenous products, perfect knowledge, free entry and exit, etc.), an industry has the potential to achieve a long-run position of equilibrium. Supply and demand will be in equilibrium when short-run marginal cost, long-run marginal cost, short-run average cost, long-run average cost, marginal revenue and price all converge. The very nature of the competitive system encourages productive growth, for to increase profits the firm must continually seek to become more efficient than its competitors. This never-ending struggle to increase profits causes firms to innovate in hopes of outstripping their rivals; imitation, however, by equally progressive competitors keeps any one firm from becoming a monopolist.

The Schumpeterians criticize the Neoclassical system. To them, perfect competition is not only unfeasible, it is undesirable.

It is not sufficient to argue that because perfect competition is impossible under industrial conditions - or because it always has been impossible - the large scale establishment or unit of control must be accepted as a necessary evil inseparable from the economic progress which it is prevented from sabotaging by the forces inherent in its productive apparatus. What we have got to accept is that it has come to be the most powerful engine of that progress and in particular of the long-run expansion of total output not only in spite of, but to a considerable extent through, this strategy which looks so restrictive when viewed in the individual case from the individual point of time. In this respect, perfect competition is not only impossible but inferior, and has no title to being set-up as a model of ideal efficiency.¹

Under the Schumpeterian interpretation, firms faced with atomistic competition would be reluctant to innovate, fearing imitation by other producers that would destroy their comparative advantage. The insecurity of the competitive world promotes disharmony, discourages efficiency, and consequently retards growth. As an alternative, Schumpeterians suggest that industrial concentration of the oligopolistic type is most conducive to economic progress.

Under perfect Neoclassical competition, economic concentration is anathema because it negates the large number of sellers assumption. Price may be higher and output lower in a concentrated economic sector than in a competitive one. The Schumpeterian would

¹Joseph A. Schumpeter, Capitalism, Socialism, and Democracy, New York, N. Y.: Harper & Row, 1942, p. 106.

hold, though, that this is true only if the method and organization of production are exactly the same in both cases. Actually, however, there are superior methods available to the oligopolist, characterized by economies of scale (and, thus, barriers to entry) not readily available to a host of competitors. These economies, plus the desire and ability to carry on extensive research and development, make concentration a better stimulant to growth than competition. Furthermore, the process of creative destruction, which means the development of new goods, new techniques of production, new markets, and new forms of industrial organization, guarantees that monopolies will not thrive in a Schumpeterian world.² Table 1 on the following page presents a comparison of the assumptions and economic processes inherent to the Neoclassical and Schumpeterian Models.

EFFICIENCY

Both viewpoints are consistent on one point-- efficiency. Both suggest that it is desirable for firms to select the lowest cost combination of input factors to produce any given level of output, and, that it is also desirable to produce the highest valued output demanded by society.

²James S. Cicarelli, Industrial Structure and Economic Performance: American Manufacturing, 1947-1958, (unpublished Ph. D. dissertation, University of Connecticut, 1968), pp. 1-19.

Table 1

A Comparison Between the Neoclassical and
Schumpeterian Models

Assumptions and Economic Processes Under the Neoclassical Model of Atomistic Competition	Assumptions and Economic Processes Under the Schumpeterian Model of Oligopolistic Competition
1) Large numbers of sellers and buyers.	1) Small numbers of sellers and sometimes small numbers of buyers.
2) U-shaped average cost curve, economies of scale exhausted at relatively small size.	2) Relatively sharp decline of costs until some point of minimum efficient size (MES), then slowly declining costs.
3) Decisions limited to adjusting output to market-determined prices.	3) Dimensions of decision-making are numerous and of many gradations. Decisions on technological leadership, product quality, promotion including selling organizations, advertising, and price discounting, relative cost efficiency, etc.
4) Supply of entrepreneurs is readily available; the best production technology and product quality are instantaneously matched.	4) Time, organizational experience, and organizational learning are involved in the development of an effective economic team so that advantages and disadvantages between firms are not quickly equalized.
5) Cost conditions are the same and firms are of similar size.	5) Cost functions are of different shapes and firms are of different sizes.
6) Entry into an industry and exit from it are virtually instantaneous.	6) Entry and exit are not easy or speedy because of relatively large MES and the time, costs and uncertainty of matching the efficiency of existing firms.
7) Collusion is precluded by the large numbers of sellers.	7) Collusion is facilitated by small numbers of firms, but made difficult by the numerous elements of decision processes in a dynamic environment. Gains less costs from noncollusion generally outweigh gains less costs from collusion.
8) Efficiency is stimulated by the need to keep costs below the industry price.	8) Efficiency is stimulated because large advantages or disadvantages are not readily matched.
9) Profits quickly move to equality by entry and exit, by rebidding the prices of variable factor inputs and revaluation of fixed factors of production.	9) Because of organizational learning, differential efficiency and firm specific experience and skills of workers, the equality of the prices of factor inputs may not take place and differences in accounting profits may persist for longer periods of time.

Source: J. Fred Weston, Pricing in the Pharmaceutical Industry, prepared for Hoffmann-LaRoche, Inc., September 10, 1975, Table V-1.

The firm becomes the essential link between consumers and productive resources. Its private goal is to make profits, but its social function is to organize productive activity in the most efficient (lowest-cost) way possible and to channel productive resources toward industries where consumer demand is strongest. Profits become the mainspring of the system. In seeking profits, the firm performs a vital social function. And prices play a key role in allocating resources to where consumers want them most.³

It has been held through public policy in the United States, at least, that the many in society and not individual producers should receive the benefits of efficient production. Output prices should allow the producer to cover all costs, including a profit sufficient to compensate for risk. In the long run, however, the producer should receive only this reasonable profit.⁴

Competitive, unconcentrated, markets would accomplish this goal. The absence of competitive markets, though, is not prima facie evidence of an inefficient market. Markets straying

³George L. Bach, Economics an Introduction to Analysis and Policy, 8th edition, Englewood Cliffs, New Jersey: Prentice-Hall Inc., 1974, p. 31.

⁴Timothy G. Sullivan, Market Power, Profitability and Financial Leverage, (unpublished Ph. D. dissertation, Michigan State University, 1972), pp. 2-3.

from the competitive rule could be, just, to achieve efficiency. Industries could become more concentrated (less atomistic) for technological and efficiency reasons. The largest firms may be the most efficient and as a result therein earn superior returns.⁵

THE CONCENTRATION - PROFITS HYPOTHESIS

When many small firms comprise an industry, it is unlikely that members in the industry can "control" prices, quantities, the nature of the product, etc. The structure and performance of the industry is determined by the natural interaction of "market forces." However, the existence of a small number of firms in an industry could provide the environment for firms to group together (collude) for their collective benefit.

Collusion could in turn result in improved performance; that is, high profits in the industry. Thus, it has been generally held that a positive association between industry structure and profits implies certain inefficient conduct on the part of firms in the industry.

⁵Harvey J. Goldschmid, H. Michael Mann, and J. Fred Weston (eds.), Industrial Concentration: The New Learning, Boston, Mass.: Little, Brown and Company, 1974, p. 162.

The concentration - profits hypothesis grew out of this reasoning. As Leonard Weiss points out:

The structure - profits relation was the first area of industrial organization to be systematically studied and has been by far the most thoroughly plowed field since. Although oligopoly theories could be constructed that would point in almost any direction, most practitioners assumed that successful (tacit or explicit) collusion would approach joint maximization and that the ability to collude increases with concentration. Industries so unconcentrated that collusion was impossible were expected to yield only opportunity costs to all factors plus random deviations reflecting unanticipated changes in demand and/or cost. Profit rates were expected to increase with concentration as collusion became more successful until they reached a maximum attainable with given demand, cost, and entry conditions, again with short run profit differences due to unanticipated changes in demand and/or cost.⁶

Posner writes on the same subject:

... price-fixing, whether tacit (call it "oligopolistic interdependence" if you like) or express, is facilitated by fewness of competing firms. Other things being equal, the costs of reaching agreement are lower with few parties to the agreement. The likelihood of cheating - the bane of cartels - is also reduced since it is easier to identify a defector from a small group.

⁶Leonard W. Weiss, "Quantitative Studies of Industrial Organization" in Yale Brozen (ed.), The Competitive Economy: Selected Readings, Morristown, New Jersey: General Learning Press, 1975, pp. 145-146.

To be sure, other factors - such as the elasticity of demand for the industry's product and the speed at which new entry can be effected - also bear importantly on the feasibility and attractiveness of collusion. These factors may in particular cases dominate the effect of concentration. Still, it seems plausible that if concentration were substantially reduced, the costs of collusion would be higher and its incidence therefore lower.⁷

The hypothesis predicts differentials in the rates of return between high and low concentrated industries. A market with low concentration may still be oligopolistic but with such a low degree of interdependency that sellers are unable to reach agreement on a common price policy. In light of this, the concentration - profits hypothesis does not predict differences in the profit performance between oligopolistic and atomistic markets, but between oligopolies of differing degrees of interdependency. And, a priori, it is not possible to determine if the concentration - profits hypothesis is to be conceived of as a discrete or a continuous relationship. Empirical analysis has, on this point, produced conflicting results.⁸

⁷Richard A. Posner, "Problems of a Policy of Deconcentration" in Goldschmid, Mann, and Weston, op. cit., p. 393.

⁸Thomas D. Duchesneau, The Role of Firm Size in the Profit Differential Between High and Low Concentrated Industries, (unpublished Ph. D. dissertation, Boston College, 1969), pp. 10-11.

As a result of investigation in the area (as reported in Chapter II), an abundance of studies have been published which examine the relationship between industry structure and performance. Almost all of the studies report a positive relationship between concentration and profits, but generally with quite low explanatory ability.

This state of knowledge has led to a plethora of public policy alternatives. As Almarin Phillips reports:

The ostensibly demonstrated positive relationship between profitability and concentration has been the foundation for a number of policy approaches. The Antitrust Division's merger guidelines bear the imprint of regression coefficients showing the positive relationship. Senator Hart's proposal to deconcentrate selected industries and to shift the burden of proof when concentration or profits reach particular levels are similarly based. And the Federal Trade Commission has attempted - unsuccessfully thus far - to obtain summary judgments of violations of Section 7 based on the effects of a merger on four-firm, eight-firm, and twenty-firm concentration ratios alone.⁹

⁹Almarin Phillips, "Industrial Concentration and Public Policy: A Middle Ground" in Goldschmid, Mann, and Weston, op. cit., p. 386.

CHAPTER II

EMPIRICAL STUDIES: KEY CONCEPTS AND A SUMMARY OF PREVIOUS FINDINGS

Empirical studies attempting to evaluate market concentration concepts essentially attempt to measure market structure, and, through consideration of the relationship of market structure (power) with performance (rates of return), infer market conduct. Most of the major empirical studies investigating the concept report weak relationships between performance and structure.¹ Before examining the findings of previous empirical studies, several key concepts should first be presented.

CONCENTRATION RATIOS

Concentration ratios are a method of classifying market power. These ratios are calculated by the Census Bureau from census statistics gathered in years ending in 2 or 7. They indicate as an example the percentage of output within various industries shipped by the largest four or eight firms. The regular publication of these ratios makes them widely utilized. Two other measures, the relative concentration

¹A detailed survey of concentration — profits studies will be found on pages 22-37.

and Herfindahl index, are of clear theoretical interest.² However, they are not compiled on a comprehensive or regular basis.

Concentration ratios have, though, limitations:

- 1) They inherently contain the same economic limitation as the 4-digit SIC code at which they are compiled and published; that is, they may not represent economic markets.
- 2) The output of multi-industry plants will be classified into one market; therefore, distortion will be introduced into the measure, especially by diversified firms.
- 3) Wide gaps in the sizes of the firms represented by the first 4 or 8 in the industry has a different meaning than if all are roughly similar in size. (taken into consideration by the Herfindahl index).
- 4) Concentration ratios fail to reflect the dynamism and mobility taking place in an industry; that is, market share shifts, entry, exit, etc.³

Even so, concentration ratios probably represent the best comparative data for identifying market structure. Morris Adelman, testifying before the Senate Hearings on Economic Concentration commented:

²For a critical review of the various types of industry concentration measures, see E. M. Singer, Antitrust Economics, Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1968, Chapter 13.

³Betty Bock, Concentration, Oligopoly, and Profit: Concepts vs. Data, New York: The Conference Board, 1972, pp. 15-17.

Though a concentration ratio tells us little about a given industry at a given time, groups of concentration ratios, permitting comparison in time and space, do give us some solid information and, hence, the most important use of concentration is in comparison: over time; or among countries, or regions, or industries at the same time.⁴

And, industry concentration, as measured by the ratios, has been assumed to have causal effects upon performance; in a statement before the Senate Select Committee on Small Business, Dr. Willard F. Mueller, Director, Bureau of Economics of the FTC stated:

Economic theory suggests and industrial experience indicates that the level of industry concentration is a strategic conditioning influence on performance. Although not alone in this role, it is usually isolated as the single most important structural variable since values of other structural variables often move in tandem with it.⁵

RATES OF RETURN

The competitive model states that profit rates, adjusted for risk, tend toward equality across industries.⁶ Profit rates represent

⁴U.S. Congress, Senate, Committee on the Judiciary, Economic Concentration, Hearings, before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, Senate, 88th Congress, 2nd session, 1964, p. 231.

⁵U.S., Congress, Senate, Select Committee on Small Business: March 15, 1967, p. 473.

⁶George J. Stigler, Capital and Rates of Return in Manufacturing Industries, Princeton, New Jersey: Princeton University Press, 1963, p. 62.

to the economist a measure of "allocative efficiency." By extension, excess profit rates indicate "allocative inefficiency" - that is, poor market performance.

The measurement of allocative efficiency has been generally assumed to be closely approximated by the long-run rate of excess profits on owners' equity. This rate, in turn, can be approximated by the accounting rate of profits.⁷

The Federal Trade Commission finds support with the hypothesis that profits alone are a reasonable measure of economic performance:

The prospect of profits, or fear of losses, translates the forces of supply and demand into operating decisions of firms. As firms respond, competitive forces adjust profit levels toward the cost of capital. Departures for extended periods of time of industry profit levels from the cost of capital reflect weaknesses and probable imperfections in the forces bringing about their adjustment. Prolonged high

⁷ Duncan M. Bailey, Discrete and Cumulative Measures of Concentration: Empirical Estimation of the Impact of Structure on Performance: 1948-1966, (unpublished Ph. D. dissertation, Virginia Polytechnic Institute, 1970), pp. 61-62; Joe S. Bain, Industrial Organization, New York: John Wiley and Sons, Inc. 1968, pp. 386-412; Marshall Hall and Leonard Weiss, "Firm Size and Probability," The Review of Economics and Statistics, Vol. XLIX, (August, 1967), pp. 319-331; Thomas R. Stauffer, "The Measurement of Corporate Rate of Return: A Generalized Formulation," Bell Journal of Economics and Management Science, (Autumn, 1971), pp. 466-467.

profits usually indicate a lack of rigorous competition among established firms and impeded entry of new firms. The general level of profits in an industry is thus a useful index of overall performance and an indicator of the vigor of competition.⁸

BARRIERS TO ENTRY

Dominant firms, some argue, can also increase rates of return through the effects of barriers to entry. Professor Timothy Sullivan states:

Economic theory demonstrates that the condition of entry into a given industry has strong influence upon the maintenance of competitive conditions within that industry, and some real world markets appear easier to enter than others. The expectation is that blockaded markets would have higher prices than competitive markets, and that these higher prices could lead to some combination of higher profits and higher expenses.⁹

It seems apparent that, to the extent entry barriers exist, established firms will be insulated, somewhat, from the influence of potential entrants into the industry. Firms through entry barriers are allowed to earn excess profits without fear of

⁸ Federal Trade Commission, The Structure of Food Manufacturing, Technical Study No. 8, National Commission on Food Marketing, (Washington: Government Printing Office, 1966), p. 181.

⁹ Timothy G. Sullivan, op. cit., p. 17.

having new entrants bid that excess away.¹⁰ As a result, theory predicts a differential in the earnings of industries ranked in order of the difficulty of entry. Industries with very high barriers should display on the average, higher profitability than industries with lower entry barriers.¹¹

Professor Bain states concerning the influence of entry conditions upon profit rates:

In regard to the appearance of the predicted association of the condition of entry to profit rates, it would be expected to be evident most definitely for the largest or dominant established firms in an industry which will in general have the maximum aggregate advantage over potential entrants, and are most likely to be operating with minimal or close to minimal average costs. The profit rates of smaller firms, with inefficiently small plants or firm scales or with smaller product differentiation advantages over entrants, might be expected to show a less certain or distinct relationship to a condition of entry calculated primarily with reference to the position of the dominant firms.¹²

¹⁰For a detailed discussion of the limit price thesis see Bain, "A Note on Pricing in Monopoly and Oligopoly," American Economic Review (1949), pp. 448-464.

¹¹Thomas D. Duchesneau, op. cit., pp. 14-15.

¹²Joe S. Bain, Barriers to New Competition: Their Character and Consequence in Manufacturing Industries, (Cambridge, Mass: Harvard University Press, 1962), p. 191.

Entry barriers are primarily supported by economies of scale, product differentiation advantages, and absolute cost advantages.¹³

By their nature, barriers cannot be measured directly; they can only be estimated. As a result, the determination of the level of barriers to entry is somewhat subjective.¹⁴ Due to their significant influence, however, many investigators have attempted to identify the effects of barriers upon rates of return.

EMPIRICAL STUDIES

An extensive body of empirical knowledge about rates of return and industry concentration has developed over the past twenty-five years.¹⁵ Some forty-six studies have been identified by Professor Leonard Weiss.¹⁶

¹³Duchesneau, Ibid., p. 15.

¹⁴Clair Wilcox and William G. Shepherd, Public Policies Toward Business, (Homewood, Illinois: Richard D. Irwin, Inc., 1975), p. 44.

¹⁵Joe S. Bain's article "Relation of Profit Rate to Industry Concentration . . ." published in 1951 is generally credited as being the first major empirical test of market structure and performance.

¹⁶Leonard W. Weiss, "The Concentration - Profits Relationship and Antitrust" in Goldschmid, Mann, and Weston, op. cit., pp. 204-220.

His article probably presents the most comprehensive and up-to-date review of the empirical investigations of the concentration - profits relationship yet published. With permission of the publishers, Professor Weiss's "Table 11" is reproduced on pages 22-37. It lists the studies performed, the performance (profit) measure, the structural (concentration) measure, the other variables controlled for, the period covered, the results, and their significance, using a 5 percent standard. The notes following the table list the most likely sources of error and note some special features not brought out in the table.

As reported by Weiss, most, though not all, tests of the effect of concentration on profits found at least some positive correlation between the two variables. Further, almost all authors claimed to have confirmed the existence of monopoly power for the industries they sampled. This conclusion appears to be related, in part, to the simplicity of the relationship they hypothesized; that is, that reported profit rates of firms are affected only (or primarily) by industry structure.

The theoretically most important variable explaining return, risk, was not, however, specified in any of the studies cited by Weiss. Studies have investigated the influence of risk

and rates of return but generally not simultaneously with the influence of concentration.¹⁰

Two recent studies did introduce measures of risk into the concentration-rate of return relationship. Shepherd specified the standard error of the trend line as a measure of risk.¹¹ Shepherd's risk variable lacked significance. Risk as measured by the temporal standard deviation of firm profit rates was also introduced into the structure-performance relationship by John Vernon and Robert Nourse.¹² After finding the coefficients of their measure with signs opposite to expectations, they summarily excluded that variable from further analysis.

The most fully developed theory of risk has evolved from financial theory. The financial measure, Beta, will be discussed

¹⁰Gordon R. Conrad and Irving H. Plotkin, "Risk/Return: U. S. Industry Pattern," Harvard Business Review, (March-April 1968), pp. 90-99; Irving N. Fisher and George R. Hall, Risk and the Aerospace Rate of Return, the Rand Corporation, Memorandum RM-5440-PR (Santa Monica, 1967); Paul H. Cootner and Daniel M. Holland, "Rate of Return and Business Risk," The Bell Journal of Economics and Management Science, (August 1970), pp. 211-226; J. M. Samules and D. J. Smyth, "Profits, Variability of Profits, and Firm Size," Economica, (May 1968).

¹¹W. G. Shepherd, "The Elements of Market Structure," The Review of Economics and Statistics, LIV (February 1972), pp. 25-37.

¹²John M. Vernon and Robert E. M. Nourse, Profitability and Market Structure: An Analysis of Major Manufacturers of Non-Durable Consumer Products, Cambridge, Massachusetts: Marketing Science Institute, April, 1972.

in Chapter III. The analysis conducted in this study will reconsider the concentration-profits hypothesis, allowing for assets of varying degrees of risk, as measured by Beta.

Further, most previous studies using profit rates as an estimator of performance relied upon reported accounting profits. However, conventional accounting treatment of some expenditures differs from an economic approach. For example, accountants pursuing "conservatism" have traditionally expensed some expenditures which have long-lasting (not period) effects. Perhaps the expenditure with the greatest potentially distorting bias, due to period expensing, is research and development, as the life of R & D is really as long as the life of the products obtained through the efforts of R & D.

The major objection to capitalizing R & D has generally been that at the time of the R & D expenditure management does not know the future period benefited, if any. However, it is apparent that in the aggregate R & D is undertaken to provide the continued flow of products and services necessary to support an on-going business. The effect of accounting "conservatism," in this respect, is to understate the firm's "capital" and current

year profits and in R & D intensive industries overstate reported "profit rates."¹³

The bias resulting from the arbitrary expensing of R & D distorts the firm's rate of return. As a result, reported rates of return cannot be considered unbiased measures of actual profitability, especially in structure-performance studies with inter-industry comparisons. In this respect, Professor J. S. Bain pointed out:

The unadjusted accounting rate of profit, as computed by the usual methods from balance sheets and income statements is, prima facie an absolutely unreliable indicator of the presence or absence either of monopoly power or of excess profits.¹⁴

Corrected rates of return seem to be the more appropriate measure of performance for public policy purposes. This study will adjust for the bias introduced into accounting rates of return by the arbitrary expensing of R & D; three alternative adjustment methodologies are developed in Chapter III. The corrected rates

¹³Ezra Solomon and Jaime C. Laya, "Measurement of Company Profitability: Some Systematic Errors in the Accounting Rate of Return," in Financial Research and Management Decisions, A. A. Robichek, ed., New York: Wiley & Sons, 1967.

¹⁴J. S. Bain, "The Profit Rate as a Measure of Monopoly Power," Quarterly Journal of Economics, (February 1941), p. 279.

of return along with the reported rates will then be utilized to reexamine the concentration-profits hypothesis and to test three sets of hypotheses advanced in Chapter III.

Table 2
A Survey of Concentration-Profit Studies²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Bain 1951	$\frac{\Pi - T}{E}$	4-digit 8-firm CR	None	Average for leading firms in an industry	42 manufacturing industries with national markets, no noncompeting subproducts, and profit data for 3 or more firms	1936-1940	Positive—profits higher where 8-firm CR > 70	Significant
Bain 1956 (reworked in Weiss 1971)	$\frac{\Pi - T}{E}$	4-digit 8-firm CR for 1935 and 1947	Estimated barriers to entry	Average for leading firms in an industry	20 usually 4-digit industries chosen for ease of estimating barriers to entry	1936-1940 and 1947-1951	Positive for both periods for each level of barriers to entry	Significant where barriers to entry were substantial or high in 1936-1940 and where they were high in 1947-1951
Schwartzman 1959	$\frac{VS}{CM+PR}$	4-digit 4-firm 1954 CRs for U.S. and 3-firm 1948 CRs for Canada	Distinguished industries where imports or exports were important	Weighted average for all plants in an industry	61 4-digit industries similarly defined in U.S. and Canada	1954	Positive Margin 7% higher in Canada if CR > 50 in Canada and CR < 50 in U.S. Only 2% if CR < 50 both places	Significant except for industries where exports were important
Levinson 1960	$\frac{\Pi}{E}$ and $\frac{\Pi - T}{E}$	Percent of 2-digit shipments where 4-digit CR > 50	None	Weighted average for all corporations where primary product was in a 2-digit industry (SEC-FTC)	All manufacturing except "Misc."	Each year 1947-1958	Positive in all years after 1948	Significant in 1949 and in all years after 1952
Fuchs 1961	$\frac{\Pi+1-T}{A}$	Weighted average of 4-digit 4-firm CRs	Output growth, regional market dummy. Used percent of value added from multipiant firms as an alternative to CR. Interprets as barrier to entry variable but it's a crude concentration variable	Weighted average for all firms primary to an IRS "minor" industry (roughly 3-digit)	38 IRS "minor" industries	1953-1954	Positive for both CR and multipiant variable	Significant for both variables, both multipiant variable more highly correlated

Table 2

A Survey of Concentration-Profit Studies (Continued) 21

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Sabo 1961	II S	Weighted average of 4-digit 4 firm CRs in IRS minor industries. Minor industries then classified highly, moderately, and uncentrated (average CR > 50, 50 > CR > 30, and CR < 30)	Assets - sales, market fragmentation, growth, change in man-hour productivity	Weighted average for all firms primary to an IRS minor industry	110 IRS manufacturing minor industries (all except those with "Misc." in their titles)	1948-1951 and 1953-1956	Positive for high and moderately concentrated industries	Significant for highly concentrated industries but not for moderately concentrated industries
Minhas, 1963	III-D A	Weighted average of 4-digit 4-firm CRs	Sales growth	All firms primary to an FTC-SEC 2-digit industry	All manufacturing	1949-1958	Positive	Significant
Stigler 1963	II-IV A	Weighted average of 1947 or 1954 CR. Minor industries then classified concentrated (CR > 60 and national markets), uncentrated (CR < 50 or local markets) or ambiguous	None	Weighted average for all firms primary to an IRS minor industry	All manufacturing	1938-1941 1942-1944 1945-1947 1948-1950 1951-1954 1955-1957	Positive Negative Negative Positive Positive Positive	Non-significant Non-significant Non-significant Non-significant Significant Significant

Table 2
A Survey of Concentration-Profit Studies (Continued)²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Weiss 1963	$\frac{H-T}{E}$	Weighted average of "corrected" 1954 4-firm 4-digit CRs	Output growth	Weighted average for all firms primary to an FTC-SEC 2-digit industry	All manufacturing	1947-1948	Negative	Nonsignificant
						1949-1958	Positive	Significant
Sherman 1964	$\frac{H}{E}$	Weighted average of 1954 8-firm 4-digit CRs	None	Same as Weiss	All manufacturing	1954	Positive	Significant
Stigler 1964	$\frac{H-T}{E}$ $\frac{H-T+I}{A}$ and market value of stock \pm book equity	4-firm 4-digit CR and Herfindahl index	None	Average of leading firms whose primary product was in a 4-digit industry	17 4-digit industries where Herfindahl indexes could be constructed	1953-1957	Positive highest correlation for market value and H index, lowest for $\frac{H-T+I}{A}$ and CR	All significant except $\frac{H-T+I}{A}$ and CR
Mann 1966 (reworked in Weiss, 1971)	$\frac{H-T}{E}$	8-firm 4-digit CR for 1958 classified as concentrated (CR ₈ > 70) or unconcentrated	Estimated barriers to entry	Average of leading firms whose primary product was in a 4-digit industry	30 4-digit industries where barriers to entry could be estimated	1950-1960	Positive and Positive for all barriers to entry in Weiss rework	Significant and Significant in Weiss rework where barriers to entry were high
Comanor and Wilson 1967	$\frac{H-T}{E}$	Weighted average 4-digit 4- and 8-firm CRs, dummies for Kayser and Turner's oligopoly classes and for 8-firm CR > 70	Average shipment size of plants with top 50% of shipments \pm industry shipments, capital requirements of such plants, advertising-sales ratio, sales growth, and regional industry dummy	Average for all firms with more than \$500,000 assets primary to an IRS minor industry	All consumer goods IRS minor industries	1954-1957	Positive by itself; sometimes positive and sometimes negative when plant scale and capital requirements variables used	Significant Nonsignificant when plant scale and capital requirements used

Table 2
A Survey of Concentration-Profit Studies (Continued) ²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Kilpatrick 1967	$\frac{\Pi}{E}$	Various indexes: 4- and 5-digit, 4-, 8-, and 20-firm CRs uncorrected and corrected for imports	Sales growth	All firms primary to an IRS minor industry	All IRS minor industries except those with N. S. K. in their titles	1952-1954 1954-1957	Positive for all CRs	Significant for all CRs best fit for 4-firm 5-digit CRs
Miller 1967	$\frac{\Pi-T}{E}$	Weighted average of 1958 4-digit 4-firm CR and CR ₈ -CR ₄ , CR ₂₀ -CR ₈ , and CR ₅₀ -CR ₂₀	None	All firms primary to an IRS minor industry	106 IRS minor manufacturing industries	1959-1962	Positive for CR ₄ Negative for CR ₈ -CR ₄ Near zero for CR ₂₀ -CR ₈ and CR ₅₀ -CR ₂₀	Significant Significant Nonsignificant Nonsignificant
Collins and Preston 1968	$\frac{VS-CM-PR}{VS}$ for 4-digit industries and $\frac{\Pi}{E}$, $\frac{\Pi+I}{A}$, $\frac{\Pi}{S}$, $\frac{\Pi-T}{E}$, $\frac{\Pi-T+I}{A}$ & $\frac{\Pi-T}{S}$ for 2-digit industries	4-digit 4-firm CR and weighted average of 4-digit 4-firm CR for 1958	Gross fixed assets \div sales, and an index of geographic dispersion for 4-digit industries. Assets \div sales for 2-digit industries	All plants primary to 4-digit industry. All firms primary to a 2-digit industry	All Census 4-digit industries and all FTC-SEC 2-digit industries	1958 and 1956-1960	Positive for 4-digit industries Positive for 2-digit industries	Significant Significant Significant for all profit indexes except $\frac{\Pi-T}{S}$ }

Table 2

A Survey of Concentration-Profit Studies (Continued) 21

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Klipatrick 1968	$\frac{H-T+I}{A}$	Weighted average of 4-firm 4-digit CRs for 1954 corrected for imports	Sales growth	All firms primary to an IRS minor industry and all firms with more than \$250,000 or \$500,000 assets primary to an IRS minor industry	All IRS manufacturing minor industries except those with N. S. K. in their titles	1950, 1956, and 1963	Positive in all years	Significant in all years using whole industries; significant in 1956 and 1963 but not in 1950 when small firms are excluded
Hall and Weiss 1968	$\frac{H-T}{E}$, $\frac{H-T}{A}$	Weighted average of corrected 4-firm CRs	Asset size, industry output growth for each of previous 5 years, leverage measured by E/A	A firm in a year	All firms in the Fortune "500" Industrials where all data is available	1956-1962	Positive	Significant
Sherman 1968	$\frac{H}{E}$, $\frac{H-T}{E}$	Weighted average of 4-digit 4- and 8-firm CRs	None	All firms primary to an IRS major industry	All IRS manufacturing "major" industries (roughly 2-digit)	1955 and 1959	Positive	Significant
	and $\frac{H-T-.032E}{S}$							
Collins and Preston 1969	$\frac{VS-CM-PR}{VS}$	4-digit 4-firm CRs for 1958 and 1963	Same as Collins and Preston, 1968	All plants primary to a Census 4-digit industry	All Census 4-digit industries	1958 and 1963	Generally positive	Significant for consumer goods, not for producer goods; stronger for four leading firms than for other firms

Table 2

A Survey of Concentration-Profit Studies (Continued) 21

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
FTC 1969	$\frac{\Pi - T}{E}$ $\frac{\Pi - T + I}{A}$	Weighted average of 5-digit 4-firm CRs corrected for local markets; also 5-digit market shares of a firm	Advertising, sales ratio, output growth, firm diversification, firm size	A firm	All 125 firms primary to food manufacturing in the 1950 FTC report on 1000 largest manufacturers	1949-1953	Positive for both CR and market share in same equation	Significant for both
Singer 1970	$\frac{\Pi - T}{E}$ (Weighted averages for all industries where 4-firm CR above and below 70)	4-digit 4-firm employment CR	None	Same as Bain and Mann	18 of Bain's 20 industries and 24 of Mann's industries	Same as Bain and Mann	No difference between weighted averages; positive difference for unweighted averages in both studies	Nonsignificant Nonsignificant
Brozen 1970	$\frac{\Pi - T}{E}$	4-digit 4-firm and 8-firm CRs	None	Average for leading firms primary to a 4-digit industry	Bain's sample of 42 industries and Stigler's sample of 17 industries	1936-1940, 1953-1957, and 1962-1966	Positive in all cases	Bain's sample marginally significant in 1936-1940 ($t = 1.86$), nonsignificant in 1953-1957, and significant in 1962-1966; Stigler's sample significant in 1953-1957 and marginally so in 1962-1966 ($t = 1.73$)

Table 2
A Survey of Concentration-Profits Studies (Continued)²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Esposito and Esposito 1971	$\frac{H-I}{E}$	Dummy with value of 1 if 4-digit 8-firm CR > 70	Ratio of imports to shipments, advertising-sales ratio, average plant size for top 50% of shipments \div industry shipments, capital requirements of such plants, sales growth, regional market dummy	Weighted average for all firms primary to an IRS minor industry	77 IRS manufacturing minor industries	1963-1965	Positive in all cases	Significant for all goods except when capital requirements included; significant for producer goods; nonsignificant for consumer goods
Imel and Helmberger 1971	$\frac{H-I-.05E}{S}$	Weighted average of 4-firm CR for 4-digit products, 4- and 5-digit products depending on which is closer to a market, and for refined Census products that correspond closely to markets	Relative firm size (market share \div CR), advertising-sales ratio, R&D-sales ratio, and plant scale, growth and diversification variables in unreported regressions)	A firm	99 firms primary to the food and tobacco industries	1959-1967	Positive in all cases	Significant for refined Census products and 4- and 5-digit products, marginally significant for 4-digit products ($t = 1.96$); less significant when plant scale variable was included (not reported); relative firm size always significant
Brozen 1971A	$\frac{H-I}{E}$	4-firm 4-digit CR for 1935 classified as concentrated if CR \geq 70	None	Simple average for firms primary to a 4-digit industry	All industries reported on by the FTC where CR was available	1939 and 1940	No difference	Nonsignificant

Table 2
A Survey of Concentration-Profit Studies (Continued) ²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Kessel 1971	Underwriting cost and re-offering less high grade market yields for tax-exempt bonds	Number of underwriting syndicates bidding on new issues of tax-exempt bonds	Issue size, outstanding bonds of borrower, yield and change in yield on highest quality 20-year tax-exempts, maturity, call provisions, rating, trend, general obligation, revenue bond distinction	A tax-exempt issue	9420 tax-exempt bond issues	1959-1967	Both underwriting cost and resale spread decline monotonically with number of bidders roughly in proportion to 1/N	Decline in underwriting costs significant through 8 bidders for general obligation bonds and 5 for revenue bonds; decline in re-offering yield significant through 10 bidders for general obligation bonds and 6 bidders for revenue bonds
Kelser 1972	Log (VS-CM-PR) and Log (VS-CM-PR-estimated central office payroll)	4-digit 4-firm CR and log of number of firms	Logs of gross book value of fixed assets, of inventory, and of payroll, and an index of firm specialization	All plants in a Census 4-digit industry	All Census 4-digit manufacturing industries	1958 and 1963	CR positive but log of number of firms also positive	Both significant but the effect of CR only positive for industries where CR > 50
Shepherd 1972	$\frac{II-T}{E}$	Weighted averages of corrected 4-firms CR, firm's estimated market shares (MS), and of CR-MS	Firm sales growth, log of asset size, advertising-sales ratio, profit variability	A firm	All firms continuously on Fortune "500" list that were not "excessively diversified," did not have high military sales, and where the primary industry did not have a "major disequilibrium" where MS could be estimated	1960-1969	All firms: CR Positive MS Positive (CR-MS) Positive Consumer goods: same Producer goods: same except (CR-MS) about zero	Significant Significant Marginally significant (t = 1.56); MS and (CR-MS) both significant MS significant (CR-MS) nonsignificant

Table 2

A Survey of Concentration-Profit Studies (Continued) 21

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Gale 1972	$\frac{II-T}{E}$	Dummies for high, medium, and low weighted average of corrected 1966 CRs, and interactions between them and weighted average of estimated MSs	Sales size, leverage, industry shipments, growth, firm sales growth	A firm	106 manufacturing firms where all data was available. Excludes firms where employment data (for MS) includes foreign operations	1963-1967	CR has positive effect if MS > 4% in highly concentrated industries or if MS > 6% in medium CR industries	Significant for high CR industries; Nonsignificant for medium CR industries
Demsets 1973A	$\frac{II+I}{A}$	Apparently weighted average of 4-firm 4-digit CRs for 1963 (not reported)	Asset size	All firms in a size class in an IRS minor industry	Apparently all IRS manufacturing minor industries (not reported)	1963	Positive for firms with over \$50,000,000 assets, not for smaller ones; difference between large and small firms rises with CR	Not reported but probably significant for firms with over \$50,000,000 assets
Demsets 1973B	$\frac{II+I}{A}$	Same as 1973A through CRs used for 1969 may be for a later year (not reported)	Same as above	Same as above	Same as above	1963 and 1969	Positive for firms with over \$50,000,000 in 1963 and over \$35,000,000 in 1969	Significantly positive for firms with over \$100,000,000 in both 1963 and 1969; not significant below that
Rhodes 1973	$\frac{VS-CM-PR}{VS}$	4-digit 4-firm CR for 1963	Specialization ratios for firms primary to the 4-digit industry and for firms not primary to the 2½-digit (Enterprise Statistics) industry, shipments growth, gross book value of fixed assets ÷ shipments, consumer good dummy, and geographic dispersion index	All plants primary to a Census 4-digit industry	All Census 4-digit industries where 8-firm CR ≥ 30 and where growth could be computed	1963	Positive	Significant

Table 2
A Survey of Concentration-Profit Studies (Continued) ²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Ornstein 1973 (similar to Ornstein 1972)	Market value of stock ÷ book value of equity, $\frac{H-T}{E}$	4-digit 4-firm CR	Firm assets ÷ industry value added (offered as a size variable but actually a crude concentration variable). Average plant size for top 50% of shipments ÷ industry shipments, capital requirements for such a plant, firm asset growth, industry output growth, change in labor cost (not defined), capital-labor ratios (not defined), geographic dispersion index, and a dummy for consumer goods	Average for firms primary to the 4-digit industry that are publicly held, have assets of more than \$1,000,000, and have at least 50% of sales in the 4-digit industry 1947-1960	33 four-digit industries for which data is available	1949-1950, 1954-1955, and 1959-1960	Positive without plant size and capital requirements variables; negative with them	Non-significant in 1950; significant in 1955 and for market value in 1960; non-significant
Whittington 1971	Apparently, $\frac{H}{E+D}$ (not defined in the concentration section - pp. 77-81 - but this is the profit variable most commonly used else where in his book: see pp. 16-17) *D means long term debt.	E+D for firms with more than £ 4 million assets ÷ total E+D of all listed firms in the industry	None	Weighted average for all firms in an industry or for firms with > £ 4 million E+D	21 British roughly 2-digit industries	1948-1954 and 1954-1960	Almost zero in 1948-1954; positive for large firms in 1954-1960	Non-significant Non-significant

Table 2
A Survey of Concentration-Profits Studies (Continued)²¹

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Phillips 1972	<u>VS-CM-PR</u> VS	3-firm CR for roughly 4-digit industries	Average plant employ- ment size \pm industry employment, advertising- sales ratio, concen- tration-advertising interaction, number of trade associations attempting to fix price, effectiveness of price- fixing agreements as judged by buyers, producer good dummy, sales growth	All plants primary to a British 4-digit industry	All British manufacturing for which data is available	Average over the three years 1948, 1951, and 1954	Positive	Significant
Shirazi 1974	<u>VS-CM-PR</u> VS	Weighted average of 5-firm CR in roughly 4-digit industries	"Midpoint plant" sales or average sales of plants accounting for top 50% of sales \pm industry sales, producer good dummy, sales growth, capital sales ratio for leading firms in relevant 2-digit industry, foreign control of 10% or more of industry, imports as a percentage of sales, exports as a percentage of sales	All plants primary to a British 3 digit industry	All British manufacturing where CR is available for 80% of sales and where specialization ratio \geq 80 except margarine where most output under contract to Ministry of Food	1963	Positive	Significant in simple regression but nonsignificant in multiple regression

Table 2

A Survey of Concentration-Profit Studies (Continued) 21

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Jones, Laudadio, and Percy 1973	$\frac{\Pi - T}{E}$ $\frac{\Pi + I - T}{A}$	4-firm 3-digit CR, Herfindahl index	Advertising-sales ratio, average shipments of plants accounting for top 80% of shipments as a percentage of industry shipments, capital requirements of such a plant, 1965 shipments - 1956 shipments, dummy for regional markets, dummies for high 1961 imports (> 30%) and moderate 1961 imports (15-29.9%), dummy for auto industry	Apparently average for firms assigned to a 3-digit industry	30 3-digit industries where 50% or more of shipments were consumer goods	1965	Positive in all cases	Significant when scale and import variables excluded; nonsignificant when either is in
McFetridge 1973	Average $\frac{VA - PR}{VA}$ 1965-1969	Herfindahl index, CR ₄ , CR ₈ , these indexes squared, and 1/(number of firms that account for 80 percent of shipments) for 3-digit industries	Net assets - value added, percent growth in value added 1961-1969; regional market dummy; consumer goods dummy; share of 4 largest plants in industry shipments; advertising - value added; effective tariff rate	All plants in a 3-digit industry	All 43 3-digit industries where all data available, excluding those with 'Misc.' in their titles	1965-1969	Positive for all concentration indexes	Significant for all concentration indexes, strongest using squared Herfindahl index; significant for consumer goods but not for producer goods when distinguished
[Note: All of the following except the last are taken from Uekusa 1973A. Some studies also used $(\Pi - T + I) / A$ and $(\Pi - T) / S$ but these were not reported.]								
Komiya 1962	$\frac{\Pi - T}{E}$	5-firm CR for roughly 4- to 5-digit industries	None	Average for 5 leading firms primary to an industry	46 Japanese manufacturing, mining, and service industries	1956-1960	Positive	Nonsignificant

Table 2
A Survey of Concentration-Profit Studies (Continued) 21

Study	Profit Measure	Concentration Measure	Other Variables Used	Observation	Universe	Period	Effect of Concentration on Profits	Significance
Nitda 1969	$\frac{\Pi - T}{E}$	1-, 3-, and 5-firm CR for roughly 4- to 5-digit industries	None	Average for firms primary to an industry	36 Japanese industries	1956-1960 and 1961-1966	Positive in both periods	Non-significant in 1956-1960; significant in 1961-1966
Matsushiro 1970	$\frac{\Pi - T}{E}$	3-, 2-, and 1-firm CR for roughly 4- to 5-digit industries	None	Average for firms primary to an industry	35 to 37 Japanese manufacturing industries	1961-1965	Positive, critical 3-firm CR at 50	Significant
Musashi 1970	$\frac{\Pi - T}{E}$	3-firm CR for roughly 4- to 5-digit industries	Rate of growth in demand	Average for firms primary to an industry	23 Japanese manufacturing industries 35 Japanese manufacturing industries	1956-1965 1961-1965	Positive Positive	Non-significant Significant
Uekusa 1970	$\frac{\Pi - T}{E}$	3-firm CR for roughly 4- to 5-digit industries	Scale economies barriers, capital requirements barriers, product differentiation barriers, and rate of growth in demand (none of these were defined further)	Average for firms primary to an industry	38 Japanese industries and 16 Japanese consumer goods industries	1961-1965	Positive for both samples	Significant for both samples
Musashi 1973	$\frac{\Pi - T}{E}$	3-firm CR for 4- to 5-digit industries	Rate of growth in demand	Average for firms primary to an industry	23 Japanese industries 35 Japanese industries	1956-1960 1961-1965	Positive for both samples	Non-significant for 1956-1960 sample; significant for 1961-1965 sample
Uekusa 1973B and	$\frac{\Pi - T}{E}$ $\frac{\Pi - T + I}{E + D}$	4-firm CR for roughly 4- to 5-digit industries	Asset size, coefficient of variation of $(\Pi - T)$, sales growth, specialisation ratios, percentage of debt from saibatsu banks, total promotional cost as a percent of sales (not just ads)	A firm	Not reported in work sheets	1967-1969 and 1961-1970	Positive Positive in all cases	Significant Non-significant for $\frac{\Pi - T}{E}$ but significant for $\frac{\Pi - T + I}{E + D}$

Comments on Studies in Table 2 21

Bain 1951	Accounting II and E, some diversified firms assigned to their primary 4-digit industries; possibly biased sample.
Bain 1956	Same as above plus subjective estimates of barriers to entry; 1947-1951 is a period when CR-profit relation is apt to be weak; biased sample.
Schwartzman 1959	National 4-digit CRs for many industries with regional markets or noncompeting subproducts; possibly biased sample; based on one year only; period when CR-profit relation is apt to be weak; crucial test depends on only a few industries.
Levinson 1960	Accounting II, E, and A; national CRs for many industries with regional markets or noncompeting subproducts.
Fuchs 1961	Accounting II and A; some diversified firms assigned to their primary industries; incomplete barriers to entry variable; based on one year; period when the CR-profits relation is apt to be weak; possibly biased sample.
Sato 1961	Accounting profits; national 4-digit CRs for many industries with regional markets or noncompeting subproducts; profits before tax.
Minhas 1963	Accounting II and A; national 4-digit CRs for many industries with regional markets or noncompeting subproducts; profits before taxes.
Stigler 1963	Accounting II and A, some diversified firms assigned to their primary IRS minor industries; many CRs for industries with noncompeting subproducts; concentration-profits relation apt to be weak in all periods except the last. Note: no significant difference in any period when corrections made for officers' withdrawals, but see Kilpatrick 1968.
Wetss 1963	Accounting II and E; subjective corrections of CRs, first period one when concentration-profits relation apt to be weak.
Sherman 1964	Accounting II and E; profits before taxes, many 4-digit industries where regional markets or noncompeting subproducts; based on one year.
Stigler 1964	Accounting II, E, and A; probably some diversified firms assigned to their primary 4-digit industries; possibly biased sample.
Mann 1966	Accounting II and E, some diversified firms assigned to their primary 4-digit industries; biased sample; subjective estimates of barriers to entry.
Comanor and Wilson 1967	Accounting II and E, some diversified firms assigned to their primary IRS minor industries; national 4-digit CRs in many industries where local markets or noncompeting subproducts.
Kilpatrick 1967	Accounting profits and equity; profits before taxes, some diversified firms assigned to their primary IRS minor industries; many industries with regional markets or noncompeting subproducts.
Miller 1967	Accounting II, E, and A; some diversified firms assigned to their primary IRS minor industries; national 4-digit CRs with many industries with regional markets or noncompeting subproducts. $(CR_i - CR_j)$ for $i > j$, constrained to be $\leq CR_j$ or $\leq 100 - CR_j$, whichever is smaller. Since most industries have $CR_4 < 50$, this means that $(CR_i - CR_j)$ is positively correlated with CR_j .
Collins and Preston 1968	No control for growth, advertising, or central office expense, national 4-digit CRs for many industries with noncompeting subproducts; based on one year; price-cost margin includes tax, control for gross fixed assets includes depreciated value and excludes inventory and financial assets; possibly spurious correlation because VS is a common factor in CR and $\frac{VS-CM-PR}{VS}$.
Kilpatrick 1968	Accounting II and A, some diversified firms assigned to their primary IRS minor industries; CR-profit relation apt to be weak in 1950; based on single years. Note: This was an attempt to deal with Stigler's (1963) method of correcting for officers' withdrawals. Kilpatrick shows that Stigler's method involves a bias. By eliminating small firms from the sample or by controlling for the small firm's share in total equity he shows that the CR-profits relation is generally positive and also significant after 1950.

Comments on Studies in Table 2 21

Hall and Weiss 1968	Accounting II, E, and A: no control for capital-output ratios. subjective judgments in corrections of CRs; serious serial correlation problem so probably exaggerates degrees of freedom.
Sherman 1968	Accounting II and E; national 4-digit CRs for many industries with regional markets or noncompeting subproducts; based on two single years. Similar to Sherman 1964.
Collins and Preston 1969	Same as Collins and Preston, 1968
FTC 1969	Accounting II, E, and A: possibly biased sample (but food processing was almost as large a range of industry structures as all manufacturing, unlike other 2-digit industries).
Singer 1970	Accounting II and E: some diversified firms assigned to their primary industries; no control for growth or capital-output ratios; biased samples in Bain and Mann; probably further biased by arbitrary exclusion of 2 industries from Bain sample and 6 from Mann sample; reclassifies firms on the basis of whether industry four-firm concentration ratio is greater or less than 70 though both Bain and Mann found that an eight-firm concentration ratio of 70 (roughly a four-firm ratio of 50) was most appropriate. uses unweighted averages of firms though he criticizes Bain and Mann for the same things; uses weighted average of industries — since automobiles are 'unconcentrated' by his standard and automobiles are big, the weighted average of unconcentrated industries is almost as high as that of concentrated industries; does not report unweighted averages, though these support the CR-profits hypothesis even with his reclassifications; his rework of Bain occurs in a period when the CR-profits relation is likely to be weak.
Brozen 1970	Accounting II and E, some diversified firms assigned to their primary industries — this problem is worse than it was in Bain and Stigler because diversification is increasing rapidly; national 4-digit CRs for many industries with regional markets or noncompeting subproducts; no control for growth or capital-output ratios; biased sample (from Bain) and possibly biased sample (from Stigler); many industry definitions have changed drastically since the earlier studies. Note: his main emphasis is on the decline in the difference in profit rates between firms in concentrated and unconcentrated markets. He also reworked the Mann (1966) study, but made no comparison between CR and profits in that case.
Esposito and Esposito 1971	Accounting II and E: some diversified firms assigned to their primary industries. national 4-digit CRs for many industries with regional markets or noncompeting subproducts; uses critical concentration ratio only, though many industries show an increasing effect of CR well above the chosen critical CRs; possibly biased sample.
Imel and Helmberger 1971	Accounting II and E: possibly biased sample (only food and tobacco firms); subjective judgment in defining 4- and 5-digit products and refined Census products; weights and MS data from confidential interviews so the study cannot be replicated.
Brozen 1971	Accounting II and E: some diversified firms assigned to their primary industries; national 4-digit CRs for many industries with regional markets or noncompeting subproducts; no control for growth or capital output ratio; based on two single years.
Kessel 1971	Alternative hypothesis on re-offer yields is that more syndicates mean a more thorough search for investors. Note that the dependent variable is price, not profits.
Telser 1972	National 4-digit CRs used for many industries with regional markets or noncompeting subproducts; no control for growth; based on one year; margin variable is before tax; no control for advertising. Note: he interprets the positive effect of number of firms to mean that high prices attract entry and protect suboptimal firms.
Shepherd 1972	Accounting II and E: possibly biased sample; subjective judgment in correcting concentration ratios; (CR - MS) does not accurately measure the effect of concentration because MS is excluded; moreover, it is negatively correlated with MS; MS estimates probably inaccurate.
Gale 1972	Accounting II and E: possibly biased sample. subjective judgment in correcting CRs (he used Shepherd's corrections); uses only two critical CRs though many other studies seem to show CR is a continuous variable; effect of CR without MS not reported; MS estimates probably inaccurate.
Demsets 1973A	Accounting II and A: profits before tax; some diversified firms assigned to their primary 4-digit industries; no control for growth or capital-output ratios; apparently national 4-digit CRs for many industries with regional markets or noncompeting subproducts — if instead he used a single CR for each IRS minor industry the errors would be worse; based on one year only. Note: the main point to this study was not to test the concentration-profits relationship as such, but to find the effect of concentration on the difference in profits between large and small firms.

Demsetz 1973B	Same problems as in Demsetz 1973A; also, 1969 is a year when the concentration-profits relationship is apt to be weak.
Rhoades 1973	Possibly biased sample; national 4-digit CRs for many industries with regional markets or noncompeting subproducts; based on one year; no correction for advertising or central office expense; margin is before tax; possible spurious correlation because VS is denominator of both CR and margin. Note: The main purpose of this study was to find the effect of firm diversification. Diversification had a significant positive effect on margins.
Ornstein 1973	Accounting equity in first measure and accounting II and E in the second; some diversified firms assigned to their primary 4-digit industries; possibly biased sample; national 4-digit CRs for industries with regional markets or noncompeting subproducts; both the "size" variable and the plant size variable are highly correlated with CR so serious collinearity problem.
Whittington 1971	Accounting II and E; profits before tax; "concentration" is for a varying number of leading firms (varies from 0 to 39 firms depending on the industry); it is really a measure of size, not concentration; industries are much broader than economic markets; no control for growth or capital-output ratios; 1948-1954 is a period when the concentration-profits relation is apt to be weak; £4,000,000 (about \$10,000,000) seems a low value for a "large firm" cutoff.
Phillips 1972	Some of the 4-digit industries probably have noncompeting subproducts; covers a period when the CR-profits relation is apt to be weak; plant scale variable probably correlated with concentration; price-cost margin is before tax; no control for central office expense; no control for capital-output ratio. Note: the main purpose of this study was to test the effect of collusion. He probably had better information on collusion than we will ever see again. It was based on trade association price-fixing practices and buyers' evaluation of the effectiveness of price fixing at a time when pricing fixing was not illegal. Nevertheless, the collusion variables were not significant and concentration was.
Shirazi 1974	Some of the 4-digit industries probably have noncompeting subproducts; based on one year only; no control for advertising or central office expense; possible spurious correlation because price-cost margin, CR, and plant scale variable all have VS as denominator; plant scale variable highly correlated with CR.
Jones Laudadio, and Percy 1973	Accounting II, E and A; some diversified firms assigned to their primary 3-digit industries; 3-digit CRs, so many noncompeting subproducts; high collinearity between CR and other independent variables ($R^2 = 0.682$); single year; possibly biased sample; high imports have a positive effect on profits suggesting a simultaneous equation model where imports depend on profit rates.
McFetridge 1973	Three-digit CRs, so many noncompeting subproducts; collinearity between Herfindahl index and plant scale variable ($r^2 = 0.45$).
Komiya 1962, Niida 1969, Matsushiro 1970, Musashi 1970, Uekusa 1970, and Musashi 1973	These were all taken from a summary report prepared by Uekusa in 1973. I have not seen the papers themselves so comments are less certain. All the studies seem to use accounting II and E. The concentration statistics are from the Fair Trade Commission of Japan rather than a by-product of a census. Uekusa says they are highly reliable. At least the industry definitions seem to correspond more closely to economic markets than the American Census industries do. Many of the "industries" would be 5-digit in the United States. As a result, the problem of noncompeting subproducts is largely eliminated, but the problem of diversified firms assigned to their primary industries is worsened. Uekusa says that 1956-1960 was a period of exceptionally rapid growth in Japan. Whether this means that the concentration-profits relation would be weakened is uncertain. Komiya, Niida, and Matsushiro apparently did not control for growth, and none appear to have controlled for any other variable except Uekusa. It isn't clear why the samples are so small. The samples could be biased. The scale economy variable used in Uekusa (1970) is reported as close to that used by Comanor and Wilson. If so, it is highly correlated with CR.
Uekusa 1973B	Accounting II and E; probably many diversified firms assigned to their primary 4- and 5-digit industries; sample unknown but conceivably biased.

²¹ Permission to quote granted. Goldschmid, Mann, and Weston, Industrial Concentration: The New Learning, (Boston, Massachusetts: Little, Brown and Company, 1974).

CHAPTER III

THE STUDY

RISK AND RETURN

Previous studies investigating the industry concentration - rates of return relationship have generally failed to consider the most important variable explaining return - a measure of risk derived from theory. The most fully developed theory of risk has evolved from corporate financial theory. The Capital Asset Pricing Model (CAPM) provides a firm's volatility coefficient, Beta, as a measure of a firm's risk.¹ The CAPM states that the proper measure of risk on an individual investment asset Z, is:

$$\text{Risk of asset Z} = B_Z$$

Where,

$$B_Z = \frac{\text{Cov}(R_Z, R_M)}{\text{Var}(R_M)}$$

B_Z may be considered a normalized measure of the asset's covariance of rate of return with the rate of return on the market

¹For a detailed explanation of the Capital Asset Pricing Model see: W. Sharpe, "Capital Asset Prices: A Theory of Market Equilibrium Under Conditions of Risk," Journal of Finance, (September, 1964); J. Mossin, "Equilibrium in a Capital Asset Market," Econometrica, (October, 1966); M. C. Jensen, "Risk, the Pricing of Capital Assets, and the Evaluation of Investment Portfolios," Journal of Business, (April, 1969); E. F. Fama and M. H. Miller, The Theory of Finance, (New York: Holt, Rhinehart, Winston, 1972), pp. 276-320.

portfolio. In equilibrium, the expected rate of return on an asset will be the linear function of the asset's risk measure expressed as:

$$E [R_Z] = R_F + aB_Z$$

R_F is defined as the rate of return on a risk free asset; "a" is a constant for all securities equal to the expected risk premium on the market portfolio, $[E (R_M) - R_F]$.

An asset's actual return, of course, will fluctuate about its expected return; the actual return is represented by:

$$R_Z = E (R_Z) + e_Z$$

e_Z is a random variable, typically with non-zero values. The relationship, $R_Z = R_F + B_Z [E (R_M) - R_F] + e_Z$, presents the association between the actual rate of return on an asset and the rate of return on the market portfolio.²

The potential effect of the risk-rate of return association upon the concentration-rate of return hypothesis was realized by Yale Brozen. In 1969, he hypothesized that "larger firms (and more concentrated industries) may own riskier assets than equivalent size collections of smaller firms ... profits and concentration may be associated because of the association of risk and concentration, concentration being the method for reducing the costs of risk."³

²J. Fred Weston and Jerome Baesel, "Concentration, Risk and Profit," unpublished study, 1975.

³Yale Brozen, "Significance of Profit Data for Antitrust Data," The Antitrust Bulletin, (Spring 1969), p. 128.

Measures of B_Z , Beta, are developed in Appendix III for the firms analyzed using monthly market returns over the 1971-1974 study period. Monthly returns took the following form:

$$R_t = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$$

Where,

P_t = Market price at the end of period t

P_{t-1} = Market price at the end of period t-1

D_t = Dividend paid in period t

Additionally, Beta will be introduced into the concentration-profits relationship and tests of significance performed. Brozen's hypothesis that more concentrated industries are riskier will be tested.

R & D ADJUSTMENT METHODOLOGIES

Two basic adjustments, with regards to R & D, have been made to bring reported profits more closely to the economic ("true") profits of the firms studied. One adjustment was to profits; another was made to reflect an economic stock of R & D capital. To understand the techniques utilized,⁴ the following concepts are presented; let:

⁴The analysis structure presented here has been adapted from that of L. Weiss, "Advertising, Profits and Corporate Taxes," Review of Economics and Statistics, Vol. LI, (November 1969), pp. 241-430. Another excellent treatment of this problem can be

P_t = Reported profits in year t

P_t^* = Adjusted profits in year t

E_t = Reported equity at the end of year t

E_t^* = Adjusted equity at the end of year t

R_t = R & D charge against income in period t

R_t^* = Adjusted R & D charge against income in period t

S_t^* = Stock of R & D (R & D capital) in period t

The relationship between the adjusted and reported return then is:

$$P_t^* = P_t + [R_t - \text{current depreciation changes on } S_t^*]$$

and:

$$E_t^* = E_t + \text{accumulated research expenditure minus accumulated depreciation on } S_t^*.$$

ALTERNATIVE METHODOLOGIES

The pattern of depreciation and investment of R determines the precise relation between the adjusted and reported returns. This will depend upon the rate of growth of R and the economic life of R & D capital. The rate of growth can be directly measured or approxi-

found in H. Bloch, Advertising, Competition and Market Performance, (unpublished Ph. D. dissertation, The University of Chicago, 1971). Bloch does not treat the deferral of tax liability resulting from the accountant's period expensing policy as a net benefit to the firm. Weiss does not agree; he assumes that as the resulting deferred taxes for a continuing firm are never paid, taxes arbitrarily imputed tend to further bias the profit measure. Weiss's approach was adopted in this study.

mated by a surrogate variable, the rate of growth of sales.⁵ The economic life of R & D capital is effectively limited by the patent grant, 17 years. However, within that constraint economic life can either be relatively long-lived or short-lived. Therefore, three cases which encompass reasonable limits of economic life have been considered for this study; they are:

- 1) Base Methodology: A base case was first considered. This case assumed that economic depreciation occurs equally over time. Therefore, adjusted values were calculated as follows.

$$R_t^* = \left[1/17 \sum_{i=0}^{16} R_{t-i} \right]$$

$$P_t^* = P_t + (R_t - R_t^*)$$

$$S_t^* = \left[1/17 R_{t-15} + 2/17 R_{t-14} + \dots + 15/17 R_{t-1} + 16/17 R_t \right]$$

$$E_t^* = E_t + S_t^*$$

(Assumes all R & D occurs at beginning of period)

⁵B. Branch, Research and Development, Profits, and Sales Growth, (unpublished Ph. D. dissertation, The University of Michigan, 1970). Branch, writing under F. M. Scherer, found the level of R & D to be significantly associated with sales growth.

- 2) Short-Lived Case: Of course, the shortest-lived case would be equivalent to the current practice of expensing all R & D as incurred. This is tantamount to saying that R & D has no lasting economic value. As long-lived assets (marketable products with patents) are the product of R & D, this is obviously a distorted economic case. However, it may be reasonable to assume that the economic depreciation on R & D capital occurs more rapidly in the near years than in the latter years. This case, therefore, assumed economic depreciation to occur at rates approximating the accounting sum-of-year's digits method; or, over the 17-year economic life of R & D, depreciation totaled 17/153 for the first year, 16/153 for the second, to 1/153 in the seventeenth year. This results in an accelerated economic depreciation of R & D capital almost 1.9 times that of the base methodology in the first year. In this case, adjusted values were calculated as follows.

$$R_t^* = \left[\frac{17}{153} R_t + \frac{16}{153} R_{t-1} + \dots + \frac{2}{153} R_{t-15} + \frac{1}{153} R_{t-16} \right]$$

$$P_t^* = P_t + (R_t - R_t^*)$$

$$S_t^* = \left[\frac{1}{153} R_{t-15} + \frac{3}{153} R_{t-14} + \dots + \frac{120}{153} R_{t-1} + \frac{136}{153} R_t \right]$$

$$E_t^* = E_t + S_t^*$$

(Assumes all R & D occurs at beginning of period)

- 3) Long-Lived Case: This case assumes economic depreciation to occur at rates approximating reverse sum-of-years digits method; or, over a 17-year economic life, depreciation equals 1/153 during the first year, 2/153 during the second, to 17/153 in the seventeenth year. This results in an extended depreciation schedule and serves to dimension the sensitivity of the analysis. In this case, adjusted values were calculated as follows.

$$R_t^* = [1/153 R_t + 2/153 R_{t-1} + \dots + 16/153 R_{t-15} + 17/153 R_{t-16}]$$

$$P_t^* = P_t + (R_t - R_t^*)$$

$$S_t^* = [17/153 R_{t-15} + 33/153 R_{t-14} + \dots + 150/153 R_{t-1} + 152/153 R_t]$$

$$E_t^* = E_t + S_t^*$$

(Assumes all R & D occurs at beginning of period)

The alternative methodologies were selected to dimension the economic life of R & D capital and are not intended to be precise interpretive tools. Adjusted values (R_t^* , P_t^* , S_t^* , E_t^* , and P^*/E^*) have been calculated for each of the firms in the study; these are reported in Appendix II.

AGE

Yale Brozen has grouped the risk and R & D capital explanations of why accounting profit rates are not good measures of performance with yet another variable - age. This group of variables, he speculates, affect the concentration-profits relationship through introduction of "systematic accounting bias" into the measure of profits; furthermore, this bias may increase with concentration.⁶ With respect to age, he hypothesizes:

⁶Yale Brozen, "Significance of Profit Data for Antitrust Data," op. cit., p. 125.

Larger firms . . . are more likely to be older firms than smaller firms . . . larger firms are found in more highly concentrated industries, the older average age of these firms may result in a greater understatement by accounting data of the true market value of their assets than for the younger firms composing less concentrated industries.⁷

Accounting convention reports assets at historic costs and depreciates assets at rates based upon historic costs. However, in periods of inflation, assets cannot be replaced at historic acquisition costs. As a result, firm balance sheets will generally grossly understate the current value of those assets, profit statements will overstate the returns to the firm, and profit rates will be overstated. Firm age, Brozen hypothesizes, may serve as a surrogate measure for this bias; if so, a positive relation between age and profit rates would be observed.

TESTABLE HYPOTHESES

This study will consider whether firms in industries with high concentration ratios have higher risk, more bias caused by expensing R & D, and are older than firms in industries with low concentration. Specific null and alternative hypotheses follow.

⁷Ibid., pp. 125-126.

Null Hypothesis (A): Firms in industries with high concentration ratios (or stated barriers to entry) do not have relatively more bias in their reported profit rates caused by the expensing of research and development than firms in industries with lower concentration ratios.

Null Hypothesis (B): Firms in industries with high concentration ratios are of equal or less risk, as measured by the Beta measure of risk, than firms in industries with lower concentration ratios.

Null Hypothesis (C): Firms in industries with high concentration ratios are equal in age or younger than firms in industries with lower concentration ratios.

Alternative Hypothesis (A): Firms in industries with high concentration ratios (or stated barriers to entry) have relatively more bias in their reported profit rates caused by the expensing of research and development than firms in industries with lower concentration ratios.

Alternative Hypothesis (B): Firms in industries with high concentration ratios have greater risk, as measured by the Beta measure of risk, than firms in industries with lower concentration ratios.

Alternative Hypothesis (C): Firms in industries with high concentration ratios are older in age than firms in industries with lower concentration ratios.

MULTIVARIATE ANALYSIS

As most researchers have realized, interindustry profit variance is not explained by differences in industry concentration alone. Industrial organization theory suggests a number of additional

determinants. In order to expand the analysis, some of these variables will be included in a linear least squares multiple regression model; their significance will then be tested.

Concentration should not produce higher than normal profits over any extended time unless there are barriers to entry. Lacking barriers, "the exploitation of market power associated with higher concentration should induce entry which will bid down the excess profit as it erodes the concentration level. The higher the barriers to entry, the higher the price-cost margin and profits associated with entry forestalling behavior."⁸ As a result, a variable dependent upon the height of barriers will be introduced into the equations.

Additional influences possibly caused by accounting bias related to R & D expensing policy and firm age, as previously discussed, will likewise be introduced. Further, the Beta measure of risk will be considered. Introduction of an R & D intensity variable and consideration of a subcase including Shepherd's "market" concentration variable will complete the determinants examined.

⁸Glenn C. Gambles, Structural Determinants of Profit Performance in U.S. Manufacturing, 1947-1967, (unpublished Ph.D. dissertation, University of Maryland, 1970), p. 73.

The variables examined by no means exhaust the list of influencing factors. The primary thrust of this study, however, is to test the three hypotheses advanced as well as their alternatives. Examination of additional variables is related to their significance, in the case of barriers, and to the availability of data, in the case of R & D intensity, which was compiled in order to examine the testable hypotheses.

VARIABLES CONSIDERED

Rate of Return (P/E) -- The rate of return measure used in this analysis is profits as a percentage of average equity over the period 1971-1974, the last complete business cycle - trough to trough. These rates were computed as weighted averages derived from source data reported to the Securities Exchange Commission in annual 10-K reports. Source data is reported in Appendix IV. The notation P*/E* will represent adjusted rates of return. Adjusted financial data for the sixty-nine firms in the study are reported in Appendix II. Reference is made to the discussion presented in Chapter II on the appropriateness of profits as an indicator of performance.

Age of Firm (X₁) -- The age of firms in years was defined as the age since incorporation. The date of incorporation was determined through inspection of Moody's Industrial Manual.

It should be noted that this may be a somewhat biased estimator of the age of particular firms. When, for example, firms represent combinations of several corporations the date of incorporation of the surviving (generally much larger) corporation was utilized. When the surviving corporation represented a new corporation and the predecessor firms were approximately equal in size, the date of incorporation of the oldest firm was utilized. Further bias may be introduced when predecessor firms were unincorporated and the date of founding not clearly specified or available. However, even with these deficiencies it is felt that this variable captures a significant portion of the period of growth in assets of the firms in the sample. Table 3 on the following page presents the ages of the firms in the study in descending order.

Beta (X₂) -- The Beta measure of risk was calculated for each of the sample firms using monthly market returns over the 1971-74 period, the period of the analysis. As a result, forty-eight individual observations were utilized to determine the Beta coefficient for each firm. Periodic returns calculated in Appendix III were regressed against market returns using the CAPM. The surrogate measure for the risk free rate was 90-day treasury bill rates; for the market return Standard and Poor's stock averages were utilized.

Table 3
Age of Firms

<u>Firm</u>	<u>Year Of Founding</u>	<u>Age</u>
SmithKline Corp.	1830	145
Interco, Inc.	1836	139
Proctor & Gamble	1837	138
Pabst Brewing Company	1844	131
Anheuser-Busch	1852	123
Jones & Laughlin	1853	122
Hiram Walker	1858	117
Libby McNeil	1863	112
Colgate-Palmolive	1864	111
General Mills	1866	109
Pillsbury	1869	106
Goodrich	1870	105
Reynolds Industries	1875	100
Lilly (Eli) & Co.	1876	99
Robins (A. H.) Co.	1878	97
Brown Group Inc.	1878	97
Eastman Kodak Co.	1880	95
Exxon Corp.	1882	93
Mobil Oil Corp.	1882	93
PPG Industries	1882	92
Phelps Dodge	1885	90
Burroughs Corp.	1886	89
Upjohn Co.	1886	89
Searle (G. D.) & Co.	1888	87
Alcoa	1888	87
Standard Oil (Ind.)	1889	86
American Brands	1890	85
Merck & Co.	1891	84
Uniroyal Inc.	1892	83
Anaconda	1895	80
Lehigh Portland Cement	1897	78
Goodyear	1898	77
American Smelting & Refining	1899	76
Republic Steel	1899	76
Firestone	1900	75
American Can	1901	74

Table 3 (continued)

Age of Firms

<u>Firm</u>	<u>Year Of Founding</u>	<u>Age</u>
U. S. Gypsum	1901	74
U. S. Steel	1901	74
Texaco	1902	73
National Distillers	1902	73
Ford	1903	72
Owens-Illinois	1903	72
Bethlehem Steel	1904	71
Bell & Howell Co.	1907	68
Ideal Basic Industries	1908	67
International Business Machines	1911	64
Liggett & Meyers	1911	64
Control Data Corp.	1912	63
Continental Can	1913	62
Reynolds Metals	1914	61
Kennecott	1915	60
American Motors	1916	59
Del Monte Corp.	1916	59
General Motors	1916	59
Libby-Owens-Ford	1916	59
American Bakeries Co.	1916	59
Celanese	1918	57
Lone Star Cement	1919	56
Philip Morris Inc.	1919	56
Chrysler	1921	54
Falstaff Brewing Co.	1921	54
National Gypsum	1925	50
Stokely-Van Camp	1927	48
Anchor-Hocking	1928	47
Distillers Corp.-Seagram	1928	47
Polaroid Corp.	1937	38
Kaiser Aluminum	1940	35
General Portland Cement	1947	28
Digital Equipment Corp.	1957	18

R & D Intensity (X3) -- The independent R & D intensity variable was defined as the average rate of R & D expenditure as a percentage of net sales. It was computed from the source data presented in Appendix IV for the period 1971-1974. Alternative measures of innovation suggested by other investigators include R & D employment, patents, and new product introductions.⁹ Statistics for these alternative measures were unavailable to the author. All measures seek to identify, in effect, the level of innovation. Schumpeter suggests that through the profitable exploitation of market power firms advance technology through innovation.¹⁰ Table 4 on the two pages following presents the R & D intensity of the firms in the sample. Where a dash (-) is shown R & D expenditures represent less than 1% of sales and were not reported to the S. E. C. In those cases, a zero value was assigned and utilized in the regressions.

Shepherd's "Market" Concentration Variable (X4) --

W. G. Shepherd developed weighted average 4-firm concentration ratios for a firm's primary markets.¹¹ This measure

⁹F. M. Scherer, Industrial Market Structure and Economic Performance, Chicago: Rand McNally & Company, 1971, pp. 362-364.

¹⁰Joseph A. Schumpeter, op. cit., p. 101.

¹¹W. G. Shepherd, op. cit.

Table 4
R & D INTENSITY

<u>Firm</u>	<u>R & D as a % of Net Sales</u>				<u>Average 1971-74</u>
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Alcoa	2.12%	1.86%	1.62%	1.58%	1.75%
American Bakeries Co.	-	-	-	-	-
American Brands	-	-	-	-	-
American Can	1.49	1.43	1.32	1.25	1.36
American Motors	2.44	2.44	2.20	1.77	2.16
American Smelting & Refining Anaconda	1.71	1.17	.95	.82	1.08
Anchor-Hocking	1.54	1.35	1.25	1.29	1.35
Anheuser-Busch	-	-	-	-	-
Bell & Howell Co.	5.64	6.13	5.97	4.67	5.56
Bethlehem Steel	-	-	-	-	-
Brown Group Inc.	-	-	-	-	-
Burroughs Corp.	5.08	3.10	5.19	5.65	4.66
Celanese	4.15	3.77	3.05	3.01	3.42
Chrysler	1.95	1.95	2.10	2.20	2.06
Colgate-Palmolive Co.	2.36	2.01	1.74	1.10	1.69
Continental Can	1.66	1.56	1.39	1.29	1.45
Control Data Corp.	5.78	4.46	5.14	5.11	5.10
Del Monte Corp.	.88	.88	.78	.72	.81
Digital Equipment Corp.	11.38	10.71	9.38	8.68	9.62
Distillers Corp. - Seagram	-	-	-	-	-
Eastman Kodak Co.	6.32	6.18	6.15	5.97	6.14
Exxon Corp.	1.22	1.20	.91	.80	.98
Falstaff Brewing Co.	-	-	-	-	-
Firestone	1.53	1.52	1.44	1.38	1.46
Ford	4.13	4.10	4.80	4.15	4.31
General Mills	1.30	1.32	1.19	1.08	1.20
General Motors	3.55	3.50	3.47	4.34	3.71
General Portland Cement	.21	.16	.19	.23	.20
Goodrich	2.11	2.11	2.05	2.01	2.07
Goodyear	2.36	2.41	2.43	2.19	2.34
Hiram Walker	-	-	-	-	-
Ideal Basic Industries	-	-	-	-	-
Interco Inc.	-	-	-	-	-
International Business Machines	6.53	7.09	6.64	7.02	6.84
Jones & Laughlin	-	-	-	-	-
Kaiser Aluminum	1.27	1.02	.76	.63	.87

Table 4 (continued)

R & D INTENSITY

<u>Firm</u>	<u>R & D as a % of Net Sales</u>				<u>Average 1971-74</u>
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Kennecott Copper Corp	1.03%	.94%	.80%	.63%	.82%
Lehigh Portland Cement	-	-	-	-	-
Libby-McNeil	.29	.27	.32	.39	.32
Libby-Owens-Ford	-	-	-	-	-
Liggett & Meyers	.56	.61	.52	.42	.53
Lilly (Eli) & Co.	9.33	9.06	8.56	8.39	8.78
Lone Star Industries	.19	.19	.22	.64	.34
Merck & Co.	8.51	8.32	7.85	7.78	8.06
Mobil Oil Corp.	1.38	1.47	1.17	.94	1.18
National Distillers	-	-	-	-	-
National Gypsum	-	-	-	-	-
Owens - Illinois	3.18	3.14	2.74	2.48	2.85
PPG Industries	2.62	2.51	2.70	2.71	2.64
Pabst Brewing Co.	-	-	-	-	-
Phelps Dodge	.53	.57	.55	.51	.54
Philip Morris Inc.	-	-	-	-	-
Pillsbury	.82	.78	.75	.66	.74
Polaroid Corp.	16.35	23.31	18.00	10.14	16.48
Proctor & Gamble	2.89	2.87	2.96	2.70	2.85
Republic Steel	-	-	-	-	-
Reynolds Industries	-	-	-	-	-
Reynolds Metals	1.23	.96	.77	.69	.87
Robins (A.H.) Co.	3.96	3.96	4.23	4.56	4.21
Searle (G.D.) Co.	11.94	13.20	9.18	8.72	10.08
SmithKline Corp.	9.83	9.55	9.05	9.09	9.34
Standard Oil (Ind.)	9.04	12.18	11.71	7.79	9.84
Stokely-Van Camp	-	-	-	-	-
Texaco	.66	.55	.43	.26	.41
U.S. Gypsum	.69	.69	.66	.64	.66
U.S. Steel	-	-	-	-	-
Uniroyal Inc.	2.98	2.95	2.64	2.52	2.75
Upjohn Co.	10.36	9.84	8.74	8.52	9.20

theoretically would provide a better estimation of concentration's possible role in the market structure-performance relationship. Census classifications assign a firm to its primary market. However, most firms operate in several economic markets. As a result, Census statistics tend to underestimate firm concentration ratios. Shepherd's extensive analysis provides data for a more precise measure of concentration. Shepherd's measure was available for 54 of the 69 firms represented in this study. Therefore, a subcase test set was established of these 54 firms for which Shepherd's "market" concentration variable was available.

Dummy Variable: Industry Concentration (X₅) --

A dummy variable was created to identify the level of industry concentration and barriers. The variable took on the value one when industry concentration was equal to or greater than 70, zero otherwise. Eight-firm concentration ratios were obtained from the Census Bureau's Concentration Ratios in Manufacturing, 1972.

Dummy Variable: Barriers to Entry (X₆) --

Another dummy variable was established to identify the height of industry barriers. H. M. Mann's barriers classifications were utilized for this determination.¹² The barriers dummy took

¹²H. M. Mann, "Seller Concentration Barriers to Entry, and Rates of Return in Thirty Industries, 1950-60," The Review of Economics & Statistics (August, 1966), Vol. 47, pp. 296-307.

the value one when Mann classified the industry as having high barriers, zero otherwise.

Before proceeding to the results of the analysis, it was felt desirable to present a summary table of all of the variables utilized in the study. That is shown in Table 5 on the following two pages. Sample statistics for the input variables are shown in Table 6.

Table 5
Summary: Values of Dependent and Independent Variables

Firm	Profits as a Percentage of Average Equity				Beta Coefficient ⁽³⁾	Dummy Variables ⁽⁴⁾		Age ⁽⁵⁾	Measure of R & D Intensity ⁽⁶⁾	Shepherd's Average "Market" Concentration Variable ⁽⁷⁾
	Without Adjustments ⁽¹⁾	With Adjustments				Concentration	Barriers			
		Base Methodology ⁽²⁾	Long-Lived Case ⁽²⁾	Short-Lived Case ⁽²⁾						
Alcoa	8.0%	7.9%	7.9%	8.0%	.61	1	0	87	1.75%	85
American Bakeries	2.2	2.2	2.2	2.2	.51	0	0	59	Neg.	35
American Brands	13.4	13.4	13.4	13.4	.54	1	1	85	Neg.	60
American Can	9.3	8.5	8.3	8.7	.29	1	0	74	1.36	55
American Motors	8.6	7.4	7.0	8.0	.73	1	1	59	2.16	94
American Smelting & Refining	11.5	11.2	11.2	11.2	.88	1	0	76	1.08	85
Anaconda	5.6	5.6	5.6	5.6	1.25	1	0	80	Neg.	70
Anchor-Hocking	11.6	10.9	10.7	11.0	.79	1	0	47	1.35	80
Anheuser-Busch	15.2	15.2	15.2	15.2	1.26	1	0	123	Neg.	65
Bell & Howell Co.	10.1	9.6	9.7	9.5	1.20	1	1	68	5.56	N/A
Bethlehem Steel	9.5	9.5	9.5	9.5	.59	1	0	71	Neg.	65
Brown Group Inc.	12.0	12.0	12.0	12.0	.83	0	0	97	Neg.	45
Burroughs Corp.	12.9	13.5	13.5	13.5	1.08	1	1	89	4.66	N/A
Celanese	10.8	10.8	11.1	10.4	.59	1	0	57	3.42	85
Chrysler	6.2	7.5	7.7	7.3	.82	1	1	54	2.06	85
Colgate-Palmolive Co.	16.0	13.3	12.9	13.8	1.16	1	0	111	1.69	65
Continental Can	12.3	11.0	10.6	11.3	.52	1	0	62	1.45	45
Control Data Corp.	2.1	4.6	5.1	4.0	1.76	1	1	63	5.10	N/A
Del Monte Corp.	11.4	10.8	10.7	11.0	.67	0	0	59	.81	55
Digital Equipment Corp.	13.0	17.5	18.3	16.8	1.31	1	1	18	9.62	N/A
Distillers Corp. - Seagram	9.1	9.1	9.1	9.1	1.14	1	1	47	Neg.	55
Eastman Kodak Co.	20.2	17.2	16.8	17.8	.89	1	1	95	6.14	80
Exxon Corp.	17.0	15.3	14.8	15.9	.52	0	0	93	.98	65
Falstaff Brewing Co.	9.1	9.1	9.1	9.1	1.49	1	0	54	Neg.	65
Firestone	11.2	10.6	10.4	10.7	.82	1	0	75	1.46	60
Ford	11.8	11.1	11.0	11.3	.78	1	1	72	4.31	85
General Mills	15.6	14.7	14.3	15.1	1.09	0	0	109	1.20	55
General Motors	16.1	13.5	12.9	14.1	.67	1	1	59	3.71	85
General Portland Cement	6.3	6.3	6.4	6.3	1.05	0	0	28	.20	N/A
Goodrich	7.3	7.1	7.0	7.2	.60	1	0	105	2.07	N/A
Goodyear	11.3	10.7	10.5	10.8	.66	1	0	77	2.34	50
Hiram Walker	13.1	13.1	13.1	13.1	.62	1	1	117	Neg.	N/A
Ideal Basic Industries	12.0	12.0	12.0	12.0	1.20	0	0	67	Neg.	40
Interco Inc.	13.6	13.6	13.6	13.6	1.05	0	0	139	Neg.	N/A
International Business Machines	18.6	17.2	17.1	17.4	.92	1	1	64	6.84	35
Jones & Laughlin	8.6	8.6	8.6	8.6	.80	1	0	122	Neg.	60
Kaiser Aluminum	7.3	6.7	6.7	6.8	.89	1	0	35	.87	70
Kennecott Copper Corp.	10.0	10.6	10.7	10.5	.63	1	0	60	.82	65
Lehigh Portland Cement	7.2	7.2	7.2	7.2	1.07	0	0	78	Neg.	N/A
Libby-McNeil	3.6	3.6	3.6	3.7	1.13	0	0	112	.32	35
Libby-Owens-Ford	14.0	14.0	14.0	14.0	.88	1	1	59	Neg.	96
Liggett & Meyers	8.9	8.4	8.3	8.6	.82	1	1	64	.53	81
Lilly/Ellicott Co.	22.1	18.3	17.7	18.9	.73	0	1	99	8.78	90
Lone Star Industries	10.6	10.9	10.9	10.9	.76	0	0	56	.34	80

Table 5 (continued)
Summary: Values of Dependent and Independent Variables

Firm	Profits as a Percentage of Average Equity				Beta Coefficient ⁽³⁾	Dummy Variables ⁽⁴⁾		Age ⁽⁵⁾	Measure of R & D Intensity ⁽⁶⁾	Shepherd's Average "Market" Concentration Variable ⁽⁷⁾
	Without Adjustments ⁽¹⁾	With Adjustments				Concentration	Barriers			
		Base Methodology ⁽²⁾	Long Lived-Case ⁽²⁾	Short Lived-Case ⁽²⁾						
Merck & Co.	26.9%	20.8%	20.0%	21.7%	.97	0	1	84	8.06%	90
Mobil Oil Corp.	14.2	13.4	13.2	13.6	.58	0	0	93	1.18	65
National Distillers	10.7	10.7	10.7	10.7	.69	1	1	73	Neg.	N/A
National Gypsum	8.8	8.8	8.8	8.8	.58	1	0	50	Neg.	N/A
Owens-Illinois	10.2	9.8	9.9	9.8	.95	1	0	72	2.85	40
PPG Industries	11.2	9.8	9.5	10.1	.94	1	1	92	2.64	80
Pabst Brewing Co.	11.5	11.5	11.5	11.5	.41	1	0	131	Neg.	N/A
Phelps Dodge	12.4	12.3	12.3	12.3	.88	1	0	90	.54	70
Philip Morris Inc.	19.6	19.6	19.6	19.6	.89	1	1	56	Neg.	75
Pillsbury	11.4	10.4	10.2	10.7	.80	0	0	106	.74	45
Polaroid Corp.	8.0	13.8	14.5	12.9	1.58	1	1	38	16.48	90
Proctor & Gamble	17.9	15.3	14.8	16.0	.74	1	0	138	2.85	75
Republic Steel	7.0	7.0	7.0	7.0	.54	1	0	76	Neg.	60
Reynolds Industries	18.6	18.6	18.6	18.6	.65	1	1	100	Neg.	81
Reynolds Metals	5.7	5.5	5.6	5.5	1.01	1	0	61	.87	N/A
Robins (A. H.) Co.	20.5	18.9	18.4	19.0	1.44	0	1	97	4.21	N/A
Searle (G. D.) Co.	26.0	13.9	14.8	12.9	1.05	0	1	87	10.08	95
SmithKline Corp.	22.0	15.5	14.7	16.5	.74	0	1	145	9.34	90
Standard Oil (Ind.)	14.0	11.5	10.9	12.2	.45	0	0	86	9.84	65
Stokely-Van Camp	7.3	7.3	7.3	7.3	.56	0	0	48	Neg.	40
Texaco	15.8	15.4	15.3	15.5	.63	0	0	73	.41	65
U. S. Gypsum	9.5	9.5	9.5	9.6	.64	1	0	74	.66	71
U. S. Steel	8.6	8.6	8.6	8.6	.43	1	0	74	Neg.	65
Uniroyal Inc.	8.0	6.9	6.8	7.2	.69	1	0	83	2.75	N/A
Upjohn Co.	17.0	14.2	13.7	14.7	.97	0	1	89	9.20	90

Notes

- (1) Weighted average profits as a percentage of average equity for the period 1971-1974.
- (2) Adjustments as per methodologies developed in text.
- (3) Beta coefficient measure of risk.
- (4) Dummy variable for concentration assigned value of one when 8-firm concentration ratio ≥ 70 ; otherwise, assigned value of zero. Barriers dummy variable assigned value of one when stated entry barriers were very high, zero otherwise.
- (5) Age of firm since incorporation.
- (6) Average R & D expenditure as a percentage of net sales for the period 1971-1974. Neg. = Negligible; less than 1% of sales and not reported to S. E. C. (Assigned value of zero in regressions).
- (7) Source: W. G. Shepherd, "The Elements of Market Structure," *Review of Economics & Statistics*, Volume 54, (Fall 1972), Supplementary printout of data used. The data represents a weighted average of 4-firm concentration in the firm's primary markets estimated or approximated by Shepherd. Shepherd's measure was available for 54 of the 69 firms in the current study: when available, noted as N/A.

Table 6
Sample Statistics for Input Variables
for Least Squares Estimations

<u>Parameter</u>	<u>Profit Rates</u>				<u>Beta</u>	<u>R & D Intensity</u>	<u>Shepherd's Average "Market" Concentration Variable *</u>	<u>Age</u>
	<u>Without Adjustment</u>	<u>Short-Lived Methodology</u>	<u>Base Methodology</u>	<u>Long-Lived Methodology</u>				
<u>Maximum likelihood estimates of population parameters</u>								
Arithmetic mean	12.02%	11.41	11.31	11.23	.85	2.40%	69.0	78.9
Standard deviation	5.06	4.04	3.45	3.88	.29	3.35	16.7	26.2
Sample variance	25.57	16.32	15.58	15.04	.08	11.26	279.1	689.0

* Statistics for 54 firms only.

CHAPTER IV
EMPIRICAL RESULTS

Now that the model and variables have been specified, the empirical analysis can be conducted. The study will be presented in two parts. First the specific hypotheses advanced will be tested using the statistical technique of analysis of variance. Then, the linear least squares regression analysis will be presented.

TEST OF HYPOTHESES (A)

Consider null hypothesis (A) and its alternative.

Null Hypothesis (A): Firms in industries with high concentration ratios (or stated barriers to entry) do not have relatively more bias in their reported profit rates caused by the expensing of research and development than firms in industries with lower concentration ratios.

Alternative Hypothesis (A): Firms in industries with high concentration ratios (or stated barriers to entry) have relatively more bias in their reported profit rates caused by the expensing of research and development than firms in industries with lower concentration ratios.

Table 7a presents a summary of average profit rate bias, classified by concentration ratios, caused by expensing research and development for the sixty-nine firms in the study. Separation

Table 7a
Average Profit Rate Bias^a Caused by Expensing Research and
Development for Sixty-Nine Firms Classified
by Industry Concentration^b

<u>8-Firm Concentration Ratios</u>	<u>Alternative Methodologies</u>		
	<u>Short-Lived</u>	<u>Base</u>	<u>Long-Lived</u>
Greater than or equal to 70 ($X_5 = 1$) N=47	.13%	.18%	.21%
Less than 70 ($X_5 = 0$) N=22	1.63	1.84	2.01
F-Ratios ^c	8.61	9.56	9.88
Conclusion	Groups from different populations	Groups from different populations	Groups from different populations

^aUnadjusted profit rate (P/E) less adjusted profit rate (P*/E*).

^bThe criterion for separation was the 1972 concentration ratio for the top eight firms as reported by the Census Bureau, Annual Survey of Manufacturers, 1972, Concentration Ratios in Manufacturing (Washington, 1975).

^cCritical value between groups at 5% level of significance is 3.99.

Table 7b

Average Profit Rate Bias^a Caused by Expensing Research and Development
for Fifty-Four Firms Where Shepherd's Variable
Available Classified by Industry Concentration

<u>8-Firm Concentration Ratios</u>	<u>Alternative Methodologies</u>		
	<u>Short-Lived</u>	<u>Base</u>	<u>Long-Lived</u>
Greater than or Equal to 70 (X ₅ = 1) N=36	.29%	.39%	.47%
Less than 70 (X ₅ = 0) N=18	1.91	2.16	2.38
F-Ratios ^c	7.01	7.97	8.43
Conclusion	Groups from different populations	Groups from different populations	Groups from different populations

^a Unadjusted profit rate (P/E) less adjusted profit rate (P*/E*).

^b The criterion for separation was the 1972 concentration ratio for the top eight firms as reported by the Census Bureau, Annual Survey of Manufacturers, 1972, Concentration Ratios in Manufacturing (Washington, 1975).

^c Critical value between groups at 5% level of significance is 4.03.

Table 7c

Average Profit Rate Bias^a Caused by Expensing Research and Development
for Fifty-Four Firms Where Shepherd's Variable Available Classified
by Shepherd's Concentration Ratios

<u>Shepherd's Concentration Ratios</u>	<u>Alternative Methodologies</u>		
	<u>Short-Lived</u>	<u>Base</u>	<u>Long-Lived</u>
Greater than or equal to 70 ($X_4 \geq 70$) N=26	1.29%	1.45%	1.57%
Less than 70 ($X_4 < 70$) N=28	.40	.54	.66
F-Ratios ^b	2.21	2.13	1.94
Conclusion	Groups may be from same population	Groups may be from same population	Groups may be from same population

^aUnadjusted profit rate (P/E) less adjusted profit rate (P*/E*).

^bCritical value between groups at 5% level of significance is 4.03.

was made at the 70% level for the top eight firms in the industry.

Table 7b presents the same summary developed upon the subsample of fifty-four firms where Shepherd's variable was available.

A third table, Table 7c, is also presented; this table is similar to 7b. However, separation in 7c is on Shepherd's concentration ratios which allows us an alternative to the Census Bureau classifications.

The statistical technique of analysis of variance tested for the significance between groups at the 5% level of significance. Testing with separation based upon concentration ratios supports the null hypothesis in all cases (Tables 7a, b, & c). In tables 7a and 7b, however, a hypothesis that firms in industries with high concentration ratios have relatively less bias in their reported profit rates would be supported.

Table 8a presents a summary of average profit rate bias, classified by entry barriers, caused by expensing research and development for the sixty-nine firms in the study. Separation was made between very high entry barriers and substantial and moderate-to-low. Table 8b presents the same summary developed upon the subsample of fifty-four firms where Shepherd's variable was available.

Table 8a

Average Profit Rate Bias^a Caused by Expensing Research and
Development for Sixty-Nine Firms Classified
by Barriers to Entry^b

<u>Entry Barriers</u>	<u>Alternative Methodologies</u>		
	<u>Short-Lived</u>	<u>Base</u>	<u>Long-Lived</u>
Very high (X ₆ = 1) N=26	1.05%	1.13%	1.20%
Substantial and moderate-to-low (X ₆ = 0) N=43	.34	.45	.53
F-Ratios ^c	1.89	1.57	1.31
Conclusion	Groups may be from same population	Groups may be from same population	Groups may be from same population

^aUnadjusted profit rate (P/E) less adjusted profit rate (P*/E*).

^bThe criterion for separation was H. M. Mann, op. cit.

^cCritical value between groups at 5% level of significance is 3.99.

Table 8b

Average Profit Rate Bias^a Caused by Expensing Research and Development
for Fifty-Four Firms Where Shepherd's Variable Available
Classified by Barriers to Entry^b

<u>Entry Barriers</u>	<u>Alternative Methodologies</u>		
	<u>Short-Lived</u>	<u>Base</u>	<u>Long-Lived</u>
Very High ($X_6 = 1$) N=19	1.65%	1.84%	2.01%
Substantial and moderate-to-low ($X_6 = 0$) N=35	.38	.51	.61
F-Ratios ^c	4.24	4.34	4.31
Conclusion	Groups from different populations	Groups from different populations	Groups from different populations

^aUnadjusted profit rate (P/E) less adjusted profit rate (P*/E*).

^bThe criterion for separation was H. M. Mann, op. cit.

^cCritical value between groups at 5% level of significance is 4.03.

Testing with separation based upon barriers to entry supports the null hypothesis in Table 8a (full sample) and its alternative in Table 8b (sub-sample). However, even in Table 8a the profit rate bias tends to be higher in the very high barriers group.

TEST OF HYPOTHESES (B)

Consider again null hypothesis (B) and its alternative.

Null Hypothesis (B): Firms in industries with high concentration ratios are of equal or less risk, as measured by the Beta measure of risk, than firms in industries with lower concentration ratios.

Alternative Hypothesis (B): Firms in industries with high concentration ratios have greater risk, as measured by the Beta measure of risk, than firms in industries with lower concentration ratios.

Tables 9a and b present a summary of average age, average Beta coefficients, average R & D intensity, and average unadjusted profit rates separated by 8-firm concentration ratios. Table 9a is calculated based upon the full sample of sixty-nine firms; Table 9b is calculated based upon the subsample of fifty-four firms where Shepherd's "market" concentration variable was available. A third table, Table 9c, was developed utilizing Shepherd's "market" concentration variable as the separation criterion. These tables will be referred to to test hypotheses B and C and additionally for several supplementary tests.

Table 9a

Average Age, Beta Coefficients, R & D Intensity, and Unadjusted Profit Rates for Sixty-Nine Firms, 1971-1974, Classified by 8-Firm Concentration Ratios^a

<u>8-Firm Concentration Ratios</u>	<u>Average Age (X₁)^b</u>	<u>Average Beta Coefficient (X₂)</u>	<u>R&D Intensity (X₃)</u>	<u>Average Unadjusted Profit Rates (P/E)</u>
Greater than or equal to 70 (X ₅ = 1) N=47	75.3 years	.84	2.13%	11.07%
Less than 70 (X ₅ = 0) N=22	86.5	.86	2.99	14.03
F-Ratios ^c	2.80	.034	.967	5.39
Conclusion	Groups may be from same population	Groups may be from same population	Groups may be from same population	Groups from different populations

^aThe criterion for separation was the 1972 concentration ratio for the top eight firms as reported by the Census Bureau, Annual Survey of Manufacturers, 1972, Concentration Ratios in Manufacturing (Washington, 1975).

^bAverage age as of mid-year 1975.

^cCritical value between groups at 5% level of significance is 3.99.

Table 9b

Average Age, Beta Coefficients, R & D Intensity, Shepherd's "Market" Concentration, and Unadjusted Profit Rates for Fifty-Four Firms Where Shepherd's Variable Available Classified by 8-Firm Concentration Ratios^a

<u>8-Firm Concentration Ratios</u>	<u>Average Age (X₁)^b</u>	<u>Average Beta Coefficient (X₂)</u>	<u>R&D Intensity (X₃)</u>	<u>Shepherd's "Market" Concentration Variable (X₄)</u>	<u>Average Unadjusted Profit Rates (P/E)</u>
Greater than or equal to 70 (X ₅ = 1) N=36	74.4 years	.82	1.93%	70.4	11.59%
Less than 70 (X ₅ = 0) N=18	86.8	.79	3.40	63.6	14.51
F-Ratios ^c	3.30	.186	2.16	1.85	4.02
Conclusion	Groups may be from same population	Groups may be from same population	Groups may be from same population	Groups may be from same population	Groups may be from same population

^aThe criterion for separation was the 1972 concentration ratio for the top eight firms as reported by the Census Bureau, Annual Survey of Manufacturers, 1972, Concentration Ratios in Manufacturing (Washington, 1975).

^bAverage age as of mid-year 1975.

^cCritical value between groups at 5% level of significance is 4.03.

Table 9c

Average Age, Beta Coefficients, R & D Intensity and Unadjusted Profit Rates for
Fifty-Four Firms Where Shepherd's Variable Available
Classified by Shepherd's Concentration Ratios

Shepherd's Concentration Ratio's	Average Age (X_1) ^a	Average Beta Coefficient (X_2)	R&D Intensity (X_3)	Average Unadjusted Profit Rates (P/E)
Greater than or equal to 70 ($X_4 \geq 70$) N=26	76.6 years	.85	3.71%	13.94%
Less than 70 ($X_4 < 70$) N=28	80.3	.78	1.22	11.28
F-Ratios ^b	.31	1.21	7.52	3.73
Conclusion	Groups may be from same population	Groups may be from same population	Groups from different populations	Groups may be from same population

^a Average age as of mid-year 1975.

^b Critical value between groups at 5% level of significance is 4.03.

Again, the statistical technique of analysis of variance tested for the significance between groups at the 5% level of significance. In all groups the null hypothesis could not be rejected. Risk, as measured by the Beta coefficient, appears to be indifferent to separations of industry concentration at the 70% level. The balance of risk between groups is quite equal.

TEST OF HYPOTHESES (C)

Let us consider null hypothesis (C) and its alternative.

Null Hypothesis (C): Firms in industries with high concentration ratios are equal in age or younger than firms in industries with lower concentration ratios.

Alternative Hypothesis (C): Firms in industries with high concentration ratios are older in age than firms in industries with lower concentration ratios.

Refer once more to Tables 9a, b, and c. The test on average age supports the hypothesis, the null hypothesis, that there is no difference in the populations. It can be noted, however, that in all cases the average age of the higher concentrated group was lower than for the lower concentrated group.

SUPPLEMENTARY TESTS

The above data presented the opportunity to explore other related relationships; as a result several supplementary tests were completed. Refer again to Tables 9a, b, and c. Similar tests upon

the R & D intensity variable show no significant difference between groups in Tables 9a and b; that is, when separation is based upon Census Bureau classifications. However, when separation is based upon Shepherd's concentration variable, the null hypothesis must be rejected. Tests on average adjusted profit rates with concentration again as the separation criterion reject the null hypothesis in Table 9a but accept the null in Tables 9a and c. This points out the sensitivity of the analysis to sample selection and separation criterion.

The strong and significant profit rate bias introduced into the market structure-performance relationship by barriers to entry suggested other tests. Tests upon age, Beta, R & D intensity, Shepherd's variable, and profit rates were conducted between groups separated on the basis of barriers to entry. Table 10a presents the results for the full sample of sixty-nine firms; Table 10b presents the results for the subsample of fifty-four firms where Shepherd's variable was available.

Based upon this criterion for separation no significant difference between groups can be attributed to the age variable. The Beta coefficient in the full sample is, however, significantly different, being .96 in the very high group and .78 in the substantial and moderate-to-low. This significant distinction, though, is not apparent in the subsample of fifty-four firms.

Table 10a

Average Age, Beta Coefficients, R & D Intensity, And Unadjusted Profit Rates for Sixty-Nine Firms, 1971-1974, Classified By Barriers to Entry^a

<u>Entry Barriers</u>	<u>Average Age (X₁)^b</u>	<u>Average Beta Coefficient (X₂)</u>	<u>R&D Intensity (X₃)</u>	<u>Average Unadjusted Profit Rates (P/E)</u>
Very high (X ₆ = 1) N=26	75.9 years	.96	4.60%	14.64%
Substantial and moderate-to-low (X ₆ = 0) N=43	80.7	.78	1.07	10.43
F-Ratios ^c	.52	6.21	23.38	13.06
Conclusion	Groups may be from same population	Groups from different populations	Groups from different populations	Groups from different populations

^aThe criterion for separation was H. M. Mann, op. cit.

^bAverage age as of mid-year 1975.

^cCritical value between groups at 5% level of significance is 3.99.

Table 10b

Average Age, Beta Coefficients, R & D Intensity, Shepherd's "Market" Concentration, and Unadjusted Profit Rates for Fifty-Four Firms Where Shepherd's Variable Available Classified by Barriers to Entry^a

Entry Barriers	Average Age (X ₁) ^b	Average Beta Coefficient (X ₂)	R & D Intensity (X ₃)	Shepherd's "Market" Concentration Variable (X ₄)	Average Unadjusted Profit Rates (P/E)
Very high (X ₆ = 1) N=19	76.2 years	.88	4.75%	80.9	15.70%
Substantial and moderate-to-low (X ₆ = 0) N=35	79.8	.78	1.15	61.2	10.86
F-Ratios ^c	.27	2.10	16.72	22.37	13.25
Conclusion	Groups may be from same population	Groups may be from same population	Groups from different populations	Groups from different populations	Groups from different populations

^aThe criterion for separation was H. M. Mann, op. cit.

^bAverage age as of mid-year 1975.

^cCritical value between groups at 5% level of significance is 4.03.

R & D intensity in both sample sets differs significantly between groups, being 4.60 - 4.75% in the very high group and 1.07 - 1.15% in the substantial and moderate-to-low group.

Average unadjusted profit rates as well differ significantly between groups in both sample sets. Profit rates are much higher in the very high group (14.64 - 15.70%) when compared with the substantial and moderate-to-low group (10.43 - 10.86%).

The last supplementary test performed on Tables 10a and b was related to Shepherd's "market" concentration variable. When separated on the basis of entry barriers, this variable tests quite significantly different between groups. The very high group averaged 83.5, the substantial and moderate-to-low group 61.2.

The last two supplementary tests performed related separations of age and Beta to profit rates. Brozen has suggested that older firms will understate assets due to accounting conventions and thereby overstate profit rates. Financial theory suggests that firms with higher Betas will earn higher rates of return.

Tables 11a and b present average profit rates for each of the sample sets separated by age with adjustment by the three alternative methods for R & D. As before, Table "a" relates to the full sample of sixty-nine firms, Table "b" to the subsample of fifty-four firms.

Tests of profit rates separated on the basis of age show in all cases but one significant differences between groups. In all cases the set of older firms has higher profit rates, ranging from 14.57 vs. 10.70% to 12.23 vs. 10.27%. In the subcase, long-lived adjustment

Table 11a
Average Profit Rates for Sixty-Nine Firms, 1971-1974, Classified
by Age with Adjustment (Three Methodologies)
for R & D

Age	Average Unadjusted Profit Rates (P/E)	Adjusted Average Profit Rates		
		Short-Lived Case	Base Methodology	Long-Lived Case
Greater than 75 years ($X_1 > 75$) N=34	13.91%	12.61%	12.40%	12.23%
Less than or equal to 75 years ($X_1 \leq 75$) N=35	10.18	10.25	10.25	10.27
F-Ratios*	10.52	6.21	5.34	4.57
Conclusion	Groups from different populations	Groups from different populations	Groups from different populations	Groups from different populations

*Critical value between groups at 5% level of significance is 3.99.

Table 11b

Average Profit Rates for Fifty-Four Firms Where Shepherd's
Variable Available Classified by Age with Adjustment
(Three Methodologies) for R & D

<u>Age</u>	<u>Average Unadjusted Profit Rates (P/E)</u>	<u>Adjusted Average Profit Rates</u>		
		<u>Short-Lived Case</u>	<u>Base Methodology</u>	<u>Long-Lived Case</u>
Greater than 75 years ($X_1 > 75$) N=26	14.57%	12.93%	12.68%	12.47
Less than or equal to 75 years ($X_1 \leq 75$) N=28	10.70	10.61	10.56	10.53
F-Ratios*	8.58	4.90	4.28	3.74
Conclusion	Groups from different populations	Groups from different populations	Groups from different populations	Groups may be from same population

* Critical value between groups at 5% level of significance is 4.03.

methodology, the groups may be from the same population. Even here, however, profit rates are higher in the older group.

Tables 12a and b present average profit rates for each of the sample sets separated by the Beta measure of risk with adjustment by the three alternative methods for R & D. Using previously adopted convention, Table "a" relates to the full sample, Table "b" to the subsample.

In all cases profit rates for the higher valued Beta group were higher than those for the lower valued Beta group. This appears consistent with financial theory. However, tests of significance failed to identify differences between groups which could not be accounted for by random error. As a result, a hypothesis that both the higher valued and lower valued Beta groups were from the same population could not be rejected.

LEAST SQUARES MODEL

The primary technique used to analyze the effect of the introduction of the age, Beta, and profit rate adjustments upon the relationship between profit rates and concentration was least squares regression analysis. Both linear and logarithmic functions were tested using least squares analysis. Linear relationships in all cases had higher explanatory capabilities and, as a result, that general form was chosen. Cross-sectional analyses were performed; the most complete multiple regression equation was:

Table 12a

Average Profit Rates for Sixty-Nine Firms, 1971-1974,
Classified by Beta Coefficients with Adjustment
(Three Methodologies) for R & D

Beta Coefficients	Average Unadjusted Profit Rates (P/E)	Adjusted Average Profit Rates		
		Short-Lived Case	Base Methodology	Long-Lived Case
Greater than median value ($X_2 > .80$) N=34	12.32%	11.73%	11.72%	11.72%
Less than median value ($X_2 < .80$) N=39	11.72	11.10	10.91	10.76
F-Ratios*	.23	.41	.70	1.05
Conclusion	Groups may be from same population	Groups may be from same population	Groups may be from same population	Groups may be from same population

* Critical value between groups at 5% level of significance is 3.99.

Table 12b

Average Profit Rates for Fifty-Four Firms Where Shepherd's
Variable Available Classified by Beta Coefficients with
Adjustment (Three Methodologies) for R & D

Beta Coefficients	Average Unadjusted Profit Rates (P/E)	Adjusted Average Profit Rates		
		Short-Lived Case	Base Methodology	Long-Lived Case
Greater than median value ($X_2 > .80$) N=27	12.87%	11.95%	11.87%	11.82%
Less than median value ($X_2 < .80$) N=27	12.26	11.51	11.29	11.10
F-Ratios*	.18	.16	.30	.48
Conclusion	Groups may be from same population	Groups may be from same population	Groups may be from same population	Groups may be from same population

*Critical value between groups at 5% level of significance is 4.03.

$$P/E (P^*/E^*) = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6$$

Where,

Dependent variables

P/E = Reported rates of return

P^*/E^* = Adjusted rates of return
(for the bias due to expensing
research and development)

Independent variables

X_1 = Age of firm in years

X_2 = Beta, a relative measure of risk

X_3 = Measure of R & D intensity

X_4 = Shepherd's "market" concentration variable

X_5 = Dummy variable: Industry Concentration

X_6 = Dummy variable: Barriers to Entry

The expected relationship of each independent variable was positive. Subcases of the general form were considered to evaluate the significance of individual variables and of combinations of variables.

A point of note should be made with regard to the model. The model is not to be construed as a predictive model. A predictive model might be constructed with more time dimension in the cross sections. Additionally, better and more complete predictive constructs of the independent variables would be

desirable. Therefore, the analysis of the statistical results will be solely on the significance of the variables simply formulated, not on the combined explanatory value (\bar{R}^2) of the equations. \bar{R}^2 could be raised by modifications of the model. As much of the basic data compiled as possible was included in the model; however, others might find it useful to build upon the data and extend the model to build a predictive model or test other hypotheses.

SIMPLE CORRELATION COEFFICIENTS

Simple correlation coefficients between each of the variables were calculated; the correlation matrices are shown in Tables 13a and b. Examination of the coefficients indicate the most significant variables (5% level) in relation to the alternative rate of return measures are age, R & D intensity, and barriers in the full sample of 69 firms. In the subsample of 54 firms for which Shepherd's concentration measure was available, those variables as well as Shepherd's concentration measure were significant. Beta and the dummy concentration variable are generally not significantly different from zero; it is, therefore, likely that little in the way of explanatory power can be expected from these variables.

In addition to the correlations with profit rate some highly significant correlations exist between the independent variables. The correlation, for example, between R & D intensity and the barriers dummy would be expected. Similarly the highly

Table 13a

Simple Correlation Matrix Full Sample of 69 Firms-
Excludes Shepherd's Concentration Measure

	Rates of Return				Age (X ₁)	Beta (X ₂)	R & D Intensity (X ₃)	Dummy Variables	
	Without Adjustment (P/E)	Short-Lived (P ₁ [*] /E ₁ [*])	Base Methodology (P ₂ [*] /E ₂ [*])	Long-Lived (P ₃ [*] /E ₃ [*])				Concentration (X ₅)	Barriers (X ₆)
P/E	1.000								
P ₁ [*] /E ₁ [*]	.920	1.000							
P ₂ [*] /E ₂ [*]	.910	.997	1.000						
P ₃ [*] /E ₃ [*]	.896	.988	.997	1.000					
X ₁	.374	.298	.270	.243	1.000				
X ₂	-.008	.052	.084	.114	-.109	1.000			
X ₃	.419	.386	.399	.408	-.041	.313	1.000		
X ₅	-.273	-.168	-.153	-.138	-.200	-.023	-.119	1.000	
X ₆	.404	.420	.433	.444	-.088	.291	.509	.147	1.000

Table 13b

Simple Correlation Matrix Subsample: 54 Firms for Which
Shepherd's Concentration Measure
Was Available

	Rates of Return				Age (X ₁)	Beta (X ₂)	R & D Intensity (X ₃)	Shepherd's Concentration Measure (X ₄)	Dummy Variables	
	Without Adjustment (P/E)	Short-Lived P ₁ [*] /E ₁ [*]	Base Methodology P ₂ [*] /E ₂ [*]	Long-Lived P ₃ [*] /E ₃ [*]					Concentration (X ₅)	Barriers (X ₆)
P/E	1.000									
P ₁ [*] /E ₁ [*]	.914	1.000								
P ₂ [*] /E ₂ [*]	.909	.996	1.000							
P ₃ [*] /E ₃ [*]	.899	.987	.997	1.000						
X ₁	.405	.333	.303	.278	1.000					
X ₂	.061	.094	.119	.142	.019	1.000				
X ₃	.475	.405	.411	.415	.079	.239	1.000			
X ₄	.386	.344	.349	.353	-.002	.096	.427	1.000		
X ₅	-.268	-.156	-.140	-.126	-.244	.060	-.200	.185	1.000	
X ₆	.451	.432	.437	.441	-.072	.197	.493	.548	.110	1.000

significant correlation between concentration (Shepherd's measure) and the barriers dummy and R & D intensity is expected. However, the lack of significance between the concentration (Census) dummy and barriers, R & D intensity, or Shepherd's concentration measure was not expected. In subsequent regression equations the multicollinearity present will create some interpretive problems; however, most of the collinearity is not severe enough to discredit the regression results.

REGRESSION ANALYSIS

Following the convention adopted previously, two complete sets of regression equations were run. The first set was performed upon the full sample of sixty-nine firms and is found in Table 14a. The second, performed upon the subsample of fifty-four firms where Shepherd's variable was available, can be found in Table 14b. The regression characteristics of the specific variables are described below.

X₁, Age of Firm -- The age of firm variable is the only variable consistently significant across all profit rate methodologies and in both sample sets. The robust nature of this variable suggests that of all variables examined in this study, it has the most significant influence upon profit rates.

X₂, Beta -- Beta was the only variable which lacked significance across all profit rate methodologies in both sample sets. In combination with other variables, Beta generally had signs opposite of that expected. When considered independent of other variables, Beta generally had the positive sign expected, but lacked significance.

X₃, R & D Intensity -- The R & D intensity variable was, when regressed against profit rates, generally significant and carried the sign expected. However, when profit rates are adjusted to reflect the capital nature of research, this relationship weakens through the alternative methodologies considered. This may suggest that apparent positive relationships between R & D and firm performance are to some extent a product of accounting convention.

X₄, Shepherd's "Market" Concentration Variable -- Shepherd's variable carries the expected sign but generally lacks significance when included in the more complete specifications. However, Shepherd's variable is collinear to some extent with the barriers dummy and somewhat less so with the R & D intensity variable. As a result, one would not expect this variable to show particular robustness in the most complete specification. When considered on its own (equation set 13), Shepherd's variable shows a significantly positive relationship with profit rates under all methodologies.

Table 14a

Linear Multiple Regression Equations Explaining
Profit Rates: Full Sample of 69 Firms
(T-Statistic in Parentheses)

Equation Number	Y= Profit Rate Methodologies	Y= a + b ₁ X ₁ + b ₂ X ₂ + b ₃ X ₃ + b ₅ X ₅ + b ₆ X ₆						R ²
		Constant	Age	Beta	R & D Intensity	Dummy Variables Industry Concentration Barriers to Entry		
1a	Without adjustment	7.89	.07 (3.41)	-1.98 (1.08)	.68 (4.26)	-1.64 (1.47)		.323
1b	Short-lived	7.50	.05 (2.68)	-.60 (.38)	.49 (3.53)	-.53 (.55)		.206
1c	Base methodology	7.36	.04 (2.46)	-.21 (.13)	.48 (3.55)	-.42 (.44)		.196
1d	Long-lived	7.22	.04 (2.25)	.16 (.11)	.47 (3.54)	-.32 (.34)		.188
2a	Without adjustment	5.86	.08 (4.14)	-2.75 (1.55)	.48 (2.84)		3.35 (2.85)	.379
2b	Short-lived	6.68	.05 (3.20)	-1.28 (.85)	.30 (2.09)		2.90 (2.90)	.295
2c	Base methodology	6.66	.05 (2.94)	-.87 (.59)	.30 (2.09)		2.85 (2.90)	.287
2d	Long-lived	6.62	.04 (2.70)	-.49 (.34)	.29 (2.07)		2.81 (2.89)	.280
3a	Without adjustment	6.33	.07 (3.31)					.127
3b	Short-lived	7.80	.05 (2.55)					.075
3c	Base methodology	8.11	.04 (2.29)					.059
3d	Long-lived	8.40	.04 (2.05)					.045
4a	Without adjustment	12.13		-.14 (.06)				.015
4b	Short-lived	10.80		.72 (.43)				.012
4c	Base methodology	10.35		1.13 (.69)				.008
4d	Long-lived	9.95		1.52 (.94)				.002

Table 14a (continued)

Linear Multiple Regression Equations Explaining
Profit Rates: Full Sample of 69 Firms
(T-Statistic in Parentheses)

Equation Number	Y=	a	+	b_1X_1	+	b_2X_2	+	b_3X_3	+	b_5X_5	+	b_6X_6	\bar{R}^2
	<u>Profit Rate Methodologies</u>	<u>Constant</u>		<u>Age</u>		<u>Beta</u>		<u>R & D Intensity</u>		<u>Dummy Variables</u>			
										<u>Industry Concentration</u>	<u>Barriers to Entry</u>		
5a	Without adjustment	10.50						.63 (3.78)					.164
5b	Short-lived	10.29						.47 (3.43)					.137
5c	Base methodology	10.18						.47 (3.56)					.146
5d	Long-lived	10.10						.47 (3.66)					.154
6a	Without adjustment	14.03								-2.96 (2.32)			.061
6b	Short-lived	12.40								-1.46 (1.40)			.014
6c	Base methodology	12.19								-1.30 (1.27)			.009
6d	Long-lived	12.02								-1.15 (1.14)			.005
7a	Without adjustment	10.43									4.21 (3.61)		.151
7b	Short-lived	10.09									3.51 (3.79)		.165
7c	Base methodology	9.98									3.53 (3.93)		.176
7d	Long-lived	9.89									3.56 (4.05)		.185

Table 14b

Linear Multiple Regression Equations Explaining Profit Rates:
54 Firm Subcase Where Shepherd's Variable Available
(T-Statistic in Parentheses)

Equation Number	Y= Profit Rate Methodologies	Y= a + b ₁ X ₁ + b ₂ X ₂ + b ₃ X ₃ + b ₄ X ₄ + b ₅ X ₅ + b ₆ X ₆						R ²
		Constant	Age	Beta	R & D Intensity	Shepherd's "Market" Concentration Variable	Dummy Variables Industry Concentration Barriers to Entry	
8a	Without adjustment	1.57	.07 (3.04)	-.67 (.30)	.43 (2.25)	.09 (2.36)	-1.96 (1.49)	.379
8b	Short-lived	3.67	.05 (2.36)	.11 (.06)	.29 (1.78)	.06 (1.77)	-.66 (.59)	.228
8c	Base methodology	3.78	.04 (2.11)	.47 (.25)	.29 (1.80)	.06 (1.75)	-.58 (.52)	.215
8d	Long-lived	3.81	.04 (1.90)	.79 (.43)	.28 (1.80)	.05 (1.73)	-.50 (.46)	.204
9a	Without adjustment	2.53	.09 (3.82)	-1.60 (.74)	.39 (2.07)	.03 (.90)	3.24 (2.22)	.411
9b	Short-lived	4.77	.06 (2.92)	-.45 (.25)	.21 (1.35)	.02 (.65)	2.64 (2.14)	.290
9c	Base methodology	4.84	.05 (2.62)	-.05 (.03)	.21 (1.37)	.02 (.68)	2.50 (2.06)	.275
9d	Long-lived	4.85	.04 (2.38)	.30 (.17)	.21 (1.36)	.02 (.70)	2.41 (2.01)	.263
10a	Without adjustment	5.72	.09 (3.19)					.148
10b	Short-lived	7.41	.06 (2.54)					.094
10c	Base methodology	7.76	.05 (2.29)					.074
10d	Long-lived	8.03	.04 (2.08)					.059
11a	Without adjustment	11.58		1.21 (.44)				.016
11b	Short-lived	10.57		1.43 (.68)				.010
11c	Base methodology	10.15		1.77 (.86)				.005
11d	Long-lived	9.78		2.06 (1.04)				.001

Table 14b (continued)

Linear Multiple Regression Equations Explaining Profit Rates:
 54 Firm Subcase Where Shepherd's Variable Available
 (T-Statistic in Parentheses)

Equation Number	Y= Profit Rate Methodologies	Y= a + b ₁ X ₁ + b ₂ X ₂ + b ₃ X ₃ + b ₄ X ₄ + b ₅ X ₅ + b ₆ X ₆						R ²	
		Constant	Age	Beta	R & D Intensity	Shepherd's "Market" Concentration Variable	Dummy Variables Industry Concentration		Barriers to Entry
12a	Without adjustment	10.87			.70 (3.89)			.211	
12b	Short-lived	10.62			.46 (3.19)			.148	
12c	Base methodology	10.49			.45 (3.26)			.153	
12d	Long-lived	10.38			.45 (3.29)			.156	
13a	Without adjustment	4.71				.12 (3.01)		.132	
13b	Short-lived	6.35				.08 (2.64)		.101	
13c	Base methodology	6.27				.08 (2.69)		.105	
13d	Long-lived	6.21				.08 (2.72)		.108	
14a	Without adjustment	14.51					-2.92 (2.01)	.054	
14b	Short-lived	12.60					-1.30 (1.14)	.005	
14c	Base methodology	12.34					-1.14 (1.02)	.001	
14d	Long-lived	12.13					-1.00 (.91)	.003	
15a	Without adjustment	10.86						4.84 (3.64)	.188
15b	Short-lived	10.47						3.57 (3.45)	.171
15c	Base methodology	10.35						3.51 (3.50)	.175
15d	Long-lived	10.24						3.46 (3.54)	.179

X₅, Dummy Variable: Industry Concentration: This variable does not carry the expected positive sign and is generally not significant. By itself, it has less explanatory capability than any of the other variables considered.

X₆, Dummy Variable: Barriers to Entry: The barriers dummy carries the expected positive sign and is in all cases significant. By itself, it has more explanatory capability than any of the other variables considered.

The conclusions which emerge from the use of least squares regression analysis to explain firm rates of return are: (a) Risk, as measured by Beta, is not an important determinant of firm profitability, (b) Industry concentration, as measured by the Census Bureau, is not an important determinant of firm profitability, (c) Concentration, as measured by Shepherd, may be an important determinant of firm profitability, (d) Barriers appears to be an important determinant of firm profitability, and (e) The age of a firm is a primary determinant of accounting rates of return.

CHAPTER V

SUMMARY AND IMPLICATIONS

Public policy makers periodically (more frequently in recent years) propose legislation with the purpose of restructuring industries with high reported rates of return and high levels of industry concentration. These proposals are frequently based upon a premise that barriers or anticompetitive actions on the part of firms deter the pursuit of competition in the economy. Considerable evidence indicates, though, that differences in performance may result, in part, from disequilibrium forces, specific public policies (patents, etc.), risk, intangible capital, and other natural forces in the economy.¹ Public policy seeking to alter the performance of industries must account for these other influences; if not, serious misallocations could occur.

This study examined several influencing factors. Let's review our findings:

SPECIFIC HYPOTHESES TESTED

Hypothesis (A) - Concentration: The empirical findings of this study strongly support the null hypothesis; that is,

¹See, for example, Yale Brozen, "Bain's Concentration and Rates of Return Revisited," Journal of Law and Economics, (October 1971), pp. 351-370.

that firms in industries with high concentration ratios do not have relatively more bias in their reported profit rates caused by the expensing of research and development than firms in industries with lower concentration ratios.

Hypothesis (A) - Barriers: Testing with separation based upon barriers to entry supports both the null and alternative hypotheses depending upon the sample set utilized. Very high barriers, though, are associated with higher profit rates.

Hypothesis (B): Risk, as measured by the Beta coefficient, appears to be indifferent to separations of industry concentration. The evidence examined strongly supports the null hypothesis; that is, that firms in industries with high concentration ratios are of equal or less risk, as measured by the Beta measure of risk, than firms in industries with lower concentration ratios.

Hypothesis (C): The analysis confirms the null hypothesis; that is, that firms in industries with high concentration ratios are equal in age or younger than firms in industries with lower concentration ratios.

SUPPLEMENTARY TESTS-SEPARATION ON CONCENTRATION

1. R & D Intensity: No significant difference between groups separated on the basis of Census Bureau industry concentration designations was observed for the R & D intensity variable. It was, though, when separation was based upon Shepherd's measure.
2. Reported Profit Rates: No significant difference between groups separated on the basis of industry concentration was observed in reported rates of return, with the exception of the full sample set where profit rates were lower for the high concentration set.
3. Shepherd's Concentration Measure: No significant difference between groups was observed.

SUPPLEMENTARY TESTS-SEPARATION ON BARRIERS

1. Age: No significant difference between groups separated on the basis of barriers was observed for the age variable.
2. Beta: A significant difference between groups separated on the basis of barriers was observed in the Beta coefficient in the full sample of sixty-nine firms. In the subsample of fifty-four firms Beta was not significantly different between groups.
3. R & D Intensity: A significant difference between groups separated on the basis of barriers was observed in the R & D intensity variable.
4. Reported Profit Rates: A significant difference between groups separated on the basis of barriers was observed in reported profit rates.
5. Shepherd's Concentration Measure: A significant difference between groups separated on the basis of barriers was observed in Shepherd's concentration measure.

SUPPLEMENTARY TESTS-PROFIT RELATED

Brozen has suggested that older firms will understate assets due to accounting conventions and thereby overstate profit rates. Financial theory suggests that firms with higher Betas will earn higher rates of return. These last two propositions were also tested.

1. Age: Tests of profit rates separated on the basis of age strongly support the proposition that older firms have higher reported profit rates. The application of adjustment for R & D capital reduced the difference between groups but did not eliminate the difference,

suggesting that other variables may additionally affect this relationship.

2. Beta: Profit rates, even after adjustment for R & D capital, remained higher in the higher valued Beta group. However, the differences between groups were not statistically significant.

MULTIVARIATE LEAST SQUARES ANALYSIS

The multivariate least squares analysis confirms the strong consistently significant relationship between age and profit rates; confirms the weak consistently insignificant relationship between risk, as measured by Beta, and profit rates. Industry concentration, as measured by the Census Bureau, is consistently negatively associated with profit rates; Shepherd's measure, however, is consistently positively associated with profit rates. Barriers to entry are significantly and positively associated with profit rates.

IMPLICATIONS FOR POLICY

The findings of this study strongly suggest that measures of performance based upon rates of return are significantly biased due to the age of firms and as a result of the conventional accounting treatment of research and development. Age bias may also relate to accounting convention as it could indicate understatement of firm assets. This proposition should be explored further. Adjust-

ments can be designed to remove these biases which will more accurately measure rates of return.

Corrected rates of return seem to be the more appropriate measure of performance for public policy purposes. Furthermore, simple application of these corrections appears to suggest movements towards more equalized returns among firms. Therefore, more attention should be given to obtaining better measurements of actual relationships in firms and industries. Systematic measurement errors appear to significantly impact rates of return and rate of return differentials.

However, this study strongly suggests that risk, as measured by the Beta coefficient, does not impact firm rates of return. If so, public policy makers need not be concerned with the influence of risk. It should be pointed out, though, that even though Beta is a theoretically strong measure of risk, it may not be the appropriate measure of performance risk. Other investigators may wish to explore alternative measures of risk.

Perhaps the most surprising implication of this study is the finding that high concentration alone does not imply high rates of return. While an association between industry barriers and rates of return is highly significant, none appears in the concentration-rate of return relationship. On this basis, it would seem appropriate for public policy makers to seek more refined and more widely available

measures of industry barriers. Concentration ratios, as measured by the Census Bureau, do not enable the investigator to identify differences in rates of return, at least at statistically significant levels.

APPENDICES

APPENDIX IDOMINANT FIRMS IN TWENTY-THREE INDUSTRIESINDUSTRY (SIC) AND FIRM

Industries with very high barriers:

Automobiles (3711)

General Motors
Ford
Chrysler
American Motors

Cigarettes (2111)

Reynolds Industries
American Brands
Liggett & Meyers
Philip Morris Inc.

Electronic Computing Equipment (3573)

International Business Machines
Burroughs Corp.
Control Data Corp.
Digital Equipment Corp.

Ethical Pharmaceuticals (2834)

Merck & Co.
Robins (A. H.) Co.
Upjohn Co.
Lilly (Eli) & Co.
Searle (G. D.) & Co.
SmithKline Corp.

Flat Glass (3211)

PPG Industries
Libby-Owens-Ford

Liquor (2085)

Distillers Corp. - Seagram
National Distillers
Hiram Walker

INDUSTRY (SIC) AND FIRMPhotographic Equipment & Supplies
(3861)

Eastman Kodak Co.
Polaroid Corp.
Bell & Howell Co.

Industries with Substantial Barriers:

Aluminum (3334)

Alcoa
Reynolds Metals
Kaiser Aluminum

Petroleum Refining (2911)

Exxon Corp.
Texaco
Mobil Oil Corp.
Standard Oil (Ind.)

Steel (3312)

U. S. Steel
Bethlehem Steel
Republic Steel
Jones & Laughlin

Soap (2841)

Proctor & Gamble
Colgate-Palmolive Co.

Copper (3331)

Kennecott
Anaconda
Phelps Dodge
American Smelting & Refining

Cement (3241)

Ideal Basic Industries
Lone Star Industries
Lehigh Portland Cement
General Portland Cement

INDUSTRY (SIC) AND FIRM

Industries with Moderate-to-Low Barriers:

Glass Containers (3221)

Owens-Illinois
Anchor-Hocking

Tires and Tubes (3011)

Goodyear
Firestone
Uniroyal Inc.
Goodrich

Shoes (3143)

Interco Inc.
Brown Group Inc.

Rayon (2825)

Celanese

Gypsum Products (3275)

U. S. Gypsum
National Gypsum

Canned Fruits and Vegetables (2033)

Del Monte Corp.
Libby-McNeil
Stokely-Van Camp

Flour (2041)

General Mills
Pillsbury

Metal Containers (3411)

American Can
Continental Can

Beer (2082)

Anheuser-Busch
Pabst Brewing Co.
Falstaff Brewing Co.

INDUSTRIES (SIC) AND FIRM

Baking (2051)

American Bakeries Co.

APPENDIX II

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES:
THREE METHODOLOGIES

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: ALCOA
Industry: ALUMINUM

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R _t [*])	\$ <u>19.7</u>	\$ <u>20.7</u>	\$ <u>21.8</u>	\$ <u>23.5</u>	\$ <u>21.4</u>
Adjusted Profits (P _t [*])	<u>61.0</u>	<u>109.0</u>	<u>111.0</u>	<u>183.3</u>	<u>116.1</u>
R & D Capital (S _t [*])	<u>181.1</u>	<u>193.0</u>	<u>206.1</u>	<u>225.6</u>	<u>201.5</u>
Adjusted Equity (E _t [*])	<u>1449.7</u>	<u>1532.4</u>	<u>1615.0</u>	<u>1772.6</u>	<u>1548.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P*/E*)	<u>4.3 %</u>	<u>7.3 %</u>	<u>7.1 %</u>	<u>10.8 %</u>	<u>7.5 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R _t [*])	\$ <u>14.9</u>	\$ <u>15.3</u>	\$ <u>15.4</u>	\$ <u>13.3</u>	\$ <u>14.7</u>
Adjusted Profits (P _t [*])	<u>63.0</u>	<u>110.8</u>	<u>112.2</u>	<u>180.0</u>	<u>116.5</u>
R & D Capital (S _t [*])	<u>319.2</u>	<u>336.5</u>	<u>356.0</u>	<u>385.7</u>	<u>349.3</u>
Adjusted Equity (E _t [*])	<u>1587.8</u>	<u>1675.9</u>	<u>1764.9</u>	<u>1932.7</u>	<u>1692.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P*/E*)	<u>4.0 %</u>	<u>6.8 %</u>	<u>6.5 %</u>	<u>9.7 %</u>	<u>6.9 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R _t [*])	\$ <u>22.3</u>	\$ <u>23.7</u>	\$ <u>25.3</u>	\$ <u>27.7</u>	\$ <u>24.8</u>
Adjusted Profits (P _t [*])	<u>66.9</u>	<u>115.1</u>	<u>117.4</u>	<u>187.5</u>	<u>121.7</u>
R & D Capital (S _t [*])	<u>129.3</u>	<u>138.2</u>	<u>147.7</u>	<u>163.1</u>	<u>144.6</u>
Adjusted Equity (E _t [*])	<u>1397.9</u>	<u>1477.6</u>	<u>1556.6</u>	<u>1710.1</u>	<u>1493.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P*/E*)	<u>4.8 %</u>	<u>8.0 %</u>	<u>7.7 %</u>	<u>11.5 %</u>	<u>8.2 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: AMERICAN BAKERIES CO.

Industry: BAKING

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>.2</u>	<u>.2</u>	<u>2.0</u>	<u>1.7</u>	<u>1.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>51.4</u>	<u>47.9</u>	<u>43.5</u>	<u>39.2</u>	<u>46.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.4%</u>	<u>.4%</u>	<u>4.4%</u>	<u>4.1%</u>	<u>2.2%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>.2</u>	<u>.2</u>	<u>2.0</u>	<u>1.7</u>	<u>1.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>51.4</u>	<u>47.9</u>	<u>43.5</u>	<u>39.2</u>	<u>46.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.4%</u>	<u>.4%</u>	<u>4.4%</u>	<u>4.1%</u>	<u>2.2%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>.2</u>	<u>.2</u>	<u>2.0</u>	<u>1.7</u>	<u>1.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>51.4</u>	<u>47.9</u>	<u>43.5</u>	<u>39.2</u>	<u>46.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.4%</u>	<u>.4%</u>	<u>4.4%</u>	<u>4.1%</u>	<u>2.2%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: AMERICAN BRANDS

Industry: CIGARETTES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>119.4</u>	<u>123.3</u>	<u>131.3</u>	<u>136.7</u>	<u>127.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>904.8</u>	<u>948.7</u>	<u>994.8</u>	<u>1059.6</u>	<u>953.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.5%</u>	<u>13.3%</u>	<u>13.5%</u>	<u>13.3%</u>	<u>13.4%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>119.4</u>	<u>123.3</u>	<u>131.3</u>	<u>136.7</u>	<u>127.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>904.8</u>	<u>948.7</u>	<u>994.8</u>	<u>1059.6</u>	<u>953.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.5%</u>	<u>13.3%</u>	<u>13.5%</u>	<u>13.3%</u>	<u>13.4%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>119.4</u>	<u>123.3</u>	<u>131.3</u>	<u>136.7</u>	<u>127.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>904.8</u>	<u>948.7</u>	<u>994.8</u>	<u>1059.6</u>	<u>953.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.5%</u>	<u>13.5%</u>	<u>13.5%</u>	<u>13.3%</u>	<u>13.4%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: AMERICAN CAN
Industry: METAL CONTAINERS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>18.9</u>	\$ <u>20.0</u>	\$ <u>21.0</u>	\$ <u>22.1</u>	\$ <u>20.5</u>
Adjusted Profits (P_t^*)	<u>54.9</u>	<u>59.9</u>	<u>70.5</u>	<u>105.9</u>	<u>72.8</u>
R & D Capital (S_t^*)	<u>175.0</u>	<u>183.8</u>	<u>191.7</u>	<u>202.9</u>	<u>188.4</u>
Adjusted Equity (E_t^*)	<u>948.0</u>	<u>864.1</u>	<u>896.5</u>	<u>957.2</u>	<u>913.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.8%</u>	<u>6.6%</u>	<u>8.0%</u>	<u>11.4%</u>	<u>8.0%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>10.6</u>	\$ <u>11.5</u>	\$ <u>15.0</u>	\$ <u>15.4</u>	\$ <u>13.1</u>
Adjusted Profits (P_t^*)	<u>55.6</u>	<u>61.3</u>	<u>74.2</u>	<u>108.1</u>	<u>74.8</u>
R & D Capital (S_t^*)	<u>311.0</u>	<u>328.3</u>	<u>342.2</u>	<u>360.1</u>	<u>335.4</u>
Adjusted Equity (E_t^*)	<u>1084.0</u>	<u>1008.6</u>	<u>1047.0</u>	<u>1114.4</u>	<u>1056.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.2%</u>	<u>5.9%</u>	<u>7.2%</u>	<u>10.0%</u>	<u>7.1%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>21.5</u>	\$ <u>22.6</u>	\$ <u>23.6</u>	\$ <u>25.0</u>	\$ <u>23.2</u>
Adjusted Profits (P_t^*)	<u>61.3</u>	<u>67.1</u>	<u>78.7</u>	<u>113.1</u>	<u>80.0</u>
R & D Capital (S_t^*)	<u>124.1</u>	<u>130.2</u>	<u>135.5</u>	<u>143.8</u>	<u>133.4</u>
Adjusted Equity (E_t^*)	<u>897.1</u>	<u>810.5</u>	<u>840.3</u>	<u>898.1</u>	<u>859.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9%</u>	<u>7.9%</u>	<u>9.5%</u>	<u>13.0%</u>	<u>9.3%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: AMERICAN MOTORS
Industry: AUTOMOBILES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>20.8</u>	\$ <u>22.1</u>	\$ <u>23.8</u>	\$ <u>25.3</u>	\$ <u>23.0</u>
Adjusted Profits (P_t^*)	<u>10.3</u>	<u>22.8</u>	<u>52.0</u>	<u>32.7</u>	<u>29.5</u>
R & D Capital (S_t^*)	<u>184.6</u>	<u>196.7</u>	<u>211.2</u>	<u>221.2</u>	<u>203.4</u>
Adjusted Equity (E_t^*)	<u>398.6</u>	<u>440.9</u>	<u>554.8</u>	<u>604.2</u>	<u>471.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.7</u> %	<u>5.4</u> %	<u>10.4</u> %	<u>5.6</u> %	<u>6.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>11.5</u>	\$ <u>10.5</u>	\$ <u>9.4</u>	\$ <u>12.3</u>	\$ <u>10.9</u>
Adjusted Profits (P_t^*)	<u>11.5</u>	<u>22.0</u>	<u>49.4</u>	<u>33.9</u>	<u>29.2</u>
R & D Capital (S_t^*)	<u>341.8</u>	<u>365.6</u>	<u>394.4</u>	<u>417.4</u>	<u>379.8</u>
Adjusted Equity (E_t^*)	<u>555.8</u>	<u>609.6</u>	<u>738.0</u>	<u>800.4</u>	<u>641.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.1</u> %	<u>3.8</u> %	<u>7.3</u> %	<u>4.4</u> %	<u>4.5</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>22.8</u>	\$ <u>24.3</u>	\$ <u>26.1</u>	\$ <u>27.4</u>	\$ <u>25.2</u>
Adjusted Profits (P_t^*)	<u>17.4</u>	<u>29.1</u>	<u>58.1</u>	<u>41.7</u>	<u>36.6</u>
R & D Capital (S_t^*)	<u>125.2</u>	<u>135.2</u>	<u>147.3</u>	<u>155.2</u>	<u>140.7</u>
Adjusted Equity (E_t^*)	<u>339.2</u>	<u>379.4</u>	<u>490.9</u>	<u>538.2</u>	<u>409.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.3</u> %	<u>8.1</u> %	<u>13.3</u> %	<u>8.1</u> %	<u>8.9</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: AMERICAN SMELTING & REFINING
Industry: COPPER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>5.6</u>	\$ <u>6.0</u>	\$ <u>6.4</u>	\$ <u>6.8</u>	\$ <u>6.2</u>
Adjusted Profits (P_t^*)	<u>48.9</u>	<u>50.9</u>	<u>115.4</u>	<u>128.0</u>	<u>85.8</u>
R & D Capital (S_t^*)	<u>58.8</u>	<u>62.3</u>	<u>66.1</u>	<u>70.3</u>	<u>64.4</u>
Adjusted Equity (E_t^*)	<u>732.1</u>	<u>744.9</u>	<u>840.1</u>	<u>932.8</u>	<u>787.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.7</u> %	<u>6.9</u> %	<u>14.6</u> %	<u>14.4</u> %	<u>10.9</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.7</u>	\$ <u>2.8</u>	\$ <u>3.2</u>	\$ <u>4.6</u>	\$ <u>3.3</u>
Adjusted Profits (P_t^*)	<u>47.4</u>	<u>50.6</u>	<u>115.1</u>	<u>128.2</u>	<u>85.3</u>
R & D Capital (S_t^*)	<u>91.7</u>	<u>98.4</u>	<u>105.4</u>	<u>111.8</u>	<u>101.8</u>
Adjusted Equity (E_t^*)	<u>765.0</u>	<u>781.0</u>	<u>879.4</u>	<u>974.3</u>	<u>823.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.2</u> %	<u>6.5</u> %	<u>13.9</u> %	<u>13.8</u> %	<u>10.4</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>7.1</u>	\$ <u>7.6</u>	\$ <u>8.1</u>	\$ <u>8.6</u>	\$ <u>7.8</u>
Adjusted Profits (P_t^*)	<u>49.7</u>	<u>53.0</u>	<u>117.6</u>	<u>130.3</u>	<u>87.7</u>
R & D Capital (S_t^*)	<u>45.0</u>	<u>46.9</u>	<u>49.1</u>	<u>51.5</u>	<u>48.1</u>
Adjusted Equity (E_t^*)	<u>718.3</u>	<u>729.5</u>	<u>823.1</u>	<u>914.0</u>	<u>771.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>7.3</u> %	<u>15.1</u> %	<u>15.0</u> %	<u>11.4</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: ANACONDA
Industry: COPPER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>8.7</u>	<u>44.1</u>	<u>69.7</u>	<u>106.8</u>	<u>57.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>221.0</u>	<u>971.4</u>	<u>1048.0</u>	<u>1267.3</u>	<u>1017.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.9</u> %	<u>4.9</u> %	<u>6.9</u> %	<u>9.2</u> %	<u>5.6</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>8.7</u>	<u>44.1</u>	<u>69.7</u>	<u>106.8</u>	<u>57.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>221.0</u>	<u>971.4</u>	<u>1048.0</u>	<u>1257.3</u>	<u>1017.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.9</u> %	<u>4.9</u> %	<u>6.9</u> %	<u>9.2</u> %	<u>5.6</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>8.7</u>	<u>44.1</u>	<u>69.7</u>	<u>106.8</u>	<u>57.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>221.0</u>	<u>971.4</u>	<u>1048.0</u>	<u>1267.3</u>	<u>1017.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.9</u> %	<u>4.9</u> %	<u>6.9</u> %	<u>9.2</u> %	<u>5.6</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: ANCHOR-HOCKING

Industry: GLASS CONTAINERS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>2.7</u>	\$ <u>2.9</u>	\$ <u>3.1</u>	\$ <u>3.3</u>	\$ <u>3.0</u>
Adjusted Profits (P_t^*)	<u>20.3</u>	<u>21.6</u>	<u>19.5</u>	<u>17.3</u>	<u>19.7</u>
R & D Capital (S_t^*)	<u>26.2</u>	<u>27.9</u>	<u>29.4</u>	<u>31.4</u>	<u>28.7</u>
Adjusted Equity (E_t^*)	<u>175.9</u>	<u>192.2</u>	<u>202.6</u>	<u>211.6</u>	<u>189.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.0</u> %	<u>11.7</u> %	<u>9.9</u> %	<u>8.4</u> %	<u>10.4</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>1.7</u>	\$ <u>1.8</u>	\$ <u>1.9</u>	\$ <u>2.0</u>	\$ <u>1.9</u>
Adjusted Profits (P_t^*)	<u>20.1</u>	<u>21.6</u>	<u>19.7</u>	<u>17.3</u>	<u>19.7</u>
R & D Capital (S_t^*)	<u>45.0</u>	<u>47.8</u>	<u>50.5</u>	<u>53.8</u>	<u>49.3</u>
Adjusted Equity (E_t^*)	<u>194.7</u>	<u>212.1</u>	<u>223.7</u>	<u>234.0</u>	<u>209.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.7</u> %	<u>10.6</u> %	<u>9.0</u> %	<u>7.6</u> %	<u>9.4</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>3.2</u>	\$ <u>3.4</u>	\$ <u>3.6</u>	\$ <u>3.9</u>	\$ <u>3.5</u>
Adjusted Profits (P_t^*)	<u>20.9</u>	<u>22.5</u>	<u>20.6</u>	<u>18.3</u>	<u>20.6</u>
R & D Capital (S_t^*)	<u>19.0</u>	<u>20.2</u>	<u>21.2</u>	<u>22.6</u>	<u>20.8</u>
Adjusted Equity (E_t^*)	<u>168.7</u>	<u>184.5</u>	<u>194.4</u>	<u>202.8</u>	<u>181.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.9</u> %	<u>12.7</u> %	<u>10.9</u> %	<u>9.2</u> %	<u>11.3</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: ANHEUSER-BUSCH
Industry: BEER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>71.6</u>	<u>76.4</u>	<u>65.6</u>	<u>64.0</u>	<u>69.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>414.0</u>	<u>462.0</u>	<u>500.8</u>	<u>537.8</u>	<u>456.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>18.5 %</u>	<u>17.4 %</u>	<u>13.6 %</u>	<u>12.3 %</u>	<u>15.2 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>71.6</u>	<u>76.4</u>	<u>65.6</u>	<u>64.0</u>	<u>69.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>414.0</u>	<u>462.0</u>	<u>500.8</u>	<u>537.8</u>	<u>456.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>18.5 %</u>	<u>17.4 %</u>	<u>13.6 %</u>	<u>12.3 %</u>	<u>15.2 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>71.6</u>	<u>76.4</u>	<u>65.6</u>	<u>64.0</u>	<u>69.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>414.0</u>	<u>462.0</u>	<u>500.8</u>	<u>537.8</u>	<u>456.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>18.5 %</u>	<u>17.4 %</u>	<u>13.6 %</u>	<u>12.3 %</u>	<u>15.2 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: BELL & HOWELL CO.
Industry: PHOTOGRAPHIC EQ.

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>9.6</u>	\$ <u>10.8</u>	\$ <u>12.0</u>	\$ <u>13.1</u>	\$ <u>11.4</u>
Adjusted Profits (P_t^*)	<u>18.4</u>	<u>22.4</u>	<u>25.3</u>	<u>19.7</u>	<u>21.5</u>
R & D Capital (S_t^*)	<u>102.7</u>	<u>114.4</u>	<u>126.0</u>	<u>134.1</u>	<u>119.3</u>
Adjusted Equity (E_t^*)	<u>248.0</u>	<u>273.9</u>	<u>302.2</u>	<u>321.1</u>	<u>274.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.7</u> %	<u>8.6</u> %	<u>8.8</u> %	<u>6.3</u> %	<u>7.8</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.4</u>	\$ <u>2.6</u>	\$ <u>2.9</u>	\$ <u>3.3</u>	\$ <u>2.8</u>
Adjusted Profits (P_t^*)	<u>14.9</u>	<u>17.8</u>	<u>20.7</u>	<u>17.2</u>	<u>17.7</u>
R & D Capital (S_t^*)	<u>160.9</u>	<u>180.7</u>	<u>201.5</u>	<u>219.4</u>	<u>190.6</u>
Adjusted Equity (E_t^*)	<u>306.2</u>	<u>340.2</u>	<u>377.7</u>	<u>406.4</u>	<u>341.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.1</u> %	<u>5.5</u> %	<u>5.8</u> %	<u>4.4</u> %	<u>5.2</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>12.5</u>	\$ <u>13.9</u>	\$ <u>15.3</u>	\$ <u>16.4</u>	\$ <u>14.5</u>
Adjusted Profits* (P_t^*)	<u>20.2</u>	<u>23.6</u>	<u>27.2</u>	<u>24.0</u>	<u>23.8</u>
R & D Capital (S_t^*)	<u>76.2</u>	<u>84.7</u>	<u>93.1</u>	<u>97.9</u>	<u>88.0</u>
Adjusted Equity (E_t^*)	<u>221.5</u>	<u>244.2</u>	<u>269.3</u>	<u>284.9</u>	<u>244.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>3.5</u> %	<u>10.1</u> %	<u>10.5</u> %	<u>8.7</u> %	<u>9.7</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: BETHLEHEM STEEL
Industry: STEEL

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>139.2</u>	<u>134.6</u>	<u>206.6</u>	<u>342.0</u>	<u>205.6</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>2055.8</u>	<u>2136.7</u>	<u>2242.3</u>	<u>2490.1</u>	<u>2165.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>6.4</u> %	<u>9.4</u> %	<u>14.5</u> %	<u>9.5</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>139.2</u>	<u>134.6</u>	<u>206.6</u>	<u>342.0</u>	<u>205.6</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>2055.8</u>	<u>2136.7</u>	<u>2242.3</u>	<u>2490.1</u>	<u>2165.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>6.4</u> %	<u>9.4</u> %	<u>14.5</u> %	<u>9.5</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>139.2</u>	<u>134.6</u>	<u>206.6</u>	<u>342.0</u>	<u>205.6</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>2055.8</u>	<u>2136.7</u>	<u>2242.3</u>	<u>2490.1</u>	<u>2165.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>6.4</u> %	<u>9.4</u> %	<u>14.5</u> %	<u>9.5</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: BROWN GROUP INC.
Industry: SHOES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>20.4</u>	<u>22.8</u>	<u>24.6</u>	<u>17.7</u>	<u>21.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>170.6</u>	<u>181.5</u>	<u>186.8</u>	<u>192.7</u>	<u>177.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.7</u> %	<u>13.0</u> %	<u>13.4</u> %	<u>9.3</u> %	<u>12.0</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>20.4</u>	<u>22.8</u>	<u>24.6</u>	<u>17.7</u>	<u>21.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>170.6</u>	<u>181.5</u>	<u>186.8</u>	<u>192.7</u>	<u>177.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.7</u> %	<u>13.0</u> %	<u>13.4</u> %	<u>9.3</u> %	<u>12.0</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>20.4</u>	<u>22.8</u>	<u>24.6</u>	<u>17.7</u>	<u>21.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>170.6</u>	<u>181.5</u>	<u>186.8</u>	<u>192.7</u>	<u>177.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.7</u> %	<u>13.0</u> %	<u>13.4</u> %	<u>9.3</u> %	<u>12.0</u> %

**ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES**
(\$ in Millions)

Name of firm: BURROUGHS CORP.

Industry: ELECTRONIC COMPUTING EQUIPMENT

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R _t [*])	\$ 19.4	\$ 22.0	\$ 25.3	\$ 29.7	\$ 24.1
Adjusted Profits (P _t [*])	88.7	102.5	136.9	171.8	125.0
R & D Capital (S _t [*])	206.7	235.5	275.8	331.5	262.4
Adjusted Equity (E _t [*])	871.1	995.2	1262.5	1465.0	1061.3
Adjusted Profits as a Percentage of Average Adjusted Equity (P*/E*)	10.8 %	11.0 %	12.1 %	12.6 %	11.8 %
Long-Lived Case					
Adjusted R & D Charge (R _t [*])	\$ 7.5	\$ 9.4	\$ 9.7	\$ 10.1	\$ 9.2
Adjusted Profits (P _t [*])	78.1	92.4	120.9	148.2	109.9
R & D Capital (S _t [*])	322.8	364.2	420.1	495.4	400.6
Adjusted Equity (E _t [*])	987.2	1123.9	1406.8	1628.9	1192.1
Adjusted Profits as a Percentage of Average Adjusted Equity (P*/E*)	8.4 %	8.8 %	9.6 %	9.8 %	9.2 %
Short-Lived Case					
Adjusted R & D Charge (R _t [*])	\$ 25.1	\$ 28.6	\$ 33.5	\$ 40.1	\$ 31.8
Adjusted Profits (P _t [*])	87.3	102.4	133.3	163.8	121.7
R & D Capital (S _t [*])	158.0	180.2	212.3	257.6	202.0
Adjusted Equity (E _t [*])	822.4	939.2	1199.0	1391.1	1004.9
Adjusted Profits as a Percentage of Average Adjusted Equity (P*/E*)	11.3 %	11.6 %	12.5 %	12.6 %	12.1 %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: CELANESE
Industry: RAYON

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>19.8</u>	\$ <u>22.6</u>	\$ <u>25.2</u>	\$ <u>28.3</u>	\$ <u>24.0</u>
Adjusted Profits (P_t^*)	<u>75.9</u>	<u>66.6</u>	<u>87.4</u>	<u>113.5</u>	<u>85.8</u>
R & D Capital (S_t^*)	<u>237.5</u>	<u>267.2</u>	<u>291.0</u>	<u>320.7</u>	<u>279.1</u>
Adjusted Equity (E_t^*)	<u>856.4</u>	<u>896.6</u>	<u>991.0</u>	<u>1081.7</u>	<u>924.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.0 %</u>	<u>7.6 %</u>	<u>9.3 %</u>	<u>10.9 %</u>	<u>9.3 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>5.4</u>	\$ <u>4.7</u>	\$ <u>5.7</u>	\$ <u>5.7</u>	\$ <u>5.4</u>
Adjusted Profits (P_t^*)	<u>62.3</u>	<u>53.6</u>	<u>78.0</u>	<u>101.0</u>	<u>73.7</u>
R & D Capital (S_t^*)	<u>331.9</u>	<u>379.4</u>	<u>422.7</u>	<u>475.0</u>	<u>402.3</u>
Adjusted Equity (E_t^*)	<u>950.8</u>	<u>1008.8</u>	<u>1122.7</u>	<u>1236.0</u>	<u>1038.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.7 %</u>	<u>5.5 %</u>	<u>7.3 %</u>	<u>8.6 %</u>	<u>7.1 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>28.6</u>	\$ <u>32.2</u>	\$ <u>35.1</u>	\$ <u>38.8</u>	\$ <u>33.7</u>
Adjusted Profits (P_t^*)	<u>74.4</u>	<u>67.9</u>	<u>93.3</u>	<u>118.2</u>	<u>88.4</u>
R & D Capital (S_t^*)	<u>188.6</u>	<u>208.6</u>	<u>222.5</u>	<u>241.7</u>	<u>215.4</u>
Adjusted Equity (E_t^*)	<u>807.5</u>	<u>838.0</u>	<u>922.5</u>	<u>1002.7</u>	<u>865.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.3 %</u>	<u>8.3 %</u>	<u>10.6 %</u>	<u>12.3 %</u>	<u>10.2 %</u>

**ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES**
(\$ in Millions)

Name of firm: CHRYSLER
Industry: AUTOMOBILES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>87.8</u>	\$ <u>95.0</u>	\$ <u>106.5</u>	\$ <u>116.6</u>	\$ <u>101.5</u>
Adjusted Profits (P_t^*)	<u>119.2</u>	<u>270.1</u>	<u>328.5</u>	<u>116.9</u>	<u>208.7</u>
R & D Capital (S_t^*)	<u>868.2</u>	<u>963.7</u>	<u>1104.2</u>	<u>1228.8</u>	<u>1041.2</u>
Adjusted Equity (E_t^*)	<u>3137.1</u>	<u>3452.7</u>	<u>3831.9</u>	<u>3889.3</u>	<u>3461.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>3.9</u> %	<u>8.2</u> %	<u>9.0</u> %	<u>3.0</u> %	<u>6.0</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>67.7</u>	\$ <u>52.2</u>	\$ <u>69.6</u>	\$ <u>42.3</u>	\$ <u>58.0</u>
Adjusted Profits (P_t^*)	<u>118.9</u>	<u>247.6</u>	<u>291.6</u>	<u>74.1</u>	<u>183.1</u>
R & D Capital (S_t^*)	<u>1425.2</u>	<u>1563.5</u>	<u>1740.9</u>	<u>1939.8</u>	<u>1667.4</u>
Adjusted Equity (E_t^*)	<u>3694.1</u>	<u>4052.5</u>	<u>4468.6</u>	<u>4600.3</u>	<u>4065.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>3.3</u> %	<u>6.4</u> %	<u>6.8</u> %	<u>1.6</u> %	<u>4.5</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>106.2</u>	\$ <u>117.6</u>	\$ <u>134.5</u>	\$ <u>149.5</u>	\$ <u>127.0</u>
Adjusted Profits (P_t^*)	<u>138.9</u>	<u>281.7</u>	<u>325.4</u>	<u>129.8</u>	<u>218.9</u>
R & D Capital (S_t^*)	<u>640.8</u>	<u>713.7</u>	<u>826.2</u>	<u>917.9</u>	<u>774.6</u>
Adjusted Equity (E_t^*)	<u>2909.7</u>	<u>3202.7</u>	<u>3553.9</u>	<u>3578.4</u>	<u>3207.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.9</u> %	<u>9.2</u> %	<u>9.6</u> %	<u>3.6</u> %	<u>6.8</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: COLGATE-PALMOLIVE CO.

Industry: SOAP

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>18.3</u>	\$ <u>20.0</u>	\$ <u>21.8</u>	\$ <u>22.8</u>	\$ <u>20.7</u>
Adjusted Profits (P_t^*)	<u>51.5</u>	<u>76.0</u>	<u>97.3</u>	<u>121.9</u>	<u>86.6</u>
R & D Capital (S_t^*)	<u>180.5</u>	<u>196.8</u>	<u>213.1</u>	<u>219.2</u>	<u>202.4</u>
Adjusted Equity (E_t^*)	<u>537.7</u>	<u>709.2</u>	<u>830.0</u>	<u>918.2</u>	<u>697.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.9</u> %	<u>12.2</u> %	<u>12.6</u> %	<u>13.9</u> %	<u>12.4</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>6.7</u>	\$ <u>6.9</u>	\$ <u>12.0</u>	\$ <u>12.6</u>	\$ <u>9.6</u>
Adjusted Profits (P_t^*)	<u>48.4</u>	<u>71.1</u>	<u>95.0</u>	<u>125.3</u>	<u>84.9</u>
R & D Capital (S_t^*)	<u>303.8</u>	<u>333.3</u>	<u>359.4</u>	<u>375.7</u>	<u>343.1</u>
Adjusted Equity (E_t^*)	<u>661.0</u>	<u>845.7</u>	<u>976.3</u>	<u>1074.7</u>	<u>832.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.6</u> %	<u>9.4</u> %	<u>10.4</u> %	<u>12.2</u> %	<u>10.2</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>22.1</u>	\$ <u>24.1</u>	\$ <u>26.1</u>	\$ <u>26.9</u>	\$ <u>24.8</u>
Adjusted Profits (P_t^*)	<u>56.4</u>	<u>80.0</u>	<u>102.4</u>	<u>132.7</u>	<u>92.9</u>
R & D Capital (S_t^*)	<u>130.4</u>	<u>142.7</u>	<u>154.7</u>	<u>156.7</u>	<u>146.1</u>
Adjusted Equity (E_t^*)	<u>487.6</u>	<u>655.1</u>	<u>771.6</u>	<u>855.7</u>	<u>642.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.9</u> %	<u>14.0</u> %	<u>14.4</u> %	<u>16.3</u> %	<u>14.4</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: CONTINENTAL CAN
Industry: METAL CONTAINERS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>21.1</u>	\$ <u>22.5</u>	\$ <u>23.6</u>	\$ <u>25.0</u>	\$ <u>23.1</u>
Adjusted Profits (P_t^*)	<u>79.8</u>	<u>86.9</u>	<u>101.2</u>	<u>127.2</u>	<u>98.8</u>
R & D Capital (S_t^*)	<u>195.0</u>	<u>206.7</u>	<u>218.3</u>	<u>233.2</u>	<u>213.3</u>
Adjusted Equity (E_t^*)	<u>976.2</u>	<u>902.1</u>	<u>960.5</u>	<u>1047.7</u>	<u>957.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.4%</u>	<u>9.3%</u>	<u>10.9%</u>	<u>12.7%</u>	<u>10.3%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>10.8</u>	\$ <u>16.4</u>	\$ <u>17.0</u>	\$ <u>17.5</u>	\$ <u>15.4</u>
Adjusted Profits (P_t^*)	<u>78.5</u>	<u>89.3</u>	<u>104.0</u>	<u>128.5</u>	<u>100.1</u>
R & D Capital (S_t^*)	<u>348.5</u>	<u>366.3</u>	<u>384.5</u>	<u>406.9</u>	<u>376.6</u>
Adjusted Equity (E_t^*)	<u>1129.7</u>	<u>1061.7</u>	<u>1126.7</u>	<u>1221.4</u>	<u>1116.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.1%</u>	<u>8.2%</u>	<u>9.5%</u>	<u>10.9%</u>	<u>9.0%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>24.0</u>	\$ <u>25.5</u>	\$ <u>26.9</u>	\$ <u>28.7</u>	\$ <u>26.3</u>
Adjusted Profits (P_t^*)	<u>85.4</u>	<u>94.0</u>	<u>109.2</u>	<u>134.3</u>	<u>105.7</u>
R & D Capital (S_t^*)	<u>139.2</u>	<u>147.9</u>	<u>156.2</u>	<u>167.4</u>	<u>152.7</u>
Adjusted Equity (E_t^*)	<u>920.4</u>	<u>843.3</u>	<u>898.4</u>	<u>981.9</u>	<u>898.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.5%</u>	<u>10.7%</u>	<u>12.5%</u>	<u>14.3%</u>	<u>11.8%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: CONTROL DATA CORP.
Industry: ELECTRONIC COMPUTING EQUIPMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>10.5</u>	\$ <u>12.2</u>	\$ <u>15.0</u>	\$ <u>18.3</u>	\$ <u>14.0</u>
Adjusted Profits (P_t^*)	<u>21.7</u>	<u>17.4</u>	<u>33.8</u>	<u>50.6</u>	<u>30.9</u>
R & D Capital (S_t^*)	<u>135.8</u>	<u>153.2</u>	<u>186.2</u>	<u>223.1</u>	<u>174.6</u>
Adjusted Equity (E_t^*)	<u>825.4</u>	<u>996.0</u>	<u>1081.0</u>	<u>1113.8</u>	<u>960.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.7 %</u>	<u>1.9 %</u>	<u>3.3 %</u>	<u>4.6 %</u>	<u>3.2 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>10.0</u>	<u>8.4</u>	<u>16.6</u>	<u>31.4</u>	<u>16.6</u>
R & D Capital (S_t^*)	<u>178.0</u>	<u>207.6</u>	<u>255.7</u>	<u>310.9</u>	<u>238.1</u>
Adjusted Equity (E_t^*)	<u>867.6</u>	<u>1050.4</u>	<u>1150.5</u>	<u>1201.6</u>	<u>1017.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>1.2 %</u>	<u>.9 %</u>	<u>1.5 %</u>	<u>2.7 %</u>	<u>1.6 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>16.3</u>	\$ <u>18.4</u>	\$ <u>22.4</u>	\$ <u>26.8</u>	\$ <u>21.0</u>
Adjusted Profits (P_t^*)	<u>18.5</u>	<u>18.0</u>	<u>28.2</u>	<u>45.3</u>	<u>27.5</u>
R & D Capital (S_t^*)	<u>109.4</u>	<u>120.7</u>	<u>146.4</u>	<u>174.8</u>	<u>137.8</u>
Adjusted Equity (E_t^*)	<u>799.0</u>	<u>963.5</u>	<u>1041.2</u>	<u>1065.5</u>	<u>927.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.4 %</u>	<u>2.0 %</u>	<u>2.8 %</u>	<u>4.3 %</u>	<u>3.0 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: DEL MONTE CORP.
Industry: CANNED FRUITS AND VEGETABLES

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>3.8</u>	\$ <u>4.1</u>	\$ <u>4.5</u>	\$ <u>4.7</u>	\$ <u>4.3</u>
Adjusted Profits (P_t^*)	<u>22.7</u>	<u>25.1</u>	<u>27.5</u>	<u>40.5</u>	<u>29.0</u>
R & D Capital (S_t^*)	<u>37.0</u>	<u>40.0</u>	<u>43.0</u>	<u>45.7</u>	<u>41.4</u>
Adjusted Equity (E_t^*)	<u>266.3</u>	<u>279.7</u>	<u>291.4</u>	<u>319.1</u>	<u>280.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.8%</u>	<u>9.2%</u>	<u>9.6%</u>	<u>13.3%</u>	<u>10.3%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.1</u>	\$ <u>2.2</u>	\$ <u>2.5</u>	\$ <u>2.9</u>	\$ <u>2.4</u>
Adjusted Profits (P_t^*)	<u>22.4</u>	<u>24.7</u>	<u>27.3</u>	<u>40.6</u>	<u>28.8</u>
R & D Capital (S_t^*)	<u>63.3</u>	<u>68.3</u>	<u>73.2</u>	<u>77.8</u>	<u>70.7</u>
Adjusted Equity (E_t^*)	<u>292.6</u>	<u>308.0</u>	<u>321.6</u>	<u>351.2</u>	<u>309.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.9%</u>	<u>8.2%</u>	<u>8.7%</u>	<u>12.1%</u>	<u>9.3%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>4.5</u>	\$ <u>4.9</u>	\$ <u>5.3</u>	\$ <u>5.6</u>	\$ <u>5.1</u>
Adjusted Profits (P_t^*)	<u>23.7</u>	<u>26.2</u>	<u>28.7</u>	<u>42.0</u>	<u>30.1</u>
R & D Capital (S_t^*)	<u>26.8</u>	<u>29.0</u>	<u>31.2</u>	<u>33.1</u>	<u>30.0</u>
Adjusted Equity (E_t^*)	<u>256.1</u>	<u>268.7</u>	<u>279.6</u>	<u>306.5</u>	<u>269.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.5%</u>	<u>10.0%</u>	<u>10.5%</u>	<u>14.3%</u>	<u>11.2%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: DIGITAL EQUIPMENT CORP.
Industry: ELECTRONIC COMPUTING EQUIPMENT

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>3.1</u>	\$ <u>4.3</u>	\$ <u>5.7</u>	\$ <u>7.9</u>	\$ <u>5.2</u>
Adjusted Profits (P_t^*)	<u>17.7</u>	<u>23.5</u>	<u>33.5</u>	<u>59.3</u>	<u>33.5</u>
R & D Capital (S_t^*)	<u>44.6</u>	<u>60.4</u>	<u>79.6</u>	<u>108.3</u>	<u>73.2</u>
Adjusted Equity (E_t^*)	<u>170.5</u>	<u>205.2</u>	<u>303.1</u>	<u>447.9</u>	<u>243.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.2 %</u>	<u>12.5 %</u>	<u>13.2 %</u>	<u>15.8 %</u>	<u>13.7 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>10.6</u>	<u>15.3</u>	<u>23.5</u>	<u>44.4</u>	<u>23.5</u>
R & D Capital (S_t^*)	<u>52.4</u>	<u>72.5</u>	<u>97.4</u>	<u>134.0</u>	<u>89.1</u>
Adjusted Equity (E_t^*)	<u>178.3</u>	<u>217.3</u>	<u>320.9</u>	<u>473.6</u>	<u>257.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.4 %</u>	<u>7.7 %</u>	<u>8.7 %</u>	<u>11.2 %</u>	<u>9.1 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>5.3</u>	\$ <u>7.2</u>	\$ <u>9.5</u>	\$ <u>12.9</u>	\$ <u>8.7</u>
Adjusted Profits (P_t^*)	<u>13.4</u>	<u>19.0</u>	<u>28.4</u>	<u>51.1</u>	<u>28.0</u>
R & D Capital (S_t^*)	<u>38.7</u>	<u>51.6</u>	<u>67.0</u>	<u>90.7</u>	<u>62.0</u>
Adjusted Equity (E_t^*)	<u>164.6</u>	<u>196.4</u>	<u>290.5</u>	<u>430.3</u>	<u>234.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.7 %</u>	<u>10.5 %</u>	<u>11.7 %</u>	<u>14.2 %</u>	<u>11.9 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: DISTILLERS CORP. SEAGRAM

Industry: LIQUOR

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>60.1</u>	<u>65.7</u>	<u>72.7</u>	<u>81.6</u>	<u>70.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>725.5</u>	<u>768.6</u>	<u>812.2</u>	<u>866.7</u>	<u>770.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.5</u> %	<u>8.8</u> %	<u>9.2</u> %	<u>9.7</u> %	<u>9.1</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>60.1</u>	<u>65.7</u>	<u>72.7</u>	<u>81.6</u>	<u>70.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>725.5</u>	<u>768.6</u>	<u>812.2</u>	<u>866.7</u>	<u>770.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.5</u> %	<u>8.8</u> %	<u>9.2</u> %	<u>9.7</u> %	<u>9.1</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>60.1</u>	<u>65.7</u>	<u>72.7</u>	<u>81.6</u>	<u>70.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>725.5</u>	<u>768.6</u>	<u>812.2</u>	<u>866.7</u>	<u>770.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.5</u> %	<u>8.8</u> %	<u>9.2</u> %	<u>9.7</u> %	<u>9.1</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: EASTMAN KODAK CO.
Industry: PHOTOGRAPHIC EQUIPMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>99.4</u>	\$ <u>109.4</u>	\$ <u>121.2</u>	\$ <u>134.3</u>	\$ <u>116.1</u>
Adjusted Profits (P_t^*)	<u>465.4</u>	<u>601.3</u>	<u>719.4</u>	<u>702.0</u>	<u>622.0</u>
R & D Capital (S_t^*)	<u>1031.2</u>	<u>1136.9</u>	<u>1263.7</u>	<u>1403.1</u>	<u>1208.7</u>
Adjusted Equity (E_t^*)	<u>3460.9</u>	<u>3892.1</u>	<u>4381.6</u>	<u>4830.6</u>	<u>3933.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>14.0 %</u>	<u>16.4 %</u>	<u>17.4 %</u>	<u>15.2 %</u>	<u>15.8 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>45.1</u>	\$ <u>48.1</u>	\$ <u>50.4</u>	\$ <u>52.4</u>	\$ <u>49.0</u>
Adjusted Profits (P_t^*)	<u>442.8</u>	<u>571.3</u>	<u>679.7</u>	<u>656.7</u>	<u>587.6</u>
R & D Capital (S_t^*)	<u>1645.0</u>	<u>1812.0</u>	<u>2009.6</u>	<u>2230.9</u>	<u>1924.4</u>
Adjusted Equity (E_t^*)	<u>4074.7</u>	<u>4567.2</u>	<u>5127.5</u>	<u>5658.4</u>	<u>4615.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.3 %</u>	<u>13.2 %</u>	<u>14.0 %</u>	<u>12.2 %</u>	<u>12.7 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>125.6</u>	\$ <u>138.5</u>	\$ <u>153.9</u>	\$ <u>170.8</u>	\$ <u>147.2</u>
Adjusted Profits (P_t^*)	<u>484.6</u>	<u>618.3</u>	<u>733.5</u>	<u>718.3</u>	<u>638.7</u>
R & D Capital (S_t^*)	<u>768.1</u>	<u>844.7</u>	<u>938.8</u>	<u>1041.7</u>	<u>898.3</u>
Adjusted Equity (E_t^*)	<u>3197.8</u>	<u>3599.9</u>	<u>4056.7</u>	<u>4469.2</u>	<u>3638.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>15.8 %</u>	<u>18.2 %</u>	<u>19.2 %</u>	<u>16.9 %</u>	<u>17.6 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: EXXON CORP.
Industry: PETROLEUM REFINING

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	<u>\$209.6</u>	<u>\$215.1</u>	<u>\$ 218.6</u>	<u>\$ 225.3</u>	<u>\$217.1</u>
Adjusted Profits (P_t^*)	<u>1537.2</u>	<u>1557.9</u>	<u>2462.4</u>	<u>3212.3</u>	<u>2192.4</u>
R & D Capital (S_t^*)	<u>1708.0</u>	<u>1758.1</u>	<u>1794.9</u>	<u>1929.7</u>	<u>1797.7</u>
Adjusted Equity (E_t^*)	<u>13300.9</u>	<u>14027.6</u>	<u>15512.6</u>	<u>17653.6</u>	<u>14494.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.9 %</u>	<u>11.4 %</u>	<u>16.7 %</u>	<u>19.4 %</u>	<u>15.1 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	<u>\$172.0</u>	<u>\$195.0</u>	<u>\$ 246.0</u>	<u>\$ 213.0</u>	<u>\$206.5</u>
Adjusted Profits (P_t^*)	<u>1606.0</u>	<u>1633.2</u>	<u>2571.2</u>	<u>3253.0</u>	<u>2265.9</u>
R & D Capital (S_t^*)	<u>3390.8</u>	<u>3461.0</u>	<u>3470.4</u>	<u>3617.5</u>	<u>3484.9</u>
Adjusted Equity (E_t^*)	<u>14983.7</u>	<u>15730.5</u>	<u>17188.1</u>	<u>19341.4</u>	<u>16176.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.0 %</u>	<u>10.6 %</u>	<u>15.6 %</u>	<u>17.8 %</u>	<u>14.0 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	<u>\$ 213.1</u>	<u>\$219.2</u>	<u>\$ 223.7</u>	<u>\$ 239.4</u>	<u>\$ 223.9</u>
Adjusted Profits (P_t^*)	<u>1627.4</u>	<u>1645.8</u>	<u>2559.6</u>	<u>3266.7</u>	<u>2274.9</u>
R & D Capital (S_t^*)	<u>1145.3</u>	<u>1191.3</u>	<u>1223.0</u>	<u>1343.6</u>	<u>1225.8</u>
Adjusted Equity (E_t^*)	<u>12738.2</u>	<u>13460.8</u>	<u>14940.7</u>	<u>17067.6</u>	<u>13925.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.1 %</u>	<u>12.6 %</u>	<u>18.0 %</u>	<u>20.4 %</u>	<u>16.3 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: FALSTAFF BREWING CO.
Industry: BEER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>1.4</u>	<u>6.1</u>	<u>5.8</u>	<u>3.9</u>	<u>4.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>53.7</u>	<u>47.6</u>	<u>41.8</u>	<u>37.9</u>	<u>47.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.6 %</u>	<u>12.1%</u>	<u>13.0%</u>	<u>9.8%</u>	<u>9.1%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>1.4</u>	<u>6.1</u>	<u>5.8</u>	<u>3.9</u>	<u>4.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>53.7</u>	<u>47.6</u>	<u>41.8</u>	<u>37.9</u>	<u>47.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.6 %</u>	<u>12.1%</u>	<u>13.0%</u>	<u>9.8%</u>	<u>9.1%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>1.4</u>	<u>6.1</u>	<u>5.8</u>	<u>3.9</u>	<u>4.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>53.7</u>	<u>47.6</u>	<u>41.8</u>	<u>37.9</u>	<u>47.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.6 %</u>	<u>12.1%</u>	<u>13.0%</u>	<u>9.8%</u>	<u>9.1%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: FIRESTONE
Industry: TIRES AND TUBES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>24.0</u>	\$ <u>25.4</u>	\$ <u>27.1</u>	\$ <u>29.0</u>	\$ <u>26.4</u>
Adjusted Profits (P_t^*)	<u>120.8</u>	<u>143.9</u>	<u>174.4</u>	<u>165.3</u>	<u>151.1</u>
R & D Capital (S_t^*)	<u>225.4</u>	<u>241.0</u>	<u>259.3</u>	<u>281.1</u>	<u>251.7</u>
Adjusted Equity (E_t^*)	<u>1405.5</u>	<u>1492.9</u>	<u>1616.3</u>	<u>1734.5</u>	<u>1510.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.9%</u>	<u>9.9%</u>	<u>11.2%</u>	<u>9.9%</u>	<u>10.0%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>17.1</u>	\$ <u>17.1</u>	\$ <u>17.7</u>	\$ <u>16.2</u>	\$ <u>17.0</u>
Adjusted Profits (P_t^*)	<u>122.4</u>	<u>144.7</u>	<u>174.1</u>	<u>162.4</u>	<u>150.9</u>
R & D Capital (S_t^*)	<u>390.9</u>	<u>414.8</u>	<u>442.5</u>	<u>477.1</u>	<u>431.3</u>
Adjusted Equity (E_t^*)	<u>1571.0</u>	<u>1666.7</u>	<u>1779.5</u>	<u>1930.5</u>	<u>1685.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.0%</u>	<u>8.9%</u>	<u>10.0%</u>	<u>8.7%</u>	<u>9.0%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>27.7</u>	\$ <u>29.6</u>	\$ <u>31.8</u>	\$ <u>34.5</u>	\$ <u>30.9</u>
Adjusted Profits (P_t^*)	<u>127.9</u>	<u>151.2</u>	<u>181.4</u>	<u>171.9</u>	<u>158.1</u>
R & D Capital (S_t^*)	<u>162.2</u>	<u>173.6</u>	<u>187.2</u>	<u>203.5</u>	<u>181.7</u>
Adjusted Equity (E_t^*)	<u>1342.3</u>	<u>1425.5</u>	<u>1544.2</u>	<u>1656.9</u>	<u>1442.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.8%</u>	<u>10.9%</u>	<u>12.2%</u>	<u>10.7%</u>	<u>11.0%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: FORD
Industry: AUTOMOBILES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>385.1</u>	\$ <u>420.2</u>	\$ <u>473.9</u>	\$ <u>517.6</u>	\$ <u>449.2</u>
Adjusted Profits (P_t^*)	<u>809.4</u>	<u>1081.6</u>	<u>1234.9</u>	<u>601.7</u>	<u>931.9</u>
R & D Capital (S_t^*)	<u>3847.6</u>	<u>4254.4</u>	<u>4886.0</u>	<u>5349.1</u>	<u>4584.3</u>
Adjusted Equity (E_t^*)	<u>9394.8</u>	<u>10215.7</u>	<u>11291.1</u>	<u>11590.4</u>	<u>10301.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.8%</u>	<u>11.0%</u>	<u>11.5%</u>	<u>5.3%</u>	<u>9.0%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>231.1</u>	\$ <u>192.0</u>	\$ <u>238.4</u>	\$ <u>170.6</u>	\$ <u>208.0</u>
Adjusted Profits (P_t^*)	<u>776.9</u>	<u>969.8</u>	<u>1030.5</u>	<u>449.6</u>	<u>806.7</u>
R & D Capital (S_t^*)	<u>6315.7</u>	<u>6950.7</u>	<u>7817.8</u>	<u>8627.9</u>	<u>7428.0</u>
Adjusted Equity (E_t^*)	<u>11862.9</u>	<u>12912.0</u>	<u>14222.9</u>	<u>14869.2</u>	<u>13025.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.7%</u>	<u>7.8%</u>	<u>7.6%</u>	<u>3.1%</u>	<u>6.2%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>470.3</u>	\$ <u>519.4</u>	\$ <u>595.5</u>	\$ <u>651.9</u>	\$ <u>559.3</u>
Adjusted Profits (P_t^*)	<u>901.3</u>	<u>1140.1</u>	<u>1216.2</u>	<u>699.9</u>	<u>989.3</u>
R & D Capital (S_t^*)	<u>2813.6</u>	<u>3121.2</u>	<u>3631.2</u>	<u>3960.0</u>	<u>3381.5</u>
Adjusted Equity (E_t^*)	<u>8360.8</u>	<u>9082.5</u>	<u>10036.3</u>	<u>10201.3</u>	<u>9154.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.0%</u>	<u>13.1%</u>	<u>12.7%</u>	<u>6.9%</u>	<u>10.8%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: GENERAL MILLS
Industry: FLOUR

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>8.2</u>	\$ <u>8.9</u>	\$ <u>9.6</u>	\$ <u>10.4</u>	\$ <u>9.3</u>
Adjusted Profits (P_t^*)	<u>47.2</u>	<u>56.6</u>	<u>70.5</u>	<u>80.9</u>	<u>63.8</u>
R & D Capital (S_t^*)	<u>74.6</u>	<u>83.1</u>	<u>92.5</u>	<u>103.7</u>	<u>88.5</u>
Adjusted Equity (E_t^*)	<u>407.3</u>	<u>448.7</u>	<u>517.9</u>	<u>587.1</u>	<u>463.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.1%</u>	<u>13.2%</u>	<u>14.6%</u>	<u>14.6%</u>	<u>13.8%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>6.7</u>	\$ <u>6.7</u>	\$ <u>6.9</u>	\$ <u>6.9</u>	\$ <u>6.8</u>
Adjusted Profits (P_t^*)	<u>47.4</u>	<u>55.7</u>	<u>69.2</u>	<u>78.7</u>	<u>62.7</u>
R & D Capital (S_t^*)	<u>133.2</u>	<u>143.9</u>	<u>156.0</u>	<u>170.7</u>	<u>151.0</u>
Adjusted Equity (E_t^*)	<u>465.9</u>	<u>509.5</u>	<u>581.4</u>	<u>654.1</u>	<u>524.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.6%</u>	<u>11.4%</u>	<u>12.7%</u>	<u>12.7%</u>	<u>12.0%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>9.2</u>	\$ <u>10.2</u>	\$ <u>11.3</u>	\$ <u>12.7</u>	\$ <u>10.9</u>
Adjusted Profits (P_t^*)	<u>48.7</u>	<u>57.5</u>	<u>71.5</u>	<u>81.7</u>	<u>64.8</u>
R & D Capital (S_t^*)	<u>53.7</u>	<u>60.9</u>	<u>68.5</u>	<u>77.4</u>	<u>65.1</u>
Adjusted Equity (E_t^*)	<u>386.4</u>	<u>426.5</u>	<u>493.9</u>	<u>560.8</u>	<u>440.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.2%</u>	<u>14.2%</u>	<u>15.5%</u>	<u>15.5%</u>	<u>14.7%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: GENERAL MOTORS
Industry: AUTOMOBILES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>589.9</u>	\$ <u>626.5</u>	\$ <u>677.0</u>	\$ <u>734.6</u>	\$ <u>657.0</u>
Adjusted Profits (P_t^*)	<u>2151.1</u>	<u>2390.4</u>	<u>2691.7</u>	<u>1280.3</u>	<u>2128.4</u>
R & D Capital (S_t^*)	<u>5569.5</u>	<u>6007.3</u>	<u>6571.9</u>	<u>7207.0</u>	<u>6338.9</u>
Adjusted Equity (E_t^*)	<u>16374.7</u>	<u>17690.2</u>	<u>19138.7</u>	<u>19737.6</u>	<u>17644.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.7 %</u>	<u>14.0 %</u>	<u>14.6 %</u>	<u>6.6%</u>	<u>12.1%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>442.1</u>	\$ <u>383.6</u>	\$ <u>390.4</u>	\$ <u>338.3</u>	\$ <u>388.6</u>
Adjusted Profits (P_t^*)	<u>2165.6</u>	<u>2362.3</u>	<u>2601.1</u>	<u>1126.0</u>	<u>2063.7</u>
R & D Capital (S_t^*)	<u>9586.4</u>	<u>10267.1</u>	<u>11118.3</u>	<u>12149.6</u>	<u>10780.4</u>
Adjusted Equity (E_t^*)	<u>20391.6</u>	<u>21950.0</u>	<u>23685.1</u>	<u>24680.2</u>	<u>21951.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.0 %</u>	<u>11.2 %</u>	<u>11.4 %</u>	<u>4.7%</u>	<u>9.4%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>684.4</u>	\$ <u>737.1</u>	\$ <u>805.4</u>	\$ <u>882.4</u>	\$ <u>777.3</u>
Adjusted Profits (P_t^*)	<u>2291.6</u>	<u>2546.1</u>	<u>2816.9</u>	<u>1408.9</u>	<u>2265.9</u>
R & D Capital (S_t^*)	<u>3985.5</u>	<u>4312.7</u>	<u>4748.8</u>	<u>5236.0</u>	<u>4570.8</u>
Adjusted Equity (E_t^*)	<u>14790.7</u>	<u>15995.6</u>	<u>17315.6</u>	<u>17766.6</u>	<u>15936.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>16.2 %</u>	<u>16.5 %</u>	<u>16.9 %</u>	<u>8.0%</u>	<u>14.2%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES; THREE METHODOLOGIES
(\$ in Millions)

Name of firm: GENERAL PORTLAND CEMENT

Industry: CEMENT

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>.1</u>	\$ <u>.1</u>	\$ <u>.2</u>	\$ <u>.2</u>	\$ <u>.1</u>
Adjusted Profits (P_t^*)	<u>10.5</u>	<u>11.3</u>	<u>6.1</u>	<u>1.9</u>	<u>7.4</u>
R & D Capital (S_t^*)	<u>1.2</u>	<u>1.4</u>	<u>1.5</u>	<u>1.8</u>	<u>1.5</u>
Adjusted Equity (E_t^*)	<u>116.8</u>	<u>123.7</u>	<u>124.4</u>	<u>121.0</u>	<u>118.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.8</u> %	<u>9.4</u> %	<u>4.9</u> %	<u>1.6</u> %	<u>6.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.1</u>	\$ <u>.1</u>	\$ <u>.1</u>	\$ <u>.1</u>	\$ <u>.1</u>
Adjusted Profits (P_t^*)	<u>10.5</u>	<u>11.3</u>	<u>6.1</u>	<u>1.9</u>	<u>7.4</u>
R & D Capital (S_t^*)	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.8</u>	<u>2.4</u>
Adjusted Equity (E_t^*)	<u>117.7</u>	<u>124.6</u>	<u>125.4</u>	<u>122.0</u>	<u>119.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.7</u> %	<u>9.3</u> %	<u>4.8</u> %	<u>1.5</u> %	<u>6.2</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.2</u>	\$ <u>.2</u>	\$ <u>.2</u>	\$ <u>.2</u>	\$ <u>.2</u>
Adjusted Profits (P_t^*)	<u>10.5</u>	<u>11.3</u>	<u>6.1</u>	<u>1.9</u>	<u>7.4</u>
R & D Capital (S_t^*)	<u>.9</u>	<u>1.0</u>	<u>1.2</u>	<u>1.3</u>	<u>1.1</u>
Adjusted Equity (E_t^*)	<u>116.5</u>	<u>123.3</u>	<u>124.1</u>	<u>120.5</u>	<u>118.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.8</u> %	<u>9.4</u> %	<u>4.9</u> %	<u>1.6</u> %	<u>6.3</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: GOODRICH
Industry: TIRES AND TUBES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>19.3</u>	\$ <u>20.3</u>	\$ <u>21.4</u>	\$ <u>22.8</u>	\$ <u>20.9</u>
Adjusted Profits (P_t^*)	<u>33.3</u>	<u>55.0</u>	<u>62.7</u>	<u>60.7</u>	<u>52.9</u>
R & D Capital (S_t^*)	<u>173.1</u>	<u>184.6</u>	<u>197.3</u>	<u>214.1</u>	<u>192.3</u>
Adjusted Equity (E_t^*)	<u>754.1</u>	<u>833.8</u>	<u>881.0</u>	<u>931.9</u>	<u>827.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.4 %</u>	<u>6.9 %</u>	<u>7.3 %</u>	<u>6.7 %</u>	<u>6.4 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>15.9</u>	\$ <u>15.3</u>	\$ <u>15.5</u>	\$ <u>14.7</u>	\$ <u>15.4</u>
Adjusted Profits (P_t^*)	<u>38.1</u>	<u>57.0</u>	<u>64.2</u>	<u>59.6</u>	<u>54.7</u>
R & D Capital (S_t^*)	<u>312.8</u>	<u>329.3</u>	<u>347.9</u>	<u>372.8</u>	<u>340.7</u>
Adjusted Equity (E_t^*)	<u>893.8</u>	<u>978.5</u>	<u>1031.6</u>	<u>1090.6</u>	<u>973.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.3 %</u>	<u>6.1 %</u>	<u>6.4 %</u>	<u>5.6 %</u>	<u>5.6 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>21.4</u>	\$ <u>22.8</u>	\$ <u>24.3</u>	\$ <u>26.3</u>	\$ <u>23.7</u>
Adjusted Profits (P_t^*)	<u>40.9</u>	<u>60.8</u>	<u>68.7</u>	<u>65.7</u>	<u>59.0</u>
R & D Capital (S_t^*)	<u>121.8</u>	<u>130.8</u>	<u>140.6</u>	<u>153.9</u>	<u>136.8</u>
Adjusted Equity (E_t^*)	<u>702.8</u>	<u>780.0</u>	<u>824.3</u>	<u>871.7</u>	<u>773.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.8 %</u>	<u>8.2 %</u>	<u>8.6 %</u>	<u>7.7 %</u>	<u>7.6 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: GOODYEAR
Industry: TIRES AND TUBES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>49.6</u>	\$ <u>53.5</u>	\$ <u>58.3</u>	\$ <u>63.1</u>	\$ <u>56.1</u>
Adjusted Profits (P_t^*)	<u>188.6</u>	<u>216.5</u>	<u>213.5</u>	<u>184.5</u>	<u>200.8</u>
R & D Capital (S_t^*)	<u>477.7</u>	<u>522.5</u>	<u>577.7</u>	<u>629.6</u>	<u>551.9</u>
Adjusted Equity (E_t^*)	<u>1933.7</u>	<u>2114.3</u>	<u>2251.2</u>	<u>2376.3</u>	<u>2094.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.1</u> %	<u>10.7</u> %	<u>9.8</u> %	<u>8.0</u> %	<u>9.6</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>32.4</u>	\$ <u>32.1</u>	\$ <u>33.6</u>	\$ <u>32.3</u>	\$ <u>32.6</u>
Adjusted Profits (P_t^*)	<u>187.0</u>	<u>209.9</u>	<u>202.3</u>	<u>174.3</u>	<u>193.4</u>
R & D Capital (S_t^*)	<u>811.2</u>	<u>877.4</u>	<u>957.3</u>	<u>1040.0</u>	<u>921.5</u>
Adjusted Equity (E_t^*)	<u>2267.2</u>	<u>2469.2</u>	<u>2630.8</u>	<u>2786.7</u>	<u>2452.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.6</u> %	<u>8.9</u> %	<u>7.9</u> %	<u>6.4</u> %	<u>7.9</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>58.6</u>	\$ <u>64.0</u>	\$ <u>70.7</u>	\$ <u>77.0</u>	\$ <u>67.6</u>
Adjusted Profits (P_t^*)	<u>200.7</u>	<u>226.5</u>	<u>221.5</u>	<u>197.5</u>	<u>211.6</u>
R & D Capital (S_t^*)	<u>347.1</u>	<u>381.4</u>	<u>424.2</u>	<u>462.2</u>	<u>403.7</u>
Adjusted Equity (E_t^*)	<u>1803.1</u>	<u>1973.2</u>	<u>2097.7</u>	<u>2208.9</u>	<u>1952.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.6</u> %	<u>12.0</u> %	<u>10.9</u> %	<u>9.2</u> %	<u>10.8</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: HIRAM WALKER
Industry: LIQUOR

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>51.1</u>	<u>56.4</u>	<u>63.4</u>	<u>66.2</u>	<u>59.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>415.9</u>	<u>445.4</u>	<u>488.3</u>	<u>524.9</u>	<u>452.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.7%</u>	<u>13.1%</u>	<u>13.6%</u>	<u>13.1%</u>	<u>13.1%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>51.1</u>	<u>56.4</u>	<u>63.4</u>	<u>66.2</u>	<u>59.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>415.9</u>	<u>445.4</u>	<u>488.3</u>	<u>524.9</u>	<u>452.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.7%</u>	<u>13.1%</u>	<u>13.6%</u>	<u>13.1%</u>	<u>13.1%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>51.1</u>	<u>56.4</u>	<u>63.4</u>	<u>66.2</u>	<u>59.3</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>415.9</u>	<u>445.9</u>	<u>488.3</u>	<u>524.9</u>	<u>452.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.7%</u>	<u>13.1%</u>	<u>13.6%</u>	<u>13.1%</u>	<u>13.1%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: IDEAL BASIC INDUSTRIES
Industry: CEMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>17.4</u>	<u>21.7</u>	<u>25.5</u>	<u>30.5</u>	<u>23.8</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>188.0</u>	<u>199.1</u>	<u>206.0</u>	<u>218.3</u>	<u>198.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.5</u> %	<u>11.2</u> %	<u>12.6</u> %	<u>14.4</u> %	<u>12.0</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>17.4</u>	<u>21.7</u>	<u>25.5</u>	<u>30.5</u>	<u>23.8</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>188.0</u>	<u>199.1</u>	<u>206.0</u>	<u>218.3</u>	<u>198.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.5</u> %	<u>11.2</u> %	<u>12.6</u> %	<u>14.4</u> %	<u>12.0</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>17.4</u>	<u>21.7</u>	<u>25.5</u>	<u>30.5</u>	<u>23.8</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>188.0</u>	<u>199.1</u>	<u>206.0</u>	<u>218.3</u>	<u>198.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.5</u> %	<u>11.2</u> %	<u>12.6</u> %	<u>14.4</u> %	<u>12.0</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: INTERCO INC.

Industry: SHOES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>31.5</u>	<u>37.7</u>	<u>42.5</u>	<u>47.0</u>	<u>39.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>264.6</u>	<u>302.6</u>	<u>310.3</u>	<u>359.4</u>	<u>292.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.8%</u>	<u>13.3%</u>	<u>13.9%</u>	<u>14.0%</u>	<u>13.6%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>31.5</u>	<u>37.7</u>	<u>42.5</u>	<u>47.0</u>	<u>39.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>264.6</u>	<u>302.6</u>	<u>310.3</u>	<u>359.4</u>	<u>292.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.8%</u>	<u>13.3%</u>	<u>13.9%</u>	<u>14.0%</u>	<u>13.6%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>31.5</u>	<u>37.7</u>	<u>42.5</u>	<u>47.0</u>	<u>39.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>264.6</u>	<u>302.6</u>	<u>310.3</u>	<u>359.4</u>	<u>292.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.8%</u>	<u>13.3%</u>	<u>13.9%</u>	<u>14.0%</u>	<u>13.6%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

INTERNATIONAL

Name of firm: BUSINESS MACHINES

Industry: ELECTRONIC COMPUTING EQUIPMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>227.3</u>	\$ <u>264.9</u>	\$ <u>305.0</u>	\$ <u>353.4</u>	\$ <u>287.6</u>
Adjusted Profits (P_t^*)	<u>1241.6</u>	<u>1493.0</u>	<u>1796.5</u>	<u>2116.5</u>	<u>1661.9</u>
R & D Capital (S_t^*)	<u>2615.1</u>	<u>3026.1</u>	<u>3451.2</u>	<u>3987.6</u>	<u>3270.0</u>
Adjusted Equity (E_t^*)	<u>9257.5</u>	<u>10592.0</u>	<u>12263.2</u>	<u>14097.9</u>	<u>10821.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>14.2 %</u>	<u>15.0 %</u>	<u>15.7 %</u>	<u>16.1 %</u>	<u>15.4 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>37.5</u>	\$ <u>48.9</u>	\$ <u>66.7</u>	\$ <u>78.1</u>	\$ <u>57.8</u>
Adjusted Profits (P_t^*)	<u>1098.3</u>	<u>1304.7</u>	<u>1610.2</u>	<u>1878.2</u>	<u>1472.9</u>
R & D Capital (S_t^*)	<u>3827.3</u>	<u>4454.3</u>	<u>5117.6</u>	<u>5929.3</u>	<u>4832.1</u>
Adjusted Equity (E_t^*)	<u>10469.7</u>	<u>12020.2</u>	<u>13929.6</u>	<u>16039.6</u>	<u>12268.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.1 %</u>	<u>11.6 %</u>	<u>12.4 %</u>	<u>12.5 %</u>	<u>12.0 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>315.8</u>	\$ <u>365.7</u>	\$ <u>417.3</u>	\$ <u>482.3</u>	\$ <u>395.3</u>
Adjusted Profits (P_t^*)	<u>1243.0</u>	<u>1469.4</u>	<u>1792.5</u>	<u>2088.4</u>	<u>1648.4</u>
R & D Capital (S_t^*)	<u>2018.4</u>	<u>2328.7</u>	<u>2641.4</u>	<u>3048.9</u>	<u>2509.4</u>
Adjusted Equity (E_t^*)	<u>8660.9</u>	<u>9894.6</u>	<u>11453.4</u>	<u>13159.2</u>	<u>10114.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>15.2 %</u>	<u>15.8 %</u>	<u>16.8 %</u>	<u>17.0 %</u>	<u>16.3 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: JONES & LAUGHLIN
Industry: STEEL

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>15.4</u>	<u>39.3</u>	<u>50.2</u>	<u>141.5</u>	<u>61.6</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>677.8</u>	<u>700.6</u>	<u>727.9</u>	<u>842.1</u>	<u>715.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.3</u> %	<u>5.7</u> %	<u>7.0</u> %	<u>18.0</u> %	<u>8.6</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>15.4</u>	<u>39.3</u>	<u>50.2</u>	<u>141.5</u>	<u>61.6</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>677.8</u>	<u>700.6</u>	<u>727.9</u>	<u>842.1</u>	<u>715.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.3</u> %	<u>5.7</u> %	<u>7.0</u> %	<u>18.0</u> %	<u>8.6</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>15.4</u>	<u>39.3</u>	<u>50.2</u>	<u>141.5</u>	<u>61.6</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>677.8</u>	<u>700.6</u>	<u>727.9</u>	<u>842.1</u>	<u>715.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>2.3</u> %	<u>5.7</u> %	<u>7.0</u> %	<u>18.0</u> %	<u>8.6</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: KAISER ALUMINUM
Industry: ALUMINUM

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>8.3</u>	\$ <u>8.7</u>	\$ <u>9.1</u>	\$ <u>9.4</u>	\$ <u>8.9</u>
Adjusted Profits (P_t^*)	<u>29.2</u>	<u>15.8</u>	<u>44.8</u>	<u>105.1</u>	<u>48.7</u>
R & D Capital (S_t^*)	<u>81.8</u>	<u>83.2</u>	<u>83.8</u>	<u>85.4</u>	<u>83.6</u>
Adjusted Equity (E_t^*)	<u>713.4</u>	<u>720.6</u>	<u>749.8</u>	<u>835.4</u>	<u>738.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.1</u> %	<u>2.2</u> %	<u>6.1</u> %	<u>13.3</u> %	<u>6.6</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>3.1</u>	\$ <u>3.9</u>	\$ <u>5.8</u>	\$ <u>6.0</u>	\$ <u>4.7</u>
Adjusted Profits (P_t^*)	<u>28.6</u>	<u>17.1</u>	<u>47.5</u>	<u>107.4</u>	<u>50.2</u>
R & D Capital (S_t^*)	<u>138.2</u>	<u>144.4</u>	<u>148.3</u>	<u>153.2</u>	<u>146.0</u>
Adjusted Equity (E_t^*)	<u>769.8</u>	<u>781.8</u>	<u>814.3</u>	<u>903.2</u>	<u>799.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>3.7</u> %	<u>2.2</u> %	<u>6.0</u> %	<u>12.5</u> %	<u>6.3</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>10.0</u>	\$ <u>10.2</u>	\$ <u>10.3</u>	\$ <u>10.5</u>	\$ <u>10.3</u>
Adjusted Profits (P_t^*)	<u>32.2</u>	<u>20.4</u>	<u>49.9</u>	<u>109.8</u>	<u>53.1</u>
R & D Capital (S_t^*)	<u>59.2</u>	<u>59.1</u>	<u>58.5</u>	<u>58.8</u>	<u>58.9</u>
Adjusted Equity (E_t^*)	<u>690.8</u>	<u>696.5</u>	<u>724.5</u>	<u>808.8</u>	<u>714.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.7</u> %	<u>2.9</u> %	<u>7.0</u> %	<u>14.3</u> %	<u>7.4</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: KENNECOTT COPPER CORP.
Industry: COPPER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.6</u>	\$ <u>1.3</u>	\$ <u>1.9</u>	\$ <u>2.5</u>	\$ <u>1.6</u>
Adjusted Profits (P_t^*)	<u>92.5</u>	<u>92.4</u>	<u>164.2</u>	<u>172.7</u>	<u>130.4</u>
R & D Capital (S_t^*)	<u>10.3</u>	<u>19.8</u>	<u>29.0</u>	<u>36.9</u>	<u>24.0</u>
Adjusted Equity (E_t^*)	<u>1203.2</u>	<u>1223.6</u>	<u>1336.1</u>	<u>1478.9</u>	<u>1272.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.8</u> %	<u>7.6</u> %	<u>12.8</u> %	<u>12.3</u> %	<u>10.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>87.2</u>	<u>87.4</u>	<u>159.4</u>	<u>168.6</u>	<u>125.7</u>
R & D Capital (S_t^*)	<u>10.9</u>	<u>21.7</u>	<u>32.8</u>	<u>43.3</u>	<u>27.2</u>
Adjusted Equity (E_t^*)	<u>1203.8</u>	<u>1225.5</u>	<u>1339.9</u>	<u>1485.3</u>	<u>1274.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.3</u> %	<u>7.2</u> %	<u>12.4</u> %	<u>11.9</u> %	<u>9.9</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>1.2</u>	\$ <u>2.3</u>	\$ <u>3.4</u>	\$ <u>4.4</u>	\$ <u>2.8</u>
Adjusted Profits (P_t^*)	<u>87.8</u>	<u>88.6</u>	<u>161.2</u>	<u>170.9</u>	<u>127.1</u>
R & D Capital (S_t^*)	<u>9.7</u>	<u>18.1</u>	<u>25.8</u>	<u>31.9</u>	<u>21.4</u>
Adjusted Equity (E_t^*)	<u>1202.6</u>	<u>1221.9</u>	<u>1332.9</u>	<u>1473.9</u>	<u>1270.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.4</u> %	<u>7.3</u> %	<u>12.6</u> %	<u>12.2</u> %	<u>10.0</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: LEHIGH PORTLAND CEMENT
Industry: CEMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>5.4</u>	<u>7.6</u>	<u>10.8</u>	<u>7.6</u>	<u>7.9</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>106.1</u>	<u>113.3</u>	<u>107.9</u>	<u>112.8</u>	<u>108.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.2</u> %	<u>6.9</u> %	<u>9.8</u> %	<u>6.9</u> %	<u>7.2</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>5.4</u>	<u>7.6</u>	<u>10.8</u>	<u>7.6</u>	<u>7.9</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>106.1</u>	<u>113.3</u>	<u>107.9</u>	<u>112.8</u>	<u>108.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.2</u> %	<u>6.9</u> %	<u>9.8</u> %	<u>6.9</u> %	<u>7.2</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>5.4</u>	<u>7.6</u>	<u>10.8</u>	<u>7.6</u>	<u>7.9</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>106.1</u>	<u>113.3</u>	<u>107.9</u>	<u>112.8</u>	<u>108.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.2</u> %	<u>6.9</u> %	<u>9.8</u> %	<u>6.9</u> %	<u>7.2</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: LIBBY-McNEIL
Industry: CANNED FRUITS AND VEGETABLES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.9</u>	\$ <u>.9</u>	\$ <u>1.0</u>	\$ <u>1.0</u>	\$ <u>.9</u>
Adjusted Profits (P_t^*)	<u>.8</u>	<u>1.7</u>	<u>4.8</u>	<u>11.0</u>	<u>4.6</u>
R & D Capital (S_t^*)	<u>7.5</u>	<u>7.7</u>	<u>8.2</u>	<u>8.9</u>	<u>8.1</u>
Adjusted Equity (E_t^*)	<u>131.4</u>	<u>128.8</u>	<u>137.7</u>	<u>151.3</u>	<u>130.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.7 %</u>	<u>1.3 %</u>	<u>3.6 %</u>	<u>7.6 %</u>	<u>3.5 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.8</u>	\$ <u>.9</u>	\$ <u>.9</u>	\$ <u>.9</u>	\$ <u>.9</u>
Adjusted Profits (P_t^*)	<u>1.1</u>	<u>2.1</u>	<u>5.1</u>	<u>11.1</u>	<u>4.8</u>
R & D Capital (S_t^*)	<u>14.6</u>	<u>14.8</u>	<u>15.3</u>	<u>16.2</u>	<u>15.2</u>
Adjusted Equity (E_t^*)	<u>138.5</u>	<u>135.9</u>	<u>144.8</u>	<u>158.6</u>	<u>138.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.9 %</u>	<u>1.5 %</u>	<u>3.6 %</u>	<u>7.3 %</u>	<u>3.5 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.9</u>	\$ <u>1.0</u>	\$ <u>1.0</u>	\$ <u>1.1</u>	\$ <u>1.0</u>
Adjusted Profits (P_t^*)	<u>1.2</u>	<u>2.1</u>	<u>5.1</u>	<u>11.2</u>	<u>4.9</u>
R & D Capital (S_t^*)	<u>5.2</u>	<u>5.3</u>	<u>5.7</u>	<u>6.4</u>	<u>5.6</u>
Adjusted Equity (E_t^*)	<u>129.1</u>	<u>126.4</u>	<u>135.2</u>	<u>148.8</u>	<u>128.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>1.0 %</u>	<u>1.6 %</u>	<u>3.9 %</u>	<u>7.9 %</u>	<u>3.8 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: LIBBY-OWENS-FORD
Industry: FLAT GLASS

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Adjusted Profits (P_t^*)	<u>49.5</u>	<u>52.6</u>	<u>62.2</u>	<u>31.7</u>	<u>49.0</u>
R & D Capital (S_t^*)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Equity (E_t^*)	<u>333.4</u>	<u>352.4</u>	<u>370.3</u>	<u>371.2</u>	<u>350.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>15.2</u> %	<u>15.3</u> %	<u>17.2</u> %	<u>8.6</u> %	<u>14.0</u> %
Long-Lived Case					
Adjusted R & D Charge (R_t^*)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Adjusted Profits (P_t^*)	<u>49.5</u>	<u>52.6</u>	<u>62.2</u>	<u>31.7</u>	<u>49.0</u>
R & D Capital (S_t^*)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Equity (E_t^*)	<u>333.4</u>	<u>352.4</u>	<u>370.3</u>	<u>371.2</u>	<u>350.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>15.2</u> %	<u>15.3</u> %	<u>17.2</u> %	<u>8.6</u> %	<u>14.0</u> %
Short-Lived Case					
Adjusted R & D Charge (R_t^*)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Adjusted Profits (P_t^*)	<u>49.5</u>	<u>52.6</u>	<u>62.2</u>	<u>31.7</u>	<u>49.0</u>
R & D Capital (S_t^*)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Equity (E_t^*)	<u>333.4</u>	<u>352.4</u>	<u>370.3</u>	<u>371.2</u>	<u>350.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>15.2</u> %	<u>15.3</u> %	<u>17.2</u> %	<u>8.6</u> %	<u>14.0</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: LIGGETT & MEYERS

Industry: CIGARETTES

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>3.2</u>	\$ <u>3.3</u>	\$ <u>3.3</u>	\$ <u>3.3</u>	\$ <u>3.3</u>
Adjusted Profits (P_t^*)	<u>36.4</u>	<u>30.7</u>	<u>29.5</u>	<u>28.4</u>	<u>31.2</u>
R & D Capital (S_t^*)	<u>26.7</u>	<u>28.0</u>	<u>28.5</u>	<u>28.3</u>	<u>27.9</u>
Adjusted Equity (E_t^*)	<u>365.9</u>	<u>377.0</u>	<u>384.3</u>	<u>391.0</u>	<u>374.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.2 %</u>	<u>8.3 %</u>	<u>7.7 %</u>	<u>7.3 %</u>	<u>8.3 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>3.1</u>	\$ <u>3.2</u>	\$ <u>3.2</u>	\$ <u>3.1</u>	\$ <u>3.2</u>
Adjusted Profits (P_t^*)	<u>37.5</u>	<u>31.7</u>	<u>30.9</u>	<u>30.1</u>	<u>32.5</u>
R & D Capital (S_t^*)	<u>51.2</u>	<u>52.6</u>	<u>53.2</u>	<u>53.3</u>	<u>52.6</u>
Adjusted Equity (E_t^*)	<u>390.4</u>	<u>401.6</u>	<u>409.0</u>	<u>416.0</u>	<u>399.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.8 %</u>	<u>8.0 %</u>	<u>7.6 %</u>	<u>7.3 %</u>	<u>8.2 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>3.3</u>	\$ <u>3.5</u>	\$ <u>3.5</u>	\$ <u>3.5</u>	\$ <u>3.5</u>
Adjusted Profits (P_t^*)	<u>37.6</u>	<u>31.8</u>	<u>31.0</u>	<u>30.3</u>	<u>32.7</u>
R & D Capital (S_t^*)	<u>18.4</u>	<u>19.6</u>	<u>19.8</u>	<u>19.5</u>	<u>19.3</u>
Adjusted Equity (E_t^*)	<u>357.6</u>	<u>368.6</u>	<u>375.6</u>	<u>382.2</u>	<u>366.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.7 %</u>	<u>8.8 %</u>	<u>8.3 %</u>	<u>8.0 %</u>	<u>8.9 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: LILLY (ELI) & CO.
Industry: ETHICAL PHARMACEUTICALS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>30.5</u>	\$ <u>34.4</u>	\$ <u>38.6</u>	\$ <u>43.3</u>	\$ <u>36.7</u>
Adjusted Profits (P_t^*)	<u>115.3</u>	<u>147.1</u>	<u>178.7</u>	<u>204.8</u>	<u>161.5</u>
R & D Capital (S_t^*)	<u>325.8</u>	<u>365.7</u>	<u>410.4</u>	<u>460.4</u>	<u>390.6</u>
Adjusted Equity (E_t^*)	<u>838.9</u>	<u>983.9</u>	<u>1140.6</u>	<u>1308.9</u>	<u>997.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>14.6 %</u>	<u>16.1 %</u>	<u>16.8 %</u>	<u>16.7 %</u>	<u>16.2 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>8.7</u>	\$ <u>11.2</u>	\$ <u>13.2</u>	\$ <u>15.7</u>	\$ <u>12.2</u>
Adjusted Profits (P_t^*)	<u>100.6</u>	<u>132.1</u>	<u>162.4</u>	<u>187.0</u>	<u>145.5</u>
R & D Capital (S_t^*)	<u>510.3</u>	<u>573.4</u>	<u>643.5</u>	<u>721.1</u>	<u>612.1</u>
Adjusted Equity (E_t^*)	<u>1023.4</u>	<u>1191.6</u>	<u>1373.7</u>	<u>1569.6</u>	<u>1206.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.4 %</u>	<u>11.9 %</u>	<u>12.7 %</u>	<u>12.7 %</u>	<u>12.1 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>39.6</u>	\$ <u>44.5</u>	\$ <u>49.9</u>	\$ <u>56.0</u>	\$ <u>47.5</u>
Adjusted Profits (P_t^*)	<u>116.7</u>	<u>149.4</u>	<u>181.4</u>	<u>207.9</u>	<u>163.9</u>
R & D Capital (S_t^*)	<u>245.3</u>	<u>275.2</u>	<u>308.6</u>	<u>345.9</u>	<u>293.7</u>
Adjusted Equity (E_t^*)	<u>758.4</u>	<u>893.4</u>	<u>1038.8</u>	<u>1194.4</u>	<u>906.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>16.3 %</u>	<u>18.1 %</u>	<u>18.8 %</u>	<u>18.6 %</u>	<u>18.1 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: LONE STAR INDUSTRIES

Industry: CEMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.4</u>	\$ <u>.5</u>	\$ <u>.5</u>	\$ <u>.8</u>	\$ <u>.5</u>
Adjusted Profits (P_t^*)	<u>21.5</u>	<u>24.3</u>	<u>28.8</u>	<u>26.3</u>	<u>25.2</u>
R & D Capital (S_t^*)	<u>4.0</u>	<u>4.4</u>	<u>5.4</u>	<u>8.9</u>	<u>5.7</u>
Adjusted Equity (E_t^*)	<u>224.4</u>	<u>235.5</u>	<u>251.2</u>	<u>266.5</u>	<u>236.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.0%</u>	<u>10.6%</u>	<u>11.8%</u>	<u>10.2%</u>	<u>10.7%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.2</u>	\$ <u>.3</u>	\$ <u>.3</u>	\$ <u>.3</u>	\$ <u>.3</u>
Adjusted Profits (P_t^*)	<u>21.5</u>	<u>24.3</u>	<u>28.5</u>	<u>24.7</u>	<u>24.7</u>
R & D Capital (S_t^*)	<u>6.8</u>	<u>7.4</u>	<u>8.6</u>	<u>12.5</u>	<u>8.8</u>
Adjusted Equity (E_t^*)	<u>227.2</u>	<u>238.5</u>	<u>254.4</u>	<u>270.1</u>	<u>239.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.9%</u>	<u>10.4%</u>	<u>11.5%</u>	<u>9.4%</u>	<u>10.3%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.5</u>	\$ <u>.5</u>	\$ <u>.7</u>	\$ <u>1.1</u>	\$ <u>.7</u>
Adjusted Profits (P_t^*)	<u>21.7</u>	<u>24.4</u>	<u>28.6</u>	<u>25.1</u>	<u>24.9</u>
R & D Capital (S_t^*)	<u>2.9</u>	<u>3.3</u>	<u>4.1</u>	<u>7.2</u>	<u>4.4</u>
Adjusted Equity (E_t^*)	<u>223.3</u>	<u>234.4</u>	<u>249.9</u>	<u>264.8</u>	<u>235.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.1%</u>	<u>10.7%</u>	<u>11.8%</u>	<u>9.7%</u>	<u>10.6%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: MERCK & CO.
Industry: ETHICAL PHARMACEUTICALS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>33.1</u>	\$ <u>37.3</u>	\$ <u>42.0</u>	\$ <u>47.3</u>	\$ <u>40.0</u>
Adjusted Profits (P_t^*)	<u>146.6</u>	<u>169.6</u>	<u>208.3</u>	<u>239.7</u>	<u>191.1</u>
R & D Capital (S_t^*)	<u>357.8</u>	<u>400.1</u>	<u>449.3</u>	<u>505.5</u>	<u>428.2</u>
Adjusted Equity (E_t^*)	<u>878.5</u>	<u>1008.3</u>	<u>1158.9</u>	<u>1328.3</u>	<u>1026.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>17.6 %</u>	<u>18.0 %</u>	<u>19.2 %</u>	<u>19.3 %</u>	<u>18.6 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>8.5</u>	\$ <u>11.5</u>	\$ <u>13.1</u>	\$ <u>17.0</u>	\$ <u>12.5</u>
Adjusted Profits (P_t^*)	<u>131.6</u>	<u>153.6</u>	<u>189.5</u>	<u>219.3</u>	<u>173.5</u>
R & D Capital (S_t^*)	<u>555.0</u>	<u>623.2</u>	<u>701.3</u>	<u>787.8</u>	<u>666.8</u>
Adjusted Equity (E_t^*)	<u>1075.7</u>	<u>1231.4</u>	<u>1410.9</u>	<u>1610.6</u>	<u>1251.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.9 %</u>	<u>13.3 %</u>	<u>14.3 %</u>	<u>14.5 %</u>	<u>13.9 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>43.4</u>	\$ <u>48.6</u>	\$ <u>54.6</u>	\$ <u>61.4</u>	\$ <u>52.0</u>
Adjusted Profits (P_t^*)	<u>149.8</u>	<u>172.9</u>	<u>211.1</u>	<u>242.4</u>	<u>194.0</u>
R & D Capital (S_t^*)	<u>270.1</u>	<u>301.2</u>	<u>337.8</u>	<u>379.9</u>	<u>322.3</u>
Adjusted Equity (E_t^*)	<u>790.8</u>	<u>909.4</u>	<u>1047.4</u>	<u>1202.7</u>	<u>926.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>19.9 %</u>	<u>20.3 %</u>	<u>21.6 %</u>	<u>12.5 %</u>	<u>20.9 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: MOBIL OIL CORP.

Industry: PETROLEUM REFINING

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>76.7</u>	\$ <u>83.8</u>	\$ <u>89.8</u>	\$ <u>98.0</u>	\$ <u>87.1</u>
Adjusted Profits (P_t^*)	<u>566.7</u>	<u>608.6</u>	<u>879.5</u>	<u>1095.1</u>	<u>787.5</u>
R & D Capital (S_t^*)	<u>756.4</u>	<u>822.6</u>	<u>880.7</u>	<u>972.3</u>	<u>858.0</u>
Adjusted Equity (E_t^*)	<u>5588.3</u>	<u>5968.0</u>	<u>6595.5</u>	<u>7408.7</u>	<u>6119.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.5 %</u>	<u>10.5 %</u>	<u>14.0 %</u>	<u>15.6 %</u>	<u>12.9 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>28.8</u>	\$ <u>46.0</u>	\$ <u>49.8</u>	\$ <u>48.3</u>	\$ <u>43.2</u>
Adjusted Profits (P_t^*)	<u>555.8</u>	<u>598.1</u>	<u>875.2</u>	<u>1072.5</u>	<u>775.4</u>
R & D Capital (S_t^*)	<u>1275.0</u>	<u>1379.0</u>	<u>1477.1</u>	<u>1618.5</u>	<u>1437.4</u>
Adjusted Equity (E_t^*)	<u>6106.9</u>	<u>6524.4</u>	<u>7191.9</u>	<u>8054.9</u>	<u>6677.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.4 %</u>	<u>9.5 %</u>	<u>12.8 %</u>	<u>14.1 %</u>	<u>11.6 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>92.6</u>	\$ <u>100.7</u>	\$ <u>107.8</u>	\$ <u>118.9</u>	\$ <u>105.0</u>
Adjusted Profits (P_t^*)	<u>588.9</u>	<u>626.6</u>	<u>905.4</u>	<u>1109.2</u>	<u>807.5</u>
R & D Capital (S_t^*)	<u>548.6</u>	<u>597.9</u>	<u>638.0</u>	<u>708.7</u>	<u>623.3</u>
Adjusted Equity (E_t^*)	<u>5380.5</u>	<u>5743.3</u>	<u>6352.8</u>	<u>7145.1</u>	<u>5894.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.3 %</u>	<u>11.3 %</u>	<u>15.0 %</u>	<u>16.4 %</u>	<u>13.7 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: NATIONAL DISTILLERS

Industry: LICUOR

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>30.5</u>	<u>35.0</u>	<u>46.3</u>	<u>89.7</u>	<u>50.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>432.8</u>	<u>466.7</u>	<u>481.8</u>	<u>545.3</u>	<u>470.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>7.8</u> %	<u>9.8</u> %	<u>17.5</u> %	<u>10.7</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>30.5</u>	<u>35.0</u>	<u>46.3</u>	<u>89.7</u>	<u>50.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>432.8</u>	<u>466.7</u>	<u>481.8</u>	<u>545.3</u>	<u>470.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>7.8</u> %	<u>9.8</u> %	<u>17.5</u> %	<u>10.7</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>30.5</u>	<u>35.0</u>	<u>46.3</u>	<u>89.7</u>	<u>50.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>432.8</u>	<u>466.7</u>	<u>481.8</u>	<u>545.3</u>	<u>470.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>7.8</u> %	<u>9.8</u> %	<u>17.5</u> %	<u>10.7</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: NATIONAL GYPSUM
Industry: GYPSUM PRODUCTS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>21.1</u>	<u>30.6</u>	<u>31.3</u>	<u>27.6</u>	<u>27.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>313.8</u>	<u>305.2</u>	<u>318.7</u>	<u>331.4</u>	<u>314.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.8%</u>	<u>9.9%</u>	<u>10.0%</u>	<u>8.5%</u>	<u>8.8%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>21.1</u>	<u>30.6</u>	<u>31.3</u>	<u>27.6</u>	<u>27.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>313.8</u>	<u>305.2</u>	<u>318.7</u>	<u>331.4</u>	<u>314.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.8%</u>	<u>9.9%</u>	<u>10.0%</u>	<u>8.5%</u>	<u>8.8%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>21.1</u>	<u>30.6</u>	<u>31.3</u>	<u>27.6</u>	<u>27.7</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>313.8</u>	<u>305.2</u>	<u>318.7</u>	<u>331.4</u>	<u>314.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.8%</u>	<u>9.9%</u>	<u>10.0%</u>	<u>8.5%</u>	<u>8.8%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: OWENS-ILLINOIS
Industry: GLASS CONTAINERS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>23.0</u>	\$ <u>25.5</u>	\$ <u>27.8</u>	\$ <u>30.2</u>	\$ <u>26.6</u>
Adjusted Profits (P_t^*)	<u>72.6</u>	<u>78.0</u>	<u>86.4</u>	<u>95.1</u>	<u>83.0</u>
R & D Capital (S_t^*)	<u>241.8</u>	<u>267.6</u>	<u>290.5</u>	<u>312.7</u>	<u>278.2</u>
Adjusted Equity (E_t^*)	<u>893.7</u>	<u>954.6</u>	<u>1023.0</u>	<u>1102.6</u>	<u>959.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.4 %</u>	<u>8.4 %</u>	<u>8.7 %</u>	<u>8.9 %</u>	<u>8.6 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>8.9</u>	\$ <u>11.4</u>	\$ <u>12.7</u>	\$ <u>11.7</u>	\$ <u>11.2</u>
Adjusted Profits (P_t^*)	<u>64.2</u>	<u>70.5</u>	<u>81.1</u>	<u>89.6</u>	<u>76.4</u>
R & D Capital (S_t^*)	<u>382.7</u>	<u>422.6</u>	<u>460.7</u>	<u>501.4</u>	<u>441.9</u>
Adjusted Equity (E_t^*)	<u>1034.6</u>	<u>1109.6</u>	<u>1193.2</u>	<u>1291.3</u>	<u>1115.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.4 %</u>	<u>6.6 %</u>	<u>7.0 %</u>	<u>7.2 %</u>	<u>6.8 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>29.4</u>	\$ <u>32.6</u>	\$ <u>35.4</u>	\$ <u>38.1</u>	\$ <u>33.9</u>
Adjusted Profits (P_t^*)	<u>74.9</u>	<u>81.5</u>	<u>92.9</u>	<u>103.3</u>	<u>88.2</u>
R & D Capital (S_t^*)	<u>181.6</u>	<u>200.4</u>	<u>215.8</u>	<u>230.1</u>	<u>207.0</u>
Adjusted Equity (E_t^*)	<u>833.5</u>	<u>887.4</u>	<u>948.3</u>	<u>1020.0</u>	<u>892.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.3 %</u>	<u>9.5 %</u>	<u>10.1 %</u>	<u>10.5 %</u>	<u>9.9 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: PPG INDUSTRIES
Industry: FLAT GLASS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>24.4</u>	\$ <u>25.4</u>	\$ <u>26.8</u>	\$ <u>28.4</u>	\$ <u>26.3</u>
Adjusted Profits (P_t^*)	<u>67.4</u>	<u>87.7</u>	<u>100.4</u>	<u>103.5</u>	<u>89.8</u>
R & D Capital (S_t^*)	<u>224.5</u>	<u>234.2</u>	<u>248.2</u>	<u>267.0</u>	<u>243.5</u>
Adjusted Equity (E_t^*)	<u>899.7</u>	<u>965.4</u>	<u>1050.8</u>	<u>1128.1</u>	<u>978.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.6</u> %	<u>9.4</u> %	<u>10.0</u> %	<u>9.5</u> %	<u>9.2</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>17.8</u>	\$ <u>18.3</u>	\$ <u>19.0</u>	\$ <u>15.7</u>	\$ <u>17.7</u>
Adjusted Profits (P_t^*)	<u>72.5</u>	<u>92.2</u>	<u>103.0</u>	<u>101.9</u>	<u>92.4</u>
R & D Capital (S_t^*)	<u>397.2</u>	<u>414.0</u>	<u>435.8</u>	<u>467.3</u>	<u>428.6</u>
Adjusted Equity (E_t^*)	<u>1072.4</u>	<u>1145.2</u>	<u>1238.4</u>	<u>1328.4</u>	<u>1159.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.9</u> %	<u>8.3</u> %	<u>8.6</u> %	<u>7.9</u> %	<u>8.0</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>27.7</u>	\$ <u>28.8</u>	\$ <u>30.6</u>	\$ <u>32.8</u>	\$ <u>30.0</u>
Adjusted Profits (P_t^*)	<u>77.6</u>	<u>97.7</u>	<u>109.0</u>	<u>110.8</u>	<u>98.8</u>
R & D Capital (S_t^*)	<u>159.0</u>	<u>165.2</u>	<u>175.5</u>	<u>189.8</u>	<u>172.4</u>
Adjusted Equity (E_t^*)	<u>834.2</u>	<u>896.4</u>	<u>978.1</u>	<u>1050.9</u>	<u>909.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.5</u> %	<u>11.3</u> %	<u>11.6</u> %	<u>10.9</u> %	<u>10.9</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: PABST BREWING CO.
Industry: BEER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>25.3</u>	<u>28.5</u>	<u>23.8</u>	<u>18.3</u>	<u>24.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>193.1</u>	<u>213.1</u>	<u>226.1</u>	<u>223.9</u>	<u>208.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.7</u> %	<u>14.0</u> %	<u>10.8</u> %	<u>8.1</u> %	<u>11.5</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>25.3</u>	<u>28.5</u>	<u>23.8</u>	<u>18.3</u>	<u>24.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>193.1</u>	<u>213.1</u>	<u>226.1</u>	<u>223.9</u>	<u>208.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.7</u> %	<u>14.0</u> %	<u>10.8</u> %	<u>8.1</u> %	<u>11.5</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>25.3</u>	<u>28.5</u>	<u>23.8</u>	<u>18.3</u>	<u>24.0</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>193.1</u>	<u>213.1</u>	<u>226.1</u>	<u>223.9</u>	<u>208.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.7</u> %	<u>14.0</u> %	<u>10.8</u> %	<u>8.1</u> %	<u>11.5</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: PHELPS DODGE
Industry: COPPER

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>2.3</u>	\$ <u>2.5</u>	\$ <u>2.6</u>	\$ <u>2.9</u>	\$ <u>2.6</u>
Adjusted Profits (P_t^*)	<u>74.5</u>	<u>83.2</u>	<u>111.3</u>	<u>113.7</u>	<u>95.7</u>
R & D Capital (S_t^*)	<u>21.9</u>	<u>23.8</u>	<u>26.5</u>	<u>28.8</u>	<u>25.2</u>
Adjusted Equity (E_t^*)	<u>732.1</u>	<u>773.1</u>	<u>841.7</u>	<u>921.1</u>	<u>786.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.6</u> %	<u>11.1</u> %	<u>13.8</u> %	<u>12.9</u> %	<u>12.2</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>1.9</u>	\$ <u>2.2</u>	\$ <u>1.5</u>	\$ <u>1.4</u>	\$ <u>1.8</u>
Adjusted Profits (P_t^*)	<u>74.8</u>	<u>83.3</u>	<u>110.7</u>	<u>113.2</u>	<u>95.5</u>
R & D Capital (S_t^*)	<u>37.3</u>	<u>39.5</u>	<u>43.3</u>	<u>47.1</u>	<u>41.8</u>
Adjusted Equity (E_t^*)	<u>747.5</u>	<u>788.8</u>	<u>858.5</u>	<u>939.4</u>	<u>802.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.4</u> %	<u>10.8</u> %	<u>13.4</u> %	<u>12.6</u> %	<u>11.9</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.7</u>	\$ <u>2.9</u>	\$ <u>3.2</u>	\$ <u>3.5</u>	\$ <u>3.1</u>
Adjusted Profits (P_t^*)	<u>75.2</u>	<u>83.7</u>	<u>111.6</u>	<u>114.3</u>	<u>96.2</u>
R & D Capital (S_t^*)	<u>16.0</u>	<u>17.5</u>	<u>19.5</u>	<u>21.2</u>	<u>18.5</u>
Adjusted Equity (E_t^*)	<u>726.2</u>	<u>766.8</u>	<u>834.7</u>	<u>913.5</u>	<u>780.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.8</u> %	<u>11.2</u> %	<u>13.9</u> %	<u>13.1</u> %	<u>12.3</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: PHILIP MORRIS INC.
Industry: CIGARETTES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>101.5</u>	<u>124.5</u>	<u>148.6</u>	<u>175.5</u>	<u>137.5</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>579.1</u>	<u>695.5</u>	<u>815.0</u>	<u>974.7</u>	<u>700.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>19.7 %</u>	<u>19.5 %</u>	<u>19.7 %</u>	<u>19.6 %</u>	<u>19.6 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>101.5</u>	<u>124.5</u>	<u>148.6</u>	<u>175.5</u>	<u>137.5</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>579.1</u>	<u>695.5</u>	<u>815.0</u>	<u>974.7</u>	<u>700.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>19.7 %</u>	<u>19.5 %</u>	<u>19.7 %</u>	<u>19.6 %</u>	<u>19.6 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>101.5</u>	<u>124.5</u>	<u>148.6</u>	<u>175.5</u>	<u>137.5</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>579.1</u>	<u>695.5</u>	<u>815.0</u>	<u>974.7</u>	<u>700.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>19.7 %</u>	<u>19.5 %</u>	<u>19.7 %</u>	<u>19.6 %</u>	<u>19.6 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: PILLSBURY
Industry: FLOUR

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>3.7</u>	\$ <u>3.8</u>	\$ <u>4.0</u>	\$ <u>4.3</u>	\$ <u>4.0</u>
Adjusted Profits (P_t^*)	<u>13.2</u>	<u>17.4</u>	<u>21.7</u>	<u>29.5</u>	<u>20.4</u>
R & D Capital (S_t^*)	<u>33.5</u>	<u>35.3</u>	<u>37.4</u>	<u>39.7</u>	<u>36.5</u>
Adjusted Equity (E_t^*)	<u>189.5</u>	<u>202.2</u>	<u>218.8</u>	<u>241.3</u>	<u>205.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>7.0 %</u>	<u>8.9 %</u>	<u>10.3 %</u>	<u>12.8 %</u>	<u>9.9 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.8</u>	\$ <u>2.7</u>	\$ <u>2.7</u>	\$ <u>2.9</u>	\$ <u>2.8</u>
Adjusted Profits (P_t^*)	<u>13.6</u>	<u>17.9</u>	<u>22.0</u>	<u>29.8</u>	<u>20.8</u>
R & D Capital (S_t^*)	<u>59.6</u>	<u>62.5</u>	<u>65.9</u>	<u>69.6</u>	<u>64.4</u>
Adjusted Equity (E_t^*)	<u>215.6</u>	<u>229.4</u>	<u>247.3</u>	<u>271.2</u>	<u>233.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.4 %</u>	<u>8.0 %</u>	<u>9.2 %</u>	<u>11.5 %</u>	<u>8.9 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>4.1</u>	\$ <u>4.3</u>	\$ <u>4.6</u>	\$ <u>4.9</u>	\$ <u>4.5</u>
Adjusted Profits (P_t^*)	<u>14.2</u>	<u>18.8</u>	<u>23.0</u>	<u>30.8</u>	<u>21.7</u>
R & D Capital (S_t^*)	<u>23.9</u>	<u>25.1</u>	<u>26.6</u>	<u>28.3</u>	<u>26.0</u>
Adjusted Equity (E_t^*)	<u>179.9</u>	<u>192.0</u>	<u>208.0</u>	<u>229.9</u>	<u>195.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.0 %</u>	<u>10.1 %</u>	<u>11.5 %</u>	<u>14.1 %</u>	<u>11.1 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: POLAROID CORP.
Industry: PHOTOGRAPHIC EQUIPMENT

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>17.2</u>	\$ <u>24.8</u>	\$ <u>32.0</u>	\$ <u>36.4</u>	\$ <u>27.6</u>
Adjusted Profits (P_t^*)	<u>96.7</u>	<u>97.4</u>	<u>99.3</u>	<u>49.4</u>	<u>85.7</u>
R & D Capital (S_t^*)	<u>219.7</u>	<u>325.3</u>	<u>416.7</u>	<u>457.1</u>	<u>354.7</u>
Adjusted Equity (E_t^*)	<u>763.9</u>	<u>902.3</u>	<u>1035.8</u>	<u>1094.0</u>	<u>890.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.9</u> %	<u>11.7</u> %	<u>10.3</u> %	<u>4.6</u> %	<u>9.6</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>1.5</u>	\$ <u>1.7</u>	\$ <u>2.1</u>	\$ <u>3.0</u>	\$ <u>2.1</u>
Adjusted Profits (P_t^*)	<u>61.8</u>	<u>43.4</u>	<u>52.9</u>	<u>30.0</u>	<u>47.0</u>
R & D Capital (S_t^*)	<u>291.7</u>	<u>420.4</u>	<u>541.7</u>	<u>615.5</u>	<u>467.3</u>
Adjusted Equity (E_t^*)	<u>835.9</u>	<u>997.4</u>	<u>1160.8</u>	<u>1252.4</u>	<u>990.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.1</u> %	<u>4.7</u> %	<u>4.9</u> %	<u>2.5</u> %	<u>4.7</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>26.3</u>	\$ <u>38.9</u>	\$ <u>49.9</u>	\$ <u>54.8</u>	\$ <u>42.5</u>
Adjusted Profits (P_t^*)	<u>74.7</u>	<u>62.7</u>	<u>77.7</u>	<u>56.9</u>	<u>68.0</u>
R & D Capital (S_t^*)	<u>180.5</u>	<u>272.0</u>	<u>345.6</u>	<u>367.5</u>	<u>291.4</u>
Adjusted Equity (E_t^*)	<u>724.7</u>	<u>849.0</u>	<u>964.7</u>	<u>1004.4</u>	<u>834.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.3</u> %	<u>8.0</u> %	<u>8.6</u> %	<u>5.8</u> %	<u>8.1</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: PROCTOR & GAMBLE
Industry: SOAP

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>54.7</u>	\$ <u>59.0</u>	\$ <u>64.1</u>	\$ <u>69.9</u>	\$ <u>61.9</u>
Adjusted Profits (P_t^*)	<u>257.0</u>	<u>298.1</u>	<u>329.0</u>	<u>349.4</u>	<u>308.4</u>
R & D Capital (S_t^*)	<u>531.2</u>	<u>573.1</u>	<u>624.8</u>	<u>687.7</u>	<u>604.2</u>
Adjusted Equity (E_t^*)	<u>1931.7</u>	<u>2140.1</u>	<u>2381.7</u>	<u>2622.5</u>	<u>2162.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.9</u> %	<u>14.6</u> %	<u>14.6</u> %	<u>14.0</u> %	<u>14.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>28.0</u>	\$ <u>30.1</u>	\$ <u>33.5</u>	\$ <u>37.5</u>	\$ <u>32.3</u>
Adjusted Profits (P_t^*)	<u>252.2</u>	<u>292.0</u>	<u>319.5</u>	<u>336.2</u>	<u>300.0</u>
R & D Capital (S_t^*)	<u>902.5</u>	<u>973.3</u>	<u>1055.6</u>	<u>1150.9</u>	<u>1020.6</u>
Adjusted Equity (E_t^*)	<u>2303.0</u>	<u>2540.3</u>	<u>2812.5</u>	<u>3085.7</u>	<u>2563.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>11.4</u> %	<u>12.1</u> %	<u>11.9</u> %	<u>11.4</u> %	<u>11.7</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>65.1</u>	\$ <u>70.2</u>	\$ <u>76.5</u>	\$ <u>84.2</u>	\$ <u>74.0</u>
Adjusted Profits (P_t^*)	<u>271.5</u>	<u>312.8</u>	<u>341.9</u>	<u>360.5</u>	<u>321.7</u>
R & D Capital (S_t^*)	<u>383.6</u>	<u>414.3</u>	<u>453.6</u>	<u>502.2</u>	<u>438.4</u>
Adjusted Equity (E_t^*)	<u>1784.1</u>	<u>1981.3</u>	<u>2210.5</u>	<u>2437.9</u>	<u>2002.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>15.9</u> %	<u>16.6</u> %	<u>16.3</u> %	<u>15.5</u> %	<u>16.1</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: REPUBLIC STEEL
Industry: STEEL

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$.0	\$.0	\$.0	\$.0	\$.0
Adjusted Profits (P_t^*)	<u>1.4</u>	<u>43.1</u>	<u>86.7</u>	<u>170.7</u>	<u>75.5</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>1018.0</u>	<u>1055.0</u>	<u>1107.0</u>	<u>1232.4</u>	<u>1079.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.1</u> %	<u>4.2</u> %	<u>8.0</u> %	<u>14.6</u> %	<u>7.0</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$.0	\$.0	\$.0	\$.0	\$.0
Adjusted Profits (P_t^*)	<u>1.4</u>	<u>43.1</u>	<u>86.7</u>	<u>170.7</u>	<u>75.5</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>1018.0</u>	<u>1055.0</u>	<u>1107.0</u>	<u>1232.4</u>	<u>1079.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.1</u> %	<u>4.2</u> %	<u>8.0</u> %	<u>14.6</u> %	<u>7.0</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$.0	\$.0	\$.0	\$.0	\$.0
Adjusted Profits (P_t^*)	<u>1.4</u>	<u>43.1</u>	<u>86.7</u>	<u>170.7</u>	<u>75.5</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>1018.0</u>	<u>1055.0</u>	<u>1107.0</u>	<u>1232.4</u>	<u>1079.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>.1</u> %	<u>4.2</u> %	<u>8.0</u> %	<u>14.6</u> %	<u>7.0</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: REYNOLDS INDUSTRIES
Industry: CIGARETTES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>225.9</u>	<u>237.5</u>	<u>263.6</u>	<u>310.7</u>	<u>259.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>1252.8</u>	<u>1382.4</u>	<u>1512.2</u>	<u>1696.8</u>	<u>1394.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>18.7 %</u>	<u>18.0 %</u>	<u>18.2 %</u>	<u>19.4 %</u>	<u>18.6 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>225.9</u>	<u>237.5</u>	<u>263.6</u>	<u>310.7</u>	<u>259.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>1252.8</u>	<u>1382.4</u>	<u>1512.2</u>	<u>1696.8</u>	<u>1394.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>18.7 %</u>	<u>18.0 %</u>	<u>18.2 %</u>	<u>19.4 %</u>	<u>18.6 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>225.9</u>	<u>237.5</u>	<u>263.6</u>	<u>310.7</u>	<u>259.4</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>1252.8</u>	<u>1382.4</u>	<u>1512.2</u>	<u>1696.8</u>	<u>1394.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>18.7 %</u>	<u>18.0 %</u>	<u>18.2 %</u>	<u>19.4 %</u>	<u>18.6 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: REYNOLDS METALS
Industry: ALUMINUM

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>8.5</u>	\$ <u>8.9</u>	\$ <u>9.2</u>	\$ <u>9.7</u>	\$ <u>9.1</u>
Adjusted Profits (P_t^*)	<u>8.5</u>	<u>1.4</u>	<u>46.1</u>	<u>113.2</u>	<u>42.3</u>
R & D Capital (S_t^*)	<u>82.2</u>	<u>84.5</u>	<u>86.5</u>	<u>90.5</u>	<u>85.9</u>
Adjusted Equity (E_t^*)	<u>781.3</u>	<u>760.1</u>	<u>795.9</u>	<u>889.1</u>	<u>791.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>1.1</u> %	<u>.2</u> %	<u>5.9</u> %	<u>13.4</u> %	<u>5.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>5.0</u>	\$ <u>5.3</u>	\$ <u>5.8</u>	\$ <u>5.8</u>	\$ <u>5.5</u>
Adjusted Profits (P_t^*)	<u>8.5</u>	<u>3.0</u>	<u>48.1</u>	<u>114.1</u>	<u>43.4</u>
R & D Capital (S_t^*)	<u>140.1</u>	<u>146.0</u>	<u>151.4</u>	<u>159.3</u>	<u>149.2</u>
Adjusted Equity (E_t^*)	<u>839.2</u>	<u>821.6</u>	<u>860.8</u>	<u>957.9</u>	<u>852.8</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>1.0</u> %	<u>.4</u> %	<u>5.7</u> %	<u>12.5</u> %	<u>5.1</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>10.1</u>	\$ <u>10.4</u>	\$ <u>10.6</u>	\$ <u>11.1</u>	\$ <u>10.6</u>
Adjusted Profits (P_t^*)	<u>11.1</u>	<u>5.6</u>	<u>50.6</u>	<u>116.9</u>	<u>46.1</u>
R & D Capital (S_t^*)	<u>59.5</u>	<u>60.3</u>	<u>60.8</u>	<u>63.4</u>	<u>61.0</u>
Adjusted Equity (E_t^*)	<u>758.6</u>	<u>735.9</u>	<u>770.2</u>	<u>862.0</u>	<u>767.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>1.5</u> %	<u>.7</u> %	<u>6.7</u> %	<u>14.3</u> %	<u>6.0</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: ROBINS (A. H.) CO.
Industry: ETHICAL PHARMACEUTICALS

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>2.3</u>	\$ <u>2.7</u>	\$ <u>3.2</u>	\$ <u>3.7</u>	\$ <u>3.0</u>
Adjusted Profits (P_t^*)	<u>21.7</u>	<u>24.8</u>	<u>27.8</u>	<u>30.0</u>	<u>26.1</u>
R & D Capital (S_t^*)	<u>29.0</u>	<u>32.9</u>	<u>37.7</u>	<u>43.6</u>	<u>35.8</u>
Adjusted Equity (E_t^*)	<u>122.6</u>	<u>146.3</u>	<u>175.2</u>	<u>201.3</u>	<u>149.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>19.1%</u>	<u>18.5%</u>	<u>17.3%</u>	<u>15.9%</u>	<u>17.5%</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>19.8</u>	<u>22.8</u>	<u>25.3</u>	<u>26.9</u>	<u>23.7</u>
R & D Capital (S_t^*)	<u>39.2</u>	<u>45.8</u>	<u>53.8</u>	<u>63.4</u>	<u>50.6</u>
Adjusted Equity (E_t^*)	<u>132.8</u>	<u>159.2</u>	<u>191.3</u>	<u>221.1</u>	<u>162.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>16.2%</u>	<u>15.6%</u>	<u>14.4%</u>	<u>13.0%</u>	<u>14.6%</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>3.5</u>	\$ <u>4.0</u>	\$ <u>4.5</u>	\$ <u>5.3</u>	\$ <u>4.3</u>
Adjusted Profits (P_t^*)	<u>21.6</u>	<u>24.9</u>	<u>27.7</u>	<u>29.6</u>	<u>25.9</u>
R & D Capital (S_t^*)	<u>22.7</u>	<u>25.4</u>	<u>28.9</u>	<u>33.2</u>	<u>27.5</u>
Adjusted Equity (E_t^*)	<u>116.3</u>	<u>138.8</u>	<u>166.4</u>	<u>190.9</u>	<u>141.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>20.0%</u>	<u>19.5%</u>	<u>18.1%</u>	<u>16.6%</u>	<u>18.3%</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: SEARLE (G. D.) CO.
Industry: ETHICAL PHARMACEUTICALS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>20.3</u>	\$ <u>22.3</u>	\$ <u>24.7</u>	\$ <u>27.7</u>	\$ <u>23.8</u>
Adjusted Profits (P_t^*)	<u>39.5</u>	<u>49.0</u>	<u>69.5</u>	<u>86.2</u>	<u>61.0</u>
R & D Capital (S_t^*)	<u>274.1</u>	<u>287.7</u>	<u>306.2</u>	<u>332.7</u>	<u>300.2</u>
Adjusted Equity (E_t^*)	<u>415.4</u>	<u>457.6</u>	<u>575.2</u>	<u>673.2</u>	<u>494.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.9 %</u>	<u>11.2 %</u>	<u>13.5 %</u>	<u>13.8 %</u>	<u>12.3 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.4</u>	\$ <u>2.6</u>	\$ <u>2.8</u>	\$ <u>3.0</u>	\$ <u>2.7</u>
Adjusted Profits (P_t^*)	<u>37.2</u>	<u>43.3</u>	<u>61.3</u>	<u>74.0</u>	<u>53.9</u>
R & D Capital (S_t^*)	<u>343.5</u>	<u>376.8</u>	<u>417.3</u>	<u>468.5</u>	<u>401.5</u>
Adjusted Equity (E_t^*)	<u>484.8</u>	<u>546.7</u>	<u>686.3</u>	<u>809.0</u>	<u>585.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.1 %</u>	<u>8.4 %</u>	<u>9.9 %</u>	<u>9.9 %</u>	<u>9.2 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>32.7</u>	\$ <u>34.4</u>	\$ <u>36.8</u>	\$ <u>40.0</u>	\$ <u>36.0</u>
Adjusted Profits (P_t^*)	<u>53.0</u>	<u>59.8</u>	<u>78.9</u>	<u>93.2</u>	<u>71.2</u>
R & D Capital (S_t^*)	<u>232.5</u>	<u>234.0</u>	<u>240.5</u>	<u>254.7</u>	<u>240.4</u>
Adjusted Equity (E_t^*)	<u>373.8</u>	<u>403.9</u>	<u>509.5</u>	<u>595.2</u>	<u>440.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>14.5 %</u>	<u>15.4 %</u>	<u>17.3 %</u>	<u>16.9 %</u>	<u>16.2 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: SMITHKLINE CORP.
Industry: ETHICAL PHARMACEUTICALS

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>19.2</u>	\$ <u>21.1</u>	\$ <u>23.1</u>	\$ <u>25.3</u>	\$ <u>22.2</u>
Adjusted Profits (P_t^*)	<u>53.2</u>	<u>57.9</u>	<u>61.7</u>	<u>69.4</u>	<u>60.5</u>
R & D Capital (S_t^*)	<u>196.3</u>	<u>213.5</u>	<u>230.6</u>	<u>252.4</u>	<u>223.2</u>
Adjusted Equity (E_t^*)	<u>404.7</u>	<u>447.3</u>	<u>483.7</u>	<u>533.9</u>	<u>447.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.7</u> %	<u>13.6</u> %	<u>13.3</u> %	<u>13.6</u> %	<u>13.5</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>5.0</u>	\$ <u>7.0</u>	\$ <u>9.4</u>	\$ <u>10.7</u>	\$ <u>8.0</u>
Adjusted Profits (P_t^*)	<u>47.5</u>	<u>52.5</u>	<u>57.7</u>	<u>63.7</u>	<u>55.3</u>
R & D Capital (S_t^*)	<u>321.0</u>	<u>352.4</u>	<u>383.2</u>	<u>419.6</u>	<u>369.1</u>
Adjusted Equity (E_t^*)	<u>529.4</u>	<u>586.2</u>	<u>636.3</u>	<u>701.1</u>	<u>586.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.4</u> %	<u>9.4</u> %	<u>9.4</u> %	<u>9.5</u> %	<u>9.4</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>23.9</u>	\$ <u>26.1</u>	\$ <u>28.2</u>	\$ <u>30.9</u>	\$ <u>27.3</u>
Adjusted Profits (P_t^*)	<u>57.3</u>	<u>62.5</u>	<u>67.5</u>	<u>74.1</u>	<u>65.4</u>
R & D Capital (S_t^*)	<u>143.2</u>	<u>155.5</u>	<u>167.5</u>	<u>183.7</u>	<u>162.5</u>
Adjusted Equity (E_t^*)	<u>351.6</u>	<u>389.3</u>	<u>420.6</u>	<u>465.2</u>	<u>389.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>17.0</u> %	<u>16.9</u> %	<u>16.7</u> %	<u>16.7</u> %	<u>16.8</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: STANDARD OIL (IND.)
Industry: PETROLEUM REFINING

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>325.4</u>	\$ <u>353.5</u>	\$ <u>384.6</u>	\$ <u>414.1</u>	\$ <u>369.4</u>
Adjusted Profits (P_t^*)	<u>402.4</u>	<u>533.0</u>	<u>699.7</u>	<u>1161.1</u>	<u>699.0</u>
R & D Capital (S_t^*)	<u>3018.1</u>	<u>3322.6</u>	<u>3685.0</u>	<u>4051.9</u>	<u>3519.4</u>
Adjusted Equity (E_t^*)	<u>6575.4</u>	<u>7121.5</u>	<u>7810.3</u>	<u>9177.0</u>	<u>7307.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.3 %</u>	<u>7.8 %</u>	<u>9.4 %</u>	<u>13.7 %</u>	<u>9.6 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>179.0</u>	\$ <u>219.0</u>	\$ <u>280.0</u>	\$ <u>220.0</u>	\$ <u>224.5</u>
Adjusted Profits (P_t^*)	<u>434.8</u>	<u>488.6</u>	<u>656.8</u>	<u>1084.7</u>	<u>666.2</u>
R & D Capital (S_t^*)	<u>5352.0</u>	<u>5791.0</u>	<u>6258.0</u>	<u>6819.0</u>	<u>6055.0</u>
Adjusted Equity (E_t^*)	<u>8909.3</u>	<u>9589.9</u>	<u>10383.3</u>	<u>11944.1</u>	<u>9770.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.0 %</u>	<u>5.3 %</u>	<u>6.6 %</u>	<u>9.7 %</u>	<u>6.8 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>371.5</u>	\$ <u>408.5</u>	\$ <u>452.2</u>	\$ <u>496.2</u>	\$ <u>432.1</u>
Adjusted Profits (P_t^*)	<u>534.9</u>	<u>587.1</u>	<u>746.3</u>	<u>1228.3</u>	<u>774.2</u>
R & D Capital (S_t^*)	<u>2135.1</u>	<u>2384.6</u>	<u>2679.5</u>	<u>2964.2</u>	<u>2540.8</u>
Adjusted Equity (E_t^*)	<u>5692.4</u>	<u>6183.5</u>	<u>6804.8</u>	<u>8089.3</u>	<u>6360.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.6 %</u>	<u>9.9 %</u>	<u>11.5 %</u>	<u>16.5 %</u>	<u>12.2 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: STOKELY-VAN CAMP
Industry: CANNED FRUITS AND VEGETABLES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>6.6</u>	<u>7.2</u>	<u>8.2</u>	<u>9.6</u>	<u>7.9</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>105.3</u>	<u>107.7</u>	<u>111.2</u>	<u>117.2</u>	<u>108.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.3 %</u>	<u>6.8 %</u>	<u>7.5 %</u>	<u>8.4 %</u>	<u>7.3 %</u>
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<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>6.6</u>	<u>7.2</u>	<u>8.2</u>	<u>9.6</u>	<u>7.9</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>105.3</u>	<u>107.7</u>	<u>111.2</u>	<u>117.2</u>	<u>108.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.3 %</u>	<u>6.8 %</u>	<u>7.5 %</u>	<u>8.4 %</u>	<u>7.3 %</u>
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<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>6.6</u>	<u>7.2</u>	<u>8.2</u>	<u>9.6</u>	<u>7.9</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>105.3</u>	<u>107.7</u>	<u>111.2</u>	<u>117.2</u>	<u>108.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.3 %</u>	<u>6.8 %</u>	<u>7.5 %</u>	<u>8.4 %</u>	<u>7.3 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: TEXACO
Industry: PETROLEUM REFINING

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>29.5</u>	\$ <u>31.5</u>	\$ <u>33.5</u>	\$ <u>35.9</u>	\$ <u>32.6</u>
Adjusted Profits (P_t^*)	<u>914.6</u>	<u>897.6</u>	<u>1300.5</u>	<u>1598.5</u>	<u>1177.9</u>
R & D Capital (S_t^*)	<u>290.6</u>	<u>307.1</u>	<u>322.6</u>	<u>346.7</u>	<u>316.8</u>
Adjusted Equity (E_t^*)	<u>7035.6</u>	<u>7482.9</u>	<u>9349.5</u>	<u>8045.5</u>	<u>7695.5</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.5</u> %	<u>12.4</u> %	<u>16.5</u> %	<u>18.1</u> %	<u>15.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>13.6</u>	\$ <u>15.8</u>	\$ <u>18.1</u>	\$ <u>18.0</u>	\$ <u>16.4</u>
Adjusted Profits (P_t^*)	<u>911.0</u>	<u>897.2</u>	<u>1301.8</u>	<u>1595.8</u>	<u>1176.4</u>
R & D Capital (S_t^*)	<u>487.7</u>	<u>519.9</u>	<u>550.8</u>	<u>592.8</u>	<u>537.8</u>
Adjusted Equity (E_t^*)	<u>7232.7</u>	<u>7694.8</u>	<u>8543.1</u>	<u>9595.6</u>	<u>7908.4</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.0</u> %	<u>12.0</u> %	<u>16.0</u> %	<u>17.6</u> %	<u>14.9</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>35.6</u>	\$ <u>37.6</u>	\$ <u>39.6</u>	\$ <u>42.5</u>	\$ <u>38.8</u>
Adjusted Profits (P_t^*)	<u>922.4</u>	<u>908.6</u>	<u>1313.0</u>	<u>1608.5</u>	<u>1188.1</u>
R & D Capital (S_t^*)	<u>211.3</u>	<u>221.7</u>	<u>231.2</u>	<u>248.6</u>	<u>228.2</u>
Adjusted Equity (E_t^*)	<u>6956.3</u>	<u>7396.6</u>	<u>8223.5</u>	<u>9251.4</u>	<u>7610.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>13.7</u> %	<u>12.7</u> %	<u>16.8</u> %	<u>18.4</u> %	<u>15.6</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: U.S. GYPSUM

Industry: GYPSUM PRODUCTS

Base Methodology	1971	1972	1973	1974	1971-74
Adjusted R & D Charge (R_t^*)	\$ <u>2.3</u>	\$ <u>2.5</u>	\$ <u>2.6</u>	\$ <u>2.9</u>	\$ <u>2.6</u>
Adjusted Profits (P_t^*)	<u>39.6</u>	<u>50.2</u>	<u>52.3</u>	<u>32.7</u>	<u>43.7</u>
R & D Capital (S_t^*)	<u>20.9</u>	<u>23.0</u>	<u>25.3</u>	<u>28.0</u>	<u>24.3</u>
Adjusted Equity (E_t^*)	<u>450.1</u>	<u>469.3</u>	<u>491.4</u>	<u>495.9</u>	<u>470.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.9</u> %	<u>10.9</u> %	<u>10.9</u> %	<u>6.6</u> %	<u>9.3</u> %
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>1.8</u>	\$ <u>1.8</u>	\$ <u>1.7</u>	\$ <u>1.8</u>	\$ <u>1.8</u>
Adjusted Profits (P_t^*)	<u>39.7</u>	<u>50.0</u>	<u>52.0</u>	<u>32.2</u>	<u>43.5</u>
R & D Capital (S_t^*)	<u>37.3</u>	<u>40.0</u>	<u>43.3</u>	<u>47.0</u>	<u>41.9</u>
Adjusted Equity (E_t^*)	<u>466.5</u>	<u>486.3</u>	<u>509.4</u>	<u>514.9</u>	<u>487.3</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.6</u> %	<u>10.5</u> %	<u>10.4</u> %	<u>6.3</u> %	<u>8.9</u> %
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>2.6</u>	\$ <u>2.8</u>	\$ <u>3.1</u>	\$ <u>3.4</u>	\$ <u>3.0</u>
Adjusted Profits (P_t^*)	<u>40.1</u>	<u>50.6</u>	<u>52.7</u>	<u>33.1</u>	<u>44.1</u>
R & D Capital (S_t^*)	<u>15.0</u>	<u>16.6</u>	<u>18.5</u>	<u>20.6</u>	<u>17.7</u>
Adjusted Equity (E_t^*)	<u>444.2</u>	<u>462.9</u>	<u>484.6</u>	<u>488.5</u>	<u>463.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>9.1</u> %	<u>11.1</u> %	<u>11.1</u> %	<u>6.8</u> %	<u>9.5</u> %

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: U. S. STEEL
Industry: STEEL

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>154.5</u>	<u>157.0</u>	<u>325.8</u>	<u>634.9</u>	<u>318.1</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>3507.2</u>	<u>3577.5</u>	<u>3811.2</u>	<u>4454.2</u>	<u>3712.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.5 %</u>	<u>4.4 %</u>	<u>8.8 %</u>	<u>15.4 %</u>	<u>8.6 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>154.5</u>	<u>157.0</u>	<u>325.8</u>	<u>634.9</u>	<u>318.1</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>3507.2</u>	<u>3577.5</u>	<u>3811.2</u>	<u>4454.2</u>	<u>3712.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.5 %</u>	<u>4.4 %</u>	<u>8.8 %</u>	<u>15.4 %</u>	<u>8.6 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>	\$ <u>.0</u>
Adjusted Profits (P_t^*)	<u>154.5</u>	<u>157.0</u>	<u>325.8</u>	<u>634.9</u>	<u>318.1</u>
R & D Capital (S_t^*)	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>	<u>.0</u>
Adjusted Equity (E_t^*)	<u>3507.2</u>	<u>3577.5</u>	<u>3811.2</u>	<u>4454.2</u>	<u>3712.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>4.5 %</u>	<u>4.4 %</u>	<u>8.8 %</u>	<u>15.4 %</u>	<u>8.6 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: UNIROYAL INC.
Industry: TIRES AND TUBES

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>34.7</u>	\$ <u>36.2</u>	\$ <u>37.8</u>	\$ <u>39.7</u>	\$ <u>37.1</u>
Adjusted Profits (P_t^*)	<u>51.1</u>	<u>55.4</u>	<u>56.0</u>	<u>58.1</u>	<u>55.2</u>
R & D Capital (S_t^*)	<u>313.4</u>	<u>330.3</u>	<u>347.5</u>	<u>365.8</u>	<u>339.2</u>
Adjusted Equity (E_t^*)	<u>870.9</u>	<u>909.9</u>	<u>947.0</u>	<u>996.7</u>	<u>910.6</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.0 %</u>	<u>6.2 %</u>	<u>6.0 %</u>	<u>6.0 %</u>	<u>6.1 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>28.0</u>	\$ <u>27.2</u>	\$ <u>26.4</u>	\$ <u>26.3</u>	\$ <u>27.0</u>
Adjusted Profits (P_t^*)	<u>57.7</u>	<u>60.8</u>	<u>60.8</u>	<u>62.3</u>	<u>60.4</u>
R & D Capital (S_t^*)	<u>562.0</u>	<u>587.8</u>	<u>616.4</u>	<u>648.1</u>	<u>603.6</u>
Adjusted Equity (E_t^*)	<u>1119.5</u>	<u>1167.4</u>	<u>1215.9</u>	<u>1279.0</u>	<u>1169.9</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>5.3 %</u>	<u>5.3 %</u>	<u>5.1 %</u>	<u>5.0 %</u>	<u>5.2 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>38.7</u>	\$ <u>40.7</u>	\$ <u>42.8</u>	\$ <u>45.1</u>	\$ <u>41.8</u>
Adjusted Profits (P_t^*)	<u>63.2</u>	<u>67.9</u>	<u>69.4</u>	<u>72.0</u>	<u>68.1</u>
R & D Capital (S_t^*)	<u>221.8</u>	<u>234.0</u>	<u>246.2</u>	<u>259.2</u>	<u>240.3</u>
Adjusted Equity (E_t^*)	<u>779.3</u>	<u>813.6</u>	<u>845.7</u>	<u>890.1</u>	<u>814.0</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>8.3 %</u>	<u>8.5 %</u>	<u>8.4 %</u>	<u>8.3 %</u>	<u>8.4 %</u>

ADJUSTED FINANCIAL DATA FOR THE DOMINANT
FIRMS IN TWENTY-THREE INDUSTRIES: THREE METHODOLOGIES
(\$ in Millions)

Name of firm: UPJOHN CO.
Industry: ETHICAL PHARMACEUTICALS

<u>Base Methodology</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1971-74</u>
Adjusted R & D Charge (R_t^*)	\$ <u>23.0</u>	\$ <u>25.5</u>	\$ <u>28.3</u>	\$ <u>31.6</u>	\$ <u>27.1</u>
Adjusted Profits (P_t^*)	<u>51.4</u>	<u>59.4</u>	<u>83.3</u>	<u>87.9</u>	<u>70.5</u>
R & D Capital (S_t^*)	<u>236.3</u>	<u>261.1</u>	<u>289.5</u>	<u>325.6</u>	<u>278.2</u>
Adjusted Equity (E_t^*)	<u>530.9</u>	<u>578.0</u>	<u>649.8</u>	<u>730.7</u>	<u>592.7</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>10.0 %</u>	<u>10.7 %</u>	<u>13.6 %</u>	<u>12.7 %</u>	<u>11.9 %</u>
<u>Long-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>8.6</u>	\$ <u>9.7</u>	\$ <u>11.6</u>	\$ <u>13.0</u>	\$ <u>10.7</u>
Adjusted Profits (P_t^*)	<u>44.3</u>	<u>51.5</u>	<u>74.6</u>	<u>75.9</u>	<u>61.6</u>
R & D Capital (S_t^*)	<u>383.1</u>	<u>423.7</u>	<u>468.7</u>	<u>523.4</u>	<u>449.7</u>
Adjusted Equity (E_t^*)	<u>677.7</u>	<u>740.6</u>	<u>829.0</u>	<u>928.5</u>	<u>756.1</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>6.8 %</u>	<u>7.3 %</u>	<u>9.5 %</u>	<u>8.6 %</u>	<u>8.1 %</u>
<u>Short-Lived Case</u>					
Adjusted R & D Charge (R_t^*)	\$ <u>28.8</u>	\$ <u>31.8</u>	\$ <u>35.3</u>	\$ <u>39.7</u>	\$ <u>33.9</u>
Adjusted Profits (P_t^*)	<u>54.8</u>	<u>63.1</u>	<u>87.0</u>	<u>89.7</u>	<u>73.6</u>
R & D Capital (S_t^*)	<u>174.7</u>	<u>193.2</u>	<u>214.5</u>	<u>242.5</u>	<u>206.2</u>
Adjusted Equity (E_t^*)	<u>469.3</u>	<u>510.1</u>	<u>574.8</u>	<u>647.6</u>	<u>524.2</u>
Adjusted Profits as a Percentage of Average Adjusted Equity (P^*/E^*)	<u>12.1 %</u>	<u>12.9 %</u>	<u>16.0 %</u>	<u>14.7 %</u>	<u>14.0 %</u>

APPENDIX IIIBETA COEFFICIENTS

Period returns were regressed against market returns using the Capital Asset Pricing Model to determine Beta. The surrogate measure for the risk free rate was 90-day treasury bill rates; for the market return, Standard and Poor's stock averages were utilized.

The data sheets following present, in order, 90-day Treasury Bill rates, Standard and Poor's "500" stock averages, and common stock data utilized in the study for the determination of the Beta measure of risk.

90-Day Treasury Bill Rates*

1971: 1	4.44%	1973: 1	5.41%
2	3.69	2	5.60
3	3.38	3	6.09
4	3.85	4	6.26
5	4.13	5	6.36
6	4.74	6	7.19
7	5.39	7	8.01
8	4.93	8	8.67
9	4.69	9	8.29
10	4.46	10	7.22
11	4.22	11	7.83
12	4.01	12	7.45
1972: 1	3.38%	1974: 1	7.77%
2	3.20	2	7.12
3	3.73	3	7.96
4	3.71	4	8.33
5	3.69	5	8.23
6	3.91	6	7.90
7	3.98	7	7.55
8	4.02	8	8.96
9	4.66	9	8.06
10	4.74	10	7.46
11	4.78	11	7.47
12	5.07	12	7.15

* Surrogate for risk free rate of return.

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: STANDARD & POORS "500"
Industry: STOCK AVERAGE

Source of data: Standard & Poors Corp.

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
1974, 12	67.1	.3025				-.05599
11	71.7	.3067				.03324
10	69.4	.3117				.02367
9	68.1	.3092				-.09989
8	76.0	.3108				-.07837
7	82.8	.3050				-.07455
6	89.8	.3008				.00447
5	89.7	.2983				-.02705
4	92.5	.2975				-.04725
3	97.4	.2967				.04600
2	93.4	.2967				-.02501
1	96.1	.2925				.01680
1973, 12	94.8	.2925				-.06772
11	102.0	.2858				-.06844
10	109.8	.2792				.04242
9	105.6	.2758				.02000
8	103.8	.2733				-.01632
7	105.8	.2683				.01210
6	104.8	.2675				-.01989
5	107.2	.2692				-.02566
4	110.3	.2667				-.01631
3	112.4	.2650				-.01344
2	114.2	.2667				-.03322
1	118.4	.2658				-.00992
1972, 12	117.5	.2642				.02315
11	115.1	.2617				.05257
10	109.6	.2575				.00413
9	109.4	.2583				-.01209
8	111.0	.2592				.03787
7	107.2	.2592				-.00501
6	108.0	.2583				.00518
5	107.7	.2583				-.00774
4	108.8	.2567				.01260
3	107.7	.2567				.02620
2	105.2	.2558				.02087
1	103.3	.2550				.04495
1971, 12	99.1	.2558				.07064
11	92.8	.2575				-.04360
10	97.3	.2558				-.01855
9	99.4	.2558				.02527
8	97.2	.2575				-.01558
7	99.0	.2583				-.00443
6	99.7	.2575				-.01617
5	101.6	.2575				-.01109
4	103.0	.2567				.03671
3	99.6	.2575				.02840
2	97.1	.2575				.04126
1	93.5	.2583				.04060
1970, 12	90.1					

Beta Coefficient _____ T-Statistic _____
 $r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

R-Bar Squared _____

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: ALCOA
Industry: ALUMINUM

Source of data: Unit A's S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	29.87			43.50		-.06812
11	31.12	.33 $\frac{1}{2}$		46.68	.5025	-.04682
10	33.00			49.50		-.17500
9	39.87			60.00		-.01235
8	40.50	.33 $\frac{1}{2}$		60.75	.5025	-.13805
7	47.37			71.0625		-.12130
6	42.25			63.375		.04321
5	40.50	.33 $\frac{1}{2}$		60.75	.5025	-.17713
4	49.62			74.4375		.05585
3	47.00			70.50		-.02083
2	48.00	.33 $\frac{1}{2}$	split:3/2	72.00	.5025	.00176
1	72.37					-.00515
1973, 12	72.75					.07380
11	67.75	.48 $\frac{1}{2}$				-.13076
10	78.50					.06803
9	73.50					.01906
8	72.12	.48 $\frac{1}{2}$.10015
7	66.00					.13305
6	58.25					.00000
5	58.25	.48 $\frac{1}{2}$.05591
4	55.62					.08273
3	51.37					.02494
2	50.12					-.09070
1	55.12	.45				.04612
1972, 12	53.12					-.06181
11	56.62	.45				.15595
10	49.37					-.06840
9	53.00					-.03636
8	55.00	.45				.19892
7	46.25					-.04639
6	48.50					-.10393
5	54.12	.45				.01065
4	54.00					.08543
3	49.75					.01015
2	49.25					.15882
1	42.50	.45				-.01547
1971, 12	43.62					.08723
11	40.12	.45				-.07784
10	44.00					-.03297
9	45.50					-.16129
8	54.25	.45				.05192
7	52.00					-.15447
6	61.50					-.09725
5	68.12	.45				.05500
4	65.00					.04000
3	62.50					-.02344
2	64.00	.45				-.01977
1	65.75					.14847
1970, 12	57.25					

Beta Coefficient .61
*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 1.8

R-Bar Squared .044

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual

Dividend

Name of firm: AMERICAN BAKERIES CO.

Source of data: Unit A's Moody's/S & P

Industry: BAKING

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
	3.50	.05				.01429
1974, 12	3.50					-.12500
11	4.00					-.20000
10	5.00	.05				.12222
9	4.50					-.12195
8	5.12					-.12766
7	5.87	.05				-.18276
6	7.25					.45000
5	5.00					-.21569
4	6.37	.05				-.08214
3	7.00					.12000
2	6.25					.25000
1	5.00	.05				-.22308
1973, 12	6.50					.01961
11	6.37					-.13559
10	7.37	.05				.00678
9	7.37					.09259
8	6.75					.05882
7	6.37	.05				.00784
6	6.37					-.10526
5	7.12					-.16176
4	8.50	.05				-.06301
3	9.12					-.05195
2	9.62					-.03750
1	10.00	.05				-.01951
1972, 12	10.25					.01235
11	10.12					.01250
10	10.00	.05				-.09663
9	11.12					-.01111
8	11.25					-.25620
7	15.12	.05				-.02880
6	15.62					.07759
5	14.50					.05455
4	13.75	.05				.13814
3	12.12					-.11009
2	13.62					.09000
1	12.50	.05				.16744
1971, 12	10.75					-.09474
11	11.87					-.06863
10	12.75	.05				-.10957
9	14.37					-.10156
8	16.00					-.26012
7	21.62	.05				-.10155
6	24.12					.02116
5	23.62					.02162
4	23.12	.05				.18846
3	19.50					-.01887
2	19.87					.19549
1	16.62					
1970, 12						

Beta Coefficient .51

T-Statistic 1.0

R-Bar Squared -.001

*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: AMERICAN BRANDS Prices - ISL Manuals
Dividends $\frac{2}{S \& P/Moody's}$
Industry: CIGARETTES Source of data: Unit A's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
1974, 12	30.25					-.00820
11	30.50	.64				-.04552
10	32.62					.13974
9	28.62					-.04583
8	30.00	.64				-.02730
7	31.50					-.10320
6	35.12					.03690
5	33.87	.64				-.02085
4	35.25					-.05686
3	37.37					-.00333
2	37.50	.64				.03782
1	36.75					.13953
1973, 12	32.25					-.01901
11	32.87	.595				-.08614
10	36.62					-.03300
9	37.87					.11397
8	34.00	.595				-.11295
7	39.00					-.01266
6	39.50					.00637
5	39.25	.595				.02167
4	39.00					-.05167
3	41.12					.00920
2	40.75	.594				-.05499
1	43.75					.03858
1972, 12	42.12					-.06128
11	44.87	.572				.08530
10	41.87					.04037
9	40.25					-.05294
8	42.50	.572				-.02936
7	44.37					-.05585
6	47.00					-.00529
5	47.25	.572				.02843
4	46.50					.06286
3	43.75					-.01685
2	44.50					.03188
1	43.12	.572				.04351
1971, 12	41.87					.01515
11	41.25	.55				.07524
10	38.87					-.10375
9	43.37					-.00857
8	43.75	.55				.00113
7	44.25					-.02747
6	45.50					.03409
5	44.0	.55				-.07668
4	48.25					.02278
3	49.37					.05333
2	46.87	.55				.02541
1	46.25					.02493
1970, 12	45.12					

Beta Coefficient .54 T-Statistic 2.6 R-Bar Squared .111
 $r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: AMERICAN CAN
Industry: METAL CONTAINERS

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	29.00					.12077
11	25.87					.02475
10	25.25	.55				.09206
9	23.62					-.03571
8	24.50					-.03448
7	25.37	.55				-.03981
6	27.00					-.03139
5	27.87					-.00889
4	28.12	.55				.03333
3	27.75					-.03478
2	28.75					.03604
1	27.75	.55				.07810
1973, 12	26.25					.04478
11	25.12					-.12987
10	28.87	.55				-.04696
9	30.87					.05106
8	29.37					-.04472
7	30.75	.55				-.02568
6	32.12					-.01908
5	32.75					.03150
4	31.75	.55				.01732
3	31.75					.03673
2	30.62					-.03162
1	31.62	.55				.01739
1972, 12	31.62					.00000
11	31.62					.07660
10	29.37	.55				.01441
9	29.50					-.06719
8	31.62					.00797
7	31.37	.55				.03401
6	30.87					.03347
5	29.87					-.07364
4	32.25	.55				-.01723
3	33.37					.01521
2	32.87					-.05735
1	34.87	.55				.06142
1971, 12	33.37					.04297
11	32.00					-.03759
10	33.25	.55				.01654
9	33.25					-.05000
8	35.00					.02564
7	34.12	.55				-.02667
6	35.62					-.07166
5	38.37					-.04658
4	40.25	.55				-.08315
3	44.50					.06907
2	41.62					.00000
1	41.62	.55				.06101
1970, 12	39.75					

Beta Coefficient .29

T-Statistic 1.5

R-Bar Squared .026

* $r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

P_t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: AMERICAN MOTORS
Industry: AUTOMOBILES

Prices - ISL Manual
Source of data: Dividends S & P/Moody's
Unit A's 5

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN *
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	3.25					-.16129
11	3.87					-.06061
10	4.12					-.17500
9	5.00					-.06977
8	5.37	.10				-.00455
7	5.50					-.04348
6	5.75					-.08000
5	6.25					-.21875
4	8.00					-.12329
3	9.12					-.13095
2	10.50	.10				-.16263
1	12.75					.43662
1973, 12	8.87					.00000
11	8.87					-.07792
10	9.62					.08451
9	8.87					.24561
8	7.12					-.09524
7	7.87					.12500
6	7.00					-.01754
5	7.12					-.12308
4	8.12					-.08451
3	8.87					-.16393
2	7.62					-.06154
1	8.12					-.01515
1972, 12	8.25					-.10811
11	9.25					.02778
10	9.00					-.01370
9	9.12					-.02667
8	9.37					-.05063
7	9.87					.12857
6	8.75					.01449
5	8.62					.02985
4	8.37					.24074
3	6.75					-.06897
2	7.25					-.09375
1	8.00					.14286
1971, 12	7.00					.01818
11	6.87					-.03509
10	7.12					-.08065
9	7.75					.01639
8	7.62					.24490
7	6.12					.00000
6	6.12					-.03922
5	6.37					-.05556
4	6.75					-.01818
3	6.87					-.05172
2	7.25					.03571
1	7.00					.21739
1970, 12	5.75					

Beta Coefficient .73

T-Statistic 1.5

R-Bar Squared .028

*r = $\frac{P_t}{P_{t-1}} - 1$ + Dt = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: AMERICAN SMELTING & REFINING Source of data: Price - ISL Manual
Dividend ? S & P/Moody's
 Industry: COPPER

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	13.62					-.15504
11	16.12	.375				-.02222
10	16.87					-.01460
9	17.12					-.02837
8	17.62	.375				-.12727
7	20.62					.03774
6	19.87					-.04790
5	20.87					-.11170
4	23.50	.375				-.04975
3	25.12					-.01471
2	25.50	.30				.07500
1	24.00					.04918
1973, 12	22.87					.14375
11	20.00	.30				-.16289
10	24.25					.10857
9	21.87					.08696
8	20.12	.30				-.00970
7	20.62					.17857
6	17.50					-.00709
5	17.62					-.09032
4	19.37	.30				-.07953
3	21.37					.00588
2	21.25	.30				.11226
1	19.37					.04027
1972, 12	18.62					-.10241
11	20.75	.30				.13020
10	18.62					.02055
9	18.25					-.10429
8	20.37					.14789
7	17.75	.30				-.06839
6	19.37					-.07738
5	21.00	.30				-.04804
4	22.37					.13291
3	19.75					-.15054
2	23.25					.12048
1	20.75	.30				.06582
1971, 12	19.75					.16176
11	17.00					-.06207
10	18.12	.30				-.15287
9	21.75					-.04918
8	22.87	.475				-.01684
7	23.75					-.05473
6	25.12					-.02427
5	25.75	.475				-.02870
4	27.00					-.02703
3	27.75					.07246
2	25.87	.475				-.07544
1	28.50					.05556
1970, 12	27.00					

Beta Coefficient .88
 $*r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 2.7

R-Bar Squared .119

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: ANACONDA Price - ISL
Dividend ?
Industry: COPPER Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	13.50					-.12195
11	15.37	.30				-.02031
10	16.00					.10345
9	14.50					-.14706
8	17.00	.30				-.25989
7	23.37					.08721
6	21.50					.02994
5	20.87	.20				-.18942
4	26.00					-.00952
3	26.25					-.06250
2	28.00	.20				.09515
1	25.75					-.01435
1973, 12	26.12					.12366
11	23.25	.125				-.16518
10	28.00					.24444
9	22.50					.00559
8	22.37	.125				-.00552
7	22.62					.23973
6	18.25					.01389
5	18.00	.125				-.08805
4	19.87					-.08092
3	21.62					.00581
2	21.50	.125				.08805
1	19.87					.01923
1972, 12	19.50					-.04878
11	20.50	.125				.06452
10	19.37					.07639
9	18.00					-.09434
8	19.87					.16912
7	17.00					-.05556
6	18.00					-.10559
5	20.12					.01258
4	19.87					.06711
3	18.62					-.01974
2	19.00					.17829
1	16.12					.04032
1971, 12	15.50					.19231
11	13.00					.00971
10	12.87					-.14167
9	15.00					-.10448
8	16.75					-.05634
7	17.75					-.05960
6	18.87	.25				-.13068
5	22.00					.01734
4	21.62					-.04420
3	22.62	.25				.11585
2	20.50					-.05747
1	21.75					.03571
1970, 12	21.00					

Beta Coefficient 1.25
*r = $\frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

T-Statistic 3.4

R-Bar Squared .179

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: ANCHOR - HOCKING
Industry: GLASS CONTAINERS

Price - ISL Manual
Dividend
Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	14.00					-.08197
11	15.25	.27				.09876
10	14.12					.07619
9	13.12					-.01869
8	13.37	.27				.02981
7	13.25					-.10169
6	14.75	.27				-.03097
5	15.50					-.10145
4	17.25					.02222
3	16.87	.27				-.02029
2	17.50					.06870
1	16.37					.12931
1973, 12	14.50					.00000
11	14.50	.27				-.14377
10	17.25					-.08609
9	18.87					.07857
8	17.50	.27				-.06474
7	19.00					.00662
6	18.87	.27				-.18532
5	23.50					.05618
4	22.25					.13171
3	25.62	.27				-.00404
2	26.00					-.01422
1	26.37					-.09829
1972, 12	29.25					.02632
11	28.50	.25				.00437
10	28.62					-.06148
9	30.50	.25				-.07519
8	33.25					.05138
7	31.62					-.01938
6	32.25	.25				.00000
5	32.50					-.05109
4	34.25					.01792
3	34.87	.25				-.07261
2	37.87					.12639
1	33.62					.08032
1971, 12	31.12	.25				.17290
11	26.75					-.13710
10	31.00					.02905
9	30.12	.25				-.13830
8	35.25					.02920
7	34.25					-.02143
6	35.00	.25				-.02422
5	36.12					-.07372
4	39.00					.02970
3	37.87	.25				.05172
2	36.25					.00000
1	36.25					.09848
1970, 12	33.00					

Beta Coefficient .79 T-Statistic 2.8 R-Bar Squared .130
 $*r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

**COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK**

Name of firm: ANHEUSER-BUSCH Price - ISL Manual
 Industry: BEER Dividend Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	24.50			49.00		-.12889
11	28.12	.15		56.25	.30	.00982
10	28.00			56.00		.25140
9	22.37			44.75		-.22174
8	28.75	.15		57.50	.30	-.15620
7	34.25			68.50		-.05842
6	36.37			72.75		.07778
5	33.75	.15		67.50	.30	-.01022
4	34.25			68.50		.04981
3	32.62			65.25		.02756
2	31.75	.15		63.50	.30	.00472
1	31.75			63.50		-.04869
1973, 12	33.37			66.75		-.09492
11	36.87	.15		73.75	.30	-.06266
10	39.50			79.00		.00637
9	39.25			78.50		-.10795
8	44.00	.15		88.00	.30	.06386
7	41.50			83.00		-.01190
6	42.00			84.00		-.10160
5	46.75	.15		93.50	.30	.01405
4	46.25			92.50		-.10412
3	51.62			103.25		-.03505
2	53.50	.15		107.00	.30	-.00878
1	54.12			108.25		-.02915
1972, 12	55.75			111.50		-.05708
11	59.12	.16		118.25	.32	-.00570
10	59.62			119.25		-.07198
9	64.25			128.50		.00587
8	63.87	.14		127.75	.28	.02016
7	62.75			125.50		-.03276
6	64.87			129.75		-.03172
5	67.00	.14		134.00	.28	.03691
4	64.75			129.50		-.01708
3	65.87			131.75		.00573
2	65.50	.14		131.00	.28	.15665
1	56.75			113.50		.00442
1971, 12	56.50			113.00		.11605
11	50.62	.14		101.25	.28	.00277
10	50.62			101.25		-.10398
9	56.50			113.00		.11605
8	50.62	.14		101.25	.28	.00277
7	50.62			101.25		-.00735
6	51.00			102.00		.07087
5	47.62	.125		95.25	.25	-.02551
4	49.00		SPLIT:2/1	98.00		.16148
3	84.37					.00446
2	84.00	.25				.01659
1	82.87					.07805
1970, 12	76.87					

Beta Coefficient 1.26

T-Statistic 4.8

R-Bar Squared .323

*r = $\frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: BELL & HOWELL CO. Price - Moody's
 Industry: PHOTOGRAPHIC EQUIPMENT Unit A's } Source of data: Dividend } Moody's/S & P

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	10.00					-.06977
11	10.75	.21				-.07705
10	11.87					.14458
9	10.37					-.14433
8	12.12	.21				-.14191
7	14.37					-.08000
6	15.62					-.13194
5	18.00	.21				-.10074
4	20.25					.01250
3	20.00					-.07514
2	21.62	.21				-.05578
1	23.12					.08824
1973, 12	21.25					-.11458
11	24.00	.21				-.24344
10	32.00					-.09859
9	35.50					.15447
8	30.75	.21				.02772
7	30.12					.24227
6	24.25					-.08057
5	26.37	.162				-.12993
4	30.50					-.17007
3	36.75					-.03289
2	38.00	.162				-.05188
1	40.25					-.28444
1972, 12	56.25					.01351
11	55.50	.174				-.03595
10	57.75					-.02737
9	59.37					-.10208
8	66.12	.15				.05198
7	63.00					-.06145
6	67.12					-.00186
5	67.25	.15				-.00882
4	68.00					.12629
3	60.37					-.03785
2	62.75	.15				.05052
1	59.87					.04357
1971, 12	57.37					.13614
11	50.50	.15				.12869
10	44.87					.00279
9	44.75					-.06283
8	47.75	.15				.04699
7	45.75					-.06633
6	49.00					.01031
5	48.50	.15				.12161
4	43.37					.00289
3	43.25					.05167
2	41.12	.15				.16268
1	35.50					.08812
1970, 12	32.62					

Beta Coefficient 1.20
 $r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

T-Statistic 3.2

R-Bar Squared .168

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: BETHLEHEM STEEL Price - ISL Manual
Dividend 3
Source of data: Unit A's S & P/Moody's
Industry: STEEL

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	24.87					-.06132
11	26.50	.50				-.04425
10	28.25					.08654
9	26.00					-.04147
8	27.12	.50				-.07917
7	30.00					.00000
6	30.00					.06195
5	28.25	.40				-.09764
4	31.75					.00395
3	31.62					-.08000
2	34.37	.90				.05299
1	33.50					.01515
1973, 12	33.00					.16814
11	28.25	.40				-.13509
10	33.12					.02713
9	32.25					.24038
8	26.00	.35				-.04615
7	27.62					.02315
6	27.00					-.07296
5	29.12	.35				-.00085
4	29.50					.00426
3	29.37					.03524
2	28.37	.55				.06147
1	27.25					-.07234
1972, 12	29.37					-.07115
11	31.62					.22816
10	25.75	.30				-.07788
9	28.25					-.05833
8	30.00	.30				.07733
7	28.12					.01810
6	27.62					-.11245
5	31.12	.30				.00159
4	31.37					-.07721
3	34.00					.03422
2	32.87	.30				.02868
1	32.25					.11207
1971, 12	29.00					.13171
11	25.62	.30				.04747
10	24.75					-.02463
9	25.37					-.05140
8	26.75	.30				.22955
7	22.00					-.05376
6	23.25					.03333
5	22.50	.30				-.04503
4	23.87					.10405
3	21.62					.00581
2	21.50	.30				.00809
1	21.62					-.05464
1970, 12	22.87					

Beta Coefficient .59T-Statistic 1.8R-Bar Squared .048

$$r = \frac{P_t}{P_{t-1}} + D_t = \text{Rate of return in period } t$$

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: BROWN GROUP INC.
Industry: SHOES

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	14.00	.40				-.09291
11	15.87					-.05224
10	16.75					-.03876
9	16.12	.40				.00602
8	16.62					-.13636
7	19.25					-.03750
6	20.00	.40				-.02857
5	21.00					-.10160
4	23.37					-.02604
3	24.00	.40				-.05243
2	25.75					.03518
1	24.87					.17059
1973, 12	21.25	.40				-.02697
11	22.25					-.12745
10	25.50					-.02857
9	26.25	.40				.12211
8	23.75					-.03061
7	24.50					.03158
6	23.75	.375				-.03980
5	25.12					-.07798
4	27.25					-.02679
3	28.00	.375				-.00873
2	28.62					-.12595
1	32.75					.02344
1972, 12	32.00	.375				-.06835
11	34.75					.00725
10	34.50					.05747
9	32.62	.375				-.01538
8	32.50					-.01141
7	32.87					-.01866
6	33.50	.375				.00743
5	33.62					.05906
4	31.75					-.18590
3	39.00	.375				-.01562
2	40.00					.05263
1	38.00					-.01299
1971, 12	38.50	.375				.20543
11	32.25					-.07857
10	35.00					-.11950
9	39.75	.375				-.00926
8	40.50					.04516
7	38.75					-.00958
6	39.12	.375				.01282
5	39.00					-.02500
4	40.00					-.01840
3	40.75	.375				.04777
2	39.25					.03289
1	38.00					.12593
1970, 12	33.75					

Beta Coefficient .83

T-Statistic 3.2

R-Bar Squared .167

* $r = \frac{P_t}{P_{t-1}} - 1 + \frac{D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: BURROUGHS CORP. Price - Moody
 Industry: ELECTRONIC COMPUTING EQUIPMENT Unit A's 2 Moody/S & P
 Source of data: Dividend 5

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	75.50	.125		149.00	.25	-.08994
11	82.00			164.00		-.04234
10	85.62			171.25		.27799
9	67.00	.125		134.00	.25	-.18015
8	81.87			163.75		-.09028
7	90.00			180.00		-.09661
6	99.62	.125		199.25	.25	-.02445
5	102.25			204.50		.03023
4	99.25		split:2/1	198.50		-.02934
3	204.50	.25				.02375
2	200.00					.02302
1	195.50					-.06179
1973, 12	208.37	.20				-.05301
11	220.25					-.10102
10	245.00					.04034
9	235.50	.20				.02814
8	229.25					-.01025
7	231.62					.02094
6	226.87	.20				.02575
5	221.37					.02488
4	216.00					-.08475
3	236.00	.16				.04496
2	226.00					.00444
1	225.00					.03567
1972, 12	217.25	.16				.01121
11	215.00					-.03153
10	222.00					.00226
9	221.50	.16				.05177
8	210.75					.04138
7	202.37					.10286
6	183.50	.16				-.00185
5	184.00					.08235
4	170.00					.03738
3	163.87	.15				-.02221
2	167.75					.08664
1	154.37					.01064
1971, 12	152.75	.15				.12426
11	136.00					.01493
10	134.00					-.00372
9	134.50	.15				.00298
8	134.25					.14744
7	117.00					-.08949
6	128.50	.15				-.01038
5	130.00					-.04059
4	135.50					.13389
3	119.50	.15				.11044
2	107.75					-.06609
1	115.37					.05606
1970, 12	109.25	.15				

Beta Coefficient 1.08
 $r = \frac{P_t}{P_{t-1}} - 1 + D_t$ = Rate of return in period t

T-Statistic 4.3

R-Bar Squared .275

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: CELANESE Source of data: Unit A's S&P/Moody's

Industry: RAYON

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	25.62					-.01442
11	26.00	.70				-.05067
10	28.12					-.02174
9	28.75					-.02679
8	28.00	.70				-.08526
7	31.37					-.02869
6	30.50					-.00813
5	30.75	.50				-.01186
4	31.62					.02016
3	31.00					.04202
2	29.75	.50				-.03200
1	31.25					-.10132
1973, 12	28.37					-.00439
11	28.50	.50				-.21356
10	36.87					-.01007
9	37.25					-.21633
8	30.62	.50				-.07778
7	33.75					-.05058
6	32.12					-.05761
5	30.37	.50				-.07836
4	33.50					-.01471
3	34.00					.04615
2	32.50	.50				-.02222
1	33.75					-.16667
1972, 12	40.50					-.04854
11	38.62	.50				-.10993
10	35.25					-.15060
9	41.50					-.09041
8	45.62	.50				-.10479
7	41.75					-.05915
6	44.37					-.25263
5	59.37	.50				-.04200
4	62.50					.04603
3	59.75					-.04400
2	62.50	.50				-.07692
1	68.25					-.04545
1971, 12	71.50					-.03811
11	68.87	.50				-.08717
10	76.00					-.03185
9	78.50					-.03120
8	76.12	.50				-.06794
7	71.75					-.03041
6	74.00					-.00504
5	74.37	.50				-.03074
4	77.25					.10160
3	70.12					.06654
2	65.75	.50				-.01487
1	67.25					-.07171
1970, 12	62.75					

Beta Coefficient .59T-Statistic 1.9R-Bar Squared .054

* $r = \frac{P_t}{P_{t-1}} + \frac{D_t}{P_{t-1}}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: CHRYSLER
Industry: AUTOMOBILES

Prices - ISL Manual
Source of data: Dividends S & P/Moody's
Units A's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
1974, 12	7.25					-.07937
11	7.87	.35				-.18765
10	10.12					-.19000
9	12.50					.04167
8	12.00	.35				-.15556
7	14.62					-.05645
6	15.50					-.04615
5	16.25	.35				-.00896
4	16.75					-.04965
3	17.62					-.02083
2	18.00	.35				.07941
1	17.00					.08800
1973, 12	15.62					.03101
11	16.12	.35				-.28370
10	23.00					-.18222
9	28.12					.15979
8	24.25	.35				-.05385
7	26.00					.07772
6	24.12					-.11468
5	27.25	.35				-.14086
4	32.12					-.05166
3	33.87					-.02518
2	34.75	.25				-.09385
1	38.62					-.05793
1972, 12	41.00					.04459
11	39.25					.21538
10	32.50	.25				.06996
9	30.37					-.03187
8	31.37	.25				.00000
7	31.62					.02429
6	30.87					-.02372
5	31.62	.25				-.07609
4	34.50					.02222
3	33.75					.01504
2	33.25	.15				.05613
1	31.62					.10480
1971, 12	28.62					.03153
11	27.75	.15				-.03793
10	29.00					.01310
9	28.62					-.04979
8	30.12	.15				.15333
7	26.25					-.04545
6	27.50					-.04762
5	28.87	.15				-.06371
4	31.00					.16981
3	26.50					.00000
2	26.50	.15				-.00837
1	26.87					-.04018
1970, 12	28.00					

Beta Coefficient .82
 $r = \frac{P_t}{P_{t-1}} - 1 + D_t$ = Rate of return in period t

T-Statistic 2.3

R-Bar Squared .087

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: COLGATE-PALMOLIVE CO.
Industry: SOAP

Price - ISL Manual
Dividend 3
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN *
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	24.12			72.375		-.02525
11	24.75			74.25		-.01000
10	25.00	.17		75.00	.5100	.40811
9	17.87			53.62		-.07742
8	19.37			58.12		-.17845
7	23.62	.1481		70.75	.4443	-.13310
6	27.37			82.12		.04785
5	26.12			78.37		.00966
4	25.87	.1481		77.62	.4443	.04092
3	25.00			75.00		.02564
2	24.37			73.12		-.03465
1	25.25	.1345		75.75	.4035	.02048
1973, 12	24.87			74.62		-.08295
11	27.12			81.37		-.11429
10	30.62	.1345		91.87	.4035	-.05355
9	32.50			97.50		-.01141
8	32.87			98.62		-.05396
7	34.75	.1345		104.25	.4035	.24587
6	28.00			84.00		-.02183
5	28.62		split:3/1	85.87		-.09843
4	95.25	.3785				-.00257
3	95.87					.02267
2	93.75					.00806
1	93.00	.3785				-.00793
1972, 12	94.12					.07571
11	87.50					.02941
10	85.00	.364				.03944
9	82.12					-.02522
8	84.25					-.02035
7	86.00	.364				.16511
6	74.12					.10223
5	67.25					.07171
4	62.75	.364				-.03274
3	65.25					.00967
2	64.62					.06379
1	60.75	.364				.04246
1971, 12	58.62					.16089
11	50.50					-.04265
10	52.75	.35				.05672
9	50.25					.03876
8	48.37					.03200
7	46.87	.35				.01833
6	46.37					.06304
5	43.62					-.09115
4	48.00	.35				.02058
3	47.37					-.01044
2	47.87					.02681
1	46.62	.35				-.01623
1970, 12	47.75					

Beta Coefficient 1.16
*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 3.7

R-Bar Squared .209

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: CONTINENTAL CAN Source of data: Price - ISL Manual
Dividend
Unit A's S&P/Moody's
 Industry: METAL CONTAINERS

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	26.00					.10053
11	23.62	.45				.04674
10	23.00					.07602
9	21.37					-.03390
8	22.12	.40				-.00442
7	22.62					-.01630
6	23.00					-.06599
5	24.62	.40				.00100
4	25.00					-.02913
3	25.75					.03000
2	25.00	.40				.06387
1	23.87					.16463
1973, 12	20.50					-.05747
11	21.75	.40				-.17581
10	26.87					.00000
9	26.87					.08586
8	24.75	.40				-.03732
7	26.12					-.00948
6	26.37					-.02315
5	27.00	.40				-.02578
4	28.12					.05634
3	26.62					-.00467
2	26.75	.40				-.04737
1	28.50					-.06173
1972, 12	30.37					-.03187
11	31.37	.40				.07712
10	29.50					-.08527
9	32.25					-.01149
8	32.62	.40				.09627
7	30.12					.03433
6	29.12					.03097
5	28.25	.40				-.12184
4	32.62					.06967
3	30.50					-.07925
2	33.12	.40				.11750
1	30.00					-.06615
1971, 12	32.12					.07531
11	29.87	.40				.00917
10	30.00					-.11439
9	33.87					-.09060
8	37.25	.40				.07571
7	35.00					-.04762
6	36.75					-.07837
5	39.87	.40				-.04107
4	42.00					-.02609
3	43.12					.06481
2	40.50	.40				-.01446
1	41.50					.06752
1970, 12	38.87					

Beta Coefficient .52 T-Statistic 2.0 R-Bar Squared .064
 $r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: CONTROL DATA CORP. Price - Moody
Unit A's 2 Moody/S & P
Source of data: Dividends
Industry: ELECTRONIC COMPUTING EQUIPMENT

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	10.62					-.14141
11	12.37					-.10000
10	13.75					.03774
9	13.25					-.27891
8	18.37					-.09259
7	20.25					-.15625
6	24.00					-.12727
5	27.50					-.09465
4	30.37					-.06897
3	32.62					-.12709
2	37.37					-.07942
1	34.62					.02974
1973, 12	33.62					-.03237
11	34.75					-.20115
10	43.50					-.01136
9	44.00					.29889
8	33.87					-.09060
7	37.25					.06810
6	34.87					-.03125
5	36.00					-.17714
4	43.75					-.04891
3	46.00					-.00809
2	46.37					-.15682
1	55.00					-.08903
1972, 12	60.37					-.01829
11	61.50					-.07865
10	66.75					-.08247
9	72.75					-.02838
8	74.87					.06206
7	70.50					-.03425
6	73.00					.02277
5	71.37					.10659
4	64.50					.08861
3	59.25					.00420
2	59.50					.09931
1	54.12					.18630
1971, 12	45.62					.20861
11	37.75					-.06790
10	40.50					-.13369
9	46.75					-.19914
8	58.37					.15594
7	50.50					-.17213
6	61.00					-.10623
5	68.25					-.12640
4	78.12					.22549
3	63.75					.10870
2	57.50					-.02335
1	58.87					.15725
1970, 12	50.87					

Beta Coefficient 1.76
 $r = \frac{P_t - P_{t-1}}{P_{t-1}} + D_t$ = Rate of return in period t

T-Statistic 4.4

R-Sear Squared .284

**COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK**

Price - ISL Manual
Dividend

Name of firm: DEL MONTE CORPORATION
Industry: CANNED FRUITS & VEGETABLES

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	20.75					.03750
11	20.00					-.03614
10	20.75	.3250				.25821
9	16.75					-.02899
8	17.25					-.01429
7	17.50	.30				-.03784
6	18.50					-.06918
5	19.87					-.04217
4	20.75	.30				-.10899
3	23.62					.08000
2	21.87					.04167
1	21.00	.30				.14362
1973, 12	18.62					.06429
11	17.50					-.15152
10	20.62	.30				-.00357
9	21.00					.20863
8	17.37					-.08553
7	19.00	.2750				.14222
6	16.87					-.07534
5	18.25					-.02667
4	18.75	.2750				-.01806
3	19.37					-.04908
2	20.37					.00000
1	20.37	.2750				-.11658
1972, 12	23.37					.03315
11	22.62					.08383
10	20.87	.2750				-.02759
9	21.75					.05455
8	20.62					.00000
7	20.62	.2750				.04500
6	20.00					-.01235
5	20.25					-.14286
4	23.62	.2750				-.03434
3	24.75					-.04808
2	26.00					.01961
1	25.50	.2750				-.02736
1971, 12	26.50					.09278
11	24.25					.00518
10	24.12	.2750				.03280
9	23.62					.04420
8	22.62					-.10837
7	25.37	.2750				.00588
6	25.50					-.03318
5	26.37					-.02315
4	27.00	.2750				-.00365
3	27.37					-.03947
2	28.50					.05069
1	27.12	.2750				.06408
1970, 12	25.75					

Beta Coefficient .67

T-Statistic 2.3

R-Bar Squared .083

*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

DIGITAL EQUIPMENT CORPORATION
 Name of firm: CORPORATION
 Industry: ELECTRONIC COMPUTING EQUIPMENT
 Price - Moody Unit A's 3
 Source of data: Dividend } Moody/S & P

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	50.75					-.14526
11	59.37					.02371
10	58.00					-.11954
9	65.87					-.21577
8	84.00					-.04681
7	88.12					-.13177
6	101.50					-.09778
5	112.50					.00223
4	112.25					.06272
3	105.62					-.08846
2	115.87					.12774
1	102.75					.00859
1973, 12	101.87					.20384
11	84.62					-.24442
10	112.00					.13706
9	98.50					.10519
8	89.12					-.04295
7	93.12					.11862
6	83.25					-.01040
5	84.12					.06825
4	78.75					-.02022
3	80.37					-.11918
2	91.25					-.06530
1	97.62					.06403
1972, 12	91.75					.03380
11	88.75					.10592
10	80.25					-.15858
9	95.37					.01194
8	94.25					.16000
7	81.25					.03503
6	78.50					-.14090
5	91.37					.07500
4	85.00					-.06336
3	90.75					-.03968
2	94.50					.07082
1	88.25					.14610
1971, 12	77.00					.17110
11	65.75					-.00190
10	65.87					-.12748
9	75.50					.01342
8	74.50					.10575
7	67.37					-.13065
6	77.50					-.03577
5	80.37					.03877
4	77.37					.22332
3	63.25					-.05597
2	67.00					.08722
1	61.62					.07642
1970, 12	57.25					

Beta Coefficient 1.31 T-Statistic 3.5 R-Bar Squared .194
 *r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: DISTILLERS CORP. - SEAGRAMS
Industry: LIQUOR

Price - ISL Manual
Dividend ?
Source of data: Unit A's S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	32.12			64.25		-.02652
11	33.00	.20		66.00	.40	-.00150
10	33.25			66.50		.18750
9	28.00			56.00		.00267
8	28.12	.20		56.25	.40	-.17582
7	34.12			68.25		-.09603
6	37.75			75.50		-.02581
5	38.75	.20		77.50	.40	-.03529
4	40.37			80.75		-.09270
3	44.50			89.00		-.02198
2	45.50	.20		91.00	.40	.06279
1	43.00			86.00		.02077
1973, 12	42.12			84.25		.01201
11	41.62	.20		83.25	.40	-.12408
10	47.75			95.50		.07910
9	44.25			88.50		.07273
8	41.25	.175		82.50	.35	-.00778
7	41.75			83.50		.08442
6	38.50			77.00		.01987
5	37.75	.175		75.50	.35	-.06933
4	40.75			81.50		-.05780
3	43.25			86.50		-.07979
2	47.00	.175		94.00	.35	.05419
1	44.75			89.50		-.05789
1972, 12	47.50			95.00		.09195
11	43.50	.175		87.00	.35	.11987
10	39.00			78.00		.00322
9	38.87			77.25		-.02812
8	40.00	.175		80.00	.35	.03013
7	39.00			78.00		-.00952
6	39.37			78.75		.05000
5	37.50	.175		75.00	.35	.00803
4	37.37			74.75		.07942
3	34.62			69.25		-.04811
2	36.37	.175		72.75	.35	.06715
1	34.25			68.50		.00735
1971, 12	34.00		split:2/1	68.00		.26512
11	53.75	.35				-.03177
10	55.87					-.05497
9	59.12					.00853
8	58.50	.30				.07872
7	54.62					.05048
6	52.00					-.04147
5	54.25	.30				-.00818
4	55.00					-.00901
3	55.50					.00452
2	55.25	.30				.02870
1	54.00					.02128
1970, 12	52.87					

Beta Coefficient 1.14
*r = $\frac{P_t}{P_{t-1}} + D_t$ = Rate of return in period t

T-Statistic 4.9

R-Bar Squared .328

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: EASTMAN KODAK CO.
Industry: PHOTOGRAPHIC EQUIPMENT

Price - Moody
Unit A's 2 Moody/S & P
Source of data: Dividend 3

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN *
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	62.87					-.02708
11	64.62	.89				-.12355
10	74.75					.13688
9	65.75					-.17941
8	80.12	.39				-.09787
7	89.25					-.14079
6	103.87					-.01889
5	105.87	.39				.04181
4	102.00					-.03887
3	106.12					.02785
2	103.25	.32				-.05090
1	109.12					-.05927
1973, 12	116.00					.01532
11	114.25	.82				-.12160
10	131.00					.00576
9	130.25					-.04228
8	136.00	.43				-.01849
7	139.00					.01832
6	136.50					.02632
5	133.00	.27				-.00172
4	133.50					-.05319
3	141.00					.01622
2	138.75	.27				-.01317
1	140.87					-.05055
1972, 12	148.37					.07130
11	138.50	.61				-.00190
10	139.37					.01548
9	137.25					.07018
8	128.25	.26				-.06623
7	137.62					.03770
6	132.62					.06526
5	124.50	.26				.04293
4	119.62					.01700
3	117.62					.07298
2	109.62	.26				.08797
1	101.00					.03856
1971, 12	97.25					.09423
11	88.87	.59				.05408
10	84.87					-.02302
9	86.87					.06923
8	81.25	.25				.07947
7	75.50					-.02738
6	77.62					-.03870
5	80.75	.25				.00155
4	80.87					.02698
3	78.75					.06061
2	74.25	.25				-.00667
1	75.00					-.00826
1970, 12	75.62					

Beta Coefficient .89
*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 4.2

R-Bar Squared .264

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: EXXON CORP.
Industry: PETROLEUM REFINING

Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	64.62					.02988
11	62.75	1.55				-.06131
10	68.50					.14644
9	59.75					-.09641
8	66.12	1.25				-.10167
7	75.00					.06952
6	70.12					-.03276
5	72.50	1.10				-.04725
4	77.25					-.05069
3	81.37					-.02691
2	83.62	1.10				-.02052
1	86.50					-.08101
1973, 12	94.12					.04875
11	89.75	1.25				-.03704
10	94.50					.01750
9	92.87					.04501
8	88.87	1.10				-.06031
7	95.75					-.02792
6	98.50					.04927
5	93.87	.95				-.01481
4	96.25					.01987
3	94.37					.05594
2	89.37	.95				-.04670
1	94.75					.08286
1972, 12	87.50					.00287
11	87.25	.95				.05629
10	83.50					.02928
9	81.12					.00000
8	81.12	.95				.08171
7	75.87					.02361
6	74.12					-.01331
5	75.12	.95				.09068
4	69.75					-.00712
3	70.25					.06954
2	75.50	.95				.01595
1	75.25					.02034
1971, 12	73.75					.07078
11	68.87	1.05				-.00107
10	70.00					-.02778
9	72.00					.01587
8	70.87	.95				-.06111
7	76.50					.01493
6	75.37					-.00659
5	75.87	.90				-.03579
4	79.62					-.00157
3	79.75					.06156
2	75.12	.90				.07646
1	70.62					-.03748
1970, 12	73.37					

Beta Coefficient .52 T-Statistic 2.7 R-Bar Squared .119
 *r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: FALSTAFF BREWING CO. Source of data: Price - ISL Manual
Dividend
Unit A's S&P/Moody's
Industry: BEER

<u>MONTHS</u>	<u>REPORTED DATA</u>			<u>ADJUSTED DATA</u>		<u>RATE OF RETURN*</u>
	<u>ENDING MARKET PRICE</u>	<u>DIV. PAID</u>	<u>CHANGES IN UNIT OF ACCOUNT</u>	<u>ENDING MARKET PRICE</u>	<u>DIV. PAID</u>	
1974, 12	1.25					-.33333
11	1.87					-.11765
10	2.12					.00000
9	2.12					.00000
8	2.12					-.15000
7	2.50					-.04762
6	2.62					.00000
5	2.62					-.04545
4	2.75					-.04348
3	2.87					.00000
2	2.87					-.04167
1	3.00					.41176
1973, 12	2.12					-.26087
11	2.87					-.11538
10	3.25					.00000
9	3.25					.00000
8	3.25					-.07143
7	3.50					-.03448
6	3.62					-.06452
5	3.87					-.08824
4	4.25					-.08108
3	4.62					-.05128
2	4.87					-.07143
1	5.25					.02439
1972, 12	5.12					-.10870
11	5.75					.00000
10	5.75					-.14815
9	6.75					-.05263
8	7.12					-.03390
7	7.37					-.15714
6	8.75					-.09091
5	9.62					-.01282
4	9.75					.02632
3	9.50					.15152
2	8.25					.08197
1	7.62	.10				-.09118
1971, 12	8.50					.44681
11	5.87					.02174
10	5.75					.00000
9	5.75					-.06122
8	6.12					-.02000
7	6.25					-.10714
6	7.00					.01818
5	6.87					-.12698
4	7.87					-.05970
3	8.37					.04687
2	8.00					.12281
1	7.12					.26667
1970, 12	5.62					

Beta Coefficient 1.49 T-Statistic 3.2 R-Bar Squared .168
 $*r = \frac{P_t}{P_{t-1}} + \frac{D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: FIRESTONE
Industry: TIRES & TUBES

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			CHANGES IN UNIT OF ACCOUNT	ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID			ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	13.37	.275			26.75	.550	.01111
11	13.50				27.00		-.01818
10	13.75				27.50		-.03509
9	14.25	.275			28.50	.550	.05636
8	13.75				27.50		-.08333
7	15.00				30.00		-.11765
6	17.00	.25			34.00	.50	-.06757
5	18.50				37.00		.12977
4	16.37	.25			32.75	.50	.00758
3	16.50				33.00		.01538
2	16.25				32.50		-.02256
1	16.62				33.25		.22018
1973, 12	13.62	.25			27.25	.50	-.08264
11	15.12				30.25		-.29651
10	21.50	.25			43.00	.50	.01163
9	21.50				43.00		.03614
8	20.75				41.50		-.03488
7	21.50				43.00		.14667
6	18.75	.216			37.50	.432	-.00831
5	19.12				38.25		-.10526
4	21.37				42.75		-.02841
3	22.00	.216			44.00	.432	-.03409
2	23.00				46.00		-.10244
1	25.62				51.25		.00985
1972, 12	25.37	.216			50.75	.432	.03398
11	24.75				49.50		.08197
10	22.87				45.75		.00549
9	22.75	.208			45.50	.416	.02036
8	22.50				45.00		.03448
7	21.75				43.50		-.01695
6	22.12	.208			44.25	.416	-.06459
5	23.87				47.75		-.05446
4	25.25				50.50		-.00980
3	25.50	.208			51.00	.416	.00816
2	25.50				51.00		.01493
1	25.12				50.25		-.06512
1971, 12	26.87	.208			53.75	.416	.11110
11	24.37		SPLIT:2/1		48.75		-.01763
10	49.62						-.07889
9	53.87	.40					.00742
8	53.87						.05379
7	51.12						-.01208
6	51.75	.40					.01509
5	51.37						-.05950
4	54.62						.11765
3	48.87	.40					.00305
2	49.12						.01550
1	48.37						.02111
1970, 12	47.37						

Beta Coefficient .82 T-Statistic 2.9 R-Bar Squared .140
 $*r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: FORD
Industry: AUTOMOBILES

Prices - ISL Manual
Source of data: Dividends S & P/Moody's
Unit A's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	33.37					.08097
11	30.87					.04264
10	32.25	.80				.10068
9	36.75					.01672
8	37.37					.16713
7	44.87	.80				.06786
6	49.00					.05314
5	51.75					.04810
4	49.37	.80				.02137
3	49.12					.04800
2	46.87					.03022
1	45.50	.80				.14321
1973, 12	40.50					.04142
11	42.25					.19332
10	52.37	.80				.11190
9	59.87					.08371
8	55.25					.01778
7	56.25	1.00				.04805
6	54.62					.04585
5	57.25					.06721
4	61.37	.70				.02051
3	63.37					.03977
2	66.00					.11111
1	74.25	.70				.05871
1972, 12	79.62					.05638
11	75.37					.13774
10	66.25	.675				.00450
9	66.62					.01113
8	67.37					.04255
7	64.62	.675				.02231
6	63.87					.04307
5	66.75					.06806
4	71.62	.675				.02297
3	74.00					.06667
2	69.37					.06250
1	74.00	.65				.06263
1971, 12	70.25					.07048
11	65.62					.03315
10	67.87	.65				.01403
9	69.50					.00180
8	69.37					.10119
7	63.00	.65				.01840
6	62.50					.02041
5	61.25					.06844
4	65.75	.60				.10124
3	60.25					.04329
2	57.75					.02667
1	56.25	.60				.01067
1970, 12	56.25					

Beta Coefficient .78
* $r = \frac{P_t}{P_{t-1}} + \frac{D_t}{P_t}$ = Rate of return in period t

T-Statistic 3.1

R-Bar Squared .158

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: GENERAL MILLS Price - ISL Manual
Dividend
Source of data: Unit A's S&P/Moody's
Industry: FLOUR

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	40.50					.01567
11	39.87					-.07267
10	43.00	.30				.36378
9	31.75					-.06960
8	34.12					-.17771
7	41.50	.27				-.16876
6	50.25					.01005
5	49.75					-.06353
4	53.12	.27				.01223
3	52.75					-.09829
2	58.50					.00645
1	58.12	.27				.06173
1973, 12	55.00					-.03084
11	56.75					-.10630
10	63.50	.27				-.00554
9	64.12					.11522
8	57.50					-.03564
7	59.62	.25				.09361
6	54.75					-.09877
5	60.75					.02966
4	59.00	.25				-.01250
3	60.00					.04121
2	57.62					-.09252
1	63.50	.25				-.00971
1972, 12	64.37					.09808
11	58.62					.02402
10	57.25	.25				.15288
9	49.87					-.10538
8	55.75					.00905
7	55.25	.25				.09630
6	50.62					.01504
5	49.87					.05556
4	47.25	.24				-.00021
3	47.50					.04396
2	45.50					.05814
1	43.00	.24				.04193
1971, 12	41.50					.16901
11	35.50					-.01730
10	36.12	.24				.01720
9	35.75					-.01379
8	36.25					.02113
7	35.50	.24				-.02416
6	36.62					.10566
5	33.12					-.03986
4	34.50	.24				.00696
3	34.50					.01845
2	33.87					.04231
1	32.50	.22				-.00092
1970, 12	32.75					

Beta Coefficient 1.09
*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 3.6

R-Bar Squared .204

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: GENERAL MOTORS Market Price - ISL Manual
 Dividend
 Source of data: Unit A's S&P/Moody's
 Industry: AUTOMOBILES

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	30.75					.00820
11	30.50	.85				-.06766
10	33.62					-.06920
9	36.12					-.04305
8	37.75	.85				-.06988
7	41.50					-.14653
6	48.62					-.02750
5	50.00	.85				.05662
4	48.12					-.03266
3	49.75					-.01485
2	50.50	.85				-.00773
1	51.75					.12195
1973, 12	46.12					-.05385
11	48.75	2.35				-.18076
10	62.37					-.06903
9	67.00					-.04078
8	64.37	.85				-.03549
7	67.62					.01692
6	66.50					-.00746
5	67.00	1.20				-.04448
4	71.37					-.01211
3	72.25					-.01701
2	73.50	.85				-.03754
1	77.25					-.04777
1972, 12	81.12					.00000
11	81.12	1.65				.10736
10	74.75					-.04928
9	78.62					-.00159
8	78.75	.85				.06846
7	74.50					-.00501
6	74.87					-.01318
5	75.87	2.10				-.02986
4	80.37					-.04599
3	84.25					.06477
2	79.12	.85				-.01265
1	81.00					.00621
1971, 12	80.50					.03205
11	78.00	.85				.01252
10	77.87					-.05891
9	82.75					-.00301
8	83.00	.85				.09251
7	76.75					-.03002
6	79.12					-.04525
5	82.87	.85				-.05795
4	88.87					.08384
3	82.00					.02340
2	80.12	.85				-.01400
1	82.12					.02019
1970, 12	80.50					

Beta Coefficient .67
 $r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

T-Statistic 3.4

R-Bar Squared .185

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: GENERAL PORTLAND CEMENT
Industry: CEMENT

Price - ISL Manual
Dividend
Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	4.62					-.11905
11	5.25	.20				-.05217
10	5.75					.00000
9	5.75					.09524
8	5.25	.20				-.31875
7	8.00					-.13514
6	9.25					-.09756
5	10.25	.20				-.07111
4	11.25					-.04255
3	11.75					.02174
2	11.50	.20				-.01474
1	11.87					-.08654
1973, 12	13.00					.19540
11	10.87	.20				-.17963
10	13.50					.09091
9	12.37					.17857
8	10.50	.20				-.09895
7	11.87					.09195
6	10.87					-.09375
5	12.00	.20				.01667
4	12.00					-.12727
3	13.75					-.03509
2	14.25	.20				-.14370
1	16.87					-.18675
1972, 12	20.75					-.02353
11	21.25	.20				.02754
10	20.87					-.07222
9	22.50					-.01639
8	22.87	.20				.02556
7	22.50					-.05263
6	23.75					-.09953
5	26.37	.20				-.08755
4	29.12					-.02101
3	29.75					.03930
2	28.62	.20				-.07016
1	31.00					-.03876
1971, 12	32.25					.25243
11	25.75	.20				-.03889
10	27.00					-.04425
9	28.25					-.07377
8	30.50	.20				.00656
7	30.50					-.05792
6	32.37					-.01521
5	32.87	.20				.00227
4	33.00					.10924
3	29.75					.04386
2	28.50	.20				-.05124
1	30.25					.05677
1970, 12	28.62					

Beta Coefficient 1.05 T-Statistic 3.0 R-Bar Squared .146
 $*r = \frac{P_t - P_{t-1} + Dt}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: GOODRICH
Industry: TIRES & TUBES

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	13.50	.28				-.20691
11	17.37					-.11465
10	19.62					.09028
9	18.00					-.05882
8	19.12	.28				-.04761
7	20.37					.04487
6	19.50	.28				-.05246
5	20.87					-.10215
4	23.25					.25676
3	18.50	.28				.07314
2	17.50					.00000
1	17.50					.06870
1973, 12	16.37	.28				.05746
11	15.75					.29213
10	22.25					-.05820
9	23.62					.13855
8	20.75	.25				-.05618
7	22.25					.06587
6	20.87	.25				-.07143
5	22.75					-.06186
4	24.25					-.03960
3	25.25	.25				-.01923
2	26.00					-.06306
1	27.75					.01770
1972, 12	28.25	.25				-.10588
11	31.87					.14865
10	27.75					-.01770
9	28.25	.25				.00885
8	28.25					.06103
7	26.62					.02899
6	25.87					.00485
5	25.75	.25				-.06726
4	27.87					.03241
3	27.00	.25				-.03111
2	28.12					-.08907
1	30.87					.08811
1971, 12	28.37	.25				.00000
11	28.37					-.06198
10	30.25					-.04724
9	31.75	.25				-.05185
8	33.75					.20000
7	28.12	.25				.00442
6	28.25					-.02586
5	29.00					.01310
4	28.62					.00000
3	28.62	.25				.10526
2	26.12					-.09914
1	29.00					.04505
1970, 12	27.75					

Beta Coefficient .60
*r = $\frac{P_t}{P_{t-1}} + D_t$ = Rate of return in period t

T-Statistic 1.7

R-Bar Squared .041

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: GOODYEAR Price - ISL Manual
 Dividend
 Source of data: Unit A's S & P/Moody's
 Industry: TIRES AND TUBES

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	12.87					-.02830
11	13.25	.275				-.03393
10	14.00					.00000
9	14.00					.01818
8	13.75	.25				-.06667
7	15.00					-.09091
6	16.50					-.00752
5	16.62	.25				-.02174
4	17.25					.04545
3	16.50					-.01493
2	16.75	.25				.01493
1	16.75					.09836
1973, 12	15.25					-.00813
11	15.37	.25				-.27746
10	21.62					-.13065
9	24.87					.11798
8	22.25	.25				-.02174
7	23.00					.01657
6	22.62					-.12981
5	26.00	.23				.02361
4	25.62					-.03302
3	26.50					.00952
2	26.25	.229				-.07497
1	28.62					-.09127
1972, 12	31.50					-.01562
11	32.00	.221				.18787
10	27.12					-.07265
9	29.25					-.01266
8	29.62	.221				.01173
7	29.50					.05357
6	28.00					-.07438
5	30.25	.221				-.03267
4	31.50					.00800
3	31.25					.00000
2	31.25	.221				.03608
1	30.37					-.04706
1971, 12	31.87					.12335
11	28.37	.2125				-.04708
10	30.00					-.10781
9	33.62					-.01465
8	34.12	.2125				.10321
7	31.12					-.06038
6	33.12					.03922
5	31.87	.2125				-.00888
4	32.37					.05714
3	30.62					.00823
2	30.37	.2125				.01535
1	30.12					-.05118
1970, 12	31.75					

Beta Coefficient .66 T-Statistic 2.4 R-Bar Squared .096
 $*r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: HIRAM WALKER Price - ISL Manual
 Dividend 2
 Industry: LIQUOR Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	35.50	.35				.00986
11	35.50					-.08091
10	38.62					.06186
9	36.37	.60				.02708
8	36.00					-.17479
7	43.62					-.06434
6	46.62	.35				-.02894
5	48.37					.03753
4	46.62					-.13256
3	53.75	.35				.00185
2	54.00					.04348
1	51.75					-.02358
1973, 12	53.00	.35				.00188
11	53.25					-.06167
10	56.75					.04128
9	54.50	.60				.02037
8	54.00					-.04425
7	56.50					.07619
6	52.50	.35				.03122
5	51.25					-.00485
4	51.50					.02488
3	50.25	.30				-.01606
2	51.37					-.00725
1	51.75					-.01896
1972, 12	52.75	.30				.01531
11	52.25					.05290
10	49.62					.02584
9	48.37	.55				.01399
8	48.25					.04324
7	46.25					.02778
6	45.00	.30				-.03360
5	46.87					.07450
4	43.62					-.00570
3	43.87	.30				-.05508
2	46.75					.00809
1	46.37					.10089
1971, 12	42.12	.30				.10915
11	38.25					.00990
10	37.87					.03413
9	36.62	.55				.02552
8	36.25					-.01361
7	36.75					-.01010
6	37.12	.30				.02184
5	36.62					-.05484
4	38.75					.00324
3	38.62	.30				-.01767
2	39.62					-.03354
1	41.00					.05466
1970, 12	38.87	.30				

Beta Coefficient .62 T-Statistic 3.4 R-Bar Squared .184
 $*r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: IDEAL BASIC INDUSTRIES
Industry: CEMENT

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN *
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	11.50					-.04167
11	12.00	.25				-.14035
10	14.25					-.23913
9	11.50					-.16364
8	13.75	.25				-.01754
7	14.25					-.06557
6	15.25					-.03175
5	15.75	.25				-.16340
4	19.12					-.03165
3	19.75	.25				-.03226
2	19.37					-.09155
1	17.75					-.02069
1973, 12	18.12					-.04317
11	17.37	.20				-.09872
10	19.50					-.19084
9	16.37	.20				-.16316
8	14.25					-.00870
7	14.37					-.15000
6	12.50					-.03846
5	13.00	.20				-.07368
4	14.25					-.02703
3	13.87	.175				-.08618
2	15.37					-.08209
1	16.75					-.06944
1972, 12	18.00					-.00690
11	18.12	.175				-.06861
10	17.12					-.00725
9	17.25	.175				-.07067
8	18.75					-.09489
7	17.12					-.00735
6	17.00					-.04615
5	16.25	.175				-.14675
4	19.25					-.03356
3	18.62	.175				-.01053
2	19.00					-.05556
1	18.00					-.09091
1971, 12	16.50					-.07317
11	15.37	.15				-.05191
10	16.37					-.07746
9	17.75					-.03401
8	18.37	.15				-.13130
7	16.37					-.09028
6	18.00	.15				-.02979
5	17.62					-.02083
4	18.00					-.04348
3	17.25	.15				-.08750
2	16.00					-.05185
1	16.87					-.16379
1970, 12	14.50					

Beta Coefficient 1.20
*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 3.9

R-Bar Squared .234

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: INTERCO INC.

Source of data: Unit A's S&P/Moody's

Industry: SHOES

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	19.00	.365				-.03175
11	20.00					-.07514
10	21.62					-.04217
9	20.75	.365				-.00635
8	21.25					-.15423
7	25.12					-.00985
6	25.37	.365				.01941
5	25.25					.00000
4	25.25					-.12931
3	29.00	.34				-.01791
2	29.87					.18905
1	25.12					.03608
1973, 12	24.25	.34				-.04966
11	25.87					-.27368
10	35.62					-.09524
9	39.37	.34				.05205
8	37.75					-.08485
7	41.25					.14583
6	36.00	.32				-.03147
5	37.50					-.10714
4	42.00					-.09677
3	46.50	.32				.07057
2	50.37					-.02184
1	51.50					-.00483
1972, 12	51.75	.32				.02098
11	51.00					.15581
10	44.12					-.08549
9	48.25	.31				.00642
8	48.25					.07821
7	44.75					-.06283
6	47.75	.31				.05533
5	50.87					.01691
4	51.75					-.00241
3	51.87	.31				-.02912
2	53.75					.08040
1	49.75					.00252
1971, 12	49.62	.31				.16128
11	43.00					-.00578
10	43.25					-.04155
9	45.12	.30				-.05365
8	48.00					.03784
7	46.25					-.00804
6	46.62	.30				.03989
5	45.12					-.05990
4	48.00					.08475
3	44.25	.30				-.04194
2	46.50					.04494
1	44.50					.10212
1970, 12	40.37					

Beta Coefficient 1.05
 $*r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 3.7

R-Bar Squared .212

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: INTERNATIONAL BUSINESS MACHINES Price - Moody
 Industry: ELECTRONIC COMPUTING EQUIPMENT Source of data: Unit A's 2 Moody/S & P Dividend 3

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN #
1974, 12	168.00			210.00		-.05219
11	177.25	1.50		221.5625	1.875	-.07383
10	193.00			241.25		.21384
9	159.00			198.75		-.17187
8	192.00	1.50		240.00	1.875	-.04030
7	201.62			252.03125		-.05229
6	212.75			265.9375		.00118
5	212.50	1.28		265.625	1.60	-.05927
4	227.25			284.0625		-.03606
3	235.75			294.6875		-.00893
2	237.87	1.28		297.3437	1.60	-.02485
1	245.25			306.5625		-.00608
1973, 12	246.75			308.4375		-.06887
11	265.00	1.12		331.25	1.40	-.05042
10	280.25			350.3125		.08624
9	258.00			322.50		-.14286
8	301.00	1.12		376.25	1.40	-.03936
7	314.50			393.125		-.00789
6	317.00			396.25		.00716
5	314.75	1.40	split 5/4	393.4375	1.40	-.03227
4	408.00					-.05446
3	431.50					.00000
2	431.50	1.40				-.00597
1	435.50					.08333
1972, 12	402.00					.02813
11	391.00	1.35				.01777
10	385.50					-.05166
9	406.50					-.00490
8	408.50	1.35				.02271
7	400.75					.02232
6	392.00					-.01446
5	397.75	1.35				.03394
4	386.00					.00981
3	382.25					.03731
2	368.50	1.35				.00503
1	368.00					.09361
1971, 12	336.50					.10147
11	305.50	1.30				.02097
10	300.50					-.01070
9	303.75					-.02056
8	310.12	1.30				.06027
7	291.25					-.08123
6	317.00					-.03058
5	327.00	1.30				-.08232
4	357.75					.00070
3	357.50					.06241
2	336.50	1.30				.03779
1	325.50					.02439
1970, 12	317.75					

Beta Coefficient .92

T-Statistic 4.5

R-Bar Squared .295

$$r = \frac{P_t - P_{t-1}}{P_{t-1}} = \text{Rate of return in period } t$$

$$P_t$$

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: JONES & LAUGHLIN
Industry: STEEL

Price - ISL Manual
Dividend 2
Source of data: Unit A's S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	25.00					-.13420
11	28.87					.01762
10	28.37	.40				.22447
9	23.50					.02174
8	23.00					.17949
7	19.50	.40				.12908
6	17.62					-.08442
5	19.25	.40				-.00506
4	19.75					.02597
3	19.25					-.03750
2	20.00					.00629
1	19.87	.40				.07417
1973, 12	18.87					.13534
11	16.62	.40				-.16442
10	20.37					.08667
9	18.75					.09489
8	17.12					-.00725
7	17.25	.3375				-.06200
6	18.75					-.05660
5	19.87	.3375				-.09157
4	22.25					.05952
3	21.00					.10526
2	19.00					.00000
1	19.00	.3375				.08182
1972, 12	17.87					-.12805
11	20.50					.20588
10	17.00	.25				-.03497
9	17.87					-.02721
8	18.37					.02797
7	17.87	.25				.09848
6	16.50					.00000
5	16.50	.25				.02290
4	16.37					-.05755
3	17.37					-.02797
2	17.87					-.04027
1	18.62	.25				.17054
1971, 12	16.12					.25243
11	12.87					-.00962
10	13.00	.25				-.13115
9	15.25					-.02400
8	15.62					.16822
7	13.37	.25				-.08403
6	14.87					.01709
5	14.62					-.14599
4	17.12	.25				.44792
3	12.00					.06667
2	11.25					.01124
1	11.12					.15584
1970, 12	9.62					

Beta Coefficient .80 T-Statistic 1.9 R-Bar Squared .049
 $*r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: KAISER ALUMINUM Price - ISL Manual
 Dividend ?
 Industry: ALUMINUM Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	12.62					-.12174
11	14.37	.25				-.11364
10	16.50					.08197
9	15.25					-.02400
8	15.62	.25				-.11806
7	18.00					.07463
6	16.75					-.06294
5	17.87	.1875				-.21467
4	23.00					.03371
3	22.25					-.02198
2	22.75	.1875				.05460
1	21.75					.09434
1973, 12	19.87					-.00625
11	20.00	.125				-.21078
10	25.50					.06250
9	24.00					.09714
8	21.87	.125				.23944
7	17.75					.26786
6	14.00					-.07438
5	15.12					.04310
4	14.50	.125				-.06400
3	15.62					.12613
2	13.87	.125				-.12500
1	16.00					-.09859
1972, 12	17.75					-.12346
11	20.25					.20000
10	16.87	.125				-.14465
9	19.87					-.01242
8	20.12	.125				.07285
7	18.87					-.08485
6	20.62					-.12698
5	23.62	.125				-.00524
4	23.87					.02139
3	23.37					-.01579
2	23.75	.125				.29054
1	18.50					-.08075
1971, 12	20.12					.13380
11	17.75					-.13415
10	20.50	.125				-.20673
9	26.00					-.14754
8	30.50	.25				.11818
7	27.50					-.09091
6	30.25					-.12950
5	34.75	.25				-.06667
4	37.50					.04895
3	35.75					.01060
2	35.37	.25				-.04362
1	37.25					.06429
1970, 12	35.00					

Beta Coefficient .89T-Statistic 2.0R-Bar Squared .061

$$*r = \frac{P_t - P_{t-1} + D_t}{P_t}$$

*r = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: KENNECOTT
Industry: COPPER

Price - ISL Manual
Dividend ?
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	36.12					-.04934
11	38.00	.65				.19382
10	32.37					.22170
9	26.50					-.01395
8	26.87	.65				-.21357
7	35.00					.06870
6	32.75					-.02963
5	33.75	.50				-.13291
4	39.50					-.00315
3	39.62					-.04805
2	41.62	.50				.02744
1	41.00					-.07345
1973, 12	44.25					.20819
11	36.62	.50				-.00336
10	37.25					.10781
9	33.62					.06746
8	31.50	.50				.14286
7	28.00					.13131
6	24.75					.02062
5	24.25	.35				-.09725
4	27.25					-.01802
3	27.75					.03738
2	26.75	.35				.09495
1	24.75					.04211
1972, 12	23.75					-.01554
11	24.12	.25				.05405
10	23.12					.00543
9	23.00					-.05155
8	24.25	.25				.18788
7	20.62					-.09836
6	22.87					.01667
5	22.50	.25				-.04211
4	23.75					-.12037
3	27.00					-.05263
2	28.50	.25				.16162
1	24.75					.01538
1971, 12	24.37					.13372
11	21.50	.25				-.08901
10	23.87					-.17672
9	29.00					-.11787
8	32.87	.50				.06375
7	31.37					-.04563
6	32.87					-.02593
5	33.75	.50				-.06485
4	36.62					-.06390
3	39.12					.07931
2	36.25	.50				-.03289
1	38.00					-.03492
1970, 12	39.37					

Beta Coefficient .63
* $r = \frac{P_t}{P_{t-1}} + D_t$ = Rate of return in period t

T-Statistic 1.7

R-Bar Squared .040

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - IS1, Manual
Dividend

Name of firm: LEHIGH PORTLAND CEMENT
Industry: CEMENT

Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	9.25					-.02632
11	9.50	.20				.06301
10	9.12					-.10976
9	10.25					-.01205
8	10.37	.20				-.28305
7	14.75					.02609
6	14.37					-.14179
5	16.75	.20				-.09600
4	18.75					-.05063
3	19.75					.01282
2	19.50	.20				.07294
1	21.25					.11842
1973, 12	19.00					.03401
11	18.37	.30				.00946
10	18.50					.08029
9	17.12					.24545
8	13.75	.15				-.02456
7	14.25					.07547
6	13.25					-.09402
5	14.62					-.08594
4	16.00	.15				.08571
3	14.87					-.03252
2	15.37	.15				-.02969
1	16.00					.05785
1972, 12	15.12					-.09701
11	16.75	.15				.05625
10	16.00					-.04478
9	16.75					-.00741
8	16.87	.15				-.02014
7	17.37					-.03472
6	18.00					.02857
5	17.50	.15				-.03946
4	18.37					-.01342
3	18.62					-.01974
2	19.00	.10				-.00131
1	19.12					.23387
1971, 12	15.50					.13761
11	13.62	.10				-.06154
10	14.62					-.09302
9	16.12					.06612
8	15.12	.10				.07788
7	14.12					.00893
6	14.00					-.08943
5	15.37	.10				-.08971
4	17.00					.21429
3	14.00					-.02609
2	14.37	.10				-.08819
1	15.87					.11404
1970, 12	14.25					

Beta Coefficient 1.07 T-Statistic 3.2 R-Bar Squared .161
 $r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: LIBBY - McNEIL
Industry: CANNED FRUITS & VEGETABLES

Source of data: Unit A's S&P/Moodys

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	3.75					-.06250
11	4.00					-.03030
10	4.12					.03125
9	4.00					.20000
8	5.00					-.09091
7	5.50					.00000
6	5.50					.00000
5	5.50					-.15385
4	6.50					.26829
3	5.12					-.08889
2	5.62					-.04255
1	5.87					-.34286
1973, 12	4.37					-.14634
11	5.12					-.21154
10	6.50					.04000
9	6.25					.13636
8	5.50					-.12000
7	6.25					.42857
6	4.37					-.02778
5	4.50					-.10000
4	5.00					-.04762
3	5.25					-.06667
2	5.62					-.06250
1	6.00					.06667
1972, 12	5.62					-.02174
11	5.75					-.12195
10	5.12					-.04651
9	5.37					-.04444
8	5.62					.02273
7	5.50					-.08333
6	6.00					-.02041
5	6.12					-.09259
4	6.75					.01887
3	6.62					-.10169
2	7.37					.07273
1	6.87					-.03509
1971, 12	7.12					.09615
11	6.50					-.10345
10	7.25					-.09375
9	8.00					-.01538
8	8.12					-.01515
7	8.25					.03125
6	8.00					.14286
5	7.00					-.09677
4	7.75					.08772
3	7.12					.00000
2	7.12					-.10937
1	8.00					.20755
1970, 12	6.62					

Beta Coefficient 1.13
*r = $\frac{P_t}{P_{t-1}} + \frac{D_t}{P_t}$ = Rate of return in period t

T-Statistic 2.5

R-Bar Squared .102

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend ?

Name of firm: LIBBY-OWENS-FORD
Industry: FLAT GLASS

Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN %
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	13.87					-.05932
11	14.75	.55				-.13191
10	17.62					-.09032
9	19.37					-.03125
8	20.00	.55				-.08667
7	22.50					-.09091
6	24.75					.01020
5	24.50	.55				-.06355
4	26.75					-.13710
3	31.00					-.00402
2	31.12	.55				-.01783
1	32.25					.30303
1973, 12	24.75					-.01493
11	25.12	.85				-.23037
10	33.75					-.03571
9	35.00					.06464
8	32.87	.55				-.02764
7	34.37					.05364
6	32.62					-.00382
5	32.75	.55				-.05196
4	35.12					-.06333
3	37.50					-.03846
2	39.00	.55				.00444
1	39.37					-.05120
1972, 12	41.50					-.03488
11	43.00	.55				.10253
10	39.50					.02932
9	38.37					-.10917
8	39.12	.55				.04752
7	37.87					-.05901
6	40.25					-.06395
5	43.00	.55				-.05838
4	46.25					.10119
3	42.00					-.05085
2	44.25	.50				-.07254
1	48.25					-.00258
1971, 12	48.37					.05163
11	46.00	.50				-.08148
10	50.62					-.03341
9	52.37					.07436
8	48.75	.50				.07065
7	46.00					-.05155
6	48.50					-.01523
5	49.25	.50				-.06353
4	53.12					.13333
3	46.87					.03306
2	45.37	.50				.00273
1	45.75					.11585
1970, 12	41.00					

Beta Coefficient .88
*r = $\frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

T-Statistic 3.0

R-Bar Squared .150

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: LIGGETT & MEYERS
Industry: CIGARETTES

Prices - ISL Manual
Dividends }
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
1974, 12	25.25					-.02885
11	26.00	.625				.00472
10	26.50					.06000
9	25.00					-.00498
8	25.12	.625				-.05069
7	27.12					-.02691
6	27.87					-.01762
5	28.37	.625				-.04527
4	30.37					-.02016
3	31.0					-.00402
2	31.12	.625				-.01550
1	32.25					.10256
1973, 12	29.25					-.08594
11	32.0	.625				-.08099
10	35.50					-.00699
9	35.75					.01418
8	35.25	.625				.03610
7	34.62					.00000
6	34.62					-.10356
5	38.62	.625				-.06269
4	41.87					-.04830
3	44.0					-.11746
2	39.37	.625				-.00929
1	40.37					.03859
1972, 12	38.87					-.03115
11	40.12	.625				-.07947
10	37.75					-.05031
9	39.75					-.10169
8	44.25	.625				.07808
7	41.62					-.36812
6	65.87					-.03656
5	68.37	.625				-.00898
4	69.62					.00000
3	69.62					.13211
2	61.50	.625				.08515
1	57.25					.02004
1971, 12	56.12					.13671
11	49.37	.625				.02564
10	48.75					-.06250
9	52.00					-.05239
8	54.87	.625				.06475
7	52.12					-.02797
6	53.62					.01900
5	52.62	.625				-.11065
4	59.87					.03680
3	57.75					.10526
2	52.25	.625				.05486
1	50.12					.05805
1970, 12	47.37					

Beta Coefficient .82

T-Statistic 2.9

R-Bar Squared .132

*r = $\frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: LILLY (ELI) & CO.
Industry: ETHICAL PHARMACEUTICALS

Prices - ISL Manual
Dividend ?
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	68.00			136.00		-.02857
11	70.00	.25		140.00	.50	-.02936
10	72.37			144.75		.23983
9	58.37			116.75		-.03112
8	60.25	.25		120.50	.50	-.11355
7	68.25			136.50		-.12640
6	78.12			156.25		.03821
5	75.25	.235		150.50	.47	.01492
4	74.37			148.75		.05496
3	70.50			141.00		.03297
2	68.25	.235		136.50	.47	-.04217
1	71.50			143.00		-.03541
1973, 12	74.12			148.25		-.04045
11	77.25	.20662		154.50	.413240	-.05828
10	82.25			164.50		.02812
9	80.00			160.00		.05263
8	76.00	.20662		152.00	.413240	-.13891
7	88.50			177.00		.05988
6	83.50			167.00		-.03468
5	86.50	.18928		173.00	.37856	.07856
4	80.37			160.75		-.06268
3	85.75			171.50		.01932
2	84.12	.18928		168.25	.37856	.15499
1	73.00			146.00		-.08320
1972, 12	79.62			159.25		.04942
11	75.87	.182		151.75	.364	-.03725
10	79.00			158.00		.09343
9	72.25			144.50		-.03344
8	74.75	.182		149.50	.364	.00411
7	74.62			149.25		.12218
6	66.50			133.00		.02901
5	64.62	.182		129.25	.364	.04108
4	62.25			124.50		-.04231
3	65.00			130.00		-.00574
2	65.37	.182		130.75	.364	.09490
1	59.87			119.75		.05275
1971, 12	56.87			113.75		.05568
11	53.87	.175	split:2/1	107.75	.35	-.00093
10	108.00					-.06087
9	115.00					-.02542
8	118.00	.35				.02468
7	115.50					-.04644
6	121.12					.01572
5	119.25	.35				-.00747
4	120.50					-.03018
3	124.25					.09471
2	113.50	.35				.01993
1	111.62					.12327
1970, 12	99.37					

Beta Coefficient .73

T-Statistic 2.9

R-Bar Squared .134

*r = $\frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: LONE STAR INDUSTRIES
Industry: CEMENT

Price - ISL Manual
Dividend
Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	9.62					-.10465
11	10.75	.25				.14286
10	9.62					-.08333
9	10.50					.16667
8	9.00	.25				-.26000
7	12.50					.03093
6	12.12	.25				-.13158
5	14.25					-.10937
4	16.00					-.08571
3	17.50	.25				-.10692
2	19.87					.14388
1	17.37					-.00714
1973, 12	17.50					-.06667
11	18.75	.25				-.19577
10	23.62					.06180
9	22.25					.30882
8	17.00	.25				-.13115
7	15.25					.00826
6	15.12	.25				.02500
5	15.00					-.15493
4	17.75					.05970
3	16.75	.25				-.12821
2	19.50					-.06587
1	20.87					-.13021
1972, 12	24.00					-.07692
11	26.00	.25				.11702
10	23.50					-.03093
9	24.25					-.06280
8	25.87	.25				.04500
7	25.00					.02041
6	24.50	.25				.01538
5	24.37					-.01515
4	24.75					-.06161
3	26.37	.25				.05970
2	25.12					-.06075
1	26.75					.04390
1971, 12	25.62					.07330
11	23.87	.25				.10286
10	21.87					-.13366
9	25.25	.25				-.05556
8	27.00					.00000
7	27.00					-.09623
6	29.87	.25				-.06226
5	32.12					.07083
4	30.00					.03896
3	28.87	.25				.02193
2	28.50					-.06557
1	30.50					.15640
1970, 12	26.37					

Beta Coefficient .76 T-Statistic 1.9 R-Bar Squared .056
 $r_t = \frac{P_t - P_{t-1}}{P_{t-1}} + D_t$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: MERCK & CO.
Industry: ETHICAL PHARMACEUTICALS

Price - ISL Manual
Dividend }
Source of data: Units A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	66.37	.35		132.75	.70	-.02591
11	68.50			137.00		.03788
10	66.00			132.00		.29412
9	51.00			102.00		-.16222
8	60.87	.35		121.75	.70	-.07932
7	66.50			133.00		-.15287
6	78.50	.35		157.00	.70	-.00190
5	79.00			158.00		-.01711
4	80.37			160.75		-.00618
3	80.87	.35		161.75	.70	.03471
2	78.50			157.00		.00480
1	78.12			156.25		-.03251
1973, 12	80.75	.35		161.50	.70	-.04588
11	85.00			170.00		-.01163
10	86.00			172.00		.05038
9	81.87			163.75		.00614
8	81.37	.295		162.75	.59	-.12183
7	93.00			186.00		.03477
6	89.87	.295		179.75	.59	.01031
5	89.25			178.50		.01133
4	88.25			176.50		-.07712
3	95.62	.295		191.25	.59	.03697
2	92.50			185.00		-.01596
1	94.00			188.00		.05470
1972, 12	89.12	.295		178.25	.59	.05355
11	84.87			169.75		-.00731
10	85.50			170.00		-.04268
9	82.00	.275		164.00	.55	.00642
8	81.75			163.50		-.03254
7	84.50			169.00		.08682
6	77.75	.275	split:2/1	155.50	.55	.06701
5	146.25					.00688
4	145.25					.04590
3	138.87	.55				.04438
2	133.50					.02692
1	130.00					.04839
1971, 12	124.00	.55				.05663
11	117.87					.02612
10	114.87					.02339
9	112.25	.55				.05298
8	107.12					.04258
7	102.75					.00859
6	101.87	.55				-.01514
5	104.00					.00241
4	103.75					.03620
3	100.12	.55				.04597
2	96.25					.01050
1	96.25					-.03788
1970, 12	99.00	.55				

Beta Coefficient .97

T-Statistic 4.6

R-Bar Squared .296

*r = $\frac{P_t - P_{t-1}}{P_{t-1}}$ + Dt = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: MOBIL OIL CORP.
Industry: PETROLEUM REFINING

Price - ISL Manual
Dividend 3
Source of data: Unit A's S & P/Moodys

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	36.00					.09091
11	33.00					-.08014
10	35.87	.80				.11136
9	33.00					-.08333
8	36.00					-.11656
7	40.75	.80				.03551
6	40.12					-.03313
5	41.50					-.03207
4	42.87	.80				-.04011
3	45.50					.02535
2	44.37					-.09898
1	49.25	.80				-.05566
1973, 12	53.00					.11873
11	47.37					-.18143
10	57.87	.70				-.07024
9	63.00					.06780
8	59.00					-.02075
7	60.25	.70				-.05320
6	64.37					.00195
5	64.25	.70				-.02697
4	66.75					-.04472
3	69.87					.08967
2	64.12					-.13926
1	74.50	.70				.01622
1972, 12	74.00					.00852
11	73.37					.05957
10	69.25	.70				.02303
9	68.37					.01673
8	67.25	.65				.14118
7	59.50					.05778
6	56.25					.01810
5	55.25	.65				.06986
4	52.25					.01703
3	51.37					-.06378
2	54.87	.65				.03063
1	53.87					-.01373
1971, 12	54.62					.09524
11	49.87					.01527
10	49.12	.65				.02365
9	48.62					-.00765
8	49.00					-.05769
7	52.00	.65				-.05561
6	55.75					.02765
5	54.25					-.07066
4	58.37	.65				.06833
3	55.25					.01376
2	54.50					.03810
1	52.50	.60				-.07652
1970, 12	57.50					

Beta Coefficient .58 T-Statistic 2.3 R-Bar Squared .084
 $r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: NATIONAL DISTILLERS Price - ISL Manual
Dividend 3
Industry: LIQUOR Source of data: Unit A's S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
1974, 12	14.25					.01786
11	14.00	.30				.00351
10	14.25					.07547
9	13.25					.03922
8	12.75	.25				-.02804
7	13.37					-.01835
6	13.62					-.09167
5	15.00	.25				.00000
4	15.25					.04274
3	14.62					.06364
2	13.75	.225				.00721
1	13.87					.09901
1973, 12	12.62					-.06481
11	13.50	.225				-.14219
10	16.00					.06667
9	15.00					.11111
8	13.50	.225				-.03684
7	14.25					.03636
6	13.75					-.04348
5	14.37	.225				-.01017
4	14.75					-.01667
3	15.00					-.01639
2	15.25	.225				-.01746
1	15.75					-.03077
1972, 12	16.25					-.05109
11	17.12	.225				.10159
10	15.75					-.08029
9	17.12					-.13836
8	19.87	.225				.01132
7	19.87					.06000
6	18.75					.12782
5	16.62	.225				-.00882
4	17.00					.06250
3	16.00					-.04478
2	16.75	.225				.02879
1	16.50					.03937
1971, 12	15.87					.14414
11	13.87	.225				-.04407
10	14.75					-.02479
9	15.12					-.03200
8	15.62	.225				-.00157
7	15.87					-.05224
6	16.75					-.02190
5	17.12	.225				-.01560
4	17.62					-.02759
3	18.12					.01399
2	17.87	.225				.04928
1	17.25					.07812
1970, 12	16.00					

Beta Coefficient .69
 $r_t = P_t - P_{t-1} + D_t$ = Rate of return in period t
 P_t

T-Statistic 3.2

R-Bar Squared .166

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: NATIONAL GYPSUM
Industry: GYPSUM PRODUCTS

Price - ISL Manual
Dividend
Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN %
1974, 12	8.62	.2625				-.07662
11	9.62					-.06098
10	10.25					-.06494
9	9.62	.2625				-.03537
8	10.25					-.04651
7	10.75					-.02273
6	11.00	.2625				-.03118
5	11.62					-.14679
4	13.62					.01869
3	13.37	.2625				.01963
2	13.37					.04902
1	12.75					.12088
1973, 12	11.37	.2625				-.05000
11	12.25					-.09259
10	13.50					-.07692
9	14.62	.2625				.14519
8	13.00					-.00952
7	13.12					-.01869
6	13.37	.2625				-.00818
5	13.75					-.08333
4	15.00					-.01639
3	15.25	.2625				-.03047
2	16.00					.00000
1	16.00					-.05882
1972, 12	17.00	.2625				-.06689
11	18.50					.07246
10	17.25					.03759
9	16.62	.2625				-.09933
8	18.75					.04167
7	18.00					.00000
6	18.00	.2625				.03617
5	17.62					-.08442
4	19.25					.04762
3	18.37	.2625				-.01258
2	18.87					.02027
1	18.50					-.05732
1971, 12	19.62	.2625				.10486
11	18.00					-.16279
10	21.50					-.09948
9	23.87	.2625				.04946
8	23.00					.08235
7	21.25					-.05556
6	22.50	.2625				.03466
5	22.00					-.00565
4	22.12					.01667
3	22.50	.2625				-.06134
2	24.25					-.02513
1	24.87					.01531
1970, 12	24.50					

Beta Coefficient .58
 $r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

T-Statistic 2.5

R-Bar Squared .101

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: OWENS - ILLINOIS Price - ISL Manual
 Industry: GLASS CONTAINERS Dividend
 Source of data: Unit A's S&P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	33.75					.03846
11	32.50					-.08772
10	35.62	.40				.21092
9	29.75					-.09160
8	32.75	.40				-.09178
7	36.50					.05806
6	38.75					-.02208
5	39.62	.40				.01651
4	39.37					.09375
3	36.00					.05882
2	34.00	.37				.06988
1	32.12					.04049
1973, 12	30.87					-.00803
11	31.12					-.24545
10	41.25	.37				.09526
9	38.00					.07420
8	35.37	.37				.07504
7	33.25					.14163
6	29.12					-.10728
5	32.62					-.05091
4	34.37	.37				-.03820
3	36.12					-.00345
2	36.25	.35				-.02724
1	37.62					-.09880
1972, 12	41.75					-.02907
11	43.00					.04242
10	41.25	.35				-.02405
9	42.62					-.04749
8	44.75	.35				.08024
7	41.75					-.07222
6	45.00					-.08629
5	49.25	.35				-.04615
4	52.00					.04000
3	50.00					.04439
2	47.87	.3375				.08343
1	44.50					-.04301
1971, 12	46.50					.08772
11	42.75					-.07065
10	46.00	.3375				-.10889
9	52.00					-.05669
8	55.12	.3375				-.02269
7	56.75					.04128
6	54.50					-.12625
5	62.37	.3375				-.02771
4	64.50					.06173
3	60.75					-.00410
2	61.00	.3375				.06443
1	57.62					.01096
1970, 12	57.00					

Beta Coefficient .95 T-Statistic 3.5 R-Bar Squared .190
 $r = \frac{P_t - P_{t-1} + D_t}{P_t}$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: PPG INDUSTRIES
Industry: FLAT GLASS

Price - ISL Manual
Dividend $\frac{3}{4}$
Source of data: Unit A's S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	24.50					.11364
11	22.00	.425				.01967
10	22.87					.10909
9	20.62					-.04624
8	21.62	.425				-.13529
7	25.50					.05155
6	24.25					-.07177
5	26.12	.425				.00189
4	26.50					.00952
3	26.25					.00000
2	26.25	.425				.00188
1	26.62					.15761
1973, 12	23.00					-.04663
11	24.12	.425				-.25606
10	33.00					-.02941
9	34.00					.13808
8	29.87	.425				-.06047
7	32.25					.06612
6	30.25					-.03200
5	31.25	.375				-.06296
4	33.75					-.03915
3	35.12					-.06020
2	37.37	.375				-.06211
1	40.25					-.14362
1972, 12	47.00					.00000
11	47.00	.375				.24262
10	38.12					-.02866
9	39.25					-.10286
8	43.75	.365				-.02238
7	45.12					-.00824
6	45.50					-.03191
5	47.00	.365				-.05033
4	49.87					.10833
3	45.00					-.03743
2	46.75	.35				.09535
1	43.00					-.02825
1971, 12	44.25					.14935
11	38.50	.35				-.06946
10	41.75					-.02339
9	42.75					.06875
8	40.00	.35				.12867
7	35.75					.09579
6	32.62					-.08741
5	35.75					-.04348
4	37.37	.35				.07402
3	35.12					.06439
2	33.00	.35				-.05390
1	35.25					.03297
1970, 12	34.12					

Beta Coefficient .94

F-Statistic 3.0

R Bar Squared .145

$r_t = \beta_0 + \beta_1 r_{m,t} + D_t$ Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend

Name of firm: PABST BREWING CO.

Source of data: Unit A's S&P/Moody's

Industry: BEER

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN ^a
1974, 12	17.00					.00741
11	16.87	.25				.13223
10	15.12					.21000
9	12.50					-.09091
8	13.75	.22				-.09871
7	15.50					.05085
6	14.75					-.10606
5	16.50					-.01538
4	16.25	.22				-.11570
3	18.62					-.13873
2	21.62	.22				-.03978
1	22.75					-.12500
1973, 12	26.00					.13661
11	22.87	.22				-.19319
10	28.62					-.22635
9	37.00					-.07788
8	40.12					-.15079
7	47.25	.22				-.16719
6	57.00					-.12139
5	64.87					-.07651
4	70.25	.21				-.00057
3	70.50					.01805
2	69.25					.11919
1	61.87	.21				-.17768
1972, 12	75.50					.11437
11	85.25	.23				-.00713
10	84.87					-.00876
9	85.62					-.04993
8	90.12					-.09194
7	99.25	.20				-.01290
6	100.75					.08919
5	92.50					.04816
4	88.25	.20				.00654
3	87.87					.00000
2	87.87	.20				.12917
1	78.00					.02463
1971, 12	76.12					.10326
11	69.00					.05344
10	65.50	.20				-.13695
9	76.12					.10326
8	69.00	.20				.05649
7	65.50					.05221
6	62.25					.10177
5	56.50					-.01525
4	57.37	.20				.04444
3	55.12					-.02000
2	56.25	.20				.05514
1	53.50					.06733
1970, 12	50.12					

Beta Coefficient .41

T-Statistic 1.1

R-Bar Squared .003

$r = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$ Rate of return in period t

P_t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: PHELPS DODGE
Industry: COPPER

Price - ISL Manual
Dividend ?
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN *
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
						.00429
1974, 12	29.25					.00169
11	29.12	.55				.13397
10	29.62					-.13278
9	26.12					-.15379
8	30.12	.55				.03203
7	36.25					-.01748
6	35.12					-.13054
5	35.75	.55				.04375
4	41.75					-.02736
3	40.00					-.00478
2	41.12	.55				-.10904
1	41.87					.11905
1973, 12	47.00					-.10656
11	42.00	.55				-.00781
10	47.62					.01857
9	48.00					.03641
8	47.12	.55				.07918
7	46.00					.05247
6	42.62					-.06171
5	40.50	.55				-.03581
4	43.75					.04913
3	45.37					.10473
2	43.25	.525				.00635
1	39.62					.01613
1972, 12	39.37					.00064
11	38.75	.525				.02951
10	39.25					-.03175
9	38.12					.10833
8	39.37	.525				-.03030
7	36.00					-.01980
6	37.12					-.07470
5	37.87	.525				-.01775
4	41.50					.04321
3	42.25					.10878
2	40.50	.525				-.01661
1	37.00					.27542
1971, 12	37.62					.00083
11	29.50	.525				-.20000
10	30.00					-.03846
9	37.50					.03333
8	39.00	.525				-.04673
7	38.25					-.03021
6	40.12					-.05577
5	41.37	.525				-.04826
4	44.37					.14769
3	46.62					.05513
2	40.62	.525				-.01266
1	39.00					
1970, 12	39.50					

Beta Coefficient .88

T-Statistic 3.0

R-Bar Squared .145

$R = \beta_1 (P_t - P_{t-1}) + D_t$ - Rate of return in period t

P_t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: PHILIP MORRIS INC. Price - ISL Manual
 Dividends }
 Source of data: Unit A's } S & P/Moody's
 Industry: CIGARETTES

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	48.00	.20		96.00	.40	.05934
11	45.50			91.00		-.01622
10	46.25			92.50		.25000
9	37.00	.20		74.00	.40	-.11429
8	42.00			84.00		-.14937
7	49.37			98.75		-.09404
6	54.50	.20	split:2/1	109.00	.40	-.01883
5	111.50					.14801
4	97.12					-.01521
3	98.62	.35				-.07930
2	107.50					-.02935
1	110.75					-.03486
1973, 12	114.75	.35				.06451
11	108.12					-.06182
10	115.25					.05492
9	109.25	.35				-.06723
8	117.50					-.05622
7	124.50					.01840
6	122.25	.324				.07052
5	114.50					-.02966
4	118.00					-.11445
3	133.25	.324				.05801
2	126.25					.05208
1	120.00					.01480
1972, 12	118.25	.324				.04012
11	114.00					.09091
10	104.50					.01211
9	103.25	.318				.00308
8	103.25					-.06772
7	110.75					.06490
6	104.00	.31				.03920
5	100.37					.09699
4	91.50					.14734
3	79.75	.31				.03303
2	77.50					.08392
1	71.50					.01779
1971, 12	70.25	.31				.16628
11	60.50					.00415
10	60.25					-.07839
9	65.37	.30				-.02704
8	67.50					.06509
7	63.37					.00996
6	62.75	.30				.06638
5	59.12					-.11257
4	66.62					.10352
3	60.37	.30				.13944
2	53.25					.01671
1	52.37					.05808
1970, 12	49.50	.30				

Beta Coefficient .89

T-Statistic 3.1

R-Bar Squared .157

$$R_t = \beta_1 R_{t-1} + \beta_2 R_{t-2} + \dots + \beta_n R_{t-n} + \epsilon_t$$

$$\epsilon_t$$

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: PILLSBURY Source of data: Price - ISL Manual
Dividend
Unit A's S&P/Moody's
 Industry: FLOUR

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	36.00					.02857
11	35.00					.02564
10	34.12	.45				.00504
9	34.75					.02113
8	35.50					.11250
7	40.00	.41				.06836
6	43.37					.06442
5	40.75					.04118
4	42.50	.41				.05692
3	45.50					.06186
2	48.50					.06593
1	45.50	.41				.11976
1973, 12	41.00					.12329
11	36.50					.22955
10	47.37	.41				.05376
9	50.50					.13483
8	44.50					.05570
7	47.12	.38				.20266
6	39.50					.09714
5	43.75					.05405
4	46.25	.38				.01573
3	47.37					.03316
2	49.00					.01554
1	48.25	.38				.07371
1972, 12	52.50					.03448
11	50.75					.10326
10	46.00	.38				.00258
9	46.50					.05085
8	44.25					.09598
7	40.37	.36				.15135
6	48.00					.04950
5	50.50	.36				.01957
4	51.87					.01190
3	52.50					.02552
2	53.87					.02928
1	55.50	.36				.13421
1971, 12	49.25					.07945
11	45.62					.01955
10	44.75	.36				.10894
9	50.62					.09756
8	46.12	.36				.05614
7	49.25					.01746
6	50.12					.08028
5	54.50	.36				.01153
4	55.50					.01602
3	54.62					.04376
2	57.12	.36				.10283
1	52.12					.01185
1970, 12	52.75					

Beta Coefficient .80

T-Statistic 2.8

R Bar Squared .123

$$R_t = \beta_1 R_{t-1} + \beta_2 R_{t-2} + \dots + \beta_n R_{t-n} + D_t$$

D_t = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: POLAROID CORP.
Industry: PHOTOGRAPHIC EQUIPMENT

Price - Moody
Unit A's 2 Moody/S & P
Source of data: Dividend

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN %
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	18.62					-.11834
11	21.12	.08				-.05229
10	22.37					.49167
9	15.00	.08				-.31063
8	21.87					-.19355
7	27.12					-.21091
6	34.37	.08				-.08425
5	37.62					-.35269
4	58.12					-.10749
3	65.12					-.18339
2	79.75	.08				-.02795
1	82.12					-.17531
1973, 12	69.87					-.05254
11	73.75	.08				-.23094
10	96.00					-.13024
9	110.37	.08				-.05392
8	116.75					-.09584
7	129.12					-.05920
6	137.25	.08				-.05537
5	130.12					-.03376
4	125.87					-.01660
3	128.00					-.01891
2	125.62	.08				-.16799
1	107.62					-.14668
1972, 12	126.12					-.04021
11	121.25	.08				-.04839
10	127.50					.14094
9	111.75	.08				-.07195
8	120.50					.01903
7	118.25					-.07255
6	127.50	.08				-.09034
5	140.25					.00628
4	139.37					.12399
3	124.00					.01328
2	122.37	.08				-.21393
1	100.87					.13343
1971, 12	89.00					.00565
11	88.50	.08				-.02793
10	91.12					-.11098
9	102.50	.08				-.02305
8	105.00					.04869
7	100.12					-.13685
6	116.00					.07532
5	107.87	.08				.06886
4	101.00					.10383
3	91.50					.08605
2	84.25	.08				-.04170
1	88.00					.14286
1970, 12	77.00					

Beta Coefficient 1.58
 $r = P_t - P_{t-1} + D_t$ Rate of return in period t

T-Statistic 3.2

R-Bar Squared .164

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: PROCTOR & GAMBLE
Industry: SOAP

Price - ISL Manual
Dividend 2
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	81.50					-.01511
11	82.75					-.04611
10	86.75	.45				.19248
9	73.12					-.07729
8	79.25					-.15915
7	94.25	.45				-.05063
6	99.75					.01786
5	98.00					.04533
4	93.75	.45				.06441
3	88.50					.00426
2	88.12					-.01536
1	89.50	.45				-.02228
1973, 12	92.00					-.03158
11	95.00					-.07879
10	103.12	.45				.04621
9	99.00					.00508
8	98.50					-.12928
7	113.12	.45				.09207
6	104.00					.06667
5	97.50					-.02133
4	99.62	.39				-.00975
3	101.00					-.05497
2	106.87					-.01724
1	108.75	.39				-.02117
1972, 12	111.50					.03121
11	108.12					.02976
10	105.00	.39				.07541
9	98.00					.01161
8	96.87					.00389
7	96.50	.39				.03903
6	93.25					-.04847
5	98.00					.07104
4	91.50	.375				.03667
3	88.62					.03202
2	85.87					.07344
1	80.00	.375				.02389
1971, 12	78.50					.09599
11	71.62					.00880
10	71.00	.375				.00528
9	71.00					-.01389
8	72.00					.08068
7	66.62	.375				.03475
6	64.75					.08824
5	59.50					-.01653
4	60.50	.35				-.02445
3	62.37					.06624
2	58.50					.00000
1	58.50	.35				.01466
1970, 12	58.00					

Beta Coefficient .74
 $R = \frac{P_t - P_{t-1}}{P_{t-1}} - D_t$ = Rate of return in period t

T-Statistic 3.6

R-Bar Squared .203

**COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK**

Price - ISL Manual

Dividend

Unit A's

S&P/Moody's

Name of firm: REPUBLIC STEEL
Industry: STEEL

Source of data: _____

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN *
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	22.50					-.03226
11	23.25	1.80				-.03188
10	25.87					.15000
9	22.50					.05882
8	21.25	.40				-.11179
7	24.37					.08939
6	22.37					.02874
5	21.75	.30				-.04130
4	23.00					-.12381
3	26.25					-.02778
2	27.00	.30				.03019
1	26.50					.10417
1973, 12	24.00					.13609
11	21.12	1.30				-.17706
10	27.25					.08458
9	25.12					.12921
8	22.25	.30				-.03529
7	23.37					.01081
6	23.12					-.07960
5	25.12	.30				-.11565
4	28.75					.00000
3	28.75					.05505
2	27.25	.25				.07317
1	25.62					-.00966
1972, 12	25.87					-.09211
11	28.50	.50				.14851
10	25.25					.06878
9	23.62					-.03077
8	24.37	.25				.10056
7	22.37					.02824
6	21.75					-.05946
5	23.12	.25				-.02094
4	23.87					.03243
3	23.12					.04520
2	22.12	.25				.03468
1	21.62					.04848
1971, 12	20.62					.05096
11	19.62	.25				-.05917
10	21.12					-.11518
9	23.87					-.09048
8	26.25	.40				.15870
7	23.00					-.08458
6	25.12					-.09459
5	27.75	.40				-.02511
4	28.87					.05479
3	27.37					-.02667
2	28.12	.40				.01422
1	28.12					-.02174
1970, 12	28.75					

Beta Coefficient .54

T-Statistic 1.8

R-Bar Squared .045

$$r = \frac{P_t - P_{t-1}}{P_{t-1}} + D_t$$

D_t = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: REYNOLDS INDUSTRIES
Industry: CIGARETTES

Prices - ISL Manuals
Dividends 2 S & P/Moody's
Source of data: Unit A's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	52.37					-.00238
11	52.50	.72				.06175
10	50.12					.20783
9	41.50					-.04046
8	43.25	.67				.00966
7	43.50					.02353
6	42.50					-.00585
5	42.75	.67				.02165
4	42.50					-.03409
3	44.00					-.07612
2	47.62	.67				.09761
1	44.00					.07975
1973, 12	40.75					.00000
11	40.75	.67				-.08967
10	45.50					-.05943
9	48.37					.07500
8	45.00	.67				-.09564
7	50.50					.14773
6	44.00					.03835
5	42.37	.648				.00934
4	42.62					-.08333
3	46.50					-.04124
2	48.50	.648				-.06385
1	52.50					.01695
1972, 12	51.62					-.09825
11	57.25	.624				.13478
10	51.00					-.06422
9	54.50					-.15504
8	64.50	.624				-.00384
7	65.37					-.10445
6	73.00					-.01684
5	74.25	.624				-.00500
4	75.25					.04333
3	72.12					.03591
2	69.62	.624				.10195
1	63.75					.09914
1971, 12	58.00					.06422
11	54.50	.60				.01101
10	54.50					-.09167
9	60.00					-.03226
8	62.00	.60				.00562
7	62.25					.03967
6	59.87					-.04960
5	63.00	.60				-.05428
4	67.25					-.01103
3	68.00					.10794
2	61.37	.60				.07549
1	57.62					.07459
1970, 12	53.62					

Beta Coefficient .65
*r = $\frac{P_t - P_{t-1}}{P_{t-1}}$ + Dt = Rate of return in period t

T-Statistic 2.4

R-Bar Squared .092

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: REYNOLDS METALS
Industry: ALUMINUM

Price - ISL Manual
Dividend }
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	14.37					-.08000
11	15.62	.50				.00000
10	16.12					.04032
9	15.50	.25				-.10000
8	17.50					-.02778
7	18.00					.01408
6	17.75	.125				-.03378
5	18.50					-.24873
4	24.62					.07065
3	23.00					.02222
2	22.50	.125				.03429
1	21.87					.14379
1973, 12	19.12					.15909
11	16.50	.10				-.22339
10	21.37					.22143
9	17.50					.04478
8	16.75	.10				.15214
7	14.62					.12500
6	13.00	.10				-.06429
5	14.00					.00901
4	13.87					-.04310
3	14.50					.16000
2	12.50	.10				-.15294
1	14.87					-.07031
1972, 12	16.00					-.11111
11	18.00	.10				.14921
10	15.75					-.00787
9	15.87	.10				-.08058
8	17.37					.17797
7	14.75					-.10606
6	16.50	.10				-.12053
5	18.87					-.09036
4	20.75					.01840
3	20.37					-.00610
2	20.50	.15				.16338
1	17.75					-.00699
1971, 12	17.87					.12598
11	15.87	.15				-.03609
10	16.62					-.11333
9	18.75					-.14773
8	22.00	.15				-.04216
7	23.12					-.13146
6	26.62	.275				-.14941
5	31.62					.00000
4	31.62					.08584
3	29.12					.04018
2	28.00	.275				-.06529
1	30.25					.13615
1970, 12	26.62					

Beta Coefficient 1.01
 $R_t = P_t - P_{t-1} + D_t$ = Rate of return in period t
 P_t

T-Statistic 2.5

R-Bar Squared .104

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: ROBINS (A. H.) CO. Price - ISL Manual
Dividend? ? Source of data: Unit A's S & P/Moody's
Industry: ETHICAL PHARMACEUTICALS

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	13.25			24.50		-.05769
11	13.00	.08		26.00	.16	.02588
10	12.75			25.50		.39726
9	9.12			18.25		-.08750
8	10.00	.06		20.00	.12	-.26836
7	13.75			27.50		-.15385
6	16.25			32.50		-.07143
5	17.50	.06		35.00	.12	-.17848
4	21.37			42.75		-.04268
3	20.50			41.00		-.14583
2	24.00	.06		48.00	.12	.00250
1	24.00			48.00		.26316
1973, 12	19.00			38.00		-.24000
11	25.00	.055		50.00	.11	-.11310
10	28.25			56.50		-.13077
9	32.50			65.00		.04418
8	31.12	.055		62.25	.11	-.10273
7	34.75			69.50		.07752
6	32.25			64.50		.00781
5	32.00	.055	split:2/1	64.00	.11	.07748
4	59.50					-.17647
3	72.25					.04710
2	69.00	.104				-.09074
1	76.00					.00829
1972, 12	75.37					.20359
11	62.62	.104				-.05848
10	66.62					.08333
9	61.50					.05128
8	58.50	.104				.06071
7	55.25					-.02643
6	56.75					.01339
5	56.00	.104				.05857
4	53.00					.09845
3	48.25					-.03741
2	50.12	.104				.22510
1	41.00					-.06818
1971, 12	44.00					.17726
11	37.37	.10				-.01382
10	38.00					-.00654
9	38.25					.01661
8	37.62	.10				.09348
7	34.50					-.07383
6	37.25					.20648
5	30.87	.10				-.11500
4	35.00					.11111
3	31.50					.15068
2	27.37	.10				.02710
1	26.75					.02885
1970, 12	26.00					

Beta Coefficient 1.44 T-Statistic 3.2 R-Bar Squared .165
 $r = \frac{P_t - P_{t-1}}{P_{t-1}}$ Dt = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual

Dividend

Source of data: Unit A's } S & P/Moody's

Name of firm: SEARLE (G. D.) & CO.
Industry: ETHICAL PHARMACEUTICALS

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	13.75			41.25		-.13386
11	15.87	.115		47.62	.345	.04852
10	15.25			45.75		.18447
9	12.87			38.62		-.63738
8	13.37	.115		40.12	.345	-.25056
7	18.00			54.0		.16129
6	15.50			46.50		-.19481
5	19.25	.115		57.75	.345	-.14879
4	22.75			68.25		-.06667
3	24.37			73.12		-.08019
2	26.50	.115		79.50	.345	.10321
1	24.12			72.37		-.07656
1973, 12	26.12			78.37		-.15726
11	31.00	.115		93.0	.345	-.06068
10	33.12			99.37		.04331
9	31.75			95.25		.07173
8	29.62	.115		88.87	.345	-.18799
7	36.62			109.87		.02807
6	35.62		split: 3/1	106.87		.01064
5	105.75	.325				-.04437
4	111.00					-.05027
3	116.87					.04821
2	111.50	.325				-.02866
1	115.12					.12317
1972, 12	102.50					.08179
11	94.75	.325				-.04925
10	100.00					-.01961
9	102.00					.03817
8	98.25	.325				-.01425
7	100.00					.05263
6	95.00					-.03261
5	92.00	.325				.06121
4	87.00					.00144
3	86.87					-.03338
2	89.87	.325				.17524
1	76.75					.04068
1971, 12	73.75					.10075
11	67.00	.325				.08589
10	62.00					-.10145
9	69.00					.04348
8	66.12	.325				.05896
7	62.75					-.06518
6	67.12					.02286
5	65.62	.325				-.05108
4	69.50					.01460
3	68.50					.05996
2	64.62	.325				.08703
1	59.75					.14081
1970, 12	52.37					

Beta Coefficient 1.05

T-Statistic 3.1

R-Bar Squared .156

$r_t = \beta_0 + \beta_1 R_t + \epsilon_t$ Dt = Rate of return in period t

β_1

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: SMITHKLINE CORP.
Industry: ETHICAL PHARMACEUTICALS

Price - ISL Manual
Dividend ²
Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	45.87					.10452
11	44.25	.50				-.03243
10	46.25					.35036
9	34.25					-.07432
8	37.00	.50				-.21053
7	47.50					-.07767
6	51.50					.01980
5	50.50	.50				.00990
4	50.50					.02278
3	49.37					.01804
2	48.50	.50				-.03210
1	50.62					.01250
1973, 12	50.00					.01523
11	49.25	.50				-.07870
10	54.00					.04096
9	51.87					.00484
8	51.62	.50				-.13485
7	60.25					.05934
6	56.87					.00664
5	56.50	.50				.12039
4	50.87					.02261
3	49.75					-.00748
2	50.12	.50				-.06032
1	53.87					-.07709
1972, 12	58.37					.00215
11	58.25	.50				.02174
10	57.50					.03361
9	59.50					-.03252
8	61.50	.50				-.01587
7	63.00					.07006
6	58.87					.10047
5	53.50	.50				-.00917
4	54.50					-.03965
3	56.75					-.03814
2	59.00	.50				.03030
1	57.75					.00873
1971, 12	57.25					.14500
11	50.00	.50				-.05164
10	53.25					-.05543
9	56.37					.03917
8	54.25	.50				.05288
7	52.00					-.01422
6	52.75					.02676
5	51.37	.50				.00728
4	51.50					.00488
3	51.25					-.06178
2	54.62	.50				-.00899
1	55.62					.09069
1970, 12	51.00					

Beta Coefficient .79 T-Statistic 2.8 R-Bar Squared .124
 $r = \frac{P_t - P_{t-1}}{P_{t-1}} + D_t$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: STANDARD OIL (IND.) Price - ISL Manual
 Industry: PETROLEUM REFINING Dividend }
 Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	43.50		split:2/1	87.00		.02353
11	85.00					-.02017
10	86.75	.90				.16867
9	75.00					.05634
8	71.00	.80				-.13754
7	83.25					.00301
6	83.00					.04897
5	79.12	.80				-.07867
4	86.75					-.06469
3	92.75					-.01982
2	94.62					.02022
1	92.75	.80				-.09831
1973, 12	103.75					.11709
11	92.87					-.02749
10	95.50	.67				.07453
9	89.50					.09146
8	82.00	.67				-.01730
7	84.12					-.03305
6	87.00					-.01136
5	88.00	.622				.02601
4	86.37					-.01286
3	87.50					.04948
2	83.37	.622				-.06540
1	89.87					.02714
1972, 12	87.50					.04322
11	83.87	.598				.06089
10	79.62					.07783
9	73.87					-.01827
8	75.25	.598				.10929
7	68.37					-.01795
6	69.62					.05894
5	65.75	.598				.03669
4	64.00					.01186
3	63.25					-.06814
2	67.87	.598				-.00221
1	68.62					-.01259
1971, 12	69.50					.03346
11	67.25					.04873
10	64.12	.575				-.01410
9	65.62					-.00568
8	66.00					.06667
7	61.87	.575				.02377
6	61.00					.02092
5	59.75					-.06090
4	63.62	.575				.08126
3	59.37					.02151
2	58.12					.00000
1	58.12	.575				.11544
1970, 12	52.62					

Beta Coefficient .45
 $r = \frac{P_t}{P_{t-1}} + D_t$ = Rate of return in period t

T-Statistic 2.1

R-Bar Squared .065

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: STOKELY - VAN CAMP Source of data: Price - ISL Manual
Dividend
Unit A's S&P/Moody's
 Industry: CANNED FRUITS & VEGETABLES

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	13.75	.275				.03889
11	13.50					-.02703
10	13.87					.03738
9	13.37	.275				.01111
8	13.50					.12500
7	12.00					-.11927
6	13.62	.25				-.11200
5	15.62					-.04580
4	16.37					.03968
3	15.75	.25				-.06569
2	17.12					.07031
1	16.00					.20755
1973, 12	13.25	.25				-.03571
11	14.00					.12500
10	16.00					-.06569
9	17.12	.25				.12097
8	15.50					-.01587
7	15.75					.08621
6	14.50	.25				-.07087
5	15.87					-.05224
4	16.75					-.05634
3	17.75	.25				.00000
2	18.00					-.06494
1	19.25					-.07229
1972, 12	20.75	.25				-.04545
11	22.00					.16556
10	18.87					.02721
9	18.37	.25				-.01325
8	18.87					.02721
7	18.37					.04255
6	17.62	.25				-.02721
5	18.37					.05000
4	17.50					.00000
3	17.50	.25				-.07190
2	19.12					-.06707
1	20.50					.10811
1971, 12	18.50	.25				.17187
11	16.00					-.04478
10	16.75					-.10067
9	18.62	.25				-.03205
8	19.50					-.11864
7	22.12					-.04839
6	23.25	.25				-.03590
5	24.37					-.04412
4	25.50					-.00971
3	25.75	.25				.11828
2	23.25					.03333
1	22.50					.07143
1970, 12	21.00					

Beta Coefficient .56 T-Statistic 1.9 R-Bar Squared .054
 $r_t = \beta_1 \cdot P_t + \beta_0 + \epsilon_t$ ϵ_t = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: TEXACO Price - ISL Manual
Dividend 2
Source of data: Unit A's 3 S & P/Moody's
Industry: PETROLEUM REFINING

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN
1974, 12	20.87					-.02907
11	21.50					-.05495
10	22.75	.60				.08605
9	21.50					-.04972
8	22.62	.50				-.10194
7	25.75					.02488
6	25.12					-.02427
5	25.75	.50				-.04977
4	27.62					-.01339
3	28.00					-.00444
2	28.12					-.04661
1	29.50	.50				.02128
1973, 12	29.37					.11374
11	26.37					-.16270
10	31.50	.44				-.01344
9	32.37					.07917
8	30.00	.43				-.07084
7	32.75					-.04380
6	34.25					-.01083
5	34.62	.43				-.11533
4	39.62					.01929
3	38.87					.02303
2	38.00					-.08982
1	41.75	.43				.12480
1972, 12	37.50					-.01316
11	38.00	.415				.03824
10	37.00					.01024
9	36.62					.04643
8	35.00	.415				.15171
7	30.75					-.05385
6	32.50					-.01141
5	32.87	.415				.10050
4	30.25					-.02024
3	30.87					-.07836
2	33.50	.415				-.00250
1	34.00					-.01091
1971, 12	34.37					.09127
11	31.50					.02024
10	30.87	.40				-.02646
9	32.12					-.00772
8	32.37	.40				-.05000
7	34.50					-.03158
6	35.62					.00000
5	35.62	.40				-.07331
4	38.87					.06873
3	36.37					.01042
2	36.00					.05882
1	34.00	.40				-.01362
1970, 12	34.87					

Beta Coefficient .63 T-Statistic 2.8 R-Bar Squared .126
 $r = \frac{P_t - P_{t-1}}{P_{t-1}} + D_t$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend
Unit A's S&P/Moody's

Name of firm: U.S. GYPSUM
Industry: GYPSUM PRODUCTS

Source of data: _____

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN*
1974, 12	14.00			28.00		.00901
11	13.87	.40		27.75	.80	-.12031
10	16.00			32.00		.08475
9	14.75			29.50		-.03279
8	15.25	.40		30.50	.80	-.07941
7	17.00			34.00		-.04225
6	17.75			35.50		-.04698
5	18.62	.40		37.25	.80	-.03057
4	19.62			39.25		-.08187
3	21.37			42.75		.04268
2	20.50	.40		41.00	.80	-.04457
1	21.87			43.75		.25899
1973, 12	17.37			34.75		-.04795
11	18.25	.40		36.50	.80	-.16180
10	22.25			44.50		-.03261
9	23.00			46.00		.12195
8	20.50	.40		41.00	.80	-.05537
7	22.12			44.25		.00000
6	22.12			44.25		.02907
5	21.50	.40		43.00	.80	-.05806
4	23.25			46.50		.01087
3	23.00			46.00		-.06599
2	24.62	.40		49.25	.80	-.00100
1	25.00			50.00		-.05660
1972, 12	26.50			53.00		-.09402
11	29.25	.40		58.50	.80	.19196
10	24.87			49.75		-.01970
9	25.37			50.75		-.01456
8	25.75	.375		51.50	.75	.01456
7	25.75			51.50		-.03758
6	26.75			53.50		.05727
5	28.37	.375		56.75	.75	-.08367
4	31.37			62.75		.02869
3	30.50			61.00		.07018
2	28.50	.375		57.00	.75	.00435
1	28.75			57.50		-.11197
1971, 12	32.37		SPLIT:2/1	64.75		.04435
11	62.00	.75				-.04015
10	65.37					-.04212
9	68.25					.03019
8	66.25	.75				.02486
7	65.37					.07392
6	60.87					-.02988
5	62.75	.75				-.01931
4	64.75					.04016
3	62.25					-.01581
2	63.25	.75				.00787
1	63.50					-.01195
1970, 12	62.75					

Beta Coefficient .64 T-Statistic 2.4 R-Bar Squared .092
 $r = \frac{P_t - P_{t-1}}{P_{t-1}}$ Dt = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual
Dividend ?

Name of firm: U.S. STEEL
Industry: STEEL

Source of data: Unit A's } S & P/Moody's

MONTHS	REPORTED DATA			ADJUSTED DATA		RATE OF RETURN %
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	
1974, 12	38.00					-.01935
11	38.75	.60				-.06864
10	42.25					.04000
9	40.62					-.00915
8	41.00	.60				-.08822
7	45.62					.03399
6	44.12					.07295
5	41.12	.50				-.04035
4	43.37					.02059
3	42.50					-.02857
2	43.75	.50				.09598
1	40.37					.07309
1973, 12	37.62					.13585
11	33.12	.40				-.07517
10	36.25					.11538
9	32.50					.09705
8	29.62	.40				.04891
7	28.62					-.06148
6	30.50					.00000
5	30.50					-.06870
4	32.75	.40				.00075
3	33.12					.09504
2	30.25	.40				-.03083
1	31.62					.03689
1972, 12	30.50					-.09294
11	33.62	.40				.21518
10	28.00					-.03863
9	29.12					-.01271
8	29.50					.05357
7	28.00	.40				-.04538
6	29.75					-.01245
5	30.12	.40				-.03858
4	31.75					-.05224
3	33.50					.01515
2	33.00					.02724
1	32.12	.40				.07521
1971, 12	30.25					.12037
11	27.00					-.00461
10	27.12	.40				-.07089
9	29.62					-.08140
8	32.25	.40				.16089
7	28.12					-.14773
6	33.00					-.00377
5	33.12	.60				-.02950
4	34.75					.05303
3	33.00					.04762
2	31.50	.60				-.02727
1	33.00					.01149
1970, 12	32.62					

Beta Coefficient .43 T-Statistic 1.6 R-Bar Squared .032
 $r = \frac{P_t - P_{t-1}}{P_{t-1}} + Dt$ = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Name of firm: UNIROYAL INC. Price - ISL Manual
 Dividend
 Source of data: Unit A's S & P/Moody's
 Industry: TIRES AND TUBES

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	6.25					.00000
11	6.25	.175				-.08214
10	7.00					.07692
9	6.50					-.03704
8	6.75	.175				-.09180
7	7.62					-.03175
6	7.87					-.04545
5	8.25	.175				.00597
4	8.37					-.10667
3	9.37					.04167
2	9.00	.175				.01944
1	9.00					.14286
1973, 12	7.87					.01613
11	7.75	.175				-.26279
10	10.75					-.09474
9	11.87					.03261
8	11.50	.175				-.06600
7	12.50					.19048
6	10.50					-.10638
5	11.75	.175				-.10000
4	13.25					.00952
3	13.12					-.00943
2	13.25	.175				-.04107
1	14.00					-.08197
1972, 12	15.25					-.08271
11	16.62	.175				.09268
10	15.37					-.06107
9	16.37					-.03676
8	17.00	.175				.05692
7	16.25					-.02985
6	16.75					-.04286
5	17.50	.175				.00284
4	17.62					-.04082
3	18.37					-.03289
2	19.00	.175				.09571
1	17.50					-.04110
1971, 12	18.25					.05036
11	17.37	.175				-.01818
10	17.87					-.16374
9	21.37					.00000
8	21.37	.175				.06420
7	20.25					-.08989
6	22.25					.04706
5	21.25	.175				-.02614
4	22.00					.14286
3	19.25					-.04938
2	20.25	.175				-.04444
1	21.37					-.01156
1970, 12	21.62					

Beta Coefficient .69 T-Statistic 2.4 R-Bar Squared .091
 $R = \frac{P_t - P_{t-1}}{P_{t-1}}$ Dt = Rate of return in period t

COMMON STOCK DATA FOR THE DETERMINATION
OF THE BETA MEASURE OF RISK

Price - ISL Manual

Dividend 2Source of data: Unit A's S & P/Moody'sName of firm: UPJOHN CO.Industry: ETHICAL PHARMACEUTICALS

MONTHS	REPORTED DATA			ADJUSTED DATA		
	ENDING MARKET PRICE	DIV. PAID	CHANGES IN UNIT OF ACCOUNT	ENDING MARKET PRICE	DIV. PAID	RATE OF RETURN *
1974, 12	50.62			101.25		.05744
11	47.87			95.75		.05220
10	45.50	.24		91.00	.48	-.00565
9	46.00			92.00		-.25203
8	61.50			123.00		-.16892
7	74.00	.24		148.00	.48	-.00182
6	74.37			148.75		-.04952
5	78.25			156.50		.08117
4	72.37	.24		144.75	.48	.11287
3	62.25			130.50		-.01136
2	66.00			132.00		.03125
1	64.00	.22		128.00	.44	-.10495
1973, 12	71.75			143.50		-.16932
11	86.37			172.75		-.04690
10	90.62	.22		181.25	.44	.06251
9	85.50			171.00		-.01156
8	86.50			173.00		-.09305
7	95.37	.22		190.75	.44	.20245
6	79.50		split:2/1	159.00		-.04289
5	166.12					.12627
4	147.50	.40				.09353
3	135.25					.11777
2	121.00					-.00820
1	122.00	.40				-.04561
1972, 12	128.25					.06432
11	120.50					-.04175
10	125.75	.45				.02602
9	123.00					.06034
8	116.00					-.00429
7	116.50	.40				.10937
6	105.37					.19068
5	88.50					.03812
4	85.25	.40				.01361
3	84.50					-.03977
2	88.00					-.20548
1	73.00	.40				.00893
1971, 12	72.75					.15230
11	64.25					-.00772
10	64.75	.40				.02579
9	66.87					.04086
8	64.25					.01181
7	63.50	.40				-.02069
6	65.25					.10828
5	58.87					.03063
4	57.12	.40				.03649
3	55.50					.13235
2	49.00					.03158
1	47.50	.40				-.00982
1970, 12	48.37					

Beta Coefficient .97T-Statistic 3.1R-Bar Squared .152

$$r = \frac{P_t}{P_{t-1}} + D_t = \text{Rate of return in period } t$$

APPENDIX IVSOURCE DATA

The primary source of financial data for the firms in the study was the annual 10-K report filed with the Securities Exchange Commission. In a few cases where SEC files were incomplete Moody's Industrial Manual was utilized as a secondary data source. Financial source data sheets are presented for each of the firms on the following pages.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: ALCOA
Industry: ALUMINUM (3334)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964*</u>
Net Sales	\$ <u>708.3</u>	\$ <u>854.0</u>	\$ <u>864.4</u>	\$ <u>869.4</u>	\$ <u>753.1</u>	\$ <u>858.5</u>	\$ <u>861.2</u>	\$ <u>853.3</u>	\$ <u>938.7</u>	\$ <u>972.1</u>	\$ <u>1036.9</u>
R & D Charges (R _t)	<u>12.5</u> ^E	<u>14.9</u> ^E	<u>15.3</u> ^E	<u>15.4</u> ^E	<u>13.3</u> ^E	<u>15.2</u> ^E	<u>15.2</u> ^E	<u>15.1</u> ^E	<u>16.6</u> ^E	<u>17.2</u> ^E	<u>18.3</u> ^E
Reported Profits (P _t)	<u>61.9</u>	<u>87.6</u>	<u>89.6</u>	<u>75.6</u>	<u>42.9</u>	<u>55.6</u>	<u>40.4</u>	<u>43.0</u>	<u>56.4</u>	<u>51.1</u>	<u>60.8</u>
Reported Equity (E _t)	<u>486.3</u>	<u>555.1</u>	<u>621.1</u>	<u>670.5</u>	<u>687.1</u>	<u>733.0</u>	<u>759.2</u>	<u>774.9</u>	<u>811.8</u>	<u>835.0</u>	<u>867.5</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>1165.6</u>	\$ <u>1373.0</u>	\$ <u>1360.8</u>	\$ <u>1352.8</u>	\$ <u>1545.2</u>	\$ <u>1522.4</u>	\$ <u>1441.2</u>	\$ <u>1753.0</u>	\$ <u>2157.3</u>	\$ <u>2727.3</u>	
R & D Charges (R _t)	<u>20.6</u> ^E	<u>24.3</u> ^E	<u>24.0</u> ^E	<u>23.9</u> ^E	<u>27.3</u> ^E	<u>26.9</u>	<u>30.6</u>	<u>32.6</u>	<u>34.9</u>	<u>43.0</u>	
Reported Profits (P _t)	<u>75.6</u>	<u>106.1</u>	<u>107.4</u>	<u>104.7</u>	<u>122.4</u>	<u>114.3</u>	<u>55.3</u>	<u>102.8</u>	<u>104.2</u>	<u>173.1</u>	
Reported Equity (E _t)	<u>911.3</u>	<u>984.4</u>	<u>1051.2</u>	<u>1118.0</u>	<u>1194.5</u>	<u>1249.0</u>	<u>1268.6</u>	<u>1339.4</u>	<u>1408.9</u>	<u>1547.0</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>4.4</u> %	<u>7.9</u> %	<u>7.6</u> %	<u>11.7</u> %	

*Secondary data source (Moody's)
E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: AMERICAN BAKERIES CO.
Industry: BAKING (2051)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>134.8</u>	\$ <u>139.0</u>	\$ <u>144.4</u>	\$ <u>150.4</u>	\$ <u>152.1</u>	\$ <u>159.2</u>	\$ <u>162.2</u>	\$ <u>157.5</u>	\$ <u>157.3</u>	\$ <u>169.5</u>	\$ <u>253.0</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>4.4</u>	<u>5.4</u>	<u>5.9</u>	<u>5.8</u>	<u>5.2</u>	<u>5.4</u>	<u>4.4</u>	<u>3.8</u>	<u>1.8</u>	<u>1.9</u>	<u>1.8</u>
Reported Equity (E _t)	<u>36.2</u>	<u>38.4</u>	<u>40.4</u>	<u>42.3</u>	<u>43.6</u>	<u>44.9</u>	<u>45.4</u>	<u>45.4</u>	<u>43.3</u>	<u>42.8</u>	<u>51.4</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>255.0</u>	\$ <u>281.6</u>	\$ <u>297.7</u>	\$ <u>310.5</u>	\$ <u>311.3</u>	\$ <u>314.3</u>	\$ <u>330.1</u>	\$ <u>331.4</u>	\$ <u>345.6</u>	\$ <u>398.6</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>2.9</u>	<u>3.5</u>	<u>4.2</u>	<u>2.8</u>	<u>1.7</u>	<u>2.4</u>	<u>.3</u>	<u>.2</u>	<u>2.0</u>	<u>1.7</u>	
Reported Equity (E _t)	<u>50.3</u>	<u>51.0</u>	<u>53.3</u>	<u>52.5</u>	<u>50.2</u>	<u>50.1</u>	<u>51.4</u>	<u>47.9</u>	<u>43.5</u>	<u>39.2</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>0.6</u> %	<u>0.4</u> %	<u>4.4</u> %	<u>4.1</u> %	

Neg. = Negligible: less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: AMERICAN BRANDS
Industry: CIGARETTES (2111)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959*</u>	<u>1960*</u>	<u>1961*</u>	<u>1962*</u>	<u>1963*</u>	<u>1964*</u>
Net Sales	\$ <u>1068.6</u>	\$ <u>1090.8</u>	\$ <u>1082.5</u>	\$ <u>1098.1</u>	\$ <u>1103.0</u>	\$ <u>1161.4</u>	\$ <u>1215.3</u>	\$ <u>1288.4</u>	\$ <u>1169.2</u>	\$ <u>1192.3</u>	\$ <u>1203.4</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>45.2</u>	<u>51.7</u>	<u>52.0</u>	<u>57.1</u>	<u>58.8</u>	<u>63.2</u>	<u>62.5</u>	<u>68.7</u>	<u>68.6</u>	<u>68.8</u>	<u>73.2</u>
Reported Equity (E _t)	<u>403.8</u>	<u>423.6</u>	<u>439.9</u>	<u>464.7</u>	<u>487.9</u>	<u>515.5</u>	<u>539.3</u>	<u>568.4</u>	<u>584.6</u>	<u>615.5</u>	<u>643.9</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>1231.6</u>	\$ <u>1427.6</u>	\$ <u>1493.5</u>	\$ <u>1897.9</u>	\$ <u>2661.5</u>	\$ <u>2674.5</u>	\$ <u>2827.8</u>	\$ <u>2998.9</u>	\$ <u>3096.3</u>	\$ <u>3570.4</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>80.5</u>	<u>86.0</u>	<u>89.2</u>	<u>92.9</u>	<u>98.5</u>	<u>108.2</u>	<u>119.4</u>	<u>123.3</u>	<u>131.3</u>	<u>136.7</u>	
Reported Equity (E _t)	<u>600.8</u>	<u>679.3</u>	<u>706.3</u>	<u>712.1</u>	<u>744.3</u>	<u>871.8</u>	<u>904.8</u>	<u>948.7</u>	<u>994.8</u>	<u>1059.6</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>13.5 %</u>	<u>13.3 %</u>	<u>13.5 %</u>	<u>13.3 %</u>	

*Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: AMERICAN CAN
Industry: METAL CONTAINERS (3411)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 652.4	\$ 714.8	\$ 771.6	\$ 1006.3	\$ 1037.0	\$ 1107.4	\$ 1059.0	\$ 1137.9	\$ 1180.5	\$ 1149.4	\$ 1225.8
R & D Charges (R _t)	9.7 ^E	10.6 ^E	11.5 ^E	15.0 ^E	15.4 ^E	16.5 ^E	15.7 ^E	16.9 ^E	17.5 ^E	17.1 ^E	18.2 ^E
Reported Profits (P _t)	30.4	36.0	34.8	45.4	46.4	40.9	35.4	46.4	48.7	44.1	46.9
Reported Equity (E _t)	332.5	337.1	356.0	487.7	493.7	501.9	504.0	536.7	551.6	550.9	567.1
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 1265.1	\$ 1369.7	\$ 1521.8	\$ 1633.0	\$ 1723.7	\$ 1838.1	\$ 1897.0	\$ 2015.5	\$ 2181.6	\$ 2657.9	
R & D Charges (R _t)	18.8 ^E	20.4 ^E	22.6 ^E	24.3 ^E	25.6 ^E	27.3	28.2	28.8	28.9	33.3	
Reported Profits (P _t)	62.1	71.6	76.1	77.6	64.6	65.9	50.1	55.3	66.4	100.1	
Reported Equity (E _t)	596.4	630.3	678.7	715.5	740.5	764.7	773.0	680.3	704.8	754.3	
Reported Profits as a Percentage of Average Reported Equity (P/E)						6.5 %	7.6 %	9.6 %	13.7 %		

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: AMERICAN MOTORS
Industry: AUTOMOBILES (3717)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$ 416.8</u>	<u>\$ 468.8</u>	<u>\$ 429.1</u>	<u>\$ 383.2</u>	<u>\$502.8</u>	<u>\$935.7</u>	<u>\$1139.5</u>	<u>\$938.6</u>	<u>\$1056.4</u>	<u>\$1132.4</u>	<u>\$1009.5</u>
R & D Charges (R _t)	<u>10.2^E</u>	<u>11.5^E</u>	<u>10.5^E</u>	<u>9.4^E</u>	<u>12.3^E</u>	<u>22.9^E</u>	<u>27.8^E</u>	<u>22.9^E</u>	<u>25.8^E</u>	<u>27.7^E</u>	<u>24.7^E</u>
Reported Profits (P _t)	<u>11.1</u>	<u>7.0</u>	<u>19.7</u>	<u>10.5</u>	<u>26.1</u>	<u>60.3</u>	<u>48.2</u>	<u>23.6</u>	<u>34.2</u>	<u>37.8</u>	<u>26.2</u>
Reported Equity (E _t)	<u>163.0</u>	<u>144.0</u>	<u>124.3</u>	<u>111.2</u>	<u>137.5</u>	<u>190.8</u>	<u>223.3</u>	<u>225.7</u>	<u>249.5</u>	<u>273.1</u>	<u>278.7</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$ 990.6</u>	<u>\$ 870.4</u>	<u>\$ 778.0</u>	<u>\$ 761.1</u>	<u>\$737.4</u>	<u>\$1089.8</u>	<u>\$1232.6</u>	<u>\$1403.8</u>	<u>\$1739.0</u>	<u>\$2000.0</u>	
R & D Charges (R _t)	<u>24.2^E</u>	<u>21.3^E</u>	<u>19.0^E</u>	<u>18.6^E</u>	<u>18.0^E</u>	<u>26.6^E</u>	<u>30.1^E</u>	<u>34.3</u>	<u>38.2</u>	<u>35.3</u>	
Reported Profits (P _t)	<u>5.2</u>	<u>15.7</u>	<u>70.5</u>	<u>3.3</u>	<u>4.9</u>	<u>56.2</u>	<u>5.5</u>	<u>16.5</u>	<u>44.5</u>	<u>27.5</u>	
Reported Equity (E _t)	<u>267.2</u>	<u>254.6</u>	<u>178.8</u>	<u>190.6</u>	<u>204.0</u>	<u>203.4</u>	<u>214.0</u>	<u>244.2</u>	<u>343.6</u>	<u>383.0</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>2.6 %</u>	<u>7.2 %</u>	<u>15.1 %</u>	<u>7.6 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: AMERICAN SMELTING & REFINING
Industry: COPPER (3331)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$ 466.8</u>	<u>\$ 540.5</u>	<u>\$ 592.9</u>	<u>\$ 498.9</u>	<u>\$ 417.1</u>	<u>\$ 390.4</u>	<u>\$ 475.6</u>	<u>\$ 470.8</u>	<u>\$ 488.5</u>	<u>\$ 544.5</u>	<u>\$ 608.0</u>
R & D Charges (R _t)	<u>2.7</u>	<u>2.7</u>	<u>2.8</u>	<u>3.2</u>	<u>4.6</u>	<u>3.3</u>	<u>2.7</u>	<u>2.8</u>	<u>2.6</u>	<u>3.8</u>	<u>2.9</u>
Reported Profits (P _t)	<u>21.5</u>	<u>33.5</u>	<u>39.8</u>	<u>25.0</u>	<u>17.3</u>	<u>13.0</u>	<u>23.7</u>	<u>21.4</u>	<u>27.7</u>	<u>29.3</u>	<u>41.9</u>
Reported Equity (E _t)	<u>295.4</u>	<u>310.2</u>	<u>327.5</u>	<u>332.8</u>	<u>338.4</u>	<u>358.2</u>	<u>373.1</u>	<u>301.6</u>	<u>393.6</u>	<u>320.6</u>	<u>215.3</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$ 614.5</u>	<u>\$ 653.8</u>	<u>\$ 511.2</u>	<u>\$ 634.1</u>	<u>\$ 771.0</u>	<u>\$ 717.8</u>	<u>\$ 656.8</u>	<u>\$ 814.3</u>	<u>\$ 1068.4</u>	<u>\$ 1344.1</u>	
R & D Charges (R _t)	<u>3.5</u>	<u>6.7</u>	<u>8.1</u>	<u>9.2^E</u>	<u>11.2</u>	<u>13.1</u>	<u>11.2</u>	<u>9.5</u>	<u>10.2</u>	<u>11.0</u>	
Reported Profits (P _t)	<u>52.5</u>	<u>69.2</u>	<u>56.8</u>	<u>73.2</u>	<u>99.4</u>	<u>88.8</u>	<u>46.0</u>	<u>49.1</u>	<u>113.4</u>	<u>125.8</u>	
Reported Equity (E _t)	<u>358.6</u>	<u>392.1</u>	<u>427.5</u>	<u>587.1</u>	<u>640.7</u>	<u>676.6</u>	<u>673.3</u>	<u>682.6</u>	<u>774.0</u>	<u>862.5</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>6.8 %</u>	<u>7.2 %</u>	<u>15.6 %</u>	<u>15.4 %</u>	

E=Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: ANACONDA
Industry: COPPER (3331)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>461.1</u>	\$ <u>630.7</u>	\$ <u>749.4</u>	\$ <u>570.8</u>	\$ <u>523.1</u>	\$ <u>632.7</u>	\$ <u>624.4</u>	\$ <u>624.3</u>	\$ <u>691.3</u>	\$ <u>802.5</u>	\$ <u>895.0</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>26.7</u>	<u>65.3</u>	<u>111.5</u>	<u>44.0</u>	<u>33.9</u>	<u>59.2</u>	<u>46.1</u>	<u>42.1</u>	<u>48.8</u>	<u>45.4</u>	<u>57.2</u>
Reported Equity (E _t)	<u>672.6</u>	<u>701.0</u>	<u>335.4</u>	<u>335.0</u>	<u>347.6</u>	<u>915.7</u>	<u>935.1</u>	<u>950.4</u>	<u>972.5</u>	<u>1034.5</u>	<u>1062.3</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>993.9</u>	\$ <u>1234.6</u>	\$ <u>1047.8</u>	\$ <u>1051.0</u>	\$ <u>1410.6</u>	\$ <u>977.4</u>	\$ <u>946.5</u>	\$ <u>1011.6</u>	\$ <u>1343.1</u>	\$ <u>1672.7</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>79.5</u>	<u>132.4</u>	<u>94.3</u>	<u>89.0</u>	<u>99.3</u>	<u>68.1</u>	<u>8.7</u>	<u>44.1</u>	<u>69.7</u>	<u>106.8</u>	
Reported Equity (E _t)	<u>1102.9</u>	<u>1180.2</u>	<u>1075.4</u>	<u>1114.8</u>	<u>1166.2</u>	<u>1188.4</u>	<u>821.0</u>	<u>971.4</u>	<u>1048.0</u>	<u>1267.3</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>0.9 %</u>	<u>4.9 %</u>	<u>6.9 %</u>	<u>9.2 %</u>	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: ANCHOR-HOCKING
Industry: GLASS CONTAINERS (3221)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>103.7</u>	\$ <u>113.8</u>	\$ <u>120.1</u>	\$ <u>125.1</u>	\$ <u>132.9</u>	\$ <u>141.1</u>	\$ <u>142.9</u>	\$ <u>145.1</u>	\$ <u>150.3</u>	\$ <u>152.8</u>	\$ <u>164.3</u>
R & D Charges (R _t)	<u>1.6^E</u>	<u>1.7^E</u>	<u>1.8^E</u>	<u>1.9^F</u>	<u>2.0^E</u>	<u>2.2^E</u>	<u>2.2^E</u>	<u>2.2^E</u>	<u>2.3^E</u>	<u>2.3^E</u>	<u>2.5^E</u>
Reported Profits (P _t)	<u>5.5</u>	<u>6.1</u>	<u>6.2</u>	<u>7.0</u>	<u>7.5</u>	<u>8.3</u>	<u>7.0</u>	<u>6.3</u>	<u>6.6</u>	<u>6.2</u>	<u>7.6</u>
Reported Equity (E _t)	<u>41.5</u>	<u>44.8</u>	<u>48.1</u>	<u>51.7</u>	<u>55.1</u>	<u>61.0</u>	<u>63.6</u>	<u>65.4</u>	<u>67.4</u>	<u>69.2</u>	<u>72.6</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>170.9</u>	\$ <u>188.7</u>	\$ <u>199.0</u>	\$ <u>227.6</u>	\$ <u>270.9</u>	\$ <u>293.2</u>	\$ <u>312.4</u>	\$ <u>340.3</u>	\$ <u>367.1</u>	\$ <u>411.0</u>	
R & D Charges (R _t)	<u>2.6^E</u>	<u>2.9^E</u>	<u>3.1^E</u>	<u>3.5^E</u>	<u>4.2^E</u>	<u>4.5^E</u>	<u>4.8</u>	<u>4.6</u>	<u>4.6</u>	<u>5.3</u>	
Reported Profits (P _t)	<u>8.9</u>	<u>11.5</u>	<u>10.4</u>	<u>15.5</u>	<u>21.0</u>	<u>19.0</u>	<u>19.2</u>	<u>20.7</u>	<u>18.7</u>	<u>16.3</u>	
Reported Equity (E _t)	<u>75.1</u>	<u>82.9</u>	<u>89.6</u>	<u>104.3</u>	<u>121.5</u>	<u>137.1</u>	<u>149.7</u>	<u>164.3</u>	<u>173.2</u>	<u>180.2</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>13.4 %</u>	<u>13.2 %</u>	<u>11.1 %</u>	<u>9.2 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: ANHEUSER-BUSCH
Industry: BEER (2082)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>215.9</u>	\$ <u>201.7</u>	\$ <u>214.7</u>	\$ <u>227.2</u>	\$ <u>257.1</u>	\$ <u>296.0</u>	\$ <u>308.8</u>	\$ <u>309.8</u>	\$ <u>327.2</u>	\$ <u>343.6</u>	\$ <u>376.2</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>12.8</u>	<u>8.0</u>	<u>9.8</u>	<u>9.8</u>	<u>10.8</u>	<u>13.0</u>	<u>15.4</u>	<u>16.0</u>	<u>17.0</u>	<u>15.6</u>	<u>19.6</u>
Reported Equity (E _t)	<u>112.9</u>	<u>115.2</u>	<u>119.3</u>	<u>123.3</u>	<u>128.3</u>	<u>135.9</u>	<u>145.4</u>	<u>153.4</u>	<u>163.6</u>	<u>170.9</u>	<u>182.6</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>421.9</u>	\$ <u>479.3</u>	\$ <u>554.9</u>	\$ <u>652.7</u>	\$ <u>666.6</u>	\$ <u>792.8</u>	\$ <u>902.5</u>	\$ <u>977.5</u>	\$ <u>1109.7</u>	\$ <u>1413.1</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>25.8</u>	<u>32.3</u>	<u>36.2</u>	<u>44.6</u>	<u>47.6</u>	<u>62.5</u>	<u>71.6</u>	<u>76.4</u>	<u>65.6</u>	<u>64.0</u>	
Reported Equity (E _t)	<u>197.6</u>	<u>220.5</u>	<u>255.4</u>	<u>285.3</u>	<u>314.1</u>	<u>358.5</u>	<u>414.0</u>	<u>462.0</u>	<u>500.8</u>	<u>537.8</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>18.5</u> %	<u>17.4</u> %	<u>13.6</u> %	<u>12.3</u> %	

Neg. = Negligible; less than 1% of sales.

**FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)**

Name of firm: **BELL & HOWELL CO.**
Industry: **PHOTOGRAPHIC EQUIPMENT (3861)**

Source of data: **SEC REPORT (10-K)**

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 40.7	\$ 42.1	\$ 45.6	\$ 52.2	\$59.0	\$105.1	\$114.1	\$113.1	\$147.7	\$159.3	\$171.6
R & D Charges (R _t)	2.3 ^E	2.4 ^E	2.6 ^E	2.9 ^E	3.3 ^E	5.9 ^E	6.4 ^E	6.4 ^E	8.3 ^E	9.0 ^E	9.7 ^E
Reported Profits (P _t)	1.8	2.0	2.2	2.6	3.0	4.9	5.1	3.9	3.4	4.1	5.0
Reported Equity (E _t)	19.9	21.2	22.7	28.1	30.1	48.2	52.6	52.9	64.5	66.9	68.4
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 185.7	\$ 230.0	\$ 263.2	\$ 280.3	\$297.8	\$297.8	\$329.5	\$365.3	\$397.2	\$453.5	
R & D Charges (R _t)	10.5 ^E	13.0 ^E	14.9 ^E	15.8 ^E	16.8 ^E	16.8 ^E	18.6	22.4	23.7	21.2	
Reported Profits (P _t)	6.3	9.4	11.3	12.5	10.9	11.0	13.7	16.4	19.2	15.5	
Reported Equity (E _t)	73.5	83.5	99.8	113.5	125.6	133.5	145.3	159.5	176.2	187.0	
Reported Profits as a Percentage of Average Reported Equity (P/E)							9.8 %	10.8 %	11.4 %	8.5 %	

E= Estimate

**FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)**

Name of firm: BETHLEHEM STEEL
Industry: STEEL (3312)

Source of data: SEC REPORT 10-K

Reported Data	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Net Sales	\$ 1656.8	\$ 2096.6	\$ 2326.7	\$ 2603.7	\$ 2005.9	\$ 2055.7	\$ 2178.1	\$ 2033.9	\$ 2072.1	\$ 2095.8	\$ 2240.7
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	132.8	180.2	161.4	191.0	137.7	117.2	121.2	122.4	88.7	102.5	147.9
Reported Equity (E _t)	1079.9	1186.1	1329.7	1586.8	1626.6	1642.3	1649.2	1656.8	1639.9	1667.6	1607.3
Reported Data	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	
Net Sales	\$ 2579.4	\$ 2669.4	\$ 2594.1	\$ 2862.7	\$ 2927.7	\$ 2935.4	\$ 2963.6	\$ 3113.6	\$ 4137.6	\$ 5381.0	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	150.0	170.9	130.4	160.5	156.5	90.1	139.2	134.6	206.6	342.0	
Reported Equity (E _t)	1707.6	1795.5	1857.0	1883.8	1964.4	1963.5	2055.8	2136.7	2242.3	2490.1	
Reported Profits as a Percentage of Average Reported Equity (P/E)							6.9 %	6.4 %	9.4 %	14.5 %	

*Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales.

**FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)**

Name of firm: BROWN GROUP INC.
Industry: SHOES (3141)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$138.9	\$159.5	\$219.1	\$236.9	\$239.9	\$276.5	\$295.8	\$297.9	\$323.6	\$316.9	\$247.4
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	4.8	6.5	8.5	9.1	8.5	11.6	11.1	10.5	12.9	12.4	12.4
Reported Equity (E _t)	42.5	48.0	56.7	62.9	67.6	75.9	83.0	89.0	96.8	109.4	97.7
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$265.4	\$300.6	\$326.7	\$375.2	\$399.7	\$429.5	\$505.7	\$567.1	\$653.9	\$719.5	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	14.3	17.1	19.0	20.9	16.4	17.5	20.4	22.8	24.6	17.7	
Reported Equity (E _t)	101.6	111.5	122.5	135.7	143.9	150.3	170.6	181.5	186.8	192.7	
Reported Profits as a Percentage of Average Reported Equity (P/E)											
							12.7 %	13.0 %	13.4 %	9.3 %	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: BURROUGHS CORP.

Source of data: SEC REPORT (10-K)

Industry: ELECTRONIC COMPUTING EQUIP. (3573)

Reported Data	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Net Sales	\$ <u>169.1</u>	\$ <u>217.8</u>	\$ <u>271.8</u>	\$ <u>281.2</u>	\$ <u>292.6</u>	\$ <u>358.1</u>	\$ <u>387.5</u>	\$ <u>399.4</u>	\$ <u>422.8</u>	\$ <u>389.1</u>	\$ <u>390.8</u>
R & D Charges (R _t)	<u>5.9^E</u>	<u>7.5^E</u>	<u>9.4^E</u>	<u>9.7^E</u>	<u>10.1^E</u>	<u>12.4^E</u>	<u>13.4^E</u>	<u>13.8^E</u>	<u>14.6^E</u>	<u>13.5^E</u>	<u>13.5^E</u>
Reported Profits (P _t)	<u>9.1</u>	<u>12.1</u>	<u>14.2</u>	<u>10.1</u>	<u>6.4</u>	<u>7.1</u>	<u>9.2</u>	<u>10.5</u>	<u>9.5</u>	<u>8.5</u>	<u>10.2</u>
Reported Equity (E _t)	<u>65.3</u>	<u>94.0</u>	<u>102.2</u>	<u>106.7</u>	<u>121.7</u>	<u>122.5</u>	<u>125.7</u>	<u>129.6</u>	<u>133.5</u>	<u>151.8</u>	<u>153.9</u>
Reported Data	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	
Net Sales	\$ <u>456.7</u>	\$ <u>489.7</u>	\$ <u>550.6</u>	\$ <u>650.8</u>	\$ <u>751.8</u>	\$ <u>884.6</u>	\$ <u>932.7</u>	\$ <u>1640.2</u>	\$ <u>1263.6</u>	\$ <u>1510.8</u>	
R & D Charges (R _t)	<u>15.8</u>	<u>18.8</u>	<u>22.2</u>	<u>26.1</u>	<u>37.1</u>	<u>45.0</u>	<u>47.4</u>	<u>50.8</u>	<u>65.6</u>	<u>85.4</u>	
Reported Profits (P _t)	<u>17.5</u>	<u>31.0</u>	<u>34.8</u>	<u>43.3</u>	<u>55.2</u>	<u>65.5</u>	<u>74.2</u>	<u>87.5</u>	<u>115.9</u>	<u>142.9</u>	
Reported Equity (E _t)	<u>163.7</u>	<u>216.2</u>	<u>245.4</u>	<u>287.5</u>	<u>416.9</u>	<u>589.5</u>	<u>664.4</u>	<u>759.7</u>	<u>986.7</u>	<u>1133.5</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>11.8 %</u>	<u>12.3 %</u>	<u>13.3 %</u>	<u>13.5 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: CELANESE
Industry: RAYON (2825)

Source of data: SEC REPORT (10-K)

Reported Data	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Net Sales	\$ 147.6	\$ 177.5	\$ 188.3	\$ 192.3	\$ 223.7	\$ 265.2	\$ 264.1	\$ 284.0	\$ 317.1	\$ 356.3	\$ 700.8
R & D Charges (R _t)	5.3	5.4	4.7	5.7	5.7	5.5	6.1	6.7	6.9	10.0	13.0
Reported Profits (P _t)	6.6	11.2	16.9	9.5	16.7	22.6	19.9	20.6	27.5	32.6	54.9
Reported Equity (E _t)	100.3	108.0	117.1	122.6	128.7	140.7	147.9	175.4	189.5	247.0	477.8
Reported Data	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	
Net Sales	\$ 862.3	\$ 1019.9	\$ 1110.0	\$ 1255.8	\$ 1249.9	\$ 1036.7	\$ 1236.1	\$ 1384.8	\$ 1609.0	\$ 1928.0	
R & D Charges (R _t)	14.8	18.9	38.8	41.8	48.6	53.4	51.3	52.2	49.0	58.0	
Reported Profits (P _t)	65.0	66.7	59.3	57.8	76.3	51.0	59.5	51.2	75.0	98.0	
Reported Equity (E _t)	515.7	643.9	667.8	553.3	602.5	620.3	618.9	629.4	700.0	761.0	
Reported Profits as a Percentage of Average Reported Equity (P _t /E _t)							9.6 %	8.2 %	11.3 %	13.4 %	

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: CHRYSLER
Industry: AUTOMOBILES (3717)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 2071.6	\$ 3466.2	\$ 2676.3	\$ 3565.0	\$ 2165.4	\$ 2643.0	\$ 3007.0	\$ 2127.3	\$ 2377.6	\$ 3505.3	\$ 4287.3
R & D Charges (R _t)	40.4 ^E	67.7 ^E	52.2 ^E	69.6 ^E	42.3 ^E	51.6 ^E	58.7 ^E	41.5 ^E	46.4 ^E	68.4 ^E	83.7 ^E
Reported Profits (P _t)	18.5	100.1	20.0	119.95	33.8	5.4	32.2	11.1	65.4	161.6	213.8
Reported Equity (E _t)	586.5	652.1	646.2	732.3	691.3	678.7	704.4	711.5	769.9	920.9	1122.1
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 5299.9	\$ 5649.5	\$ 6213.4	\$ 7445.3	\$ 7052.2	\$ 6999.7	\$ 7999.3	\$ 9759.1	\$ 11774.4	\$ 10971.4	
R & D Charges (R _t)	103.5 ^E	110.3 ^E	121.3 ^E	145.3 ^E	137.7 ^E	136.6 ^E	156.1 ^E	190.5	247.0	241.2	
Reported Profits (P _t)	233.4	189.2	200.4	290.7	88.8	7.6	83.7	220.5	255.4	52.1	
Reported Equity (E _t)	1582.3	1701.3	1834.8	2066.3	2100.9	2155.6	2268.9	2489.0	2727.7	2660.5	
Reported Profits as a Percentage of Average Reported Equity (P/E)							3.8%	9.3%	9.8%	1.9%	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: COLGATE-PALMOLIVE CO.
Industry: SOAP (2841)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 261.8	\$ 285.6	\$ 291.0	\$ 506.9	\$ 534.0	\$ 582.0	\$ 576.3	\$ 604.9	\$ 673.8	\$ 722.0	\$ 806.6
R & D Charges (R _t)	6.2 ^E	6.7 ^E	6.9 ^E	12.0 ^E	12.6 ^E	13.7 ^E	13.6 ^E	14.3 ^E	15.9 ^E	17.0 ^E	19.0 ^E
Reported Profits (P _t)	12.5	14.0	10.5	19.9	21.2	25.3	21.2	22.3	22.9	23.8	25.9
Reported Equity (E _t)	119.5	126.7	129.7	187.1	199.95	223.6	221.8	229.7	240.4	250.9	264.1
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 862.1	\$ 931.6	\$ 1025.4	\$ 1098.1	\$ 1141.6	\$ 1210.2	\$ 1309.6	\$ 1807.6	\$ 2195.3	\$ 2615.4	
R & D Charges (R _t)	20.3 ^E	22.0 ^E	24.2 ^E	25.9 ^E	26.9 ^E	28.6 ^E	30.9	36.4	38.1	28.9	
Reported Profits (P _t)	28.0	30.5	33.5	36.6	37.8	40.3	44.9	67.5	88.8	118.7	
Reported Equity (E _t)	271.4	282.4	294.4	312.6	323.3	337.8	357.2	512.4	616.9	699.0	
Reported Profits as a Percentage of Average Reported Equity (P/E)							12.9 %	15.5 %	15.7 %	18.0 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: CONTINENTAL CAN
Industry: METAL CONTAINERS (3411)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 616.2	\$ 666.3	\$ 1010.3	\$ 1046.3	\$ 1080.4	\$ 1146.5	\$ 1117.0	\$ 1153.3	\$ 1182.9	\$ 1154.0	\$ 1198.1
R & D Charges (R _t)	10.0 ^E	10.8 ^E	16.4 ^E	17.0 ^E	17.5 ^E	18.6 ^E	18.1 ^E	18.7 ^E	19.2 ^E	18.7 ^E	19.4 ^E
Reported Profits (P _t)	20.7	24.3	43.1	41.0	41.4	40.0	27.8	36.1	41.0	40.1	48.9
Reported Equity (E _t)	95.6	233.3	374.6	393.7	414.6	450.6	454.4	465.2	483.8	486.6	489.7
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 1225.6	\$ 1339.2	\$ 1397.6	\$ 1507.9	\$ 1780.0	\$ 2036.5	\$ 2081.6	\$ 2192.7	\$ 2539.7	\$ 3087.4	
R & D Charges (R _t)	19.9 ^E	21.7 ^E	22.6 ^E	24.4 ^E	28.8 ^E	33.0	34.5	34.2	35.2	39.9	
Reported Profits (P _t)	59.2	70.9	78.1	83.5	90.1	91.9	72.9	80.8	95.2	119.4	
Reported Equity (E _t)	522.5	566.9	612.1	655.0	701.7	749.3	781.2	695.4	742.2	814.5	
Reported Profits as a Percentage of Average Reported Equity (P/E)							9.5 %	10.9 %	13.2 %	15.3 %	

E= Estimate

**FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)**

Name of firm: CONTROL DATA CORP.
Industry: ELECTRONIC COMPUTING EQUIPMENT (3573)

Source of data: SEC REPORT 10-K

Reported Data	1954	1955	1956	1957	1958	1959*	1960*	1961*	1962*	1963*	1964*
Net Sales	\$	\$	\$	\$	\$	\$ 4.6	\$ 9.7	\$ 19.8	\$ 41.0	\$ 63.1	\$ 121.4
R & D Charges (R _t)	← FIRM PRIVATELY HELD →					.4 ^E	.8 ^E	1.7 ^E	3.6 ^E	5.5 ^E	10.5 ^E
Reported Profits (P _t)						.3	.6	.8	1.5	3.1	6.1
Reported Equity (E _t)						1.8	4.3	9.8	23.3	29.5	59.6
Reported Data	1965*	1966*	1967*	1968	1969	1970	1971	1972	1973	1974	
Net Sales	\$ 160.5	\$ 167.6	\$ 245.2	\$ 438.0	\$ 570.8	\$ 539.5	\$ 571.2	\$ 663.7	\$ 936.0	\$ 1080.6	
R & D Charges (R _t)	13.9	12.9	15.3	20.1	29.5	30.8	33.0	29.6	48.1	55.2	
Reported Profits (P _t)	7.9	1.9	.8	45.5	15.8	36.9	10.0	8.4	16.6	31.4	
Reported Equity (E _t)	98.3	97.6	110.0	582.5	657.9	653.0	689.6	842.8	894.8	890.7	
Reported Profits as a Percentage of Average Reported Equity (P/E)							1.5 %	1.1 %	1.9 %	3.5 %	

*Secondary data source (Moody's)

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: DEL MONTE CORP.
Industry: CANNED FRUITS AND VEGETABLES (2033)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 226.9	\$ 233.8	\$ 249.3	\$ 287.6	\$ 325.5	\$ 346.3	\$ 352.5	\$ 358.2	\$ 379.8	\$ 385.8	\$ 409.8
R & D Charges (R _t)	<u>2.0^E</u>	<u>2.1^E</u>	<u>2.2^E</u>	<u>2.5^E</u>	<u>2.9^E</u>	<u>3.0^E</u>	<u>3.1^E</u>	<u>3.1^E</u>	<u>3.3^E</u>	<u>3.4^E</u>	<u>3.6^E</u>
Reported Profits (P _t)	<u>6.7</u>	<u>8.9</u>	<u>11.4</u>	<u>12.6</u>	<u>8.4</u>	<u>11.8</u>	<u>14.5</u>	<u>15.7</u>	<u>17.2</u>	<u>15.9</u>	<u>18.0</u>
Reported Equity (E _t)	<u>102.6</u>	<u>108.6</u>	<u>116.6</u>	<u>124.6</u>	<u>127.9</u>	<u>134.4</u>	<u>144.8</u>	<u>154.3</u>	<u>164.7</u>	<u>173.0</u>	<u>182.6</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 430.1	\$ 479.0	\$ 514.0	\$ 597.9	\$ 674.4	\$ 681.5	\$ 751.9	\$ 820.6	\$ 946.5	\$ 1042.6	
R & D Charges (R _t)	<u>3.8^E</u>	<u>4.2^E</u>	<u>4.5^E</u>	<u>5.2^E</u>	<u>5.9^E</u>	<u>6.0^E</u>	<u>6.6^E</u>	<u>7.2</u>	<u>7.4</u>	<u>7.5</u>	
Reported Profits (P _t)	<u>19.5</u>	<u>23.5</u>	<u>27.3</u>	<u>27.1</u>	<u>22.2</u>	<u>17.8</u>	<u>21.3</u>	<u>23.6</u>	<u>26.0</u>	<u>39.1</u>	
Reported Equity (E _t)	<u>193.2</u>	<u>206.0</u>	<u>215.3</u>	<u>211.1</u>	<u>216.4</u>	<u>217.7</u>	<u>229.3</u>	<u>239.7</u>	<u>248.4</u>	<u>273.4</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>9.5</u> %	<u>10.1</u> %	<u>10.7</u> %	<u>15.0</u> %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: DIGITAL EQUIPMENT CORP.
Industry: ELECTRONIC COMPUTING EQUIPMENT (3573)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
R & D Charges (R _t)	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Reported Profits (P _t)	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Reported Equity (E _t)	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
FIRM PRIVATELY HELD											
<u>Reported Data</u>	<u>1965</u>	<u>1966*</u>	<u>1967*</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ _____	\$ 22.8	\$ 38.9	\$ 57.3	\$ 87.9	\$ 135.4	\$ 146.8	\$ 187.6	\$ 265.5	\$ 421.9	
R & D Charges (R _t)	_____	2.6	4.0	6.4	9.4	13.3	16.7	20.1	24.9	36.6	
Reported Profits (P _t)	_____	2.0	4.5	6.9	9.3	14.4	10.6	15.3	23.5	44.4	
Reported Equity (E _t)	_____	6.4	15.7	22.7	45.3	114.8	125.9	144.8	223.5	339.6	
Reported Profits as a Percentage of Average Reported Equity (P/E)	_____	_____	_____	_____	_____	_____	8.8 %	11.3 %	12.8 %	15.8 %	

*Secondary Data source (Moody's)

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: DISTILLERS CORP. - SEAGRAM
Industry: LIQUOR (2085)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 752.7	\$ 735.7	\$ 732.1	\$ 746.4	\$ 704.5	\$ 731.4	\$ 768.2	\$ 794.2	\$ 820.4	\$ 864.5	\$ 897.1
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	19.5	17.1	23.0	25.4	25.6	27.1	28.7	30.9	31.6	34.3	37.6
Reported Equity (E _t)	338.5	354.3	362.5	376.6	386.8	398.7	411.6	429.4	446.8	464.9	490.6
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 1005.1	\$ 1104.4	\$ 1164.6	\$ 1255.4	\$ 1342.6	\$ 1437.2	\$ 1512.2	\$ 1585.2	\$ 1688.5	\$ 1841.0	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	41.1	45.1	47.1	50.6	53.3	56.7	60.1	65.7	72.7	81.6	
Reported Equity (E _t)	517.4	546.3	577.3	611.7	646.3	685.9	725.5	768.6	812.2	866.7	
Reported Profits as a Percentage of Average Reported Equity (P/E)							8.5 %	8.8 %	9.2 %	9.7 %	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: EASTMAN KODAK CO.
Industry: PHOTOGRAPHIC EQUIPMENT (3861)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 633.5	\$ 714.4	\$ 761.7	\$ 798.3	\$828.8	\$914.1	\$944.8	\$989.2	\$1056.1	\$1106.7	\$1541.7
R & D Charges (R _t)	<u>40.0^E</u>	<u>45.1^E</u>	<u>48.1^E</u>	<u>50.4^E</u>	<u>52.4^E</u>	<u>57.7^E</u>	<u>59.7^E</u>	<u>62.5^E</u>	<u>66.7^E</u>	<u>69.9^E</u>	<u>97.4^E</u>
Reported Profits (P _t)	<u>69.8</u>	<u>85.6</u>	<u>94.2</u>	<u>98.1</u>	<u>98.9</u>	<u>124.7</u>	<u>127.1</u>	<u>130.2</u>	<u>140.3</u>	<u>144.4</u>	<u>205.7</u>
Reported Equity (E _t)	<u>453.2</u>	<u>495.9</u>	<u>541.2</u>	<u>587.2</u>	<u>631.1</u>	<u>684.8</u>	<u>730.6</u>	<u>773.5</u>	<u>818.4</u>	<u>854.7</u>	<u>1132.2</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 1813.4	\$ 1741.7	\$ 2391.5	\$ 2644.1	\$2747.2	\$2784.6	\$2975.9	\$3477.8	\$4035.5	\$4583.6	
R & D Charges (R _t)	<u>114.6^E</u>	<u>110.0^E</u>	<u>151.1^E</u>	<u>167.0^E</u>	<u>173.6^E</u>	<u>175.9^E</u>	<u>188.0</u>	<u>215.1</u>	<u>248.0</u>	<u>273.7</u>	
Reported Profits (P _t)	<u>275.5</u>	<u>318.2</u>	<u>352.3</u>	<u>375.4</u>	<u>401.1</u>	<u>403.7</u>	<u>419.3</u>	<u>546.3</u>	<u>653.5</u>	<u>629.5</u>	
Reported Equity (E _t)	<u>1262.9</u>	<u>1194.2</u>	<u>1644.4</u>	<u>1836.0</u>	<u>2035.6</u>	<u>2226.4</u>	<u>2429.7</u>	<u>2755.2</u>	<u>3117.9</u>	<u>3427.5</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>18.0 %</u>	<u>21.1 %</u>	<u>22.3 %</u>	<u>19.2 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: EXXON CORP.
Industry: PETROLEUM REFINING (2911)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>5661.4</u>	\$ <u>6272.4</u>	\$ <u>7126.9</u>	\$ <u>7830.2</u>	\$ <u>7543.6</u>	\$ <u>8522.0</u>	\$ <u>8695.8</u>	\$ <u>9148.2</u>	\$ <u>10326.9</u>	\$ <u>11124.3</u>	\$ <u>11764.1</u>
R & D Charges (R _t)	<u>164</u>	<u>172</u>	<u>195</u>	<u>246</u>	<u>213</u>	<u>197</u>	<u>199</u>	<u>183</u>	<u>209</u>	<u>204</u>	<u>228</u>
Reported Profits (P _t)	<u>584.8</u>	<u>709.3</u>	<u>808.5</u>	<u>805.2</u>	<u>562.5</u>	<u>629.8</u>	<u>688.6</u>	<u>758.1</u>	<u>840.9</u>	<u>1019.5</u>	<u>1050.6</u>
Reported Equity (E _t)	<u>4313.7</u>	<u>4680.2</u>	<u>5111.4</u>	<u>5755.6</u>	<u>6457.2</u>	<u>6687.7</u>	<u>6829.2</u>	<u>7091.8</u>	<u>7609.7</u>	<u>7949.8</u>	<u>8358.7</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>12493.0</u>	\$ <u>13270.7</u>	\$ <u>14409.4</u>	\$ <u>15473.9</u>	\$ <u>16433.1</u>	\$ <u>18143.3</u>	\$ <u>20361.7</u>	\$ <u>22070.6</u>	\$ <u>28022.4</u>	\$ <u>45020.8</u>	
R & D Charges (R _t)	<u>234.0</u>	<u>234.0</u>	<u>206.0</u>	<u>195.0</u>	<u>205.3</u>	<u>193.4</u>	<u>249.1</u>	<u>265.2</u>	<u>255.4</u>	<u>360.1</u>	
Reported Profits (P _t)	<u>1035.7</u>	<u>1090.9</u>	<u>1192.3</u>	<u>1276.7</u>	<u>1242.6</u>	<u>1309.5</u>	<u>1516.6</u>	<u>1531.8</u>	<u>2443.3</u>	<u>3142.2</u>	
Reported Equity (E _t)	<u>8683.5</u>	<u>8981.7</u>	<u>9453.6</u>	<u>9855.8</u>	<u>10092.6</u>	<u>10950.6</u>	<u>11592.9</u>	<u>12269.5</u>	<u>13717.7</u>	<u>15723.95</u>	
Reported Profits as a Percentage of Average Reported Equity (P:E)							<u>13.5</u> %	<u>12.8</u> %	<u>18.8</u> %	<u>21.3</u> %	

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: FALSTAFF BREWING CO.
Industry: BEER (2082)

Source of data: SEC REPORT 10-K

Reported Data	1954	1955	1956	1957	1958	1959	1960	1961	1962*	1963*	1964*
Net Sales	\$ 67.8	\$ 77.0	\$ 84.8	\$ 97.1	\$ 102.3	\$ 111.6	\$ 115.9	\$ 120.3	\$ 124.6	\$ 132.1	\$ 139.5
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	3.0	4.4	4.1	4.1	4.3	5.4	5.9	5.8	6.0	6.3	7.0
Reported Equity (E _t)	20.2	22.7	24.8	32.3	34.2	37.3	40.7	43.9	46.5	49.7	53.7
Reported Data	1965*	1966	1967	1968	1969	1970	1971	1972	1973	1974	
Net Sales	\$ 151.0	\$ 168.1	\$ 161.6	\$ 153.8	\$ 156.4	\$ 143.6	\$ 141.4	\$ 169.9	\$ 173.7	\$ 188.4	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	5.5	4.4	1.6	2.2	1.4	1.2	1.4	6.1	5.8	3.9	
Reported Equity (E _t)	57.9	58.6	54.5	51.8	51.6	52.8	53.7	47.6	41.8	37.9	
Reported Profits as a Percentage of Average Reported Equity (P/E)							2.6 %	12.1 %	13.0 %	9.8 %	

* Secondary data source (Moody's)
Neg. = Negligible: less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: FIRESTONE
Industry: TIRES AND TUBES (3011)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 916.0	\$ 1114.9	\$ 1115.2	\$ 1158.9	\$ 1061.6	\$ 1187.8	\$ 1207.2	\$ 1182.7	\$ 1277.7	\$ 1382.0	\$ 1448.8
R & D Charges (R _t)	14.0 ^E	17.1 ^E	17.1 ^E	17.7 ^E	16.2 ^E	18.2 ^E	18.5 ^E	18.1 ^E	19.5 ^E	21.1 ^E	22.2 ^E
Reported Profits (P _t)	40.5	55.4	60.5	61.7	53.8	64.6	65.0	63.6	60.0	63.4	79.0
Reported Equity (E _t)	334.9	370.5	409.5	459.3	490.9	533.6	572.8	610.2	643.3	678.9	728.1
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 1609.8	\$ 1814.6	\$ 1875.4	\$ 2131.4	\$ 2278.9	\$ 2334.7	\$ 2483.6	\$ 2691.0	\$ 3154.9	\$ 3674.9	
R & D Charges (R _t)	24.6 ^E	27.8 ^E	28.7 ^E	32.6 ^E	34.9 ^E	35.7 ^E	38.0	41.0	45.4	50.8	
Reported Profits (P _t)	86.7	101.8	102.3	127.0	116.7	92.8	113.5	135.8	164.9	154.0	
Reported Equity (E _t)	782.7	849.2	915.3	1010.5	1064.1	1107.8	1180.1	1251.9	1357.0	1453.4	
Reported Profits as a Percentage of Average Reported Equity (P/E)							9.9 %	11.2 %	12.6 %	11.0 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: FORD
Industry: AUTOMOBILES (3717)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$4062.3</u>	<u>\$5594.0</u>	<u>\$4647.0</u>	<u>\$5771.3</u>	<u>\$4130.3</u>	<u>\$5356.9</u>	<u>\$5237.9</u>	<u>\$6709.4</u>	<u>\$8089.6</u>	<u>\$8742.5</u>	<u>\$9670.8</u>
R & D Charges (R _t)	<u>167.8^E</u>	<u>231.1^E</u>	<u>192.0^E</u>	<u>238.4^E</u>	<u>170.6^E</u>	<u>221.3^E</u>	<u>216.4^E</u>	<u>277.1^E</u>	<u>334.2^E</u>	<u>361.1^E</u>	<u>399.5^E</u>
Reported Profits (P _t)	<u>227.8</u>	<u>437.0</u>	<u>236.6</u>	<u>282.8</u>	<u>95.7</u>	<u>451.4</u>	<u>427.9</u>	<u>409.6</u>	<u>480.7</u>	<u>488.5</u>	<u>505.6</u>
Reported Equity (E _t)	<u>1593.3</u>	<u>1868.2</u>	<u>1987.5</u>	<u>2149.5</u>	<u>2141.6</u>	<u>2614.8</u>	<u>2879.6</u>	<u>3127.7</u>	<u>3418.4</u>	<u>3717.9</u>	<u>4011.0</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$11536.8</u>	<u>\$12240.0</u>	<u>\$10515.7</u>	<u>\$14075.1</u>	<u>\$14755.6</u>	<u>\$14979.9</u>	<u>\$16433.0</u>	<u>\$20194.4</u>	<u>\$23015.1</u>	<u>\$23620.6</u>	
R & D Charges (R _t)	<u>476.6^E</u>	<u>505.6^E</u>	<u>434.4^E</u>	<u>581.4^E</u>	<u>609.5^E</u>	<u>618.8^E</u>	<u>678.8</u>	<u>827.0</u>	<u>1105.5</u>	<u>980.7</u>	
Reported Profits (P _t)	<u>703.0</u>	<u>621.0</u>	<u>84.1</u>	<u>626.6</u>	<u>546.5</u>	<u>515.7</u>	<u>656.7</u>	<u>870.0</u>	<u>906.5</u>	<u>360.9</u>	
Reported Equity (E _t)	<u>4490.8</u>	<u>4782.1</u>	<u>4589.7</u>	<u>4946.6</u>	<u>5222.0</u>	<u>5467.9</u>	<u>5547.2</u>	<u>5961.3</u>	<u>6405.1</u>	<u>6241.3</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>11.9 %</u>	<u>15.1 %</u>	<u>14.7 %</u>	<u>5.7 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: GENERAL MILLS
Industry: FLOUR (2041)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 487.6	\$ 513.7	\$ 516.1	\$ 527.7	\$ 529.8	\$ 546.0	\$ 537.8	\$ 575.5	\$ 546.4	\$ 523.9	\$ 541.3
R & D Charges (R _t)	6.4 ^E	6.7 ^E	6.7 ^E	6.9 ^E	6.9 ^E	7.1 ^E	7.0 ^E	7.5 ^E	7.1 ^E	6.8 ^E	7.1 ^E
Reported Profits (P _t)	11.2	12.4	14.1	12.2	14.7	16.8	11.5	12.8	10.2	14.9	17.2
Reported Equity (E _t)	120.6	123.2	131.5	136.1	143.1	154.1	159.6	164.0	163.5	169.1	175.2
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 559.0	\$ 524.7	\$ 602.5	\$ 668.9	\$ 885.2	\$ 1021.7	\$ 1120.1	\$ 1316.3	\$ 1593.2	\$ 2000.1	
R & D Charges (R _t)	7.3 ^E	6.8 ^E	7.9 ^E	8.7 ^E	11.5 ^E	13.3 ^E	14.6	17.4	19.0	21.6	
Reported Profits (P _t)	20.4	23.3	28.5	31.3	36.3	40.6	43.9	52.2	65.6	75.1	
Reported Equity (E _t)	144.1	155.1	193.0	216.6	286.2	303.5	332.7	365.6	425.4	483.4	
Reported Profits as a Percentage of Average Reported Equity (P/E)							13.8 %	15.0 %	16.6 %	16.5 %	

E= Estimate

**FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)**

Name of firm: **GENERAL MOTORS**
Industry: **AUTOMOBILES (3717)**

Source of data: **SEC REPORT (10-K)**

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 9823.5	\$ 12443.3	\$ 10796.4	\$ 10989.8	\$ 9522.0	\$ 11233.1	\$ 12736.0	\$ 11395.9	\$ 14640.2	\$ 16494.8	\$ 16997.0
R & D Charges (R _t)	<u>349.0^E</u>	<u>442.1^E</u>	<u>383.6^E</u>	<u>390.4^E</u>	<u>338.3^E</u>	<u>399.1^E</u>	<u>452.5^E</u>	<u>404.8^E</u>	<u>520.1^E</u>	<u>586.0^E</u>	<u>603.8^E</u>
Reported Profits (P _t)	<u>806.0</u>	<u>1189.5</u>	<u>847.4</u>	<u>843.6</u>	<u>633.6</u>	<u>873.1</u>	<u>959.0</u>	<u>892.8</u>	<u>1459.1</u>	<u>1591.8</u>	<u>1734.8</u>
Reported Equity (E _t)	<u>3339.1</u>	<u>4255.1</u>	<u>4581.6</u>	<u>4905.1</u>	<u>5016.8</u>	<u>5371.0</u>	<u>5814.7</u>	<u>6025.7</u>	<u>6651.0</u>	<u>7121.0</u>	<u>7599.0</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 20734.0	\$ 20208.5	\$ 20026.3	\$ 22755.4	\$ 24295.1	\$ 18752.4	\$ 28263.9	\$ 30435.2	\$ 35798.3	\$ 31549.5	
R & D Charges (R _t)	<u>736.6^E</u>	<u>717.9^E</u>	<u>711.5^E</u>	<u>808.4^E</u>	<u>863.1^E</u>	<u>666.2^E</u>	<u>1004.1</u>	<u>1064.3</u>	<u>1241.6</u>	<u>1369.6</u>	
Reported Profits (P _t)	<u>2125.6</u>	<u>1793.4</u>	<u>1627.3</u>	<u>1731.9</u>	<u>1710.7</u>	<u>609.1</u>	<u>1935.7</u>	<u>2162.8</u>	<u>2398.1</u>	<u>950.1</u>	
Reported Equity (E _t)	<u>8237.3</u>	<u>8726.1</u>	<u>9261.2</u>	<u>9756.8</u>	<u>10227.9</u>	<u>9853.8</u>	<u>10805.2</u>	<u>11682.9</u>	<u>12566.8</u>	<u>12530.6</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>18.7 %</u>	<u>19.2 %</u>	<u>19.8 %</u>	<u>7.6 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: GENERAL PORTLAND CEMENT
Industry: CEMENT (3241)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>33.4</u>	\$ <u>38.9</u>	\$ <u>45.3</u>	\$ <u>37.8</u>	\$ <u>46.9</u>	\$ <u>67.2</u>	\$ <u>58.8</u>	\$ <u>57.8</u>	\$ <u>58.6</u>	\$ <u>60.4</u>	\$ <u>61.5</u>
R & D Charges (R _t)	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E
Reported Profits (P _t)	<u>6.8</u>	<u>8.2</u>	<u>9.5</u>	<u>7.0</u>	<u>9.0</u>	<u>12.1</u>	<u>10.0</u>	<u>8.5</u>	<u>7.9</u>	<u>7.9</u>	<u>6.9</u>
Reported Equity (E _t)	<u>32.2</u>	<u>36.2</u>	<u>41.0</u>	<u>43.2</u>	<u>49.7</u>	<u>70.7</u>	<u>74.4</u>	<u>76.4</u>	<u>77.8</u>	<u>78.0</u>	<u>77.2</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>64.5</u>	\$ <u>70.8</u>	\$ <u>73.9</u>	\$ <u>82.5</u>	\$ <u>87.1</u>	\$ <u>121.9</u>	\$ <u>143.9</u>	\$ <u>182.4</u>	\$ <u>157.9</u>	\$ <u>173.5</u>	
R & D Charges (R _t)	<u>.1</u> ^E	<u>.1</u> ^E	<u>.1</u> ^E	<u>.2</u> ^E	<u>.2</u> ^E	<u>.2</u> ^E	<u>.3</u> ^E	<u>.3</u> ^E	<u>.3</u>	<u>.4</u>	
Reported Profits (P _t)	<u>6.5</u>	<u>4.7</u>	<u>4.8</u>	<u>7.0</u>	<u>7.1</u>	<u>8.7</u>	<u>10.4</u>	<u>11.2</u>	<u>6.0</u>	<u>1.8</u>	
Reported Equity (E _t)	<u>78.1</u>	<u>76.6</u>	<u>77.2</u>	<u>80.3</u>	<u>83.3</u>	<u>96.5</u>	<u>115.6</u>	<u>122.3</u>	<u>122.9</u>	<u>119.2</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>9.8</u> %	<u>9.4</u> %	<u>4.9</u> %	<u>1.5</u> %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: GOODRICH
Industry: TIRES AND TUBES (3011)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 630.7	\$ 755.0	\$ 724.2	\$ 734.7	\$ 697.3	\$ 771.6	\$ 764.7	\$ 757.8	\$ 812.0	\$ 828.8	\$ 872.4
R & D Charges (R _t)	13.3 ^E	15.9 ^E	15.3 ^E	15.5 ^E	14.7 ^E	16.3 ^E	16.1 ^E	16.0 ^E	17.1 ^E	17.5 ^E	18.4 ^E
Reported Profits (P _t)	38.8	46.7	43.1	39.4	35.5	37.6	30.0	31.0	26.3	27.1	34.0
Reported Equity (E _t)	299.8	330.4	355.6	375.7	382.0	410.5	421.0	436.0	442.2	449.4	463.3
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 980.1	\$ 1039.1	\$ 1006.2	\$ 1172.0	\$ 1229.1	\$ 1204.8	\$ 1236.7	\$ 1506.8	\$ 1661.1	\$ 1966.2	
R & D Charges (R _t)	20.7 ^E	21.9 ^E	21.2 ^E	24.7 ^E	25.9 ^E	25.4 ^E	26.1 ^E	31.8	34.1	39.6	
Reported Profits (P _t)	40.7	48.6	29.5	44.1	39.9	12.3	29.8	49.0	56.1	52.0	
Reported Equity (E _t)	485.8	516.7	530.0	579.5	593.6	586.2	581.0	649.2	683.7	717.8	
Reported Profits as a Percentage of Average Reported Equity (P/E)								5.1 %	8.0 %	8.4 %	7.4 %

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: GOODYEAR
Industry: TIRES AND TUBES (3011)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 1090.1	\$ 1372.2	\$ 1358.8	\$ 1421.9	\$ 1367.6	\$ 1579.3	\$ 1550.9	\$ 1473.4	\$ 1592.5	\$ 1731.1	\$ 2010.6
R & D Charges (R _t)	25.7 ^E	32.4 ^E	32.1 ^E	33.6 ^E	32.3 ^E	37.3 ^E	36.6 ^E	34.8 ^E	37.6 ^E	40.9 ^E	47.5 ^E
Reported Profits (P _t)	48.1	59.7	62.5	64.8	65.7	76.0	71.0	76.2	71.1	81.1	100.2
Reported Equity (E _t)	288.3	375.3	414.3	456.0	510.9	561.8	604.3	653.7	695.1	745.9	830.6
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 2226.3	\$ 2475.7	\$ 2637.7	\$ 2925.7	\$ 3215.3	\$ 3194.6	\$ 3601.6	\$ 4071.5	\$ 4675.3	\$ 5256.2	
R & D Charges (R _t)	52.5 ^E	58.4 ^E	62.3 ^E	69.0 ^E	75.9 ^E	75.4 ^E	85.0	98.3	113.5	115.0	
Reported Profits (P _t)	109.2	118.5	127.1	148.3	158.2	129.2	170.2	193.2	184.8	157.5	
Reported Equity (E _t)	899.9	977.2	1060.6	1162.6	1266.7	1341.5	1456.0	1591.8	1673.5	1746.7	
Reported Profits as a Percentage of Average Reported Equity (P/E)							12.2 %	12.7 %	11.3 %	9.2 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: HIRAM WALKER
Industry: LIQUOR (2085)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>339.3</u>	\$ <u>341.3</u>	\$ <u>370.9</u>	\$ <u>396.2</u>	\$ <u>384.0</u>	\$ <u>412.1</u>	\$ <u>440.2</u>	\$ <u>449.9</u>	\$ <u>469.3</u>	\$ <u>478.8</u>	\$ <u>498.2</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>20.3</u>	<u>19.3</u>	<u>21.1</u>	<u>22.5</u>	<u>21.8</u>	<u>23.7</u>	<u>25.0</u>	<u>26.4</u>	<u>27.7</u>	<u>29.6</u>	<u>32.2</u>
Reported Equity (E _t)	<u>169.7</u>	<u>177.2</u>	<u>186.6</u>	<u>195.8</u>	<u>203.1</u>	<u>210.6</u>	<u>220.1</u>	<u>231.1</u>	<u>240.5</u>	<u>253.7</u>	<u>262.2</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>529.6</u>	\$ <u>565.3</u>	\$ <u>590.3</u>	\$ <u>634.3</u>	\$ <u>690.4</u>	\$ <u>715.4</u>	\$ <u>713.6</u>	\$ <u>760.2</u>	\$ <u>839.3</u>	\$ <u>889.7</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>34.6</u>	<u>38.0</u>	<u>40.8</u>	<u>44.3</u>	<u>47.9</u>	<u>48.7</u>	<u>51.1</u>	<u>56.4</u>	<u>63.4</u>	<u>66.2</u>	
Reported Equity (E _t)	<u>277.6</u>	<u>296.6</u>	<u>316.8</u>	<u>332.4</u>	<u>366.1</u>	<u>392.1</u>	<u>415.9</u>	<u>445.4</u>	<u>488.3</u>	<u>524.9</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>12.7</u> %	<u>13.1</u> %	<u>13.6</u> %	<u>13.1</u> %	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: IDEAL BASIC INDUSTRIES
Industry: CEMENT (3241)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>59.0</u>	\$ <u>70.0</u>	\$ <u>77.7</u>	\$ <u>78.3</u>	\$ <u>91.5</u>	\$ <u>108.5</u>	\$ <u>110.5</u>	\$ <u>121.1</u>	\$ <u>126.1</u>	\$ <u>126.4</u>	\$ <u>125.4</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>11.1</u>	<u>13.8</u>	<u>14.9</u>	<u>14.5</u>	<u>17.3</u>	<u>20.5</u>	<u>13.7</u>	<u>16.7</u>	<u>16.0</u>	<u>15.2</u>	<u>14.3</u>
Reported Equity (E _t)	<u>59.9</u>	<u>67.2</u>	<u>79.9</u>	<u>89.9</u>	<u>101.6</u>	<u>119.7</u>	<u>117.2</u>	<u>124.9</u>	<u>131.9</u>	<u>137.8</u>	<u>142.1</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>139.0</u>	\$ <u>136.1</u>	\$ <u>154.0</u>	\$ <u>150.3</u>	\$ <u>160.4</u>	\$ <u>155.6</u>	\$ <u>177.1</u>	\$ <u>202.4</u>	\$ <u>224.7</u>	\$ <u>256.0</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>16.9</u>	<u>13.9</u>	<u>15.6</u>	<u>10.6</u>	<u>9.1</u>	<u>11.3</u>	<u>17.4</u>	<u>21.7</u>	<u>25.5</u>	<u>30.5</u>	
Reported Equity (E _t)	<u>140.3</u>	<u>137.4</u>	<u>181.6</u>	<u>179.5</u>	<u>180.6</u>	<u>179.8</u>	<u>188.0</u>	<u>199.1</u>	<u>206.0</u>	<u>218.3</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>9.5</u> %	<u>11.2</u> %	<u>12.6</u> %	<u>14.4</u> %	

Neg. = Negligible: less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: INTERCO INC.
Industry: SHOES (3141)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>246.8</u>	\$ <u>262.4</u>	\$ <u>266.8</u>	\$ <u>266.1</u>	\$ <u>244.3</u>	\$ <u>283.3</u>	\$ <u>296.9</u>	\$ <u>294.6</u>	\$ <u>303.6</u>	\$ <u>295.9</u>	\$ <u>345.7</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>10.2</u>	<u>10.4</u>	<u>11.8</u>	<u>9.6</u>	<u>7.5</u>	<u>9.2</u>	<u>8.9</u>	<u>5.2</u>	<u>7.1</u>	<u>5.5</u>	<u>8.4</u>
Reported Equity (E _t)	<u>97.1</u>	<u>99.4</u>	<u>103.2</u>	<u>102.8</u>	<u>103.3</u>	<u>107.9</u>	<u>110.8</u>	<u>109.8</u>	<u>111.3</u>	<u>111.2</u>	<u>119.7</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>392.2</u>	\$ <u>469.1</u>	\$ <u>536.2</u>	\$ <u>669.5</u>	\$ <u>706.1</u>	\$ <u>777.9</u>	\$ <u>847.4</u>	\$ <u>981.1</u>	\$ <u>1051.2</u>	\$ <u>1121.9</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>10.9</u>	<u>14.6</u>	<u>18.6</u>	<u>25.1</u>	<u>25.4</u>	<u>27.6</u>	<u>31.5</u>	<u>37.7</u>	<u>42.5</u>	<u>47.0</u>	
Reported Equity (E _t)	<u>125.6</u>	<u>142.5</u>	<u>164.4</u>	<u>196.9</u>	<u>209.7</u>	<u>227.3</u>	<u>264.6</u>	<u>302.6</u>	<u>310.3</u>	<u>359.4</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>12.8</u> %	<u>13.3</u> %	<u>13.9</u> %	<u>14.0</u> %	

Neg. = Negligible: less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

INTERNATIONAL
Name of firm: BUSINESS MACHINES

Industry: ELECTRONIC COMPUTING EQUIPMENT (3573)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960*</u>	<u>1961*</u>	<u>1962*</u>	<u>1963*</u>	<u>1964*</u>
Net Sales	\$ <u>461.4</u>	\$ <u>563.5</u>	\$ <u>734.3</u>	\$ <u>1000.4</u>	\$ <u>1171.8</u>	\$ <u>1309.8</u>	\$ <u>1436.1</u>	\$ <u>1694.3</u>	\$ <u>1925.2</u>	\$ <u>2059.6</u>	\$ <u>3239.4</u>
R & D Charges (R _t)	<u>30.7</u> ^E	<u>37.5</u> ^E	<u>48.9</u> ^E	<u>66.7</u> ^E	<u>78.1</u> ^E	<u>87.3</u> ^E	<u>95.7</u> ^E	<u>112.9</u> ^E	<u>128.3</u> ^E	<u>137.2</u> ^E	<u>215.8</u> ^E
Reported Profits (P _t)	<u>46.5</u>	<u>55.9</u>	<u>68.8</u>	<u>89.3</u>	<u>126.2</u>	<u>145.6</u>	<u>168.2</u>	<u>207.2</u>	<u>241.4</u>	<u>290.5</u>	<u>431.2</u>
Reported Equity (E _t)	<u>243.3</u>	<u>282.8</u>	<u>331.7</u>	<u>622.5</u>	<u>720.2</u>	<u>843.5</u>	<u>972.8</u>	<u>1185.2</u>	<u>1380.6</u>	<u>1591.7</u>	<u>2254.1</u>
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>3572.8</u>	\$ <u>4247.7</u>	\$ <u>5345.3</u>	\$ <u>6888.5</u>	\$ <u>7197.3</u>	\$ <u>7504.0</u>	\$ <u>8273.6</u>	\$ <u>9532.6</u>	\$ <u>10993.2</u>	\$ <u>12675.3</u>	
R & D Charges (R _t)	<u>238.1</u> ^E	<u>283.0</u> ^E	<u>356.2</u> ^E	<u>459.0</u> ^E	<u>479.6</u> ^E	<u>500.0</u>	<u>540.5</u>	<u>675.9</u>	<u>730.0</u>	<u>889.8</u>	
Reported Profits (P _t)	<u>476.9</u>	<u>526.1</u>	<u>651.5</u>	<u>871.5</u>	<u>933.9</u>	<u>1617.5</u>	<u>1078.8</u>	<u>1279.3</u>	<u>1575.5</u>	<u>1837.6</u>	
Reported Equity (E _t)	<u>2578.1</u>	<u>3322.6</u>	<u>3831.6</u>	<u>4569.1</u>	<u>5277.0</u>	<u>5947.1</u>	<u>6642.4</u>	<u>7565.9</u>	<u>8812.0</u>	<u>10110.3</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>17.1</u> %	<u>18.0</u> %	<u>19.2</u> %	<u>19.4</u> %	

* Secondary data source (Moody's)
E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: JONES & LAUGHLIN
Industry: STEEL (3312)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>492.9</u>	\$ <u>696.5</u>	\$ <u>742.6</u>	\$ <u>837.6</u>	\$ <u>654.1</u>	\$ <u>765.7</u>	\$ <u>778.8</u>	\$ <u>736.7</u>	\$ <u>790.8</u>	\$ <u>835.8</u>	\$ <u>946.6</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>25.0</u>	<u>50.1</u>	<u>45.1</u>	<u>45.5</u>	<u>23.2</u>	<u>29.5</u>	<u>33.2</u>	<u>32.1</u>	<u>25.2</u>	<u>44.4</u>	<u>60.1</u>
Reported Equity (E _t)	<u>383.5</u>	<u>420.7</u>	<u>451.2</u>	<u>512.6</u>	<u>515.1</u>	<u>524.7</u>	<u>537.5</u>	<u>549.1</u>	<u>553.1</u>	<u>576.9</u>	<u>616.3</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>992.7</u>	\$ <u>1010.0</u>	\$ <u>903.7</u>	\$ <u>1016.0</u>	\$ <u>1056.1</u>	\$ <u>994.8</u>	\$ <u>1074.0</u>	\$ <u>1189.4</u>	\$ <u>1534.4</u>	\$ <u>2216.6</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>53.3</u>	<u>65.1</u>	<u>35.8</u>	<u>27.6</u>	<u>22.1</u>	<u>15.5</u>	<u>15.4</u>	<u>39.3</u>	<u>50.2</u>	<u>141.5</u>	
Reported Equity (E _t)	<u>648.8</u>	<u>691.1</u>	<u>203.9</u>	<u>710.3</u>	<u>696.7</u>	<u>669.8</u>	<u>677.8</u>	<u>700.6</u>	<u>727.9</u>	<u>842.1</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>2.3 %</u>	<u>5.7 %</u>	<u>7.0 %</u>	<u>18.0 %</u>	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: KAISER ALUMINUM
Industry: ALUMINUM (3334)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>226.6</u>	\$ <u>268.1</u>	\$ <u>330.7</u>	\$ <u>391.6</u>	\$ <u>408.6</u>	\$ <u>435.5</u>	\$ <u>406.6</u>	\$ <u>424.0</u>	\$ <u>444.2</u>	\$ <u>437.1</u>	\$ <u>515.9</u>
R & D Charges (R _t)	<u>2.8</u>	<u>3.1</u>	<u>3.9</u>	<u>5.8^E</u>	<u>6.0^E</u>	<u>6.4^E</u>	<u>6.0^E</u>	<u>6.3^E</u>	<u>6.6^E</u>	<u>6.5^E</u>	<u>7.6^E</u>
Reported Profits (P _t)	<u>14.0</u>	<u>28.6</u>	<u>43.3</u>	<u>26.8</u>	<u>25.2</u>	<u>22.3</u>	<u>22.8</u>	<u>24.0</u>	<u>31.2</u>	<u>23.4</u>	<u>28.6</u>
Reported Equity (E _t)	<u>108.7</u>	<u>129.5</u>	<u>224.0</u>	<u>273.7</u>	<u>280.3</u>	<u>300.8</u>	<u>304.0</u>	<u>318.2</u>	<u>329.8</u>	<u>333.6</u>	<u>352.4</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>576.5</u>	\$ <u>781.6</u>	\$ <u>771.6</u>	\$ <u>850.1</u>	\$ <u>925.8</u>	\$ <u>880.9</u>	\$ <u>904.5</u>	\$ <u>990.8</u>	\$ <u>1280.7</u>	\$ <u>1735.5</u>	
R & D Charges (R _t)	<u>1.5^E</u>	<u>11.5^E</u>	<u>11.4^E</u>	<u>12.5^E</u>	<u>13.7^E</u>	<u>13.0</u>	<u>12.5</u>	<u>10.1</u>	<u>9.7</u>	<u>10.9</u>	
Reported Profits (P _t)	<u>37.2</u>	<u>58.9</u>	<u>54.1</u>	<u>52.0</u>	<u>68.5</u>	<u>50.7</u>	<u>27.0</u>	<u>15.1</u>	<u>44.5</u>	<u>104.3</u>	
Reported Equity (E _t)	<u>370.3</u>	<u>427.2</u>	<u>473.8</u>	<u>503.0</u>	<u>587.6</u>	<u>629.0</u>	<u>631.6</u>	<u>637.4</u>	<u>666.0</u>	<u>750.0</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>4.3 %</u>	<u>2.4 %</u>	<u>6.8 %</u>	<u>14.7 %</u>	

E = Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: KENNECOTT COPPER CORP.
Industry: COPPER (3331)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954*</u>	<u>1955*</u>	<u>1956*</u>	<u>1957*</u>	<u>1958*</u>	<u>1959*</u>	<u>1960*</u>	<u>1961*</u>	<u>1962*</u>	<u>1963*</u>	<u>1964*</u>
Net Sales	\$ <u>423.6</u>	\$ <u>548.3</u>	\$ <u>567.0</u>	\$ <u>468.0</u>	\$ <u>395.4</u>	\$ <u>437.2</u>	\$ <u>496.5</u>	\$ <u>501.0</u>	\$ <u>507.4</u>	\$ <u>504.9</u>	\$ <u>544.0</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>77.9</u>	<u>125.5</u>	<u>143.2</u>	<u>79.3</u>	<u>60.1</u>	<u>57.3</u>	<u>77.4</u>	<u>61.9</u>	<u>65.7</u>	<u>57.0</u>	<u>66.1</u>
Reported Equity (E _t)	<u>637.9</u>	<u>679.5</u>	<u>723.2</u>	<u>737.5</u>	<u>764.9</u>	<u>755.9</u>	<u>748.8</u>	<u>748.3</u>	<u>757.3</u>	<u>770.1</u>	<u>792.0</u>
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>666.2</u>	\$ <u>739.7</u>	\$ <u>489.3</u>	\$ <u>724.5</u>	\$ <u>1050.0</u>	\$ <u>1133.1</u>	\$ <u>1053.4</u>	\$ <u>1145.3</u>	\$ <u>1395.1</u>	\$ <u>1664.2</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>10.9</u>	<u>10.8</u>	<u>11.1</u>	<u>10.5</u>	
Reported Profits (P _t)	<u>102.0</u>	<u>125.4</u>	<u>77.0</u>	<u>111.2</u>	<u>165.4</u>	<u>185.0</u>	<u>87.2</u>	<u>87.4</u>	<u>159.4</u>	<u>168.6</u>	
Reported Equity (E _t)	<u>834.9</u>	<u>920.0</u>	<u>977.4</u>	<u>1022.3</u>	<u>1108.2</u>	<u>1172.8</u>	<u>1192.9</u>	<u>1203.8</u>	<u>1307.1</u>	<u>1442.0</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>7.4</u> %	<u>7.3</u> %	<u>12.7</u> %	<u>12.3</u> %	

* Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: LEHIGH PORTLAND CEMENT
Industry: CEMENT (3241)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 59.7	\$ 70.9	\$ 75.8	\$ 69.9	\$ 75.8	\$ 100.6	\$ 94.6	\$ 84.0	\$ 85.5	\$ 83.4	\$ 82.2
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	8.0	11.3	10.7	8.9	8.8	12.1	8.8	4.6	6.0	4.2	6.1
Reported Equity (E _t)	69.9	78.1	85.2	98.7	101.6	107.4	110.8	111.4	113.1	112.6	114.4
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 97.4	\$ 104.9	\$ 98.2	\$ 104.9	\$ 124.5	\$ 109.5	\$ 119.5	\$ 125.2	\$ 137.8	\$ 140.9	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	5.8	3.4	2.1	5.1	4.0	1.4	5.4	7.6	10.8	7.6	
Reported Equity (E _t)	113.9	113.5	113.0	115.8	112.9	103.1	106.1	113.3	107.9	112.8	
Reported Profits as a Percentage of Average Reported Equity (P/E)							5.2 %	6.9 %	9.8 %	6.9 %	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: LIBBY-McNEIL
Industry: CANNED FRUITS AND VEGETABLES (2033)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>215.4</u>	\$ <u>261.9</u>	\$ <u>292.5</u>	\$ <u>302.7</u>	\$ <u>296.0</u>	\$ <u>296.2</u>	\$ <u>294.7</u>	\$ <u>270.0</u>	\$ <u>286.2</u>	\$ <u>276.3</u>	\$ <u>289.7</u>
R & D Charges (R _t)	<u>0.6^E</u>	<u>0.8^E</u>	<u>0.9^E</u>	<u>0.9^E</u>	<u>0.9^E</u>	<u>0.9^E</u>	<u>0.9^E</u>	<u>0.8^E</u>	<u>0.8^E</u>	<u>0.8^E</u>	<u>0.8^E</u>
Reported Profits (P _t)	<u>4.2</u>	<u>5.4</u>	<u>8.0</u>	<u>3.7</u>	<u>2.7</u>	<u>5.8</u>	<u>4.2</u>	<u>2.0</u>	<u>3.0</u>	<u>3.1</u>	<u>6.1</u>
Reported Equity (E _t)	<u>59.7</u>	<u>74.8</u>	<u>79.6</u>	<u>85.5</u>	<u>85.3</u>	<u>88.7</u>	<u>90.2</u>	<u>89.7</u>	<u>91.0</u>	<u>93.4</u>	<u>96.1</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>300.7</u>	\$ <u>317.6</u>	\$ <u>341.1</u>	\$ <u>344.4</u>	\$ <u>345.6</u>	\$ <u>350.7</u>	\$ <u>375.8</u>	\$ <u>407.2</u>	\$ <u>434.5</u>	\$ <u>464.7</u>	
R & D Charges (R _t)	<u>0.9^E</u>	<u>0.9^E</u>	<u>1.0^E</u>	<u>1.0^E</u>	<u>1.0^E</u>	<u>1.0^E</u>	<u>1.1</u>	<u>1.1</u>	<u>1.4</u>	<u>1.8</u>	
Reported Profits (P _t)	<u>2.5</u>	<u>4.0</u>	<u>4.2</u>	<u>5.6</u>	<u>4.7</u>	<u>9.2</u>	<u>.7</u>	<u>1.6</u>	<u>4.6</u>	<u>10.6</u>	
Reported Equity (E _t)	<u>98.4</u>	<u>102.3</u>	<u>105.8</u>	<u>116.9</u>	<u>101.1</u>	<u>92.8</u>	<u>123.9</u>	<u>121.1</u>	<u>129.5</u>	<u>142.4</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>0.6 %</u>	<u>1.3 %</u>	<u>3.7 %</u>	<u>7.8 %</u>	

E=Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: LIBBY-OWENS-FORD
Industry: FLAT GLASS (3211)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 212.3	\$ 281.5	\$ 259.1	\$ 237.2	\$216.9	\$306.7	\$294.1	\$222.2	\$232.1	\$240.0	\$239.5
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	24.0	36.0	29.2	28.0	21.4	53.7	43.8	34.8	37.8	39.3	34.1
Reported Equity (E _t)	109.7	129.6	140.4	150.0	153.1	180.7	197.0	203.5	216.8	230.2	233.7
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 278.0	\$ 265.4	\$ 256.4	\$ 420.1	\$ 448.3	\$ 429.7	\$ 530.9	\$ 594.4	\$ 689.2	\$ 655.3	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	38.5	35.2	32.8	43.6	40.1	22.6	49.5	52.6	62.2	31.7	
Reported Equity (E _t)	243.1	249.4	253.9	313.2	313.3	318.8	333.4	352.4	370.3	371.2	
Reported Profits as a Percentage of Average Reported Equity (P/E)							15.2 %	15.3 %	17.2 %	8.6 %	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: LIGGETT & MEYERS

Industry: CIGARETTES (2111)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 548.9	\$ 547.0	\$ 565.0	\$ 570.4	\$556.0	\$554.9	\$543.2	\$516.7	\$500.0	\$502.7	\$502.7
R & D Charges (R _t)	3.1	3.1 ^E	3.2 ^E	3.2 ^E	3.1 ^E	3.1 ^E	3.0 ^E	2.9 ^E	2.8 ^E	2.8 ^E	2.8 ^E
Reported Profits (P _t)	22.2	26.7	26.5	28.3	31.2	30.0	28.7	26.8	25.4	24.7	26.2
Reported Equity (E _t)	249.3	258.9	264.4	271.6	282.2	287.2	292.9	298.9	302.8	306.4	310.2
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 478.3	\$ 577.5	\$ 575.2	\$ 617.2	\$658.8	\$696.7	\$753.1	\$753.6	\$725.7	\$757.6	
R & D Charges (R _t)	2.7 ^E	3.2 ^E	3.2 ^E	3.4 ^E	3.7 ^E	3.9 ^E	4.2	4.6	3.8	3.2	
Reported Profits (P _t)	21.6	22.3	23.9	24.1	24.9	32.0	35.9	30.0	29.2	28.5	
Reported Equity (E _t)	302.9	303.8	305.1	318.1	320.3	325.4	339.2	349.0	355.8	362.7	
Reported Profits as a Percentage of Average Reported Equity (P/E)							10.8 %	8.7 %	8.3 %	7.9 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: LILLY (ELI) & CO.
Industry: ETHICAL PHARMACEUTICALS (2834)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954*</u>	<u>1955*</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$ 122.3</u>	<u>\$ 141.3</u>	<u>\$ 181.5</u>	<u>\$ 199.8</u>	<u>\$ 180.5</u>	<u>\$ 187.0</u>	<u>\$ 178.5</u>	<u>\$ 198.1</u>	<u>\$ 213.3</u>	<u>\$ 241.9</u>	<u>\$ 264.1</u>
R & D Charges (R _t)	<u>7.5^E</u>	<u>8.7^E</u>	<u>11.2</u>	<u>13.2</u>	<u>15.7</u>	<u>18.3</u>	<u>19.7</u>	<u>20.2</u>	<u>22.2</u>	<u>25.5</u>	<u>27.9</u>
Reported Profits (P _t)	<u>11.3</u>	<u>16.3</u>	<u>30.1</u>	<u>32.3</u>	<u>23.7</u>	<u>23.4</u>	<u>18.8</u>	<u>23.1</u>	<u>25.5</u>	<u>28.8</u>	<u>31.7</u>
Reported Equity (E _t)	<u>124.3</u>	<u>132.3</u>	<u>152.8</u>	<u>171.1</u>	<u>179.0</u>	<u>181.3</u>	<u>183.8</u>	<u>186.5</u>	<u>188.9</u>	<u>194.0</u>	<u>204.7</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$ 316.6</u>	<u>\$ 366.7</u>	<u>\$ 408.4</u>	<u>\$ 479.6</u>	<u>\$ 537.2</u>	<u>\$ 592.3</u>	<u>\$ 723.3</u>	<u>\$ 819.7</u>	<u>\$ 972.6</u>	<u>\$ 1111.5</u>	
R & D Charges (R _t)	<u>31.3</u>	<u>33.5</u>	<u>40.7</u>	<u>47.6</u>	<u>54.8</u>	<u>61.0</u>	<u>67.5</u>	<u>74.3</u>	<u>83.3</u>	<u>93.3</u>	
Reported Profits (P _t)	<u>41.8</u>	<u>49.8</u>	<u>53.7</u>	<u>70.7</u>	<u>83.5</u>	<u>94.4</u>	<u>96.1</u>	<u>126.3</u>	<u>155.5</u>	<u>178.8</u>	
Reported Equity (E _t)	<u>225.6</u>	<u>243.5</u>	<u>280.3</u>	<u>335.4</u>	<u>396.3</u>	<u>455.4</u>	<u>513.1</u>	<u>618.2</u>	<u>730.2</u>	<u>848.5</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>19.9 %</u>	<u>22.3 %</u>	<u>23.1 %</u>	<u>22.7 %</u>	

*Secondary data source (Moody's)
E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: LONE STAR INDUSTRIES
Industry: CEMENT (3241)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>84.4</u>	\$ <u>91.5</u>	\$ <u>98.3</u>	\$ <u>95.2</u>	\$ <u>99.8</u>	\$ <u>104.3</u>	\$ <u>97.8</u>	\$ <u>98.9</u>	\$ <u>126.6</u>	\$ <u>126.8</u>	\$ <u>126.4</u>
R & D Charges (R _t)	<u>0.2</u> ^E	<u>0.2</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E	<u>0.3</u> ^E
Reported Profits (P _t)	<u>12.6</u>	<u>14.8</u>	<u>16.2</u>	<u>15.7</u>	<u>16.0</u>	<u>17.1</u>	<u>11.8</u>	<u>13.0</u>	<u>14.8</u>	<u>14.5</u>	<u>14.4</u>
Reported Equity (E _t)	<u>79.6</u>	<u>86.5</u>	<u>95.3</u>	<u>119.6</u>	<u>125.2</u>	<u>125.0</u>	<u>118.7</u>	<u>123.2</u>	<u>139.3</u>	<u>145.2</u>	<u>150.0</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>194.3</u>	\$ <u>198.5</u>	\$ <u>187.9</u>	\$ <u>192.0</u>	\$ <u>250.2</u>	\$ <u>264.7</u>	\$ <u>374.8</u>	\$ <u>463.4</u>	\$ <u>682.7</u>	\$ <u>651.7</u>	
R & D Charges (R _t)	<u>0.5</u> ^E	<u>0.5</u> ^E	<u>0.5</u> ^E	<u>0.5</u> ^E	<u>0.7</u> ^E	<u>.7</u>	<u>.7</u>	<u>.9</u>	<u>1.5</u>	<u>4.2</u>	
Reported Profits (P _t)	<u>15.7</u>	<u>14.8</u>	<u>12.9</u>	<u>15.0</u>	<u>18.0</u>	<u>16.9</u>	<u>21.4</u>	<u>24.1</u>	<u>28.3</u>	<u>24.5</u>	
Reported Equity (E _t)	<u>169.8</u>	<u>174.7</u>	<u>161.6</u>	<u>167.2</u>	<u>189.0</u>	<u>201.5</u>	<u>220.4</u>	<u>231.1</u>	<u>245.8</u>	<u>257.6</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>10.1</u> %	<u>10.7</u> %	<u>11.9</u> %	<u>9.7</u> %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: MERCK & CO.
Industry: ETHICAL PHARMACEUTICALS (2834)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>145.5</u>	\$ <u>157.9</u>	\$ <u>172.4</u>	\$ <u>186.9</u>	\$ <u>206.6</u>	\$ <u>216.9</u>	\$ <u>218.1</u>	\$ <u>228.6</u>	\$ <u>240.5</u>	\$ <u>264.6</u>	\$ <u>286.7</u>
R & D Charges (R _t)	<u>7.3</u>	<u>8.5</u>	<u>11.5</u>	<u>13.1</u>	<u>17.0</u>	<u>18.6</u>	<u>21.0</u>	<u>21.3</u>	<u>23.7</u>	<u>25.0</u>	<u>28.4</u>
Reported Profits (P _t)	<u>12.6</u>	<u>15.7</u>	<u>20.2</u>	<u>23.1</u>	<u>27.7</u>	<u>30.0</u>	<u>27.8</u>	<u>27.2</u>	<u>29.2</u>	<u>35.8</u>	<u>44.9</u>
Reported Equity (E _t)	<u>136.1</u>	<u>139.5</u>	<u>138.0</u>	<u>148.2</u>	<u>161.8</u>	<u>175.4</u>	<u>187.5</u>	<u>197.7</u>	<u>203.1</u>	<u>215.4</u>	<u>229.8</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>332.0</u>	\$ <u>418.4</u>	\$ <u>528.1</u>	\$ <u>583.1</u>	\$ <u>646.9</u>	\$ <u>747.6</u>	\$ <u>828.5</u>	\$ <u>958.3</u>	\$ <u>1161.8</u>	\$ <u>1329.6</u>	
R & D Charges (R _t)	<u>32.6</u>	<u>39.9</u>	<u>47.7</u>	<u>55.4</u>	<u>60.3</u>	<u>69.0</u>	<u>70.5</u>	<u>79.7</u>	<u>91.2</u>	<u>103.5</u>	
Reported Profits (P _t)	<u>59.6</u>	<u>75.9</u>	<u>89.3</u>	<u>92.9</u>	<u>100.6</u>	<u>113.5</u>	<u>127.2</u>	<u>147.6</u>	<u>182.7</u>	<u>210.5</u>	
Reported Equity (E _t)	<u>251.9</u>	<u>279.6</u>	<u>351.2</u>	<u>382.2</u>	<u>420.9</u>	<u>470.8</u>	<u>520.7</u>	<u>608.2</u>	<u>709.6</u>	<u>822.8</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>25.7</u> %	<u>26.2</u> %	<u>27.7</u> %	<u>27.5</u> %	

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: MOBIL OIL CORP.
Industry: PETROLEUM REFINING (2911)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959*</u>	<u>1960*</u>	<u>1961*</u>	<u>1962*</u>	<u>1963*</u>	<u>1964*</u>
Net Sales	\$ 1608.7	\$ 1721.0	\$ 2750.3	\$ 2976.1	\$ 2885.7	\$ 3092.9	\$ 3178.1	\$ 3321.2	\$ 3933.3	\$ 4352.1	\$ 4499.4
R & D Charges (R _t)	26.9 ^E	28.8 ^E	46.0 ^E	49.8 ^E	48.3 ^E	51.7 ^E	53.1 ^E	55.5 ^E	65.8 ^E	72.8 ^E	75.2 ^E
Reported Profits (P _t)	183.8	207.4	249.5	220.4	156.8	164.0	182.6	211.3	242.3	271.9	294.2
Reported Equity (E _t)	1725.1	1845.1	2074.2	2378.9	2445.1	2519.8	2605.9	2709.4	2964.0	3156.6	3324.7
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 4907.5	\$ 5770.6	\$ 6345.8	\$ 6928.9	\$ 7385.9	\$ 8097.3	\$ 9152.0	\$ 10189.8	\$ 12620.1	\$ 20284.0	
R & D Charges (R _t)	82.1 ^E	96.5	100.2	110.6	116.6	124.3	126.5	150.0	147.9	189.7	
Reported Profits (P _t)	320.1	356.1	385.4	428.2	456.5	482.7	540.8	574.2	849.3	1047.4	
Reported Equity (E _t)	3483.5	3661.0	3848.9	4071.8	4309.0	4540.1	4831.9	5145.4	5714.8	6436.4	
Reported Profits as a Percentage of Average Reported Equity (P/E)							11.5 %	11.5 %	15.6 %	17.2 %	

*Secondary data source (Moody's)

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: NATIONAL DISTILLERS
Industry: LIQUOR (2085)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 487.3	\$ 500.2	\$ 543.1	\$ 538.5	\$ 524.3	\$ 575.6	\$ 580.2	\$ 748.1	\$ 775.1	\$ 766.9	\$ 810.9
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	14.0	15.5	20.1	23.0	20.1	28.1	21.4	23.1	24.2	22.8	27.1
Reported Equity (E _t)	253.6	256.9	264.9	287.1	295.4	308.2	287.6	368.7	374.6	376.5	385.7
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 829.0	\$ 898.3	\$ 897.0	\$ 957.6	\$ 1081.9	\$ 1034.2	\$ 1081.4	\$ 1150.5	\$ 1245.8	\$ 1430.1	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	31.3	40.7	42.3	33.3	36.4	32.7	30.5	35.0	46.3	89.7	
Reported Equity (E _t)	388.3	404.7	423.8	432.1	451.4	457.0	432.8	466.7	481.8	545.3	
Reported Profits as a Percentage of Average Reported Equity (P/E)							6.9 %	7.8 %	9.8 %	17.5 %	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: NATIONAL GYPSUM
Industry: GYPSUM PRODUCTS (3272)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>126.6</u>	\$ <u>148.2</u>	\$ <u>151.9</u>	\$ <u>141.5</u>	\$ <u>163.2</u>	\$ <u>226.3</u>	\$ <u>227.2</u>	\$ <u>218.2</u>	\$ <u>230.8</u>	\$ <u>250.3</u>	\$ <u>257.1</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>12.1</u>	<u>15.8</u>	<u>14.3</u>	<u>12.8</u>	<u>15.6</u>	<u>25.6</u>	<u>23.5</u>	<u>21.1</u>	<u>21.6</u>	<u>22.5</u>	<u>22.0</u>
Reported Equity (E _t)	<u>81.7</u>	<u>109.0</u>	<u>135.0</u>	<u>139.8</u>	<u>153.5</u>	<u>202.7</u>	<u>234.6</u>	<u>243.3</u>	<u>251.7</u>	<u>260.8</u>	<u>269.3</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>259.0</u>	\$ <u>253.0</u>	\$ <u>254.0</u>	\$ <u>316.7</u>	\$ <u>343.8</u>	\$ <u>398.4</u>	\$ <u>457.6</u>	\$ <u>519.0</u>	\$ <u>554.5</u>	\$ <u>584.0</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>17.9</u>	<u>16.8</u>	<u>16.5</u>	<u>20.4</u>	<u>20.4</u>	<u>14.0</u>	<u>21.1</u>	<u>30.6</u>	<u>31.3</u>	<u>27.6</u>	
Reported Equity (E _t)	<u>273.1</u>	<u>275.5</u>	<u>272.1</u>	<u>291.9</u>	<u>297.8</u>	<u>310.4</u>	<u>313.8</u>	<u>305.2</u>	<u>318.7</u>	<u>331.4</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>6.8</u> %	<u>9.9</u> %	<u>10.0</u> %	<u>8.5</u> %	

Neg. = Negligible: less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: OWENS - ILLINOIS
Industry: GLASS CONTAINERS (3221)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>336.7</u>	\$ <u>370.3</u>	\$ <u>496.0</u>	\$ <u>510.5</u>	\$ <u>508.5</u>	\$ <u>552.7</u>	\$ <u>561.0</u>	\$ <u>596.4</u>	\$ <u>627.8</u>	\$ <u>654.1</u>	\$ <u>693.6</u>
R & D Charges (R _t)	<u>9.1</u>	<u>8.9</u>	<u>11.4</u>	<u>12.7</u>	<u>11.7</u>	<u>12.3</u>	<u>13.2</u>	<u>13.9</u>	<u>16.2</u>	<u>19.2</u>	<u>21.5</u>
Reported Profits (P _t)	<u>21.5</u>	<u>27.1</u>	<u>35.3</u>	<u>34.1</u>	<u>32.7</u>	<u>40.8</u>	<u>33.2</u>	<u>34.4</u>	<u>33.2</u>	<u>39.5</u>	<u>42.7</u>
Reported Equity (E _t)	<u>158.4</u>	<u>172.4</u>	<u>252.6</u>	<u>267.3</u>	<u>284.2</u>	<u>310.1</u>	<u>324.6</u>	<u>339.2</u>	<u>350.4</u>	<u>366.5</u>	<u>379.9</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>825.8</u>	\$ <u>908.0</u>	\$ <u>961.7</u>	\$ <u>1152.2</u>	\$ <u>1294.4</u>	\$ <u>1402.4</u>	\$ <u>1507.6</u>	\$ <u>1636.3</u>	\$ <u>1857.0</u>	\$ <u>2116.4</u>	
R & D Charges (R _t)	<u>22.9</u>	<u>26.5</u>	<u>30.9</u>	<u>36.3</u>	<u>41.6</u>	<u>44.4</u>	<u>48.0</u>	<u>51.3</u>	<u>50.8</u>	<u>52.4</u>	
Reported Profits (P _t)	<u>52.2</u>	<u>54.2</u>	<u>45.3</u>	<u>55.1</u>	<u>69.7</u>	<u>65.6</u>	<u>59.6</u>	<u>64.6</u>	<u>74.5</u>	<u>83.5</u>	
Reported Equity (E _t)	<u>434.1</u>	<u>465.4</u>	<u>487.7</u>	<u>590.6</u>	<u>622.0</u>	<u>616.8</u>	<u>651.9</u>	<u>687.0</u>	<u>732.5</u>	<u>789.9</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>9.4</u> %	<u>9.7</u> %	<u>10.5</u> %	<u>11.0</u> %	

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: PPG INDUSTRIES
Industry: FLAT GLASS (32')

Source of data: SEC Report (10-K)

Reported Data	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Net Sales	\$ 431.0	\$ 582.0	\$ 596.6	\$ 620.8	\$ 513.6	\$ 606.9	\$ 628.0	\$ 602.7	\$ 656.7	\$ 778.2	\$ 827.6
R & D Charges (R _t)	13.2 ^E	17.8 ^E	18.3 ^E	19.0 ^E	15.7 ^E	18.6 ^E	19.2 ^E	18.5 ^E	20.1 ^E	23.8 ^E	25.3 ^E
Reported Profits (P _t)	38.6	61.4	55.4	58.0	32.1	44.1	47.6	34.6	43.0	45.6	49.0
Reported Equity (E _t)	298.2	344.7	374.6	407.0	418.2	442.2	467.5	481.3	494.0	536.9	560.9
Reported Data	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	
Net Sales	\$ 897.5	\$ 954.0	\$ 942.9	\$ 1044.0	\$ 1146.7	\$ 1093.8	\$ 1238.5	\$ 1395.9	\$ 1512.6	\$ 1744.0	
R & D Charges (R _t)	27.5 ^E	29.2 ^E	28.9 ^E	32.0 ^E	35.1 ^E	33.5	32.5	35.1	40.8	47.2	
Reported Profits (P _t)	58.1	49.5	43.5	48.3	56.2	31.1	63.2	82.7	93.1	93.7	
Reported Equity (E _t)	599.9	590.1	607.4	633.1	658.7	653.4	675.2	731.2	802.6	861.1	
Reported Profits as a Percentage of Average Reported Equity (P/E)							9.5 %	11.8 %	12.1 %	11.3 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: PABST BREWING CO.
Industry: BEER (2082)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954*</u>	<u>1955*</u>	<u>1956*</u>	<u>1957*</u>	<u>1958*</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$ 145.0</u>	<u>\$ 134.3</u>	<u>\$ 128.3</u>	<u>\$ 112.1</u>	<u>\$ 140.8</u>	<u>\$ 146.5</u>	<u>\$ 150.0</u>	<u>\$ 175.5</u>	<u>\$ 181.4</u>	<u>\$ 202.9</u>	<u>\$ 227.6</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>2.1</u>	<u>2.4</u>	<u>.8</u>	<u>2.9</u>	<u>2.6</u>	<u>1.2</u>	<u>2.1</u>	<u>5.1</u>	<u>6.4</u>	<u>8.0</u>	<u>10.0</u>
Reported Equity (E _t)	<u>72.7</u>	<u>72.1</u>	<u>68.6</u>	<u>65.3</u>	<u>66.6</u>	<u>68.0</u>	<u>70.0</u>	<u>75.5</u>	<u>79.9</u>	<u>83.9</u>	<u>92.1</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$ 253.6</u>	<u>\$ 282.0</u>	<u>\$ 320.5</u>	<u>\$ 355.3</u>	<u>\$ 341.5</u>	<u>\$ 362.7</u>	<u>\$ 416.7</u>	<u>\$ 448.3</u>	<u>\$ 472.5</u>	<u>\$ 558.9</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>12.4</u>	<u>15.3</u>	<u>18.2</u>	<u>20.4</u>	<u>18.1</u>	<u>23.3</u>	<u>25.3</u>	<u>28.5</u>	<u>23.8</u>	<u>18.3</u>	
Reported Equity (E _t)	<u>100.4</u>	<u>112.2</u>	<u>125.7</u>	<u>141.3</u>	<u>158.3</u>	<u>175.4</u>	<u>193.1</u>	<u>213.1</u>	<u>226.1</u>	<u>223.9</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>13.7 %</u>	<u>14.0 %</u>	<u>10.8 %</u>	<u>8.1 %</u>	

*Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: PHELPS DODGE

Industry: COPPER (3331)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 277.1	\$ 353.4	\$ 418.8	\$ 287.1	\$ 269.9	\$ 285.6	\$ 286.7	\$ 312.3	\$ 317.9	\$ 327.2	\$ 389.4
R & D Charges (R _t)	1.5 ^E	1.9 ^E	2.2 ^E	1.5 ^E	1.4 ^E	1.5 ^E	1.5 ^E	1.6 ^E	1.7 ^E	1.7 ^E	2.0 ^E
Reported Profits (P _t)	41.2	72.3	87.0	44.1	36.5	33.5	36.0	38.1	38.7	38.9	55.1
Reported Equity (E _t)	283.9	322.2	358.4	372.1	378.2	381.2	386.8	394.5	402.8	411.2	434.9
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 460.0	\$ 554.0	\$ 509.8	\$ 550.4	\$ 672.1	\$ 775.3	\$ 703.6	\$ 765.8	\$ 962.0	\$ 1026.1	
R & D Charges (R _t)	2.4 ^E	2.9 ^E	2.7 ^E	2.9 ^E	3.5 ^E	4.1 ^E	3.7	4.4	5.3	5.2	
Reported Profits (P _t)	66.6	82.2	50.4	64.1	89.4	107.8	73.8	82.2	109.9	112.5	
Reported Equity (E _t)	461.0	500.1	512.4	538.2	588.3	656.2	710.2	749.3	815.2	892.3	
Reported Profits as a Percentage of Average Reported Equity (P/E)							10.8 %	11.3 %	14.0 %	13.2 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: PHILIP MORRIS INC.

Source of data: SEC REPORT (10-K)

Industry: CIGARETTES (2111)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$ 217.0</u>	<u>\$ 283.2</u>	<u>\$ 326.8</u>	<u>\$ 408.8</u>	<u>\$ 440.8</u>	<u>\$ 460.5</u>	<u>\$ 506.4</u>	<u>\$ 526.8</u>	<u>\$ 548.2</u>	<u>\$ 581.7</u>	<u>\$ 638.3</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>9.1</u>	<u>11.5</u>	<u>12.8</u>	<u>15.8</u>	<u>17.1</u>	<u>17.5</u>	<u>21.0</u>	<u>21.5</u>	<u>21.9</u>	<u>22.1</u>	<u>22.6</u>
Reported Equity (E _t)	<u>146.2</u>	<u>145.0</u>	<u>148.0</u>	<u>158.8</u>	<u>165.1</u>	<u>171.7</u>	<u>196.0</u>	<u>199.7</u>	<u>201.7</u>	<u>208.7</u>	<u>217.8</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$ 701.5</u>	<u>\$ 767.5</u>	<u>\$ 899.3</u>	<u>\$ 1013.2</u>	<u>\$ 1142.4</u>	<u>\$ 1509.5</u>	<u>\$ 1852.5</u>	<u>\$ 2131.2</u>	<u>\$ 2602.5</u>	<u>\$ 3011.0</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>26.5</u>	<u>34.2</u>	<u>43.6</u>	<u>48.9</u>	<u>58.3</u>	<u>77.5</u>	<u>101.5</u>	<u>124.5</u>	<u>148.6</u>	<u>175.5</u>	
Reported Equity (E _t)	<u>230.7</u>	<u>246.8</u>	<u>280.2</u>	<u>314.5</u>	<u>355.8</u>	<u>452.8</u>	<u>579.1</u>	<u>695.5</u>	<u>815.0</u>	<u>974.7</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>19.7 %</u>	<u>19.5 %</u>	<u>19.7 %</u>	<u>19.6 %</u>	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: PILLSBURY
Industry: FLOUR (2041)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 336.0	\$ 341.1	\$ 331.0	\$ 331.4	\$ 350.6	\$ 359.7	\$ 373.8	\$ 385.0	\$ 398.0	\$ 407.7	\$ 446.4
R & D Charges (R _t)	2.7 ^E	2.8 ^E	2.7 ^E	2.7 ^E	2.9 ^E	2.9 ^E	3.1 ^E	3.1 ^E	3.3 ^E	3.3 ^E	3.7 ^E
Reported Profits (P _t)	4.9	5.3	4.4	4.0	5.6	7.9	6.5	7.9	7.7	7.8	9.0
Reported Equity (E _t)	62.8	65.7	67.3	68.3	71.0	81.3	84.4	90.2	94.4	98.7	100.2
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 443.4	\$ 470.0	\$ 525.8	\$ 526.3	\$ 569.2	\$ 674.4	\$ 696.7	\$ 717.8	\$ 816.3	\$ 1004.2	
R & D Charges (R _t)	3.6 ^E	3.8 ^E	4.3 ^E	4.3 ^E	4.7 ^E	5.5 ^E	5.7	5.6	6.1	6.6	
Reported Profits (P _t)	10.4	11.7	12.1	13.0	14.4	19.0	12.1	16.5	20.6	28.3	
Reported Equity (E _t)	106.7	114.2	122.8	130.3	139.1	153.7	156.0	166.9	181.4	201.6	
Reported Profits as a Percentage of Average Reported Equity (P/E)							7.8 %	10.2 %	11.4 %	14.8 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: POLAROID CORP.
Industry: PHOTOGRAPHIC EQUIPMENT (3861)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$22.7</u>	<u>\$25.9</u>	<u>\$33.8</u>	<u>\$47.3</u>	<u>\$64.6</u>	<u>\$88.1</u>	<u>\$98.4</u>	<u>\$100.5</u>	<u>\$102.5</u>	<u>\$121.9</u>	<u>\$137.3</u>
R & D Charges (R _t)	<u>1.6</u>	<u>1.5</u>	<u>1.7</u>	<u>2.1</u>	<u>3.0</u>	<u>4.6</u>	<u>5.3</u>	<u>6.7</u>	<u>9.5</u>	<u>8.0</u>	<u>8.5</u>
Reported Profits (P _t)	<u>1.2</u>	<u>2.4</u>	<u>3.6</u>	<u>5.4</u>	<u>7.3</u>	<u>10.7</u>	<u>8.8</u>	<u>8.2</u>	<u>10.0</u>	<u>11.2</u>	<u>18.3</u>
Reported Equity (E _t)	<u>6.1</u>	<u>8.2</u>	<u>11.0</u>	<u>15.8</u>	<u>34.3</u>	<u>44.2</u>	<u>52.7</u>	<u>60.5</u>	<u>70.7</u>	<u>80.1</u>	<u>97.7</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$200.7</u>	<u>\$317.5</u>	<u>\$368.6</u>	<u>\$393.3</u>	<u>\$449.1</u>	<u>\$420.0</u>	<u>\$525.5</u>	<u>\$559.3</u>	<u>\$685.5</u>	<u>\$757.3</u>	
R & D Charges (R _t)	<u>12.4</u>	<u>18.6</u>	<u>21.0</u>	<u>26.7</u>	<u>39.7</u>	<u>38.0</u>	<u>85.9</u>	<u>130.4</u>	<u>123.4</u>	<u>76.8</u>	
Reported Profits (P _t)	<u>29.0</u>	<u>48.0</u>	<u>57.4</u>	<u>58.9</u>	<u>63.1</u>	<u>61.1</u>	<u>61.0</u>	<u>42.5</u>	<u>51.8</u>	<u>28.4</u>	
Reported Equity (E _t)	<u>125.8</u>	<u>171.3</u>	<u>221.2</u>	<u>271.0</u>	<u>423.9</u>	<u>474.6</u>	<u>544.2</u>	<u>577.0</u>	<u>619.1</u>	<u>636.9</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>12.0 %</u>	<u>7.6 %</u>	<u>8.7 %</u>	<u>4.5 %</u>	

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: PROCTOR & GAMBLE
Industry: SOAP (2841)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 911.1	\$ 965.8	\$ 1038.3	\$ 1156.4	\$ 1295.2	\$ 1368.5	\$ 1441.5	\$ 1541.9	\$ 1619.4	\$ 1654.5	\$ 1913.7
R & D Charges (R _t)	26.4 ^E	28.0 ^E	30.1 ^E	33.5 ^E	37.5 ^E	39.6 ^E	41.7 ^E	44.6 ^E	46.9 ^E	47.9 ^E	55.4 ^E
Reported Profits (P _t)	52.3	57.5	59.3	67.8	73.2	81.7	98.1	106.6	109.4	115.8	130.8
Reported Equity (E _t)	355.0	381.5	409.1	462.1	526.5	567.6	619.6	677.7	731.1	783.4	892.4
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 2058.6	\$ 2243.2	\$ 2438.7	\$ 2542.6	\$ 2707.6	\$ 2978.8	\$ 3178.1	\$ 3514.4	\$ 3906.7	\$ 4912.3	
R & D Charges (R _t)	59.6 ^E	64.9 ^E	70.6 ^E	73.6 ^E	78.4 ^E	86.2 ^E	92.0	100.9	115.8	132.8	
Reported Profits (P _t)	133.2	149.4	174.1	182.6	187.4	211.9	237.6	276.3	302.1	316.7	
Reported Equity (E _t)	916.6	948.6	1008.2	1107.0	1164.4	1272.7	1400.5	1567.0	1756.9	1934.8	
Reported Profits as a Percentage of Average Reported Equity (P/E)							17.8 %	18.6 %	18.2 %	17.2 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: REPUBLIC STEEL
Industry: STEEL (3312)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u> *	<u>1963</u> *	<u>1964</u> *
Net Sales	\$ 846.3	\$ 1188.6	\$ 1244.2	\$ 1227.3	\$ 910.4	\$ 1076.8	\$ 1053.9	\$ 965.9	\$ 1049.6	\$ 1114.2	\$ 1272.7
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Reported Profits (P _t)	52.9	86.3	90.4	85.0	61.9	53.9	52.8	57.0	40.0	55.5	72.3
Reported Equity (E _t)	537.8	606.1	657.5	697.2	713.3	722.0	728.3	739.2	740.0	764.0	805.3
<u>Reported Data</u>	<u>1965</u> *	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 1374.5	\$ 1359.8	\$ 1266.3	\$ 1399.5	\$ 1500.3	\$ 1364.7	\$ 1384.8	\$ 1595.7	\$ 2068.6	\$ 2741.4	
R & D Charges (R _t)	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	
Reported Profits (P _t)	77.3	93.7	75.2	78.2	79.1	35.2	1.4	43.1	86.7	170.7	
Reported Equity (E _t)	851.6	912.1	953.0	992.3	1044.9	1040.1	1018.0	1055.0	1107.0	1232.4	
Reported Profits as a Percentage of Average Reported Equity (P/E)							0.1 %	4.2 %	8.0 %	14.6 %	

* Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: REYNOLDS INDUSTRIES
Industry: CIGARETTES (2111)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962*</u>	<u>1963*</u>	<u>1964*</u>
Net Sales	\$ <u>814.3</u>	\$ <u>866.4</u>	\$ <u>957.4</u>	\$ <u>1053.3</u>	\$ <u>1146.6</u>	\$ <u>1286.9</u>	\$ <u>1418.3</u>	\$ <u>1532.8</u>	\$ <u>1603.0</u>	\$ <u>1572.4</u>	\$ <u>1613.8</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>44.8</u>	<u>53.3</u>	<u>61.9</u>	<u>64.2</u>	<u>78.3</u>	<u>90.4</u>	<u>105.3</u>	<u>117.2</u>	<u>119.8</u>	<u>129.1</u>	<u>124.0</u>
Reported Equity (E _t)	<u>352.8</u>	<u>375.2</u>	<u>401.8</u>	<u>429.1</u>	<u>439.2</u>	<u>483.6</u>	<u>535.9</u>	<u>594.7</u>	<u>647.0</u>	<u>711.6</u>	<u>755.0</u>
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>1693.1</u>	\$ <u>1785.3</u>	\$ <u>1911.4</u>	\$ <u>1962.5</u>	\$ <u>2252.7</u>	\$ <u>2484.6</u>	\$ <u>2546.0</u>	\$ <u>2957.6</u>	\$ <u>3294.9</u>	\$ <u>4500.9</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>133.4</u>	<u>137.2</u>	<u>151.0</u>	<u>150.0</u>	<u>172.3</u>	<u>201.9</u>	<u>225.9</u>	<u>237.5</u>	<u>263.6</u>	<u>310.7</u>	
Reported Equity (E _t)	<u>783.6</u>	<u>810.3</u>	<u>877.8</u>	<u>938.6</u>	<u>1078.7</u>	<u>1167.9</u>	<u>1252.8</u>	<u>1382.4</u>	<u>1512.2</u>	<u>1696.8</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>18.7 %</u>	<u>18.0 %</u>	<u>18.2 %</u>	<u>19.4 %</u>	

*Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: REYNOLDS METALS
Industry: ALUMINUM (3334)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 306.8	\$ 384.9	\$ 405.2	\$ 446.6	\$ 445.5	\$ 489.3	\$ 438.7	\$ 478.3	\$ 527.3	\$ 565.6	\$ 620.1
R & D Charges (R _t)	4.0 ^E	5.0 ^E	5.3 ^E	5.8 ^E	5.8 ^E	6.4 ^E	5.7 ^E	6.2 ^E	7.0 ^E	7.4 ^E	8.1 ^E
Reported Profits (P _t)	20.3	34.3	41.2	37.8	38.2	44.8	25.7	25.1	26.6	27.8	36.6
Reported Equity (E _t)	126.9	156.2	226.7	292.8	321.1	413.6	426.1	446.4	459.8	474.9	496.6
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 739.8	\$ 839.4	\$ 804.0	\$ 843.8	\$ 1012.7	\$ 1035.2	\$ 1093.2	\$ 1162.2	\$ 1449.8	\$ 1993.2	
R & D Charges (R _t)	9.6 ^E	10.9 ^E	10.5 ^E	11.0 ^E	13.2	13.7	13.5	11.2	11.2	13.7	
Reported Profits (P _t)	52.6	64.2	47.4	29.6	55.1	46.1	5.9	.2	45.1	111.1	
Reported Equity (E _t)	536.4	581.0	613.5	623.1	658.3	689.6	699.1	675.6	709.4	798.6	
Reported Profits as a Percentage of Average Reported Equity (P/E)							0.8 %	0.0 %	6.5 %	14.7 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: ROBINS (A. H.) CO.
Industry: ETHICAL PHARMACEUTICALS (2834)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962*</u>	<u>1963</u>	<u>1964*</u>	
Net Sales	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 39.3	\$ 51.4	\$ 58.5	
R & D Charges (R _t)	← _____	← _____	← _____	← _____	← _____	← _____	← _____	← _____	1.8 E	2.2	2.7 E	
Reported Profits (P _t)	_____	_____	_____	_____	_____	_____	_____	_____	4.6	5.5	7.4	
Reported Equity (E _t)	_____	_____	_____	_____	_____	_____	_____	_____	18.5	24.3	28.7	
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>		
Net Sales	\$ 65.8	\$ 74.0	\$ 100.4	\$ 115.4	\$ 122.1	\$ 132.6	\$ 151.4	\$ 166.7	\$ 189.2	\$ 210.7		
R & D Charges (R _t)	3.0 E	3.4	4.1	4.6	5.5	5.9	6.0	6.6	8.0	9.6		
Reported Profits (P _t)	9.5	10.4	12.0	13.7	15.0	15.7	19.8	22.8	25.3	26.9		
Reported Equity (E _t)	34.4	40.5	48.3	58.0	68.5	79.2	93.6	113.4	137.5	157.7		
Reported Profits as a Percentage of Average Reported Equity (P/E)									22.9 %	22.0 %	20.2 %	18.2 %

*Secondary data source (Moody's)
E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: SEARLE (G. D.) CO.
Industry: ETHICAL PHARMACEUTICALS (2834)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 24.3	\$ 26.0	\$ 28.2	\$ 30.6	\$ 32.7	\$ 34.5	\$ 36.9	\$ 44.8	\$ 56.6	\$ 71.4	\$ 86.5
R & D Charges (R _t)	2.2 ^E	2.4 ^E	2.6 ^E	2.8 ^E	3.0 ^E	3.2 ^E	3.4 ^E	4.1 ^E	5.2 ^E	6.6 ^E	8.0 ^E
Reported Profits (P _t)	5.8	6.1	6.6	6.9	7.0	7.3	7.5	9.9	13.8	13.5	24.2
Reported Equity (E _t)	19.4	22.0	24.4	27.0	30.1	32.1	34.2	38.4	44.5	53.5	64.4
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 89.0	\$ 113.5	\$ 132.7	\$ 147.7	\$ 163.9	\$ 201.5	\$ 226.9	\$ 271.9	\$ 471.7	\$ 621.3	
R & D Charges (R _t)	8.2 ^E	10.5	12.2	16.0	18.1	212.5	27.1	35.9	43.3	54.2	
Reported Profits (P _t)	23.2	22.9	26.6	27.4	28.5	31.9	36.0	41.9	59.8	72.4	
Reported Equity (E _t)	70.4	85.2	93.5	98.1	102.0	116.7	141.3	169.9	269.0	340.5	
Reported Profits as a Percentage of Average Reported Equity (P/E)											
							27.9 %	26.9 %	27.2 %	23.8 %	

E = Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: SMITHKLINE CORP.
Industry: ETHICAL PHARMACEUTICALS (2834)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	<u>\$ 67.2</u>	<u>\$ 94.1</u>	<u>\$ 107.4</u>	<u>\$ 115.5</u>	<u>\$ 124.1</u>	<u>\$ 134.9</u>	<u>\$ 148.0</u>	<u>\$ 161.2</u>	<u>\$ 180.2</u>	<u>\$ 202.3</u>	<u>\$ 218.2</u>
R & D Charges (R _t)	<u>3.5</u>	<u>5.0</u>	<u>7.0</u>	<u>9.4</u>	<u>10.7</u>	<u>12.1</u>	<u>13.7</u>	<u>14.3</u>	<u>17.0</u>	<u>18.2</u>	<u>20.0</u>
Reported Profits (P _t)	<u>9.4</u>	<u>15.8</u>	<u>18.0</u>	<u>20.6</u>	<u>20.8</u>	<u>25.0</u>	<u>24.4</u>	<u>27.1</u>	<u>30.5</u>	<u>34.0</u>	<u>38.7</u>
Reported Equity (E _t)	<u>29.1</u>	<u>36.5</u>	<u>44.8</u>	<u>54.7</u>	<u>62.9</u>	<u>70.5</u>	<u>78.4</u>	<u>87.2</u>	<u>97.9</u>	<u>109.9</u>	<u>124.8</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	<u>\$ 243.7</u>	<u>\$ 251.4</u>	<u>\$ 260.0</u>	<u>\$ 283.0</u>	<u>\$ 315.4</u>	<u>\$ 347.0</u>	<u>\$ 357.2</u>	<u>\$ 402.3</u>	<u>\$ 444.1</u>	<u>\$ 518.1</u>	
R & D Charges (R _t)	<u>23.8</u>	<u>25.1</u>	<u>26.0</u>	<u>28.2</u>	<u>29.1</u>	<u>31.3</u>	<u>35.1</u>	<u>38.4</u>	<u>40.2</u>	<u>47.1</u>	
Reported Profits (P _t)	<u>42.2</u>	<u>41.3</u>	<u>42.1</u>	<u>42.3</u>	<u>40.5</u>	<u>43.7</u>	<u>44.9</u>	<u>48.9</u>	<u>52.8</u>	<u>58.1</u>	
Reported Equity (E _t)	<u>133.6</u>	<u>143.6</u>	<u>156.6</u>	<u>169.9</u>	<u>175.7</u>	<u>192.5</u>	<u>208.4</u>	<u>233.8</u>	<u>253.1</u>	<u>281.5</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>22.4 %</u>	<u>22.1 %</u>	<u>21.7 %</u>	<u>21.7 %</u>	

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: STANDARD OIL (IND.)
Industry: PETROLEUM REFINING (2911)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959*</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 1660.3	\$ 1781.3	\$ 1890.2	\$ 2010.1	\$ 1863.9	\$ 1956.8	\$ 2005.8	\$ 2032.6	\$ 2626.7	\$ 2709.3	\$ 2822.1
R & D Charges (R _t)	182.0	179.0	219.0	280.0	220.0	252.0	236.0	322.0	275.0	283.0	362.0
Reported Profits (P _t)	117.2	157.1	149.4	151.5	117.8	139.6	144.8	153.8	162.4	183.1	194.9
Reported Equity (E _t)	1574.2	1701.1	1900.4	2012.3	2076.9	2162.0	2251.1	2348.9	2453.5	2521.7	2604.9
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 3025.3	\$ 3306.8	\$ 3536.3	\$ 3918.1	\$ 4217.7	\$ 4550.1	\$ 4890.4	\$ 5400.7	\$ 6379.4	\$ 10024.6	
R & D Charges (R _t)	332.0	382.0	362.0	434.0	543.0	408.0	442.0	658.0	747.0	781.0	
Reported Profits (P _t)	219.3	255.9	282.3	309.5	321.0	314.0	341.7	374.7	511.2	970.3	
Reported Equity (E _t)	2702.6	2820.3	2963.0	3074.2	3212.9	3366.0	3557.3	3798.9	4125.3	5125.1	
Reported Profits as a Percentage of Average Reported Equity (P/E)							9.9 %	10.2 %	12.9 %	21.0 %	

*Secondary data source (Moody's)

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: STOKELY-VAN CAMP
Industry: CANNED FRUITS AND VEGETABLES (2033)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>121.7</u>	\$ <u>136.5</u>	\$ <u>159.5</u>	\$ <u>159.2</u>	\$ <u>158.4</u>	\$ <u>158.2</u>	\$ <u>161.9</u>	\$ <u>195.1</u>	\$ <u>197.0</u>	\$ <u>201.9</u>	\$ <u>205.1</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>3.0</u>	<u>3.8</u>	<u>4.5</u>	<u>3.2</u>	<u>2.8</u>	<u>4.6</u>	<u>3.3</u>	<u>6.0</u>	<u>2.9</u>	<u>3.2</u>	<u>4.4</u>
Reported Equity (E _t)	<u>42.0</u>	<u>44.2</u>	<u>51.3</u>	<u>52.5</u>	<u>53.7</u>	<u>56.6</u>	<u>58.6</u>	<u>65.8</u>	<u>67.2</u>	<u>67.9</u>	<u>73.2</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>223.1</u>	\$ <u>225.7</u>	\$ <u>244.8</u>	\$ <u>251.4</u>	\$ <u>266.1</u>	\$ <u>274.6</u>	\$ <u>280.9</u>	\$ <u>298.5</u>	\$ <u>316.7</u>	\$ <u>395.5</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>5.5</u>	<u>6.9</u>	<u>8.3</u>	<u>7.3</u>	<u>5.5</u>	<u>5.0</u>	<u>6.6</u>	<u>7.2</u>	<u>8.2</u>	<u>9.6</u>	
Reported Equity (E _t)	<u>77.6</u>	<u>81.8</u>	<u>84.4</u>	<u>97.0</u>	<u>101.6</u>	<u>102.8</u>	<u>105.3</u>	<u>107.7</u>	<u>111.2</u>	<u>117.2</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>6.3 %</u>	<u>6.8 %</u>	<u>7.5 %</u>	<u>8.4 %</u>	

Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: TEXACO
Industry: PETROLEUM REFINING (2911)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>1574.4</u>	\$ <u>1767.3</u>	\$ <u>2046.3</u>	\$ <u>2344.2</u>	\$ <u>2327.9</u>	\$ <u>2678.0</u>	\$ <u>2980.3</u>	\$ <u>3042.3</u>	\$ <u>3272.1</u>	\$ <u>3415.7</u>	\$ <u>3573.8</u>
R & D Charges (R _t)	<u>12.1^E</u>	<u>13.6^E</u>	<u>15.8^E</u>	<u>18.1^E</u>	<u>18.0^E</u>	<u>20.7^E</u>	<u>23.0^E</u>	<u>23.5^E</u>	<u>25.3^E</u>	<u>26.4^E</u>	<u>27.6^E</u>
Reported Profits (P _t)	<u>226.1</u>	<u>262.7</u>	<u>302.3</u>	<u>332.3</u>	<u>310.2</u>	<u>354.3</u>	<u>391.8</u>	<u>430.1</u>	<u>481.7</u>	<u>545.7</u>	<u>577.4</u>
Reported Equity (E _t)	<u>1527.4</u>	<u>1676.7</u>	<u>1850.0</u>	<u>2053.4</u>	<u>2283.7</u>	<u>2517.8</u>	<u>2736.7</u>	<u>2976.7</u>	<u>3251.6</u>	<u>3509.7</u>	<u>3810.7</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>3779.4</u>	\$ <u>4427.3</u>	\$ <u>5121.4</u>	\$ <u>5459.8</u>	\$ <u>5867.9</u>	\$ <u>6349.8</u>	\$ <u>7529.1</u>	\$ <u>8693.0</u>	\$ <u>11406.9</u>	\$ <u>23255.5</u>	
R & D Charges (R _t)	<u>29.2^E</u>	<u>34.2^E</u>	<u>39.5^E</u>	<u>42.1^E</u>	<u>45.3^E</u>	<u>49.0</u>	<u>50.0</u>	<u>48.0</u>	<u>49.0</u>	<u>60.0</u>	
Reported Profits (P _t)	<u>636.7</u>	<u>709.9</u>	<u>754.4</u>	<u>835.5</u>	<u>769.8</u>	<u>822.0</u>	<u>903.9</u>	<u>889.0</u>	<u>1292.4</u>	<u>1586.4</u>	
Reported Equity (E _t)	<u>4097.7</u>	<u>4463.6</u>	<u>4946.6</u>	<u>5418.0</u>	<u>5896.8</u>	<u>6279.2</u>	<u>6745.0</u>	<u>7174.9</u>	<u>7992.3</u>	<u>9002.8</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>13.9 %</u>	<u>12.8 %</u>	<u>17.0 %</u>	<u>18.7 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: UNIROYAL INC.
Industry: TIRES AND TUBES (3011)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>781.6</u>	\$ <u>925.5</u>	\$ <u>901.3</u>	\$ <u>873.6</u>	\$ <u>870.6</u>	\$ <u>976.8</u>	\$ <u>966.8</u>	\$ <u>940.4</u>	\$ <u>1006.8</u>	\$ <u>980.2</u>	\$ <u>1086.6</u>
R & D Charges (R _t)	<u>23.6^E</u>	<u>28.0^E</u>	<u>27.2^E</u>	<u>26.4^E</u>	<u>26.3^E</u>	<u>29.5^E</u>	<u>29.2^E</u>	<u>28.4^E</u>	<u>30.4^E</u>	<u>29.6^E</u>	<u>32.8^E</u>
Reported Profits (P _t)	<u>28.0</u>	<u>33.6</u>	<u>31.9</u>	<u>29.7</u>	<u>22.7</u>	<u>35.6</u>	<u>30.7</u>	<u>27.1</u>	<u>25.7</u>	<u>22.1</u>	<u>30.1</u>
Reported Equity (E _t)	<u>236.6</u>	<u>254.3</u>	<u>271.2</u>	<u>289.1</u>	<u>294.0</u>	<u>312.6</u>	<u>326.1</u>	<u>337.5</u>	<u>347.4</u>	<u>352.1</u>	<u>364.5</u>
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>1225.5</u>	\$ <u>1320.8</u>	\$ <u>1264.7</u>	\$ <u>1429.2</u>	\$ <u>1553.8</u>	\$ <u>1555.6</u>	\$ <u>1677.7</u>	\$ <u>1798.9</u>	\$ <u>2082.7</u>	\$ <u>2300.5</u>	
R & D Charges (R _t)	<u>37.0^E</u>	<u>39.9^E</u>	<u>38.2^E</u>	<u>43.2^E</u>	<u>46.9^E</u>	<u>47.0</u>	<u>50.0</u>	<u>53.0</u>	<u>55.0</u>	<u>58.0</u>	
Reported Profits (P _t)	<u>37.2</u>	<u>45.3</u>	<u>33.0</u>	<u>56.9</u>	<u>46.6</u>	<u>24.1</u>	<u>43.1</u>	<u>46.7</u>	<u>47.1</u>	<u>48.6</u>	
Reported Equity (E _t)	<u>398.2</u>	<u>427.7</u>	<u>439.0</u>	<u>493.7</u>	<u>523.7</u>	<u>534.2</u>	<u>557.5</u>	<u>579.6</u>	<u>599.5</u>	<u>630.9</u>	
Reported Profits as a Percentage of Average Reported Equity (P:E)							<u>7.9 %</u>	<u>8.2 %</u>	<u>8.0 %</u>	<u>7.9 %</u>	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: U. S. GYPSUM
Industry: GYPSUM PRODUCTS (3272)

Source of data: SEC REPORT (10-K)

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ 217.0	\$ 258.7	\$ 265.0	\$ 249.6	\$ 265.8	\$ 301.0	\$ 273.5	\$ 272.7	\$ 288.0	\$ 303.2	\$ 315.6
R & D Charges (R _t)	1.5 ^E	1.8 ^E	1.8 ^E	1.7 ^E	1.8 ^E	2.1 ^E	1.9 ^E	1.9 ^E	2.0 ^E	2.1 ^E	2.2 ^E
Reported Profits (P _t)	32.4	40.4	40.6	38.8	40.9	46.3	38.4	36.7	37.1	40.1	43.0
Reported Equity (E _t)	186.9	209.1	229.2	245.4	263.0	289.1	302.8	314.8	327.3	342.6	359.6
<u>Reported Data</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ 304.2	\$ 291.2	\$ 372.8	\$ 419.5	\$ 464.7	\$ 451.6	\$ 554.4	\$ 652.1	\$ 759.1	\$ 862.3	
R & D Charges (R _t)	2.1 ^E	2.0 ^E	2.6 ^E	2.9 ^E	3.2 ^E	3.2 ^E	3.8 ^E	4.5	5.0	5.5	
Reported Profits (P _t)	34.6	29.5	32.5	34.7	31.6	21.4	38.8	49.1	51.1	31.3	
Reported Equity (E _t)	366.8	356.5	408.8	418.4	424.7	423.5	429.2	446.3	466.1	467.9	
Reported Profits as a Percentage of Average Reported Equity (P/E)							9.1 %	11.2 %	11.2 %	6.7 %	

E= Estimate

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: U. S. STEEL
Industry: STEEL (3312)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954*</u>	<u>1955*</u>	<u>1956*</u>	<u>1957*</u>	<u>1958*</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>3241.3</u>	\$ <u>4079.8</u>	\$ <u>4198.8</u>	\$ <u>4378.3</u>	\$ <u>3438.6</u>	\$ <u>3643.0</u>	\$ <u>3698.5</u>	\$ <u>3336.5</u>	\$ <u>3501.0</u>	\$ <u>3637.2</u>	\$ <u>4129.4</u>
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>
Reported Profits (P _t)	<u>195.4</u>	<u>370.1</u>	<u>348.1</u>	<u>419.4</u>	<u>301.6</u>	<u>254.6</u>	<u>304.2</u>	<u>190.2</u>	<u>163.7</u>	<u>203.5</u>	<u>236.8</u>
Reported Equity (E _t)	<u>2348.7</u>	<u>2582.6</u>	<u>2764.0</u>	<u>2997.8</u>	<u>3114.0</u>	<u>3183.7</u>	<u>3301.9</u>	<u>3305.9</u>	<u>3309.1</u>	<u>3379.2</u>	<u>3482.7</u>
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>4399.6</u>	\$ <u>4355.4</u>	\$ <u>4005.5</u>	\$ <u>4536.7</u>	\$ <u>4754.1</u>	\$ <u>4814.4</u>	\$ <u>4928.2</u>	\$ <u>5401.8</u>	\$ <u>6951.9</u>	\$ <u>9186.4</u>	
R & D Charges (R _t)	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	<u>Neg.</u>	
Reported Profits (P _t)	<u>275.5</u>	<u>249.2</u>	<u>172.5</u>	<u>253.7</u>	<u>217.2</u>	<u>147.5</u>	<u>154.5</u>	<u>157.0</u>	<u>325.8</u>	<u>634.9</u>	
Reported Equity (E _t)	<u>3624.9</u>	<u>3178.0</u>	<u>3220.7</u>	<u>3344.5</u>	<u>3432.6</u>	<u>3450.1</u>	<u>3507.2</u>	<u>3577.5</u>	<u>3811.2</u>	<u>4454.2</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>4.5 %</u>	<u>4.4 %</u>	<u>8.8 %</u>	<u>15.4 %</u>	

Secondary data source (Moody's)
Neg. = Negligible; less than 1% of sales.

FINANCIAL DATA FOR THE DOMINANT FIRMS
IN TWENTY-THREE INDUSTRIES (\$ in Millions)

Name of firm: UPJOHN CO.
Industry: ETHICAL PHARMACEUTICALS (2834)

Source of data: SEC REPORT 10-K

<u>Reported Data</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Net Sales	\$ <u>89.7</u>	\$ <u>102.5</u>	\$ <u>113.6</u>	\$ <u>128.1</u>	\$ <u>146.1</u>	\$ <u>156.9</u>	\$ <u>159.4</u>	\$ <u>165.9</u>	\$ <u>173.2</u>	\$ <u>191.7</u>	\$ <u>209.7</u>
R & D Charges (R _t)	<u>7.4</u>	<u>8.6</u>	<u>9.7</u>	<u>11.6</u>	<u>13.0</u>	<u>15.2</u>	<u>16.0</u>	<u>18.0</u>	<u>19.2</u>	<u>19.8</u>	<u>21.7</u>
Reported Profits (P _t)	<u>9.6</u>	<u>12.6</u>	<u>15.2</u>	<u>17.4</u>	<u>20.0</u>	<u>23.2</u>	<u>22.8</u>	<u>22.8</u>	<u>23.3</u>	<u>25.8</u>	<u>29.6</u>
Reported Equity (E _t)	<u>75.3</u>	<u>77.2</u>	<u>90.6</u>	<u>100.8</u>	<u>111.3</u>	<u>125.5</u>	<u>138.3</u>	<u>148.4</u>	<u>158.4</u>	<u>168.7</u>	<u>183.4</u>
<u>Reported Data</u>	<u>1965*</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	
Net Sales	\$ <u>242.4</u>	\$ <u>257.6</u>	\$ <u>273.0</u>	\$ <u>336.2</u>	\$ <u>371.0</u>	\$ <u>397.7</u>	\$ <u>438.4</u>	\$ <u>511.3</u>	\$ <u>647.5</u>	\$ <u>794.6</u>	
R & D Charges (R _t)	<u>23.3</u>	<u>27.0</u>	<u>30.2</u>	<u>33.9</u>	<u>37.0</u>	<u>42.1</u>	<u>45.4</u>	<u>50.3</u>	<u>56.6</u>	<u>67.7</u>	
Reported Profits (P _t)	<u>37.2</u>	<u>36.3</u>	<u>30.1</u>	<u>34.4</u>	<u>37.4</u>	<u>37.7</u>	<u>39.8</u>	<u>46.5</u>	<u>68.6</u>	<u>69.1</u>	
Reported Equity (E _t)	<u>201.4</u>	<u>261.6</u>	<u>224.5</u>	<u>253.5</u>	<u>264.4</u>	<u>279.2</u>	<u>294.6</u>	<u>316.9</u>	<u>360.3</u>	<u>405.1</u>	
Reported Profits as a Percentage of Average Reported Equity (P/E)							<u>13.9</u> %	<u>15.2</u> %	<u>20.3</u> %	<u>18.1</u> %	

* Secondary data source (Moody's)

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