

'Big top' is big business

By DENNIS FULTON
"The Greatest Show on Earth" has gone modern, says Lloyd Morgan, general manager.

The circus has changed from the old "big top" days. Now it's big business — administered by 150 executive personnel and a vast computer system, all from three floors of a major office building in Washington, D.C.

"My job is not at the home office, it's on the road with the blue circus," Morgan said.

The blue circus is one of two Ringling Bros. and Barnum & Bailey Circus extravaganzas. The expansion to two shows was made in 1968.

"I BALANCE our \$5.5 million a year budget, and handle any problems that I can. If I can't handle a problem, the Washington office is just a phone call away."

Morgan outlined the progress the circus has made from the management end in recent years.

"For a while the circus was in a de-

cline. Popularity was down. Management was bad. They had to learn that you can't keep going on what the circus used to be. You have to push, push, push. You have to get it by the horns and make it work.

"In the days of the big top, the manager's office was his coat pocket — not any more. It's all computerized now. We're always trying to do things better, reviewing old files — keeping traditions, but making them better.

"THE DAYS when promoters went into the town only days ahead of the circus to make preparations are over. Now the vice-president of promotions in Washington heads several regional marketing directors (RMDs).

"The RMDs are in charge of eight to nine cities, and have apartments in each one. They are always on the move, working with local advertising and public relations firms, buying produce for the animals, cables for performances, supplies that the circus will need when it gets to town."

Morgan, sitting casually in the almost vacated arena at Memorial Auditorium, talked informally, listing some of his responsibilities, and some details of running the business.

"The \$5.5 million budget must cover payroll for the labor personnel, maintenance and repair of equipment, maintenance of the 37-car train, and feed for the animals.

"We have expenses that come along all the time which I have to allow for in the budget. Yesterday, a shipment of paint came in, so last night after our performance, we painted all of our arena props."

TRAVEL IS the largest single expense of the circus — costing over \$2 million a year.

"We are here today, New Orleans next, then Houston. We have a train master, with six or seven maintenance people under him, to keep the train up to railroad regulations.

"We don't own the engines that pull the train. We don't have a train crew — engineers, etc. We have to contract all of that from railroad companies.

"Our unit goes to about 40 spots a year."

Morgan talked shortly about the circus personnel and their salaries, glancing occasionally at the circus basketball team, a group of youngsters on unicycles, practicing their act in the arena.

"THE BLUE CIRCUS has 175 performers, 120 laborers and 80 concessionaires. The salaries are set on a 13-show-per-week scale. If more than 13 shows are performed in one week, we have to pay extra on a percentage basis."

Performers' salaries are contracted individually. The American Guild and Variety Artists sets minimum wages, then the circus management negotiates from there.

The laborers are all members of the Teamsters union. They get a guaranteed wage.

"We hire local musicians and stagehands from each city we locate in. And the clean-up people are always contracted by the facility — for example, in Dallas, our rent at the convention center pays for janitorial people."

THE PAYROLL checks are printed by computer in Washington. The manager of each circus has to sign all the checks for his employees.

Morgan said the circus has done very well in Dallas this year. "We have progressed every year in ticket sales. People are getting back into the swing of going to the circus."

Morgan explained how his job fits in with the Washington management.

"If I can make a decision from the local level, I do. But if it gets too big, I make a credit card call to the home office, and BANG, it's done."



Lloyd Morgan, general manager, says the circus has gone modern.



Dallas News staff photo by Larry Reese

Medallion Target... opening is just for practice.

Target Store tries 'dry run' in Medallion

Target Stores, mass merchandiser with 52 stores in nine states, has opened its fifth Dallas store — unofficially. The new store is located at Medallion Center, Northwest Highway at Skillman Avenue.

"Our grand opening is not until Monday, July 11," said a Target spokesman. "But for the benefit of store employees, we are having a quiet opening. The employees are, of course, all new on the job. This gives them a chance to get used to things."

The new 108,000-sq.-ft. structure, formerly occupied by Medallion, has been extensively remodeled inside and out to meet Target standards, said Jack Doyle, Target Stores regional vice-president.

"Target is a family-oriented no-frills store. We think of it as the absence of decor," says Doyle. "This plain and simple shopping environment allows our merchandise to take center stage, and customers

can find departments and merchandise easily."

The self-service store has 80 different departments, including women's, men's and children's apparel, sporting goods, health and beauty aids, toys and housewares. Target specialty shops include a pharmacy, snack bar and bakery.

Fred Fratto, formerly store manager of the Oak Cliff store, is the new store manager. The store employs over 200 full- and part-time people.

In regard to the "dry run" opening, the spokesman said, "The only people who know we're open are those who just happen by. It's just a slow start for inexperienced employees to get some experience before the crowd hits Monday."

Target Stores is a division of Dayton Hudson Corp. of Minneapolis.

—DENNIS FULTON

John Deere to move headquarters to Allen

John Deere Co. announced plans Friday to relocate its regional farm equipment marketing headquarters from Dallas to Allen, Texas. When the move is completed, it will be the first time since 1889 that John Deere has not had Dallas offices.

Charles Gause, general manager of the John Deere Dallas operation, told The Dallas News Friday that his firm has completed the purchase of a 118-acre site along Interstate 75 on the edge of Allen.

No timetable has been set for construction of the Allen facility, Gause said, adding that other details about

the facility will be decided in the future.

The regional headquarters of John Deere Co. Dallas is responsible for the marketing of John Deere farm equipment and parts and consumer products in Texas, New Mexico, Arizona and Southern California, Gause said.

The operation employs approximately 275 people with about 180 employees being based at the headquarters and parts depot in Dallas.

John Deere first opened Dallas offices in 1889 on Lamar Street in downtown Dallas, he said. In 1904, Deere moved to 600 Elm, the downtown high-rise that now houses the Kennedy Mu-

seum. In 1951, the company moved to its present quarters at 10650 Harry Hines.

"We've outgrown our present facility by quite a bit," Gause said. Of the 12 acres the company has at the Harry Hines location, already six acres are under roof. "We're at the property line on one side and we don't have adequate parking."

So, the company will move to 118 acres which should facilitate future expansion.

Hank Dickerson Realtors handled the Allen property sale, he said. Plans on selling or keeping the Harry Hines property have not been finalized.

OTC commentary

Secondary issues find firmness

By CHERYL HALL

The over-the-counter stock market found a firmness this week that has been missing for a while. Secondary issues were looked upon favorably by traders and volume picked up from a slow Tuesday start to 8 million shares on Friday.

FIB acquisition gets Fed board approval

The Board of Governors of the Federal Reserve System have unanimously approved the acquisition by First International Bancshares Inc. of Dallas of Texas State Bank, a new bank to be located in Abilene.

The bank, with Derwood Langston as its proposed president, will have at its opening not less than \$400,000 in capital, \$400,000 in surplus and \$200,000 in undivided profits.

Texas State Bank, the second bank in Abilene owned by the \$7.4 billion bank holding company, will be located at Sayles Boulevard and South 27th Street.

Jobless rate goes up, wholesale prices decline

WASHINGTON (AP) — A rise in the nation's jobless rate to 7.1 per cent in June, along with some other recent unfavorable economic developments "may be the beginning of some serious trouble," a leading government economist said Friday.

"We will have to be diligent and watch it very closely," Julius Shishkin told the Joint Economic Committee of Congress after the government reported the rise in unemployment from May's 6.9 per cent.

But Shishkin, the commissioner of the Labor Department's Bureau of Labor Statistics, said he doesn't think the nation's economy is running out of steam, adding that he expects unemployment to decline again later in the year.

Carter administration economists were pleased by a second report Friday that showed wholesale prices declined six-tenths of 1 per cent in June, the first drop in this key inflation index in 10 months and the largest decline in nearly four years.

At the White House, Deputy Press Secretary Rex Granum said: "Clearly the news about the wholesale prices in June is heartening. Price increases during the second half of the year are likely to be more moderate than they

were during the first half."

He termed the unemployment report "discouraging," but said the June results "do not involve any fundamental change in the economic outlook for the remainder of 1977."

However, AFL-CIO President George Meany said the figures "demonstrate conclusively that unemployment remains the nation's number one problem."

He also called the report on wholesale prices "heartening" but added that the lower wholesale prices must be translated into lower prices for consumers.

A whopping 6.3 per cent drop in farm prices accounted for most of the decline, as prices fell for just about everything produced on the farm except milk. There were lower prices for vegetables, grains, coffee, eggs, poultry and cattle.

That was good news for consumers, who can expect to find their grocery bills are rising less sharply in weeks ahead, but bad news for farmers, who are faced with declining income.

Both employment and unemployment increased in June as more persons entered the job market. The number of people with jobs rose 270,000 to 90.7 million, while unemployment rose 210,000 to 7 million.

The Labor Department gave the following breakdown for unemployment among different groups in the nation's labor force:

- Adult men, 5 per cent in June, down from 5.3 per cent in May.
- Adult women, 7.2 per cent in June, up from 6.6 per cent in May.
- Teen-agers, 18.6 per cent, up from 17.9 per cent.
- Whites, 6.3 per cent, up from 6.2 per cent.
- Blacks and other minorities, 13.2 per cent, up from 12.9 per cent.
- Household heads, 4.3 per cent, down from 4.5 per cent.
- Full-time workers, 6.5 per cent, unchanged from May.
- White collar workers, 4.2 per cent, down from 4.3 per cent.
- Blue collar workers, 7.7 per cent, down from 7.9 per cent.

For Friday, 546 issues advanced in the OTC, 200 declined and 792 were unchanged. There were 130 new highs and 12 new lows.

Banks and oils were the most sought after groups.

IN THE OIL and gas group, Forest Oil rose to 22 $\frac{1}{2}$, up 2 $\frac{1}{2}$; American Quasar to 30 $\frac{1}{2}$, up $\frac{3}{4}$; R.L. Burns to 15 $\frac{3}{4}$, up $\frac{3}{4}$; Texas American Oil to 6 $\frac{1}{2}$, up $\frac{3}{4}$; and Tipperary Oil (which announced the acquisition of coal firm) to 19 $\frac{1}{2}$, up 2.

Noble Affiliates benefited from being listed on several recommendation lists, and jumped to 31 $\frac{1}{4}$, up 2 $\frac{1}{2}$; May Petroleum fueled by encouraging well prospects, went to 9 $\frac{3}{4}$, up $\frac{3}{4}$. But the star of the day, with 155,000 shares trading, was Supron which gained 4 $\frac{1}{2}$ points, to close at 27 $\frac{3}{4}$. There were a number of rumors involving Supron during the week, including vague merger possibilities.

Oil related stocks followed this trend — all up. Mark Products finished the week at 4 $\frac{1}{2}$, up $\frac{1}{2}$; WellTech closed at 15, up 1 $\frac{1}{4}$; Wetherford International at 12 $\frac{1}{2}$, up $\frac{3}{4}$; and Stewart & Stevenson to 15 $\frac{1}{4}$, up 2 $\frac{1}{4}$.

Geosource, a new issue of a couple weeks, had a profitable week, climbing to 25 $\frac{1}{2}$, up 2.

Traders anticipating strong show in bank earnings made it a good week for the financial stocks.

For you Cullen and Frost shareholders, the new combined stock, Cullen Frost Bancshares, closed the week at

21. The merger was completed Thursday.

FIRST UNITED posted a fair gain, at 18, up $\frac{3}{4}$; Mercantile at 29 $\frac{1}{2}$, up $\frac{1}{4}$; Texas American Bancshares at 24 $\frac{1}{2}$, up 1; and First Texas Financial (savings and loan holding company) closed at 18 $\frac{1}{4}$, up $\frac{3}{4}$.

Insurances that moved upward included: Globe Life & Accident at 16, up 2; Republic National Life at 7 $\frac{1}{2}$, up $\frac{3}{4}$ (86,000 shares traded for the week); Southland Financial at 10 $\frac{1}{2}$, up $\frac{5}{8}$ (225,000 traded); American Capital closed at 3 $\frac{1}{2}$, up $\frac{1}{2}$; Fidelity Union Life at 21 $\frac{1}{2}$, up 1 $\frac{3}{4}$; and Great Southern closed at 26 $\frac{1}{4}$, up 2.

Even the industrials had some stars. Texas International attracted a bevy of buyers and it rose to 5 $\frac{1}{2}$, up 1; Carterfone, prospered by buyout rumors, to close at 3 $\frac{1}{2}$, up $\frac{3}{4}$ — 169,000 shares of Carterfone exchanged hands this week, which is good volume for this stock.

Stronac Investors Ltd. of Toronto, Canada, announced that it would pay \$4 a share cash for an additional 300,000 shares of Prochemco. The additional shares combined with Stronac's current 105,000 shares would give the Canadian firm 29 per cent ownership of Prochemco, closing at 3 $\frac{1}{4}$, up $\frac{5}{8}$.

Cameron Iron finished the week at 31, up 1 $\frac{1}{2}$; Communications Industries at 19 $\frac{1}{2}$, up $\frac{3}{4}$; and Omega Optical, after months of waiting, finally broke away from its offering price and closed at 11, up 1.

More Texas to Europe routes needed, BI says

By AL ALTWEGG

Business Editor of The News

Braniff International's answer to Pan American World Airways' efforts to get the air routes between Texas and London was to propose Friday that the whole Texas-to-Europe service be expanded way beyond that one-route idea.

Pan American has been making a case that any airline but Pan Am would have to land at Gatwick airport, 27 miles south of London and remote from most air service to the rest of Europe, instead of Heathrow airport, from which Pan Am and other lines also feed to farther destinations.

Braniff came back Friday and said, in effect, why just fly from Texas to London? Why not let us fly nonstop from both Dallas-Fort Worth and Houston to London, but also nonstop to Paris, Frankfurt, Rome and Riyadh, Saudi Arabia.

BRANIFF FILED a motion to that effect with the Civil Aeronautics Board in Washington, the airline said in Dallas Friday.

Last week Braniff had asked that the whole case be expedited, limited, and that separate hearings be held for each new U.S. gateway city proposed in the Transatlantic Route case. Now it's asked its new motions be consolidated into that case.

Braniff said it was introducing Riyadh into the proposal because "the world energy crisis has established the need for direct air service between the petroleum centers of Texas and the Middle East."

Braniff contended that, as a result of the new bilateral air service agreement between Britain and the United States, it is confirmed that air service between the United States and Europe

should be more direct and less concentrated on London.

EXISTING U.S. flag beyond-London rights are to be phased out, and no new ones will be created. No carrier in the transatlantic case fully anticipated the need for a massive London by-pass, Braniff told the CAB.

Now, Braniff said it "believes that both Dallas-Fort Worth and Houston need service to European points other than London. Braniff seeks an opportunity to prove that it can provide that service on a profitable basis without depending on London."

Arguing against the concept of Houston service to Europe via Dallas-Fort Worth or vice versa, Braniff said:

"If Houston cannot have non-stop service to London, it hardly matters whether the compulsory stop is at New York, Washington, Atlanta, Miami or Dallas-Fort Worth. Dallas-Fort Worth is of the same opinion.

"There is no mystical community of interest that makes a one-stop service more palatable to Texans if the stop is in Texas. As their representatives keep pointing out, Texans don't want to stop anywhere."

Braniff's specific proposal is for four services:

1. Dallas-Fort Worth to London;
2. Dallas-Fort Worth to Paris, Frankfurt, Rome, and Riyadh;
3. Houston to London;
4. Houston to Paris, Frankfurt, Rome and Riyadh.

SUCH PROPOSALS "would guarantee that each city would have non-stop service to Europe and not one-stop service by way of some other U.S. terminal," Braniff said.

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