

Bas Tor

AMERICAN GRADUATE SCHOOL OF INTERNATIONAL MANAGEMENT

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OCTOBER 18, 1974

U.S. Lead In R & D In Jeopardy

by Jim Grist

"Are manufacturing profits in the United States high enough to afford the research and technology surge needed to keep America from spiraling downward to become a second-rate nation?"

The Vice Chairman of the Board of the Upjohn Company, Mr. Preston S. Parish, speaking to a packed auditorium crowd, launched into a detailed defense of the corporate profit system in this country, pointed to a "declining vitality" in the nation's science and technology, and called on government to make a commitment to a tax policy which would promote expansion of "creative" as well as "productive" capabilities of corporations.

Mr. Parish also said that Upjohn had been under attack both here and abroad for "exorbitant" profit. He conceded

that his company had sales in 1973 of over \$647 million, with \$248 million in the international division. But, Upjohn is a research oriented company; it invested approximately 10 percent of each dollar in R & D, and profit is necessary. An investment of 10 percent on the dollar was unique in America to the pharmaceutical industry. Upjohn with R & D could maintain a multinational business which gave 136 countries access to technology and pharmaceutical products they wouldn't otherwise have.

Mr. Parish feels that inflation was having a detrimental, perhaps little understood, effect on corporate profit. Real retained earnings in American companies "reinvested in the business", considering inflation, dropped from 19 billion dollars in 1965 to two billion last year. A drop in corporate retained earnings

naturally means a drop in R & D. U.S. expenditures by corporations for R & D led the world in 1973 at 20 billion but with inflation we actually stand at the 1965 level of less than 14 billion dollars.

Because of the drop in research and development in this country, the lead we hold in the world in science and technology is in jeopardy. Japan is catching up fast, for two reasons: she has paid enormous sums in the past for an "importation and assimilation of foreign technology," and, she gives her corporations incentive with tax deductions for R & D spending and "first year accelerated depreciation" for equipment representing new technology.

Germany is up with Japan. Germany had an "integrated chemical industry" when Mr. Parish's home state of Michigan was a "wilderness". Now, after

her stupendous growth following World War II, she is gaining a strong technological position by providing her companies with tax credits for "basic and significant applied R & D" and special tax deductions for depreciation on scientific equipment.

The U.S. Government has given no incentives like Japan and Germany. Our Government emphasizes "Defense, Atomic Energy, and Space," and gives these areas the lion's share of Federal R & D money (82 percent in 1970). Worse, proposed legislation which would reduce tax credits on income earned abroad represents an "assault" on American research-oriented companies, and would send them abroad with a "crippling" tax load.

What our Government should do, said Mr. Parish, is enact legislation to provide tax credit in "new, non-capital research in-



Mr. Preston S. Parish

vestment" where it is socially and economically feasible: "resource conservation, population control, improved agricultural processes, unsolved health problems, and energy alternatives."

He concluded by saying that government and industry should collaborate in economic matters — government could collaborate quickly with a new tax policy.

Campus Placement

Fri., Oct. 18 Interviewing First National City Bank Comptrollers Division & International Banking Group

Mon., Oct. 21 Group Meeting Nordson Corporation 5:00 p.m. Auditorium
Tues., Oct. 22-Thurs. Oct. 24 Interviewing Nordson Corporation

Tues., Oct. 22 Group Meeting Chase Manhattan Bank 5:00 p.m. Auditorium

Wed., Oct. 23-Thurs., Oct. 24 Interviewing Chase Manhattan Bank

Following the Group Meeting, Nordson will give a mechanical aptitude test. Names of people invited to take the test will be posted in Placement Center. Interview list depends on test results. Names will be posted Tues., Oct. 22, a.m. in Placement Center.

OPEN HOUSE

Thurs., Oct. 24 Dave Andersen & Sam Sebabi "Interviewing & Flybacks" 5:00-6:00 p.m. Placement Center

FLYING CARPET ANYONE?

AGSIM Students Would Be Rug Merchants

What started as a casual conversation in an Import-Export class at AGSIM has become a full fledged business.

Messrs. Vince Daniels, Evan Hassiotis, and Paul Fronzek have formed Hassdan International Inc., to import rugs and copper ware. "It started as an after-thought to a class discussion," said Vince Daniels. "We had the same thought at the same time."

With advice from Professor Richter and the aid of Mr. Robert Tanzer, who helped them form the company the idea became reality.

The company imports Greek made, oriental style, hi-quality, all wool rugs. Rugs like this can be bought in Greece and marketed competitively against other rugs being sold in the U.S. they feel.

Initially sales will be to fellow students, faculty and friends. The company hopes to sell to interior designers and furniture stores in the near future. Already plans

are being made to expand to antique copper ware, and more rugs imported from other countries.



Alumni Office-That Other Door

by Cathy Cooper

The Alumni Office is "that other door" in the Placement Office. It is a checkout point for graduating students. It also has much to offer current students.

The Office tries to keep track of all graduates of Thunderbird, their company affiliation, current job description and location. The files are open to all students.

The student who is seriously interested in a particular company can use the Alumni Office files to locate former Thunderbirds who are now employed by that company. He may then contact them for their impression of the firm.

The Alumni Office also has geographic listings of graduates which it will give out on request. These geographic listings are by state and foreign country. They

list by name, all the graduates from 1947 through the class of August, 1974 when their addresses are known. Their employer and job title are given.

There are cross files so you may trace a graduate where you have only some information. Although the main files are kept by graduation date and within that by alphabetic order, there is a cross file listing all former students alphabetically. The Alumni Office keeps track of participants in the Keyman Programs too.

Mrs. Martha Snyder has been Executive Secretary of the Alumni Association since 1963 but she is retiring and will become the International Secretary of Delta Phi Epsilon. A scholarship fund has been established in her honor and Thunderbird graduates have contributed over

\$4,700 to that fund so far.

As of October 21 Ms. Diane Connelly will be in charge of the Alumni Office. She graduated from A.G.S.I.M. in 1956. Ann Hoehling and Jan Dennings are also on the Alumni Office staff.

The Thunderbird is the alumni bulletin, published three times a year by the Alumni Office and sent to all graduates. The Office also is responsible for "Thunderbirds Overseas", a printed brochure giving names and company affiliations of graduates listed geographically by state and foreign country.

The Alumni Office is the first point of contact between graduates of A.G.S.I.M. and the school. It can also be a source of information for students. Why not just wander through "that other door" in the Placement Center some day?

Campus Calendar

Friday, October 18 — Placement Orientation at 5 p.m. in the Auditorium; Movie - Middle East Club at 7 p.m. in the Auditorium.

Saturday, October 19 Hassdan International, Inc. "Grand Opening" 9 a.m. to 6 p.m. in the Auditorium.

Monday, October 21 — Placement Orientation - Nordson Corporation 5 to 7 p.m. in the Auditorium; Toastmasters International at 7:30 p.m. in the Thunderbird Room.

Tuesday, October 22 — Dr. W. P. Shofstall (State Superintendent of Public Instruction) 3 p.m. in the Auditorium "The Outlook for Free Enterprise in America"; Middle East - Africa Club at 4 p.m. in the Sobo Lounge; French Club at 6:30 p.m. in the Thunderbird Room; Investment Club at 7:30 p.m. in Classroom 1.

Wednesday, October 23 — Yogi Class from 5-6:30 p.m. in the Sobo Lounge.

ANNOUNCEMENTS

Flu shots are available in the Health Center throughout the month of October.

Any student with complaints or suggestions about the library, please contact Richard Buck, Box 205 or call 7278.

\$10.00 reward for information or return of Typist chair removed from auditorium foyer. See secretary, I.S. Department.

Movie Tonight! Omar Sharif in A Man in our Home, 7 p.m. in Auditorium.

La Gran Pachanga is coming October 25, sponsored by Spanish Club.

Why not make your slides from around the world part of a super slide show? The photo club is planning to sponsor the show during International Week, which will be held November 10-15. Please choose your best slides and submit them to Orin Rehorst, Box 871, East Apartment 43. Be sure to mark each slide with your name and the country in which it was taken. The slides will be handled carefully and returned promptly after the show.

Help with the music portion of the show is also needed. If you have recordings from various nations, please call Orin at 938-7386.

EDITORIAL COMMENT AND PERSPECTIVE

by Uku Heinla

Potentially, the economic and political stresses and strains of today could provide a wide forum in which to apply diplomatic prowess and negotiating skills. The sad truth is that many policies and actions being taken today are more like hysteric reactions to mob sentiment or force, rather than carefully calculated steps in a complicated game of international relations or domestic policy.

Perhaps the finesse has disappeared from politics. Henry Kissinger, America's diplomat "par excellence," may be forced to wear a bullet-proof vest and combat helmet if the current propensity of brute force over reason prevails.

When one speaks of dealing with raw power, he speaks not only of military might but of economic clout. The OPEC nations are waving their magic oil wand as though it should serve as the pivotal rationale for the actions of all governments dependent on their oil. Meanwhile their "brothers" in the rest of the Third World are suffering most from the inflated oil prices.

In England, Wilson's Labour Party, which has brought the country to its economic knees, is re-elected. Why? It would only be a fool's guess, but one must suppose that the hearty British have some fictitious idea that all the nation's wealth is being hidden away in the castle walls of the wealthy.

Such idiocy is not relegated to the Western World either. In Japan where beef prices are unspeakable, restrictions exist on importing U.S. beef so as to maintain the wealth of a few Japanese cattlemen. A similar situation exists in Canada where beef is also restricted.

Third World nations, which so viciously attack Western and Soviet aid as being paternalistic, still manage to hold out their hands for funds of any type.

Attitudes of detente are clouded by last minute reversals of trade agreements and a seeming insincerity in arms limitations discussions.

In the U.S. more cries are being heard for protectionism and resultant isolationism. George Meany and his boys are waging full-scale class warfare against his opponents to establish a labor conscious Congress of Meany yes-men.

Even such once distinguishable figures in U.S. domestic policies as the Chairman of the House Ways and Means Committee, Wilbur Mills, find themselves wallowing in blood, booze, and bad example.

Watergate and the world-wide energy crisis did a great job of drawing attention from the crucial issues which must be dealt with in more than emotional overtones.

It seems time that politicians and businessmen in the U.S. as well as other nations should start realizing that political sloganing, hoopla, and drastic desperate actions in and of themselves will do little to provide a viable climate for conducting political and economic affairs.

The "Ugly American" scenario has not disappeared but has been proliferated to include not only ugly Americans but ugly Europeans, ugly Middle Easterners, ugly Easterners, ugly Africans etc. Blaming others for our own cultural misunderstandings and misfortunes is an attempt to elude responsibility for these.

The sooner this realization is made, the better off everyone will be.



The Business Climate In Brazil

by Claudio Borges and Joe Sherman

Today there is significant reference throughout the world to Brazil's economic miracle. Brazilians do not agree with such an expression; in their minds a miracle is an effect without a cause. Brazil's economic development has been the result of consistent and intensive efforts by both government and people in the last decade.

To appreciate the progress which Brazil has made, one must review the conditions of 1964. With an inflation rate of over 100 percent, Brazil's investment climate was in utter chaos. The unstable political situation also helped to discourage foreign investments. The cruzeiro, because of rapid devaluations, was a currency which most investors attempted to get rid of as fast as possible.

These stagnating conditions permitted the revolution which was widely supported by the middle classes of major urban areas. Once in power the revolutionary Brazilian government initiated reforms aimed at economic, political, and social sectors. Despite the fact that the leaders were of military origin, the economy was managed by economists and the administration was guided by technocrats.

This administrative and economic reform, with its consistency, has led to the financial credibility which has generated the boom of the 1970's. The fight against corruption and political subversion has also contributed to the favorable business environment. Because of this environment, futurologists agree that with Brazil's rich natural resources, growing internal and external markets, the dynamic 10 percent economic growth can be maintained for the next several years.

Presently the industrial sector shows government participation consisting of 60 percent, while

total private capital, local and foreign, is 40 percent. The major foreign investments are channeled into the appliance, tooling, metallurgical, chemical, pharmaceutical, and basic food industries.

The Brazilian government has added various incentives to encourage foreign investment. These incentives in strategic sectors include duty-free importation of capital equipment, exemption from industrial product taxes, and accelerated depreciation. The underdeveloped areas such as the Northeast and the Amazon basin offer ten-year income tax exemptions for reforestation projects.

While much of the publicity has been in the industrial sector, the government has recently given special attention to agricultural expansion. Its coffee production fame is being lessened by spectacular exports of sugar and soybeans. Despite Brazil's eagerness to increase the exportation of manufactured goods, she is also anxious to increase the value of her agricultural exports. Currently the necessary infrastructure for transportation of products to the coast is being accomplished.

Although Brazil is encouraging investment by foreign companies, its nationalistic policies only consider investments for the good of Brazil. The objective is to

create a big nation rather than a big industrial complex. The government favors local industry by granting credit, while foreign industry must rely on external sources.

Nationalistic tendencies also discourage job opportunities for foreign individuals. At least two thirds of the employees in any enterprise must be citizens of the country. Thus most foreigners in American firms are in upper management positions. Exceptions are made to technical personnel in short supply, and to firms starting up in Brazil.

The local industry rarely hires foreign personnel, and American firms are following a low profile pattern. To obtain working papers one must have a job with a firm, or deposit \$25,000 in a bank in Brazil to guarantee self sufficiency while in Brazil. It is generally advisable for foreign corporations to use a company organized under Brazilian law.

What other significant reasons are there for investing in Brazil? According to a Paulding Associados capital market survey of 100 large corporations over a five-year period, the average annual pre-tax yield was 38.5 percent and the after-tax profits were 27 percent. The strong historical performance of U.S. industry in Brazil is a strong indication of faith in the future. The door is wide open, subject to well-defined and fair rules.

EDITORIAL OPINION

By Jim Hildebrandt

T-Birds have a good reputation in the business world. Given its former small size and more limited scope, it is amazing to see how many T-Birds head international division of multinational organizations.

We are all aware of the T-Bird's record of placing graduates in fat starting assignments. In fact, many T-Birds respond that their reason for coming here is "It's the best place to find a job." All too seldom the reason for choosing T-Bird is because "T-Bird is the best place to prepare for a career in International Management."

One manifestation of the T-Bird's new "It's the best place to get a job" attitude is the growing student penchant for complaint. The depth and breadth of complaint is amazing. It ranges from lack of facilities to lack of administration: from deficiency of instruction to contentless courses. Every conceivable complaint is raised, judged sound and voted into reality. The perennial "T-Bird loses accreditation" rumor is the most obvious example.

No, AGSIM has not lost accreditation, not this semester, not last, not next. In fact the last visit of the accreditation committee May 6-9, 1973, turned up a very favorable response — in all but one sector that is. The heaviest criticism was leveled at the student body.

The May, 1973, report of the evaluation team for the Commission on Institutions of Higher Education of the North Central Association of Colleges and Secondary Schools gave the

Language Department the high marks it is accustomed to winning.

The International Studies Department was applauded for its broadened scope and increased capabilities. The World Business Department was congratulated for its swift completion of the team's 1971 recommendations.

The Administration was lauded for its achievements in transforming the school from the international business trade school of the '50's to the graduate institution of the '70's. The evaluation team also added that "The present financial position of the school appeared healthy — a situation which is less and less common-place in private institutions." (see AGSIM Financial Position)

About the student body the report stated, "Many of the students appear extremely able and highly motivated. The fine impression made by these students suggests what the interaction of good students and this institution's specialized program can produce. Our concern, however, was with the students at the lowest end of the continuum."

If you are hiding your head in a cry for the administration to stiffen admission standards you are missing the point. Certainly stricter admission policies would help. However, we are here now. The important phrase is "What the interaction of good students and this institution's specialized programs can produce." According to the report AGSIM is doing its part, the "what" is up to you.

Das Tor

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DAS TOR is the official campus newspaper of the American Graduate School of International Management. Opinions expressed in this publication are not necessarily those of the Das Tor staff.

Get High In The Mountains

by Duane Partain

Even in this desert part of Arizona you can tell there is a seasonal change. Before the snow closes the roads it would be nice to see some of the high mountain country one last time without its winter covering.

From Phoenix take highway 87 to Payson. At Payson go to Snowflake on Hwy. 260. There are many campgrounds and pulloffs along this road. Zane Grey's (of western novel fame) old cabin has been preserved as an historical site. This is 14 miles from Payson.

A pleasant side trip is Chevelon Lake and Chevelon crossing. Take the Woods Canyon Lake turnoff (20 miles past Zane Grey's cabin). Here the road runs along the Mogollon Rim which provides some breathtaking views. You can take the dirt road to Chevelon crossing. There is a campground deep in a canyon with a beautiful stream to lull you to sleep.

Back on Hwy 260 go to Show Low, then on to Springerville. Till now the trip has been at elevations of 5000-6000 feet. Now you climb into the mountains. Bring along a heavy coat; it is cold this time of year. Rain and wind are the rule, not the exception.

Take Hwy 180 south from Springerville. You will climb from 6000 to 10,000 feet in less than 20 miles. High mountain meadows, abandoned farms along the roadside and spectacular mountain scenery are everywhere. Go through Nutrioso to Alpine. There take Hwy. 886, but make sure you have gas. There are no towns or services for 77 miles.

Nothing is up there except mountains, fresh air, and scenery. The road hairpins its way the last 30 miles or so winding down to 5000 feet at Morenci. Here is one of the world's largest open pit copper mines, spectacular in its own

right.

Still another side trip may be taken on the way back to Phoenix. Seven miles south of Safford is a dirt road leading to the top of Mt. Graham. The road winds its way up 7000 feet in less than 20 miles. On a clear day you can see three counties and all the way to Tucson.

Hwy. 70 takes you back to Phoenix in 3½ hrs. You go through the San Carlos Apache Indian Reservation and Globe, Miami, and Superior. There are more copper mines in these three towns.

One last interesting stop before Phoenix is just past Superior at the University of Arizona Desert Arboretum. Desert plants and succulents from all over the world grow here. You can often buy a small, exotic plant for .75 - \$1.

From there it's a short drive to Phoenix.

Law Opens Confidential Student Files

College students now have complete access to all confidential school files kept on them, under the terms of a new federal law.

An amendment to the Education Act of 1965, sponsored by Conservative Sen. James Buckley of New York, gives college students access on their own files, including high school and college personal recommendations. For students who haven't reached 18, the same rights are transferred to their parents. The law goes into effect November 20.

The material open to student inspection includes everything in his or her record: identifying data; scores on standardized intelligence, achievement and aptitude tests; academic work completed; level of achievement, including grades and test results; attendance data; interest inventory results; health data; family background information; teacher or counselor ratings and observations and verified reports of "serious or recurrent" behavior patterns.

Requests to see the material must be honored within 45 days. Students may then request a hearing to challenge the content of school records and to request deletion of "inaccurate, misleading, or otherwise inappropriate data contained therein."

The law furthermore forbids

third parties — including most federal agencies — access to student records, unless the student has given written consent.

A school may lose its federal aid if it "permits the release" of personally identifiable records or files of students to anyone except: school officials and teachers "who have legitimate educational interests"; the officials of a school to which a student is transferring (if the student approves), and federal and state education officers if the records are necessary to audit and evaluate federally supported education programs.

Schools can also lose funds for failure to inform students of their rights concerning student records. HEW has set up an administrative office and a review board to investigate and settle complaints of violations.

The Buckley amendment has drawn shudders from most college administrators who envision bureaucratic overload and serious ethical and practical problems in regard to students' letters of recommendation.

"Letters of recommendation may tend to be worthless if faculty know that students may read them," commented Charles Whitlock, Dean of Harvard College. "There will be a tendency for them not to be as honest as they were previously," he said.

Students' Help Requested For Recruitment

Our representatives will visit approximately 200 campuses during the October - December period for the purpose of interviewing interested students. A list of the campuses we plan to visit this fall is available. Another listing for spring visits will be issued later.

We welcome the cooperation of all students in helping make these visits more productive. Students can help us in several ways. One way is to write to student and faculty contacts on the campuses in question, informing them of the scheduled visit of our representative and encouraging them to arrange interviews through their placement office on the date in question. Another way a student can help us is to actually serve as our representative. If a student plans to be on or around a campus when one of our visits is scheduled, we invite him to volunteer his time to us for a day of interviewing. In this instance, we are taking advantage of the student's traveling to the locale at his own expense. Although we do not share the travel expenses, we do reimburse any expenses directly related to the interviewing activity.

Students and alumni traditionally play a crucial role in our recruiting activities and cover approximately 75 percent of our campus visits. During the past two semesters, for instance, we scheduled visits on 250 campuses, and our representatives for these visits were: alumni 61 percent, faculty and staff members 25 percent, and students 14 percent.

If you feel that you can assist us in this important program, please come to see me in the Office of Admissions and Records. I welcome your services as a prospective representative, as well as your views and recommendations on how we might improve our efforts (especially in relation to your alma mater).

John James Arthur
College Relations Officer

Snyder Discusses Arabia

Mr. Thorn K. Snyder, Chief Economist for Aramco, spoke on campus Monday morning. He discussed "Aramco Today" drawing on his experience living and working in Saudi Arabia.

For the past 30 years Aramco has been producing crude oil under a concession agreement

with the king of Saudi Arabia. A private corporation comprised of Standard Oil, Exxon, Mobil, and Texaco, Aramco was granted this right after several other companies lacked the technology necessary to get the oil out. The original agreement has been modified many times through negotiations.

Mr. Snyder stressed that only a few countries dominate the world's energy consumption. Aramco thus becomes very important because it supplies a large portion of the non-Communist countries' energy needs.

Aramco has four basic classifications of oil depending on its availability. Through research it knows the quantity and quality of oil which could be readily, probably, possibly, and ultimately extracted.

The Saudi Arabian government dictates the amount of oil Aramco is allowed to produce. Aramco could produce much more, but the materials necessary for a large production increase would have to be ordered 2-3 years in advance.

Mr. Snyder feels one of the greatest difficulties for the international company is coping with cultural differences giving rise to distrust and misunderstanding. Aramco and Saudi Arabia have tried to cooperate over the years, however.

In order to make profits, a company must take expensive risks. Some are bound to fail. With many countries responding to internal and external pressure and perhaps turning against private business and the profit motive, Aramco's task becomes even more difficult.

Council Report

by Beth Perry

At the October 8 meeting of Club Council, members were reminded to check with Sonja Thurmond if their club meeting times needed to be changed. Several conflicts have developed in the past so changes have to be approved through the Public Relations Office.

The International Students Committee is organizing International Week and the International Festival. The Festival Committee would like assistance in lining up speakers for the week. Many students have contact through family or friends with potential speakers who might agree to come at no charge to the school. If any student has ideas for speakers, he should contact his club representative or Jorge Verduzco at 938-7157.

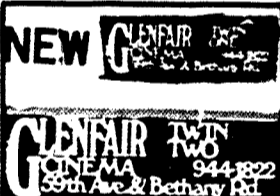
Also on the agenda was a report on the feasibility of having a formal dinner dance near the end of the semester. Several representatives reported on the estimates from hotels. Because of the high cost it was decided to investigate the cost of having just a formal dance. A campus wide survey is to be distributed to evaluate student interest in the project and the cost involved.

Honor System Defeated

A proposal to establish an honor system, as published in a previous issue of Das Tor, was defeated at the October 14 ASLC meeting. An alternative suggestion was to propose to the administration more effective use of proctors during exams.

Work Study By Vets

The Veterans Administration is looking for veterans to work in the Regional Office downtown under the Work Study Program. You can work up to 100 hours for \$250. If you are interested, please contact Carl Kuntz at 261-4998 or 261-3678.



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AGSIM Financial Position

By Jim Hildebrandt
Investigative reporting is now in vogue. So when some nasty rumors reached our ears last week, DASTOR decided to take a walk. The rumors were those of

administrative skullduggery, student fleecing and the old numbers game.

"Where are those Financial Statements?" was the cry.

"What is happening to our \$900,000+ tuition each semester?" With the sneering words, "Mr. Stickland, may I see a copy of the Financial Statements please?" this

reporter wrestled the following documents from his grasp.

After two days of carefully examining the statements DAS TOR again met with Mr.

Stickland in a question and answer session. An hour and twenty minutes later this reporter was satisfied, even pleased, with the results. You asked for it.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1974 AND 1973

ASSETS

	1974	1973
CURRENT FUNDS		
General		
Cash and Temporary Investments	\$ 353,990	\$ 108,983
Notes Receivable	73,515	64,910
Accounts Receivable		
Students	74,527	107,330
Other	13,823	9,617
Inventories — At Cost	76,331	55,971
Deposits	4,738	4,473
Prepaid Expenses	39,364	34,617
Due from Restricted Funds	—	5,101
Due from Agency Funds	447	4,154
TOTAL GENERAL FUNDS	\$ 636,735	\$ 395,156
Restricted		
Student Notes	\$ 49,050	\$ 45,700
Bank Loan Reserve	2,802	5,062
Due from Current Funds	83,806	—
TOTAL RESTRICTED FUNDS	\$ 135,658	\$ 50,762
TOTAL CURRENT FUNDS	\$ 772,393	\$ 445,918
ENDOWMENT FUNDS		
Cash and Investments	\$ 346,083	\$ 299,944
Due from Current Funds	8,409	1,053
TOTAL ENDOWMENT FUNDS	\$ 354,492	\$ 300,997
STUDENT AID FUNDS		
Cash	\$ 17,236	\$ 19,997
Notes Receivable	760,827	709,844
Intrafund Loan	24,223	24,223
U.S. Aid Fund	65,300	55,500
Due from Current Funds	11,513	11,057
TOTAL STUDENT AID FUNDS	\$ 879,099	\$ 820,421
PLANT FUNDS		
Unexpended Plant Funds		
Cash Restricted	\$ 6,211	\$ 2,070
Property, Plant and Equipment (Partially Pledged):		
Educational	1,122,063	1,026,317
Auxiliary Enterprises	1,043,604	1,080,359
General and Administrative	189,234	121,689
Land	127,269	127,269
Construction in Progress	—	840
TOTAL PROPERTY, PLANT AND EQUIPMENT	\$2,462,170	\$2,356,474
TOTAL PLANT FUNDS	\$2,468,381	\$2,358,544
AGENCY FUNDS — Due from Current Funds	\$ 7,491	\$ 12,051
TOTAL	\$4,481,856	\$3,937,931
INTERFUND AND INTRAFUND ELIMINATIONS	135,889	57,639
TOTAL — After Elimination of Interfund and Intrafund Due To/From	\$4,345,967	\$3,880,292

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1974 AND 1973

LIABILITIES

	1974	1973
CURRENT FUNDS		
General		
Notes Payable — Unsecured	\$ —	\$ —
Accounts Payable	97,451	69,375
Deferred Income and Advance Registration Fees	431,106	350,516
Accrued Payroll	67,741	68,388
Payroll Taxes Payable	11,581	11,901
Due to Other Funds —		
Restricted Funds	83,806	—
Endowment Funds	8,409	1,053
Student Aid Funds	11,513	11,057
Agency Funds	7,491	12,051
Surplus (Deficit)	(82,363)	(138,275)
TOTAL GENERAL FUNDS	\$ 636,735	\$ 395,156
Restricted Funds	\$ 135,658	\$ 50,762
TOTAL RESTRICTED FUNDS	135,658	50,762
TOTAL CURRENT FUNDS	\$ 772,393	\$ 445,918
ENDOWMENT FUNDS		
Fund Balance	\$ 354,492	\$ 300,997
STUDENT AID FUNDS		
Loan Funds (Includes \$24,223 Intrafund Loans)	\$ 869,640	\$ 811,421
Scholarship Funds	9,450	9,000
TOTAL STUDENT AID FUNDS	\$ 879,099	\$ 820,421
PLANT FUNDS		
Notes, Accounts and Mortgage Payable (Secured) Funds	\$ 884,346	\$ 943,585
Current Funds Invested in Plant	\$ 777,233	\$ 642,088
Acquired by Grant	128,931	128,931
Acquired by Library Facilities Grant Title II	25,088	20,988
Acquired by Donations	654,783	625,852
TOTAL FUNDS	\$1,504,035	\$1,414,959
TOTAL PLANT FUNDS	\$2,468,381	\$2,358,544
AGENCY FUNDS		
Due to General Funds	\$ 447	\$ 4,154
Fund Balance	7,044	7,897
TOTAL AGENCY FUNDS	\$ 7,491	\$ 12,051
TOTAL	\$4,481,856	\$3,937,931
INTERFUND AND INTRAFUND ELIMINATIONS	135,889	57,639
TOTAL — After Elimination of Interfund and Intrafund Due To/From	\$4,345,967	\$3,880,292

Board Of Directors

We have examined the financial statement of the American Graduate School of International Management for the fiscal year ended June 30, 1974. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and statements of current funds, surplus and income present fairly the financial position of American Graduate School of International Management at June 30, 1974, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HOENES & JOERDING, LTD.

Phoenix, Arizona
August 24, 1974

T-Birds Swallow Tough Defeat To Cougars

The AGSIM soccer team lost in a 3-2 contest last Sunday to the favorite Colt '45 Cougars. In the first half, the Cougars appeared a bit stronger, but they were only able to score when Guy Harris, on a good effort, changed the direction of the ball enough to elude goalie Horst Hotzy. Horst had kept the Cougars from scoring several times with fine saves.

The first 30 minutes of the second half found the T-Birds at their best. Hustle and precision passing resulted in a beautiful goal by All-American Eugene Alfred. Several scoring opportunities were wasted when shots by Bill Duursma and Carlos Neuhaus barely missed. The T-Birds were unable to capitalize and put the Cougars away. The sun and the heat must have taken

their toll as the defense allowed two quick goals in the last ten minutes of the match to put the game out of reach. Eugene Alfred's fourth goal in two games with one minute to go was not enough to save the T-Birds from their second disappointing loss.

Several T-Birds played outstanding games; in particular, half-back Otavio Cardoso who, with his steady defense, hussle,

and unselfish passing, created many scoring opportunities.

The Sunday game with the German Air Force has been rescheduled to Tuesday, October 22 at Roadrunner Park at 35th street and Cactus Road. Kick-off time will be 8:00 p.m. Due to this change, free beer will not be provided until Sunday, November 3 when the T-Birds will host Latinos '74.

Sports Activities

By Bob Grant

Sunday promises a full day of sports for the students at AGSIM. The flag football league championship will be decided in the Thunderbowl game at 1:30 p.m. The game promises to be spirited and rough, judging by the action in playoff games.

There was a three-way tie for first place in both divisions of the league. A "draw" was held to determine second place with the two other teams battling each other for the first place spot.

As it stands now, after Tuesday's playoff games, the Steelers, second place in the AFC will play the Cowboys, first place in the NFC. The Bears, second place in the AFC, play the Broncos, first place in the AFC. The winners of these games Thursday and Friday will meet this Sunday in the Thunderbowl.

Also Sunday evening is T-Bird Night at the Phoenix Roadrunner hockey game. The Roadrunners are playing the Cleveland Crusaders. Both teams have done well in pre-season. Those of you from the Ohio area should be able to get into this game. Tickets are available at the ASLC office.

After 4 p.m. Friday, contact Bob Grant at 7258 or West Apt. 218.



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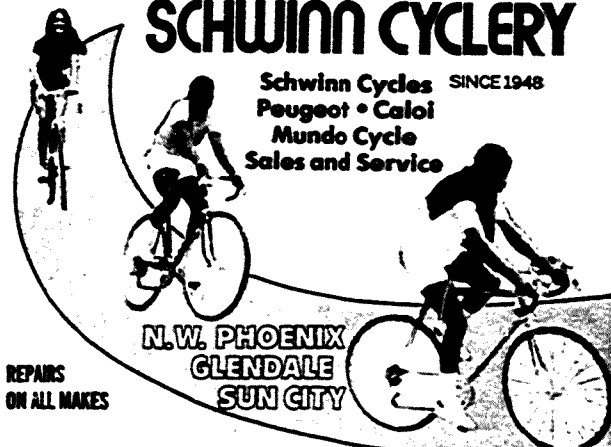
to their "GRAND OPENING" exhibition of oriental style rugs imported from Greece. Saturday, October 19, 9 a.m. to 6 p.m. in the Auditorium

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