

Good News-Bad News

By HENRY MARTIN



"My working title is '1,000 Tested Recipes for Cooking the Books.'"

Market took off amid gloomy mood

By CHET CURRIER

NEW YORK (AP) — As mystifying as it may have seemed to many people, last week's rally in the stock market came as no outlandish surprise to analysts who monitor a phenomenon they call "investor sentiment."

To these observers, it didn't matter much that there seemed to be no plausible economic reason for the Dow Jones average of 30 industrials to jump 74.68 points on Tuesday and 32.89 more on Wednesday after several weeks of going nowhere.

Tickertalk

Regardless of what was happening to interest rates or economic growth, the statistics they follow suggested the mood of the market had grown so gloomy prices had virtually no place to go but up.

One popular gauge of sentiment in the marketplace is a tally of investment advisory services kept by Investors Intelligence of New Rochelle, N.Y.

As of May 27, the firm calculated that 54.9 percent of the 130 market forecasting services it monitors took a bearish view of the outlook, against just 29.8 percent in the bullish camp.

The remaining 15.3 percent were classified as looking for a "correction," or short-term decline.

That put the percentage of bears at higher levels even than in the period immediately following the crash last fall — indeed, at an extreme not seen since the summer of 1982, or just before the market took off on its five-year rally.

The rationale for tracking sentiment in ways like this arises from the inherently contrary nature of the stock market.

When everyone has turned negative about prospects for stock prices, the logic runs, there is no

body left to sell and depress prices further. So the next shift in expectations is likely to be in a positive direction.

Conversely, market advances most often top out in times of widespread euphoria, when everybody with money to invest has already bought stocks.

Says Investors Intelligence in its weekly reports: "Since most advisory services are trend followers, they are most bearish at market bottoms and least bearish at market tops."

However much faith they may put in an indicator like this, most analysts generally acknowledge that it is no sure-fire key to unlocking the mysteries of the market.

In September and October 1981, for example, the percentage of bears ran consistently above 50 percent. But it wasn't until almost a year later, in August 1982, that stocks pulled out of an extended bear market and began a historic rise to new highs.

Furthermore, a good many analysts who believed the recent Investors Intelligence data were signaling an impending rally aren't persuaded that the advance will last very long.

Stan Weinstein, publisher of the advisory letter Professional Tape Reader, said in a May 27 commentary that "an oversold rally should soon set in."

But taking a longer perspective, Weinstein maintained, "the major bear market that began in late August is still in force."

"Faith in the stock market's ability to function efficiently to discount investor concerns is not the same as pretending that the problems do not exist," said Robert Salomon at Salomon Brothers Inc.

"The pace of economic growth, political uncertainties and the durability of the financial system are serious issues, with important implications for stock prices."

"At current levels, however, we believe that market valuations reflect a high level of investor skepticism about whether or not any of these problems can be contained or avoided."

The week ahead

By The Associated Press

Here are some of the major business events and economic events scheduled for the coming week (some dates are tentative):

TODAY

WASHINGTON — The Labor Department is scheduled to report on worker productivity during the first quarter; due at 10 a.m.

CHICAGO — The International Monetary Conference holds its three-day annual meeting, which brings together central bankers from around the world.

WASHINGTON — President Reagan is to address the 17th World Gas Conference.

WASHINGTON — The Supreme Court announces orders and decisions.

TOMORROW

WASHINGTON — The Federal Reserve is to report on trends in consumer credit during April; release time uncertain.

BRUSSELS, Belgium — Prime Minister Takeshita of Japan is to meet with officials of the European Economic Community.

WEDNESDAY

WASHINGTON — The Senate is expected to vote on overriding President Reagan's veto of the tra-

de bill.

THURSDAY

WASHINGTON — The Commerce Department is releasing its latest quarterly survey on the capital spending plans of American businesses; due at 8:30 a.m.

NEW YORK — Texas Air Corp. holds its annual stockholders meeting; starts 9 a.m.

FRIDAY

WASHINGTON — The Labor Department is to report the producer price index for May; due at 8:30 a.m.

CHICAGO — An investment group led by Asher B. Edelman and George L. Lindemann set today as the deadline for Centel Corp. officials to respond to their \$2.8 billion takeover bid.

LOS ANGELES — Farmers Insurance Group Inc., which is fighting a hostile \$4.5 billion takeover offer by Batus Inc., is scheduled to reconvene its annual meeting to announce results of the shareholders' vote on the issue.

SATURDAY

VIENNA, Austria — OPEC ministers are scheduled to meet again to discuss ways to bolster oil prices.

Kellogg Foundation helps

Cereal founder's fortune quietly assists programs

By DAVID GOODMAN

BATTLE CREEK, Mich. (AP) — The marketing skills of Will Keith Kellogg put cold cereal on the world's breakfast tables, but the "king of corn flakes" worked as hard at giving away his fortune as making it.

In the 58 years since the late Kellogg Co. founder established the W.K. Kellogg Foundation, it has dished out more than \$1 billion on programs to overcome the problems of hunger, disease and ignorance — both at home and abroad.

"There's nothing glamorous or sexy about a grant to a land grant college to extend knowledge to farmers in a poor, rural setting," Kellogg Foundation board member Dorothy Johnson said.

"The Kellogg Foundation is not out tooting its horn to toot its own horn," said Johnson, who joined Kellogg's board six years ago.

The foundation's \$3.58 billion in assets is exceeded only by the Ford Foundation and the J. Paul Getty Trust. Kellogg gave out \$89 million in the year ending Aug. 31 and plans to donate more than \$110 million this fiscal year.

Despite its size, the Kellogg Foundation keeps a remarkably low profile.

"A number of the major foundations seem better than they are, and they devote considerable effort to maintaining that appearance," Waldemar Nielsen wrote in his book "The Golden Donors."

"Kellogg is the reverse case: It is substantially better than it is

generally seen to be," Nielsen said in the book.

The relative obscurity of the nation's third-largest foundation, those familiar with it say, has its origins in the mission set by its creator — applying existing knowledge to the problems of people.

Still, the foundation is leaving a lasting mark around the world as it strives to bridge the gap between what is known and what is practiced.

Among its major accomplishments:

- Training thousands of Latin American nurses, doctors, dentists and hospital administrators, first through a fellowship program created during World War II to bring health professionals to this country and later through aid in creating and building medical and nursing schools in the region.

- Nurturing the development of community colleges in the United States and helping them grow into one of the nation's leading sources of post-high school education.

- Fostering the growth of agricultural extension services at land grant universities around the country so farmers could benefit from the results of agricultural research.

But more than anything else, the Kellogg Foundation has focused its attention on improving the lives of children.

"Mr. Kellogg was very, very much interested in youth," said Jack Mawdsley, former superintendent of the Battle Creek Public Schools and now a programming director for the foundation.

Kellogg's interest in improving the lives of children grew out of his own experience, according to Nielsen. The founder had poor relations with his son, John L. Kellogg, who quit the company his father hoped to turn over to him, and with his grandson, John L. Kellogg Jr., who did the same.

Both son and grandson predeceased him, as did two wives. Kellogg also endured numerous health problems, including glaucoma-induced blindness, though he lived to 91. He died in 1951.

Kellogg's charitable interests may have been influenced by "the many tragedies in his life... and his deep personal sense of loneliness," Nielsen wrote.

What makes the Kellogg Foundation stand out from its peers, observers say, has been its clear statement of goals and systematic pursuit of ways to fulfill them.

"Compared to the egocentricity, ulterior purposes, lack of a genu-

ine sense of direction and general organizational ineptitude of more than a few donors, Will Kellogg was a giant: compassionate, broad-minded, clearheaded and with great practical wisdom," Nielsen said.

For most of its first decade, the foundation concentrated its efforts in a seven-county area near Battle Creek, home of the foundation and cereal company. There, it financed the Michigan Community Health Project, which set up a network of health clinics, community hospitals and medical screening programs.

As the United States entered World War II, the foundation, at the urging of the federal government, expanded its horizons to Latin America, where it began offering fellowships for health professionals to study in this country.

After the war, the foundation began making grants around the world.

As it has from the beginning, the foundation stresses applications of knowledge to social problems, rather than learning for its own sake.

"Our central theme is action, taking the best of what's known from various disciplines... to tackle significant societal concerns," said Russell Mawby, chairman and chief executive officer.

Because the foundation is the largest single stockholder in Kellogg Co., Mawby sits on the cereal maker's board of directors. Federal law forced the foundation to divest itself of what once was a majority of Kellogg stock.

People in business



BETH A. GAMBLE



MARK C. STRANGE



WILLIAM S. LINNELL



ALFRED T. DILASCIA



DAVID T. HUNTLEY

Attorney Beth A. Gamble of Westfield has become an associate attorney with the Springfield law firm of Morisi & O'Connell. A 1987 juris doctor graduate of Western New England College School of Law, she will initially concentrate in real estate, wills and estates, family and divorce law, personal injury, collections and criminal misdemeanors.

Mark C. Strange of Wilbraham has been appointed vice president, residential mortgage products, at the United Cooperative Bank in West Springfield. He is responsible for overseeing the mortgage lending process and developing new mortgage loan products. He brings to the bank more than 11 years of selling experience and four years of experience with the Boston Five Cents Savings Bank, where he most recently served as western district manager.

James River Corp. has announced the promotion of Alfred T. Dilascia of Chicopee to vice president and executive general manager of James River Graphics in South Hadley and of William S. Linnell of Westfield to vice president and general manager of James River Premoid Division in West Springfield. Dilascia served as vice president and general manager of the Premoid Division since its acquisition in 1986 and previously served as vice president of James River Graphics. Linnell has been with Premoid for nine years and was vice president of manufacturing during the last two years.

David T. Huntley of Long-

meadow has been appointed by the EBTEC Corp. in Agawam as president of its EBTEC East laser and electron beam operations. He also is vice president — finance for EBTEC's parent corporation, Thermal Scientific Inc., and will retain these duties and take on the responsibilities for the growth and profitability of EBTEC East, including development of applications and markets east of the Mississippi River. He joined the United Kingdom Thermal Scientific organization in 1980, serving as financial director for a subsidiary and group financial controller before coming to this country in 1986 as vice president — finance.

BayBank Valley in Springfield has announced the promotion of Kenneth Tamsin of Windsor Locks and Robert L. Tinker of Union, Conn., to vice president. Tamsin is responsible for overseeing the areas of corporate payrolls and data entry support for eight applications. Tinker, an employee since 1952, is responsible for overseeing the sales, service and operational activities at the Westfield office.

Bank of New England-West in Springfield has announced the promotions of Betsy A. Hogan of Springfield to personal banking officer and of Edward A. Ward of Northampton to finance officer. Hogan, who joined the bank in 1976, is responsible for assisting in gathering research data for retail products. Ward, an employee since 1986, is responsible for data retrieval and reporting and for the administration of the local area computer network.

Susan G. Habicht has joined McEwen Inc., a Northampton-based advertising and design company, as a graphic designer. The daughter of Mr. and Mrs. William H. Habicht of Glastonbury, she will concentrate on annual reports, brochures, packaging and interior/exterior sign programs after being employed in Providence in her professional field.

Massachusetts Mutual Life Insurance Co. in Springfield has announced several personnel assignments. Suzanne G. Rose of Wilbraham, an employee since 1986, was named assistant underwriter in the underwriting and new business services division.

Also, James Collins of Belchertown, who joined the company in 1980, was named actuary, and Jeffrey Robinson of East Longmeadow, an employee since 1982, as associate actuary, both in the group pension division. Ruth Howe of South Hadley and Steven J. Katz of East Longmeadow, who both joined Massachusetts Mutual in 1982, were appointed associate counsels in the law division.

Jane Markarian of Belchertown has been appointed development director at WFCR, the national public radio affiliate in Amherst. For the past three years, she served as director of membership at Maine Public Broadcasting, a statewide network of five radio and four television stations.

Stuart A. Dalheim of Lee has

been elected vice president at Crane & Co. in Dalton. Dalheim, who joined the company in 1979, will continue his accountabilities for research and development, quality control, and industrial and specialty papers marketing and sales.

Beth Chase was promoted recently to account coordinator at Agnew, Carter, McCarthy, a Boston-based public relations company. She is the daughter of Sidney Chase of Springfield and Doreen Chase of Longmeadow and is a 1982 graduate of the MacDuffie School in Springfield. She joined ACM in 1987.

Radio stations WAQY and WIXY in Springfield have announced four staff changes. William (Bill) Buller, formerly of WDRG AM-FM in Hartford, was named local sales manager. Jim Leven was appointed program director at WAQY after serving in a similar position at WWFX in Bangor. Me. Ron McGilvray was named business manager after being employed as an assistant controller at Timeplace Inc. in Waltham. Scott Legere (Mike Scott) has returned to WAQY as a disk jockey after working at WZTA in Miami, Fla. Scott was with WAQY from 1985 to 1987.

Michael J. Donahue of Marshfield, a graduate of the University of Massachusetts, has been named assistant vice president at the Plymouth Mortgage Co. An employee since last July, he will supervise mortgage sales personnel and all loan production for the company's eastern and western Massachusetts and southern New Hampshire offices.



KENNETH TAMSIN



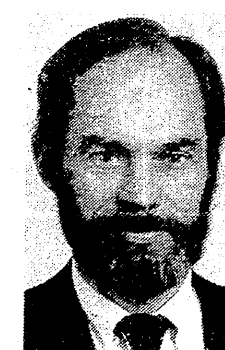
ROBERT L. TINKER



BETSY A. HOGAN



SUSAN G. HABICHT



EDWARD A. WARD