

**The original documents are located in Box 58, folder “1976/04/07 - Governor James Rhodes” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.**

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MEETING WITH GOVERNOR RHODES  
Wednesday, April 7, 1976  
9:30 a.m.

Mr. Cannon's Office

Gov Rhodes -

4/5/76

1) Tell that Guy  
Just be himself

one wife.  
stop worrying.

Keep state out of politics

2) Reagan worried -  
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one mistake doesn't

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the facts of life.



3) Med vi -

\* ~~7 am.~~

9:30 - Jim Rhodes.

4) ~~Wells.~~ plant.

C. Inpat Statement

\* Mizell ← -

5) want How - shown come  
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6) Pnt's auth - Fay's to  
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7)

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1976 - women -

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gendering thousands

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is The Boss

got guts

want to use this  
as guerrilla res  
Medicaid

full disclosure.



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of cups  
90% of the  
money

10 - money

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HEW - Medicaid  
policies report

use full force of  
Office - show problem  
in Ohio as example  
of suspension



14 - arbiter of  
state

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and change A  
medicum

Stomach - up - 11/20/70

old - unhappy brothers

identify dates -



- I. Factors which increase "Reasonable Costs" in Ohio nursing homes.
  - A. Sale or lease agreements to new owners or lessees at inflated prices. At times, using favored politicians and bureaucrats as the real estate brokers.
  - B. Purchase of insurance coverage for nursing homes through favored politicians and bureaucrats.
  - C. Supply companies with close relationship to owners or administrators of nursing homes.
    1. Supply food and supplies at exaggerated prices.
    2. Provide services such as nursing personnel, administrative personnel, kitchen personnel, maintenance personnel and laundry personnel at a rate based upon patient days.
    3. Place on payroll without performing services; relatives of influential politicians and bureaucrats.
    4. Lease certain equipment (automobiles, etc.) for influential bureaucrats and politicians. And pay for same as a cost of doing business.
    5. Rent of necessary wheelchairs and other medical equipment at exorbitant prices.
    6. Provide drugs and medical supplies at inflated price which may include a 10 to 25 percent kickback.
    7. Charge food, medicines and supplies used for private patients to "cost" reporting nursing homes.
  - D. Lease equipment and services on a "per patient day" basis.
    1. Administrative services
    2. Food services



3. Laundry services

4. Maintenance services

II. Other questionable business practices.

A. Kickbacks to pharmacies, suppliers, funeral homes and physicians.

B. Required seminars for continued education of Administrators put on by associations using state personnel; Health, Factory Building and State fire marshal, etc.

All of the above practices result in a higher "cost" of doing business by the nursing homes. The cost is paid to the nursing homes by the Ohio Welfare Department as an "allowable cost." without audit. It should be noted that under the cost reimbursement system, it would appear that the nursing homes are not making an exorbitant profit. In reality, the huge profits are made by the supply company and paid to the supply companies' owner or employees.



3d Civil —

attach pages

find them

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get back on jobs  
files

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Realt program <sup>was</sup> & cities.

find letters

Some cities -

WI ↓ - Tax & Newsweek

Boys - week / Receipts

VAW - meeting -



Cities



# Ohio

We are pleased to provide you with this graphic tour of Ohio, the greatest state in the nation.

Ohio has a diversity no other state can match. It is the hub of America's great midwestern industrial complex, one of the greatest producers of agricultural products in the world, with a full-range of scenic and recreational attractions for our people and welcome visitors.

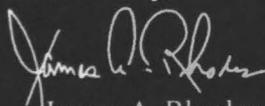
Ohio has academic and research facilities second to none. We invite your visit to one or more of our fine universities during your Ohio travels.

You will discover that Ohio is indeed one of the most attractive locations in all the United States, and that we have the best transportation systems in America.

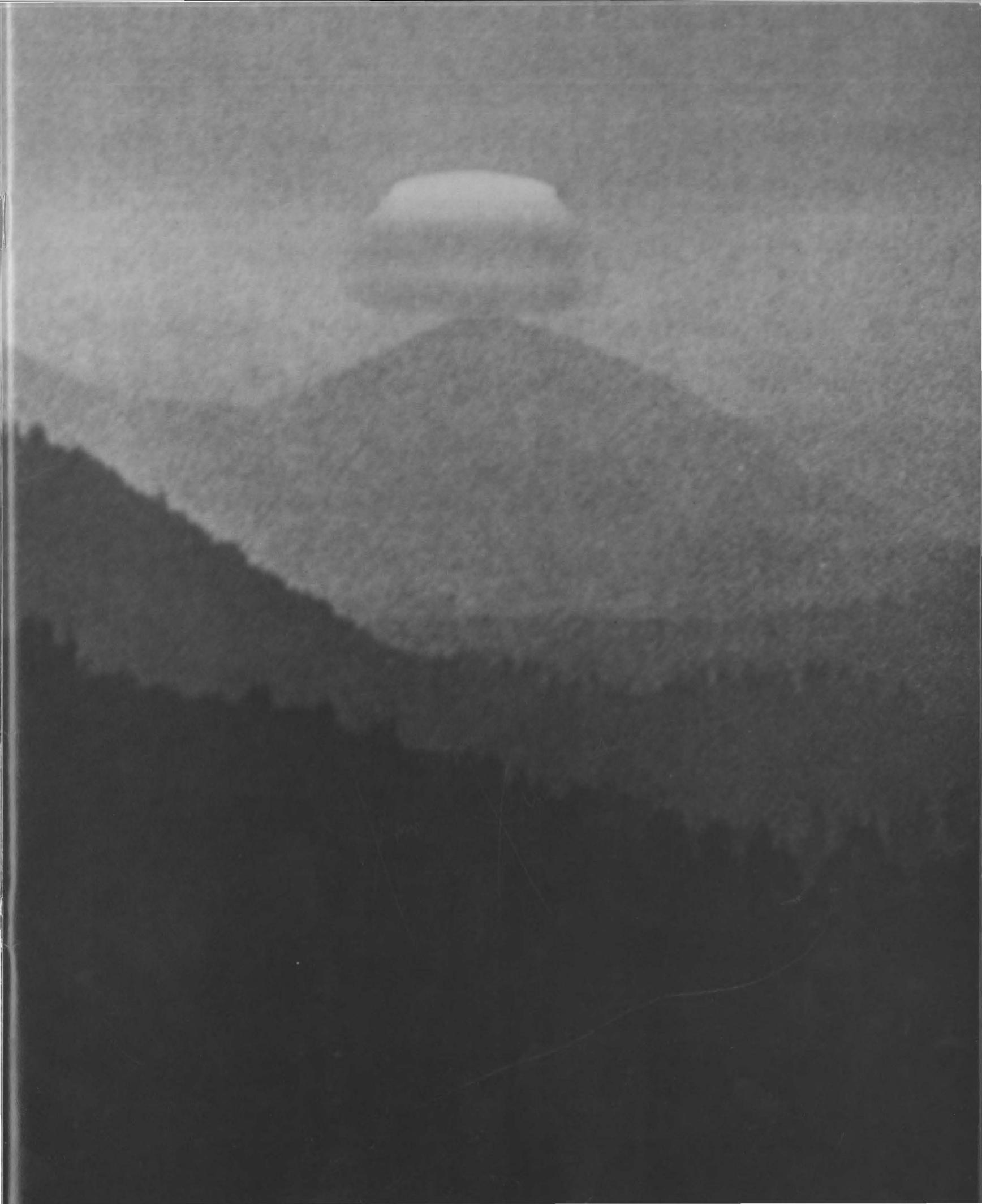
But Ohio's finest asset is our people—warm, friendly, smiling, industrious, helpful.

We are proud of our state, and cordially invite you to discover the treasures of Ohio, and the richness of our historical, cultural, recreational and scenic heritage.

Sincerely,

A handwritten signature in cursive script, appearing to read "James A. Rhodes".

James A. Rhodes,  
Governor



# Ohio... 9 Wonderful Worlds to Discover



As you wander through the nine wonderful worlds of Ohio, you'll discover the fascination this great state holds for the traveler, the explorer, the historian and the sportsman. From the tense excitement of running the rapids to the soothing

stroll through shaded glens, Ohio has it all.

Ohio claims an historical heritage dating to pre-revolutionary days clear through today and the future. Trace Ohio from the moundbuilders to the moon, with everything in between.

If sports intrigue you, either as a spectator or participant, you'll discover ample opportunity to take in a



regatta, a race track, the best in professional and collegiate baseball, football, basketball, tennis, golf, hockey, soccer and more. If you can name it, chances are you can watch it in Ohio.

The heritage of Ohio is as broad as the state, and as diversified as our history. Which is why we lay claim to nine wonderful worlds for you to discover. The nine regions of our state are logically developed for your enjoyment. Each has a mixture of



where you are in the state . . . in cities, towns, villages or in the rural communities . . . take some time to discover the proud, enthusiastic spirit of Ohioans. It's contagious.

Spend a day, a week or a lifetime in Ohio. Take a world at a time, but see them all. You won't be disappointed. There are truly nine wonderful worlds of Ohio. Put them all together and you'll find more than a state. You'll find an experience.



historic, cultural, recreational and scenic beauty for you, yet each has its own distinctive personality and lore.

We hope your travels provide the time for you to get to know the people of Ohio. No matter





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## **LAKE PLAINS REGION**

A vacation surprise greets you at every turn in this land of historic soldiers and modern sailors.

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## **LAKE ERIE FIRELANDS REGION**

Fly the Tin Goose over the Lake Erie islands to the homes of sea-going pioneers and a president.

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## **WESTERN RESERVE REGION**

There's sophistication in the cities and snow on the slopes where New England's restless sons came to settle.

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## **TECUMSEH REGION**

Prehistoric Indians share the spotlight with a space-age astronaut in this region of castles and kings of industry.

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## **JOHNNY APPLESEED REGION**

Flowering gardens and country cooking fill the air with the fresh scent of fun for the whole family.

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## **BUCKEYE REGION**

Follow the old national road through Amish country to beautiful Marietta.

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## **LEATHERLIPS REGION**

Stroll the streets of yesteryear to the greatest free show on earth in the capital city region.

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## **MIAMI REGION**

The Queen City reigns over a fantasy land of history, entertainment and scenic rivers.

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## **ADENA REGION**

Great state parks and outdoor theatre are part of the adventure scene in nature's paradise.

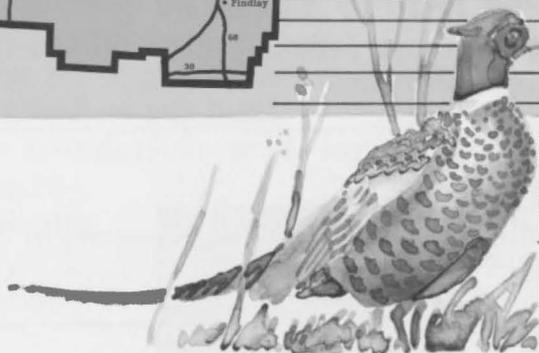
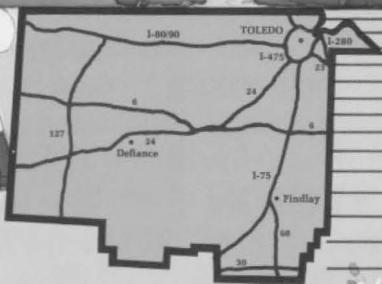
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## LAKE PLAINS REGION

# Where Wayne won the West



## FALLEN TIMBERS



Illustrations by Charles Platt

He was called "Mad Anthony" because of his violent temper—but General "Mad Anthony" Wayne, the hero of the Battle of Fallen Timbers, was very much like this region of the state—a surprise at every turn!

"Mad Anthony" surprised the confederated Indian tribes along the Maumee River, south of Toledo, and in that battle the westward expansion of our young nation was assured. Feel the drama of that moment when you stand among the ruins of Fort Defiance, built by General Wayne in 1794. The fort is surrounded—not by angry Indians, but by Fort Defiance Park, with picnic grounds, a swimming pool and playgrounds.

Uniformed soldiers drill for your inspection on the parade grounds of Fort Meigs in Perrysburg, much as they did during the War of 1812 when William Henry Harrison commanded

the outpost. The lifestyle of the settlers they fought for is reconstructed at AuGlaize Village, where authentically costumed villagers demonstrate pioneer skills and handicrafts. Taste the fruit of their labors at the village's cider mill, or visit the museum that features military costumes of American fighting men.

Adjoining the village is Black Swamp Farm, which is operated in the manner of the early 19th century. The name is forbidding, but it refers to the fact that this area of the state once had such poor drainage it could not be farmed. Through modern reclamation and drainage systems, that's all been changed and today sunburned agri-businessmen will proudly show you around their prosperous tomato and sugar beet farms.

Leave the wind-swept plains for a change of pace—the

bustling international port city of Toledo! Though the city is hundreds of miles from the ocean, you can almost taste the salty sea air when you see ships from all over the world docking in this busy Great Lakes port. There are lots of ways to see the port and the Maumee River, and one of the best is to take the double-decker sightseeing boat Arawanna II out of downtown Promenade Park. If you miss the boat, have a crepe at the pastry stand or catch a ride on a seaplane at Keller's Seaplane Base.

Sailors of many nations find hospitality here—and so will you—because of the city's ethnic variety. The International House is a home for ethnic language and culture and the International Festival in May is a memorable celebration of the songs, dances and foods of more than sixty countries.

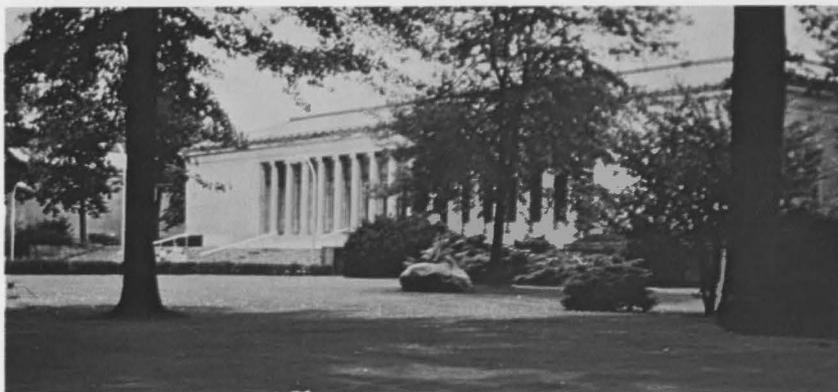
The Toledo Museum of Art groups paintings, sculpture and furniture together so you can see how these beautiful objects

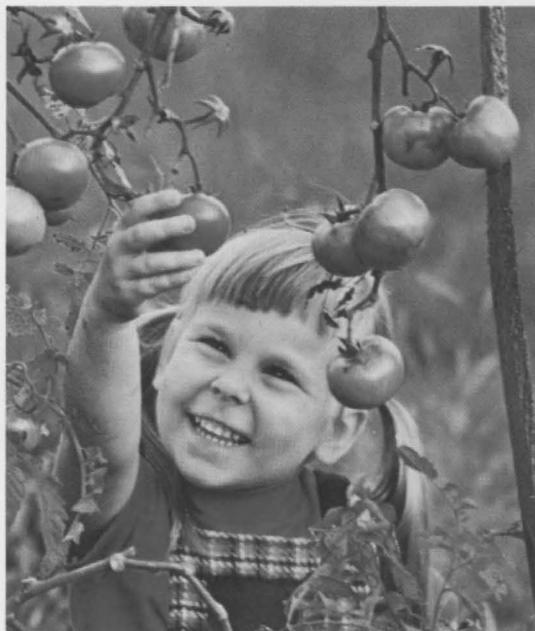
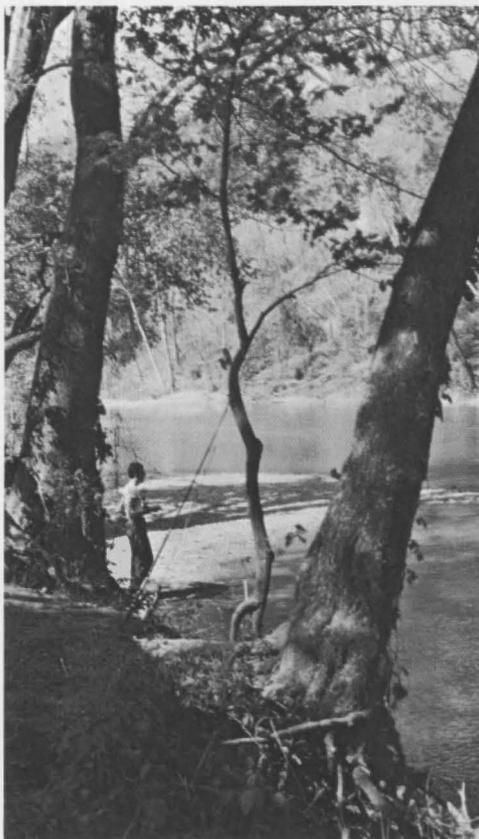
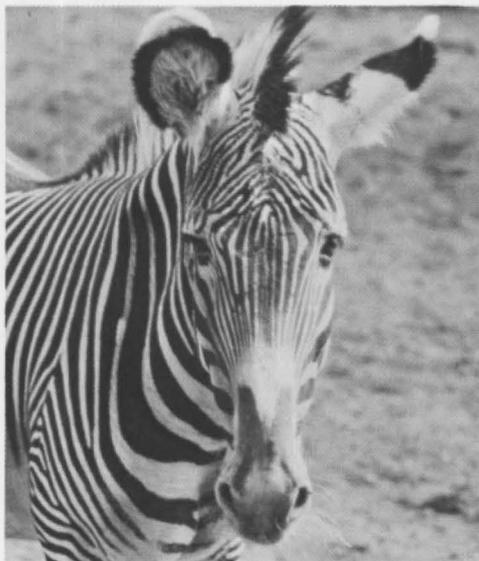
were used by the aristocrats they were created for, and it houses the finest collection of glass in the world. It's no wonder—Toledo is the "Glass Capital of the World," the home office of the nation's three largest glass companies.

Over 850,000 visitors tour the excellent Toledo Zoo annually. Children will love meeting Wally the elephant face-to-face in Wonder Valley, the children's zoo, and owners of goldfish bowls will marvel at the largest fresh-water aquarium in America.

All aboard the "Bluebird Special" out of Waterville station, south of Toledo, for a train trip through lush forests that is highlighted by a spectacular ride over the bridge at Grand Rapids. In Grand Rapids, visit the laboratory of world-renowned glass artist Dominic Labino.

"Down By the Old Mill Stream" in Findlay is a memorial to Tell Taylor, who wrote the famous tune on this very spot, now a





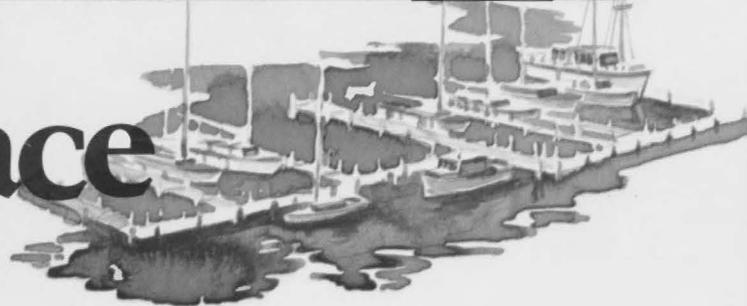
recreational area and amusement park. A bit of the Old West, complete with gunfighters and ghosts, can be seen nearby at Ghost Town. Interesting plant tours of the Marathon Oil, Eastman-Kodak and Whirlpool facilities can be arranged in Findlay, and tours the kids will really love are in Bryan. Bryan hosts the Ohio Art Company, makers of the "Etch-A-Sketch" toy, and the Spangler Candy Company, where a goodly number of the nation's Christmas candy canes are made!





LAKE ERIE FIRELANDS REGION

# Gathering place of the Great Lakes



**"We have met the enemy and they are ours. Two ships, two brigs, one schooner and one sloop. Yours with great respect and esteem."**

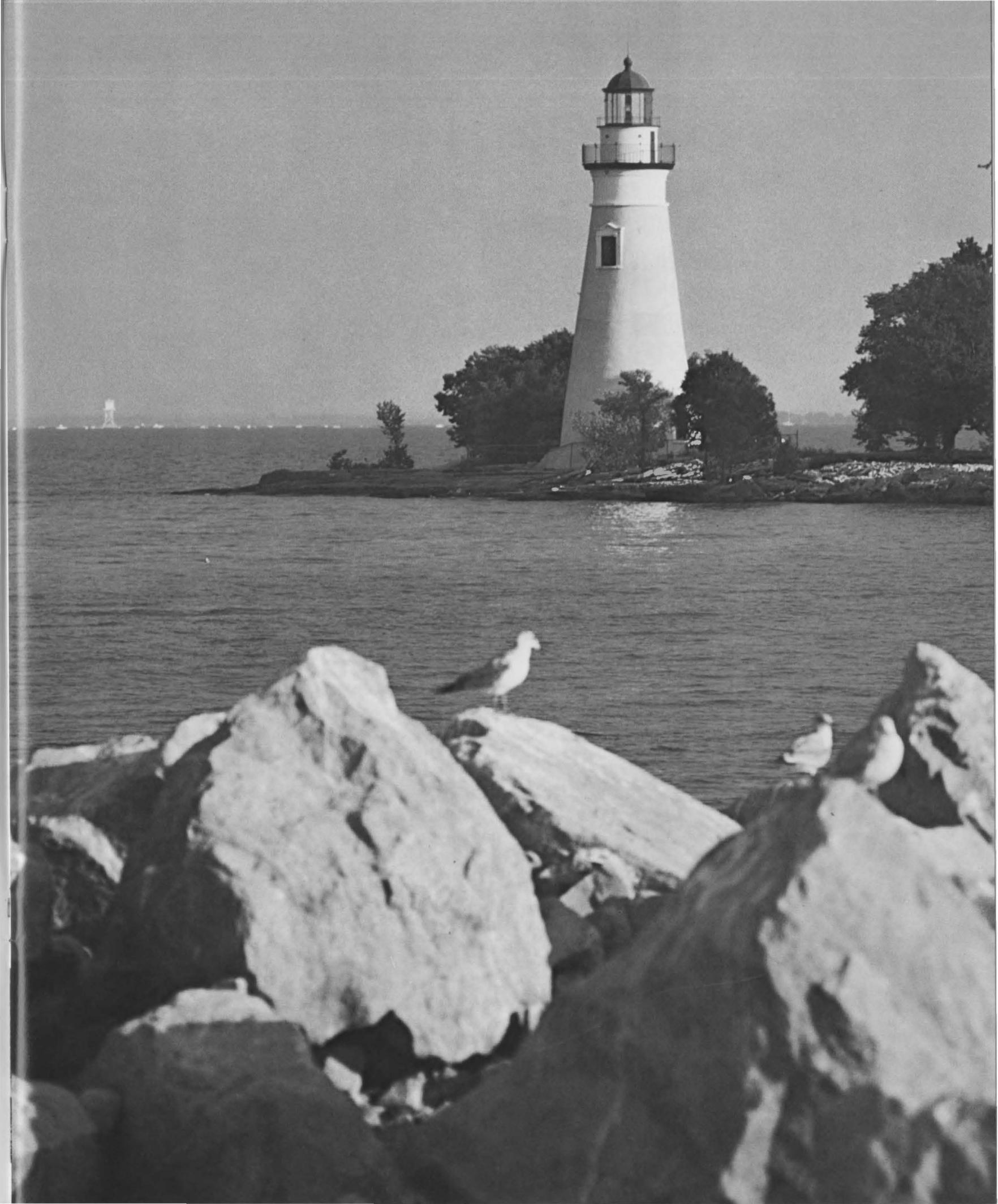
Written on the back of an envelope, this was the message sent by Oliver Hazard Perry advising General William Henry Harrison of his great 1812 naval victory. Today, Perry's Victory and International Peace Memorial commemorates that Lake Erie triumph and serves as a symbol of this region—the gathering place of the Great Lakes!

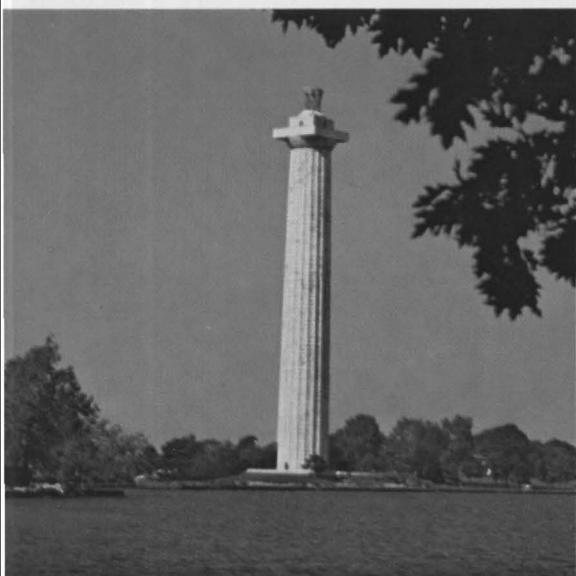
Stand on the observation platform of Perry's towering memorial and take in the whole panorama of the beaches and vineyards of the Lake Erie islands. Now you're ready to start island-hopping, and the best place to start is right where you stand—Put-in-Bay on South Bass Island! Put-in-Bay is the scene of the annual Interlakes Regatta and a charming 1850's resort town where vacationers browse through boutiques and artists' shops. Take the surrey train complete with fringe on top to Heineman's Winery, where you'll taste wine that's still made almost entirely by hand.

Hop over to Kelley's Island and see the Glacial Grooves, carved out by a great glacier 25,000 years ago. Nearby is Inscription Rock, so named for the mysterious pictographic writing scratched on its surface by prehistoric Indians.

You started at Heineman's—now continue the wine-tasting tour at Lonz's Winery on Middle Bass Island and the Mon Ami Champagne Company on the Catawba Island Peninsula. Grapes used in making the wines you'll sample are grown right there in the islands.

Take the ferryboat 'round to the rest of the island sights: the Confederate cemetery on Johnson's Island; Lakeside, a popular resort community; and the Marblehead Peninsula, where you'll see the gravitational antics of Mystery Hill, and the Marblehead Lighthouse. East Harbor State Park is one of Ohio's favorites for camping and water recreation of all kinds.

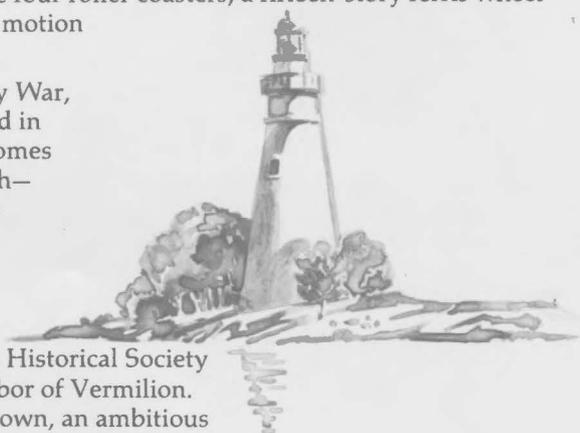




End your island-hopping as you began—with an aerial view! This time see it from the Tin Goose, the 1936 Ford tri-motor plane that makes the shortest commercial flight in the world just for you.

On Sandusky Bay, there's a 500 acre world of amusement known as Cedar Point! Cedar Point combines one of the nation's largest amusement parks with a marina, campground, resort hotel and a clean, sandy beach. Major Cedar Point attractions include four roller coasters, a fifteen-story ferris wheel and the world's largest indoor motion picture show.

Following the Revolutionary War, Congress granted tracts of land in this region to people whose homes had been burned by the British—thus the name, Firelands. This chapter of history is on view at the Firelands Museum in Norwalk, and a collection of marine memorabilia can be seen at the Great Lakes Historical Society Museum, overlooking the harbor of Vermilion. Within Vermilion is Harbor Town, an ambitious





restoration that recaptures a historic nautical atmosphere with shops, restaurants and homes decorated in the early Great Lakes style.

Pick up a bag of popcorn and some real old-fashioned sarsaparilla at Huron's Wileswood Country Store, then watch the children smile as they feed deer, llamas and a giant tortoise at Lagoon Deer Park in Castalia.

Nature created strange wonders here—no one knows the depth of the fascinating Blue Hole in Castalia, but the clear stream that it forms is great for trout fishing. A trip through the passage-ways of Seneca Caverns near Bellevue will lead you to another stream, but this one is 150 feet underground.

Bellevue is the hub of Ohio's cherry orchards, and the sweet cherry harvest is celebrated with the Bellevue Cherry Festival in June. A taste of the Milan Melon Festival's muskmelon ice cream will convince you that this area is a fruit grower's dream.

Thomas Edison's birthplace is carefully preserved in Milan, and the small brick cottage contains mementos of the legendary inventor's career. Another of Ohio's famous sons is remembered at the Rutherford B. Hayes' Home and State Memorial in Fremont, where you'll find a lovely estate and America's first presidential library.





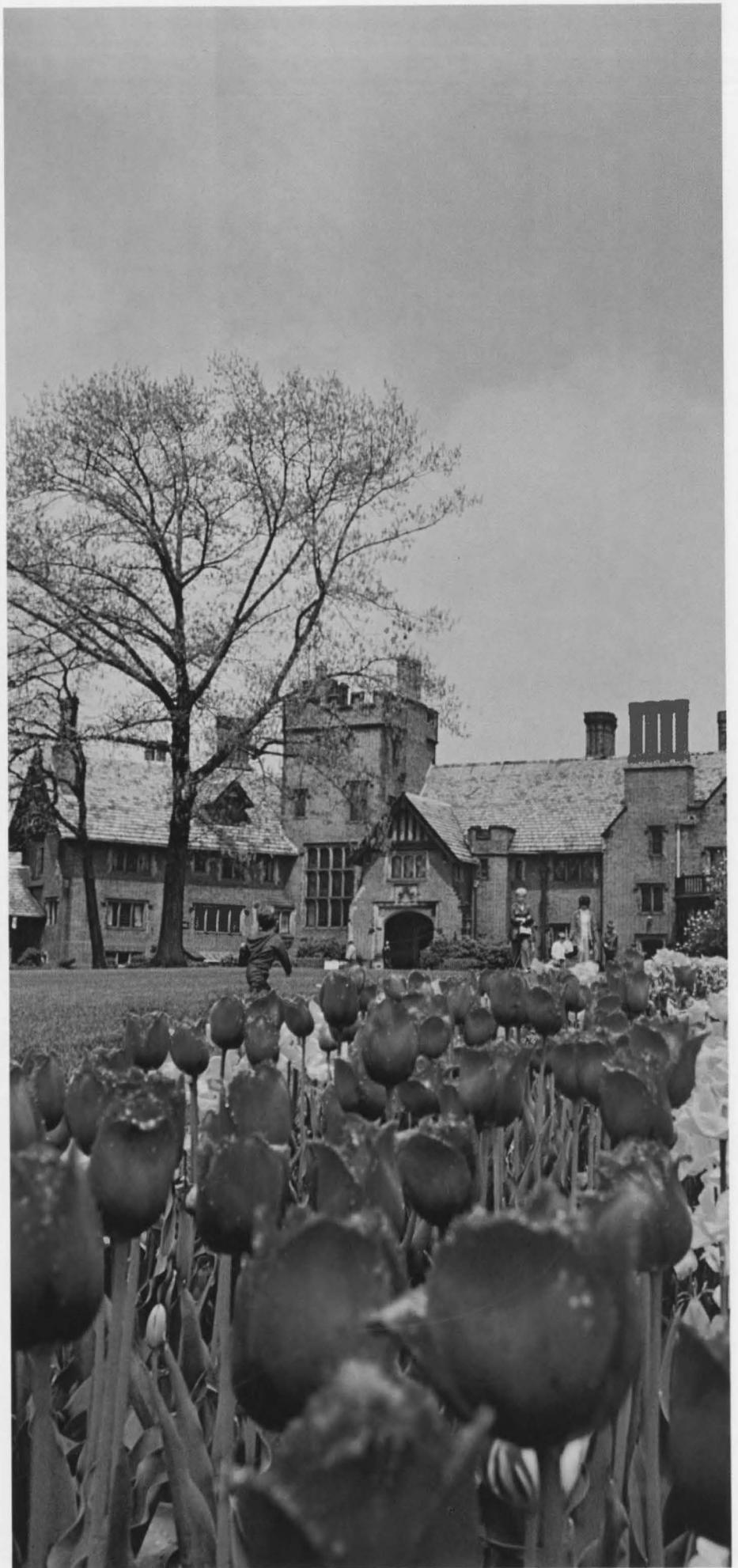
# A stretch of land that is forever New England



## WESTERN RESERVE REGION

A pair of draft horses waits patiently, ready to haul the sweet sap of the maple trees . . . . summer-happy children laugh and dig their toes in a stretch of wet sand . . . . a lonely white farmhouse stands locked in a snowy wonderland—this is the atmosphere of the Western Reserve, where a bit of colonial New England still lingers.

Connecticut reserved this land for its early settlers, and you can experience the culture of those pioneers at Century Village in Burton and at the Hale Farm and Village at Bath. "Christmas in the Village" at the Burton restoration is a meaningful time to see its beautiful country church and one-room schoolhouse. Hale Farm and Village is a living museum, where costumed hostesses will show you the "salt box



house," a grist mill and other restored buildings that house pioneer craft demonstrations.

Leave the simplicity of Hale Farm for city sophistication in Cleveland aboard the Cuyahoga Valley Line, an excursion train that takes you where the action is—the Cleveland Zoo! Cleveland's zoo is one of the oldest and largest in the country, but it's just chirping and growling with new ideas—like putting wild animals in their natural surroundings instead of behind bars.

Cleveland is surrounded by an "emerald necklace" of metropolitan parks, and the most beautiful jewel is University Circle. Here you'll find pleasant gardens, a reflecting pool and a most unique grouping of cultural institutions. Start with the Natural History Museum, where you'll meet Haplocanthosaurus (he's a dinosaur) and see the birth of the solar system in the spectacular planetarium show.



Then it's hello Picasso, Rembrandt and Rubens at the Art Museum. That grand-looking building over there is Severance Hall, where you must spend an evening with one of the world's best—the Cleveland Symphony Orchestra! The nation's first Health Museum is here, and you're invited to take a triple-screen trip to your mind's inner space, enter the giant theatre of the brain and explore the senses. For antique car fans, the Crawford Auto-Aviation Museum offers over 150 classic and special interest autos, as well as antique planes and an old-time mechanic's shop.

Cleveland's got Indians, Cavaliers, Browns and Crusaders—but don't worry, they're not strange invaders from the past! They're all professional sports, putting on a show for you at Cleveland Stadium or the ultra-contemporary Midwest Coliseum.

Night falls . . . and Cleveland nightlife is ready for you! See the lights of the city along the Cuyahoga River atop the Goodtime II three-decker boat. Then, how 'bout the Cleveland Playhouse—the nation's oldest resident professional theatre—or the Karamu, Cleveland's renowned Black theatre. There's seafood at Pickle Bills on the wharf, and old-time movies and cabarets on Playhouse Square. South of Cleveland, spread a blanket on the grass at Blossom Music Center and listen to top artists perform everything from classical to rock.

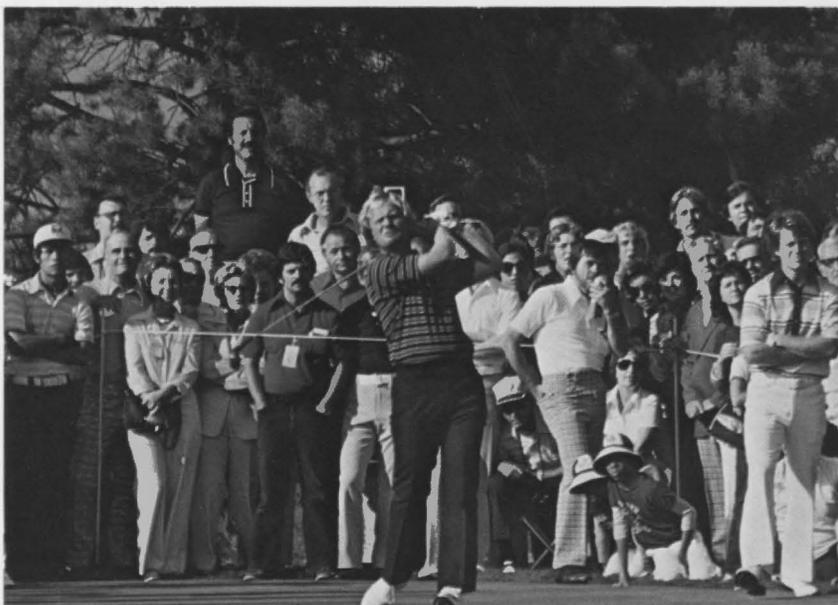
Sea World in Aurora is just that—a whole world of aquatic fun! The nation's only inland aquatic park features Shamu, the killer whale, along with dolphins, pearl divers and a whacky water-ski show. Just across the way is Geauga Lake Park, with rides, sticky-finger fun food and picnic grounds.

If you're in the Western Reserve during the winter, there's no excuse not to try out your skills at one of four ski centers. Brandywine boasts of the world's easiest beginner bowl, Mont Chalet has a picturesque cross-country trail, and Boston Mills and Alpine Valley have cool snow on the slopes and hot nightlife in the lodge.

Youngstown is home to the fascinating Butler Institute of American Art, where a very fine collection of paintings of the American Indian and the Old West is displayed. One of the last magnificent movie theatres built by the Warner Brothers (who came from Youngstown) is now Powers Auditorium, where the city's orchestra and ballet perform.

The city of Akron is many things to many people—"Rubber Capital of the World," golf mecca and scene of the annual All-American Soap Box Derby. The Goodyear World of Rubber, opposite the company's headquarters, is a learning experience and has a display of space-age products, like the first moon tire and an artificial heart. Firestone Country Club hosts world-famous golfers in the American Golf Classic and the World Series of Golf. Don't leave Akron without visiting the fabulous Stan Hywett Hall and Gardens, a 65-room mansion filled with priceless antiques and works of art.

Contrast the opulence of Stan Hywett with the humble simplicity of James Garfield's log cabin birthplace in Mentor, near the lake. To finish your Western Reserve tour, climb the steps of the old lighthouse and Marine Museum in Fairport, and look out over Lake Erie.





Men have turned great dreams into reality here—a spirit you'll share as you travel the smooth ribbon of Interstate 75 through the land where the Shawnee chief Tecumseh roamed.

Wander off the highway and see the ceremonial mound at Miamisburg, built by primitive Indians in the 7th century. You'll get a taste of their way of life when you pull a big trout from the Mad River, or from Indian Lake or Grand Lake St. Mary's.

The Indian Museum at the Piqua Historical Area tells more about the early tribes found here when the white men arrived—and one of the first



TECUMSEH REGION

# From the Mound Builders to the Moon



was Colonel John Johnston, an Indian agent in the Piqua area. Today at Johnston's farmstead you can smell a fresh gooseberry pie as it's pulled from an outdoor oven, watch spinning and weaving, or ride a canal boat on a stretch of the old Miami and Erie Canal.

Move even further into the days of the conquering white men in the blockhouses of Fort Recovery, and at the Piatt Castles. The flamboyant Colonel Donn Piatt built a grand Flemish-style castle that you can tour—along with his brother's towering French chateau—in the Mad River Valley at West Liberty.

An impoverished young woman with an old muzzle-loader used to hunt in the hills around Greenville. Her name was Annie Oakley, and Greenville remembers the Queen of Bill Cody's Wild West Show every summer with a festival and ladies' shootin' match. Fans of Annie Oakley—and of Lowell Thomas, also a Greenville native—will find a fabulous collection of memorabilia at the Garst Museum in the town center.

The big daddy of all American shooting matches is held every August in Vandalia—the Grand American Trapshoot.

Enthusiasm and creative thought seem to be a way of life in this part of the state. Inventors who moved America into the industrial era started in Dayton: John Patterson, who began the giant National Cash Register Company and revolutionized the industry; and Charles Kettering, who invented the self-starter ignition system (Delco) that made Henry Ford's "automobile-made-in-a-day" possible. Tour both the General Motors-Delco and the National Cash Register facilities.



Famous Black poet Paul Lawrence Dunbar made his home in Dayton, and visitors can tour his Victorian house and see Dunbar's library, manuscripts and belongings.

In Dayton's Carillon Park, you can fly a kite, listen to the magnificent 41-bell Deeds Carillon or take in exhibits that include a Conestoga wagon and the city's oldest building, Newcom Tavern. Enjoy music under the stars at Dayton's Diehl Bandshell, or hike the trails of the Aullwood Audubon Center and Farm.

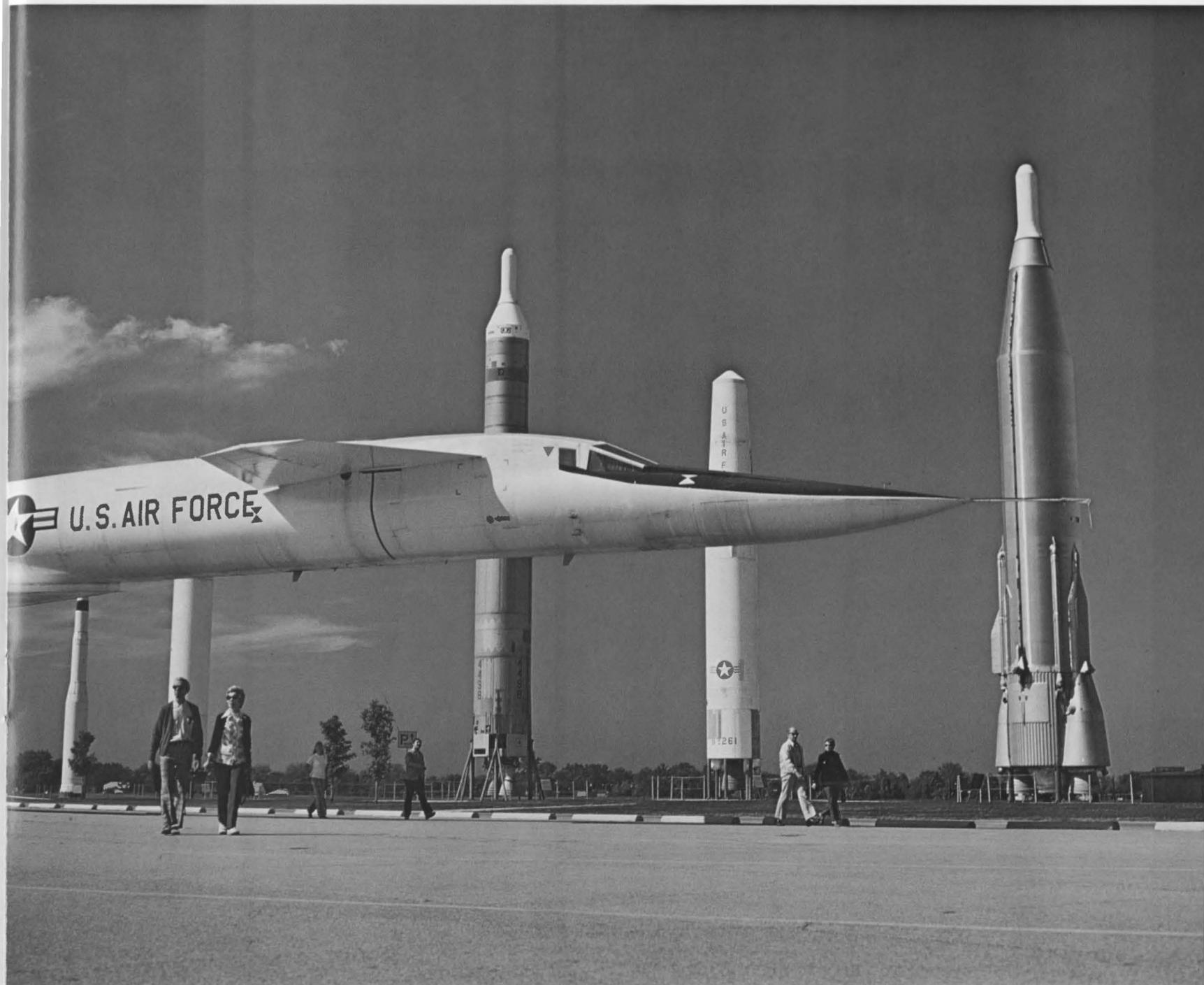
Ready to move into the age of flight? See the pride of the United States Air Force, past and present, at the Dayton Air Force Museum. The "wings of man" at the Air Force Museum range from a replica of

a plane built by Dayton natives Wilbur and Orville Wright to a supersonic jet. Bring a sturdy pair of legs along—this is the largest collection of aviation equipment ever displayed! Follow the age of flight to the greatest heights in history at the Neil Armstrong Air and Space Museum in Wapakoneta.

Experience the Sound Tunnel, Infinity Room and Astrotheatre in this daring museum in Armstrong's home town.

When you're ready to come back down to earth, take advantage of the outstanding recreational, dining and lodging facilities at Hueston Woods State Park, ski the Mad River Mountain at Valley Hi or experience the mysterious underground beauty of the Ohio and Zane Caverns.







It is said that if all the trees Johnny Appleseed planted were grouped in one orchard, it would be by far the largest in the world! While traveling through this region with his bag of appleseeds and a tin pan hat, he warned the settlers of an Indian attack. The blockhouse where they found safety is preserved in Mansfield, along with a monument to Johnny Appleseed—naturalist, philosopher and the best loved legend of pioneer times.

The Mansfield area is a year 'round outdoor fun center for the whole family. Swimming, picnicking and camping are part of the summer fun at Charles Mills and Pleasant Hill, and pontoon boaters find both lakes ideal for floating vacations. Champions from all over the world bring their exotic speedsters to the Mid-Ohio Sports Car Course, and nearby at Moto-X-Park, motorcycles and mini-bikes scramble over challenging dirt tracks. In the winter, snow-mobiles race through the park, and skiers enjoy kingdoms of snow and good cheer at the Snow Trails and Clear Fork Valley ski resorts.

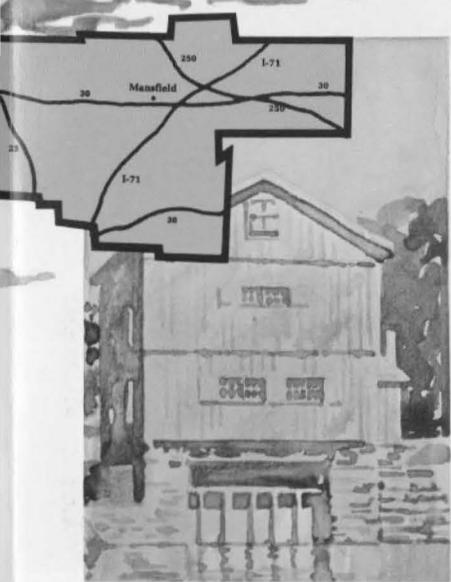
Noted author and conservationist Louis Bromfield poured money, energy and love into his beautiful Malabar Farm, and you can ramble through it today on a wagon tour. Malabar Farm is just southeast of Mansfield, and on your way stop at historic Malabar Inn for country cooking and a piece of "grasshopper pie."



JOHNNY APPLESEED REGION



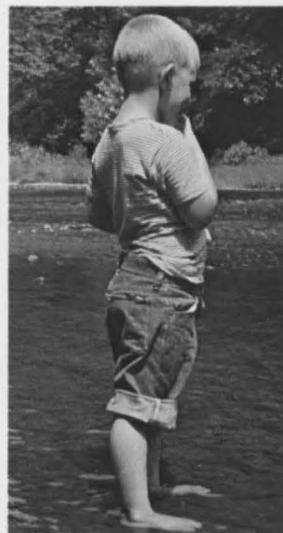
# Literature and Legends in an Enchanted Land

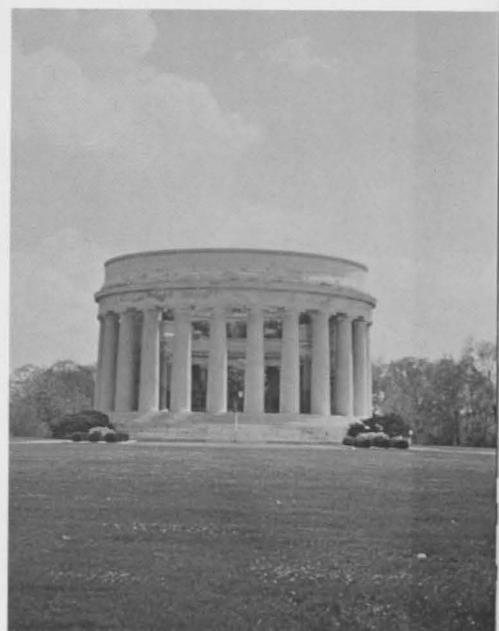


Thousands are drawn to this region for its natural displays, and the Kingwood Center and Gardens hosts one of the biggest. Within Kingwood's 47 acres are nature trails, colorful gardens filled with tulips and daffodils and greenhouses that are open all year. Flowering trees are the main attraction at the Secret Arboretum in Wooster and on the Dogwood Trails of Mount Vernon, along the Mohican River.

Two branches of the Mohican rush through the vast Mohican State Forest and Park, and Loudonville is a great place to rent a canoe and embark on an adventure trip down this scenic river. Anglers will meet their match here and on smaller lakes and streams like Knox Lake, the Mt. Gilead Lakes and the Kokosing River. The muskies in Clear Fork Reservoir are banquet-sized, and delectable birds can be hunted in the Tallmadge Pheasant Farm and Shooting Preserve in Jeromesville.

Johnny's specialty was apples, but all kinds of fruit—and fun—can be gathered in this region! Pick your own sweet strawberries at Willow Valley, or join the Jelly Jamboree festival in the "Sweetest Town in Ohio," Orrville, where Smuckers jams, jellies and sauces are made. Grape products of a different kind will be the subject of your tour of Le Boudin Vineyard and Winery in Cardington, where table wines are made and stored in huge oak barrels.





A short drive to Marion will bring you to the nation's most impressive presidential burial place, the white marble Harding Memorial. Warren G. Harding's home, scene of his 1920 "Front Porch" campaign for the presidency, is fully restored and open to visitors.

Get set for a hayride and some real country atmosphere on a farm vacation at one of this region's "dude farms" for city folks, or shop for antiques and collectables at the Country Store in Lucas. Country cooking staples like cornmeal and whole wheat flour are stone-ground before your eyes at the Pine Run Grist Mill near Loudonville and Indian Mill in Wyandot County. Horse farms abound in Ohio, the nation's largest producer of standardbred horses, and you'll learn about the breeding and training of young racehorses at Pickwick Farms in Bucyrus.

For over a hundred years, the merchants of Bucyrus have guarded their secret family recipes for a unique German sausage. You can end your Johnny Appleseed tour on a tasty note by trying each and every one of them at the town's annual Bratwurst Festival in August.





They came in ox-drawn wagons, conestogas and carriages, rafts and rough-hewn boats. Tavern keepers along the way asked them where they were headed, and they answered, "To the Ohio Country!"

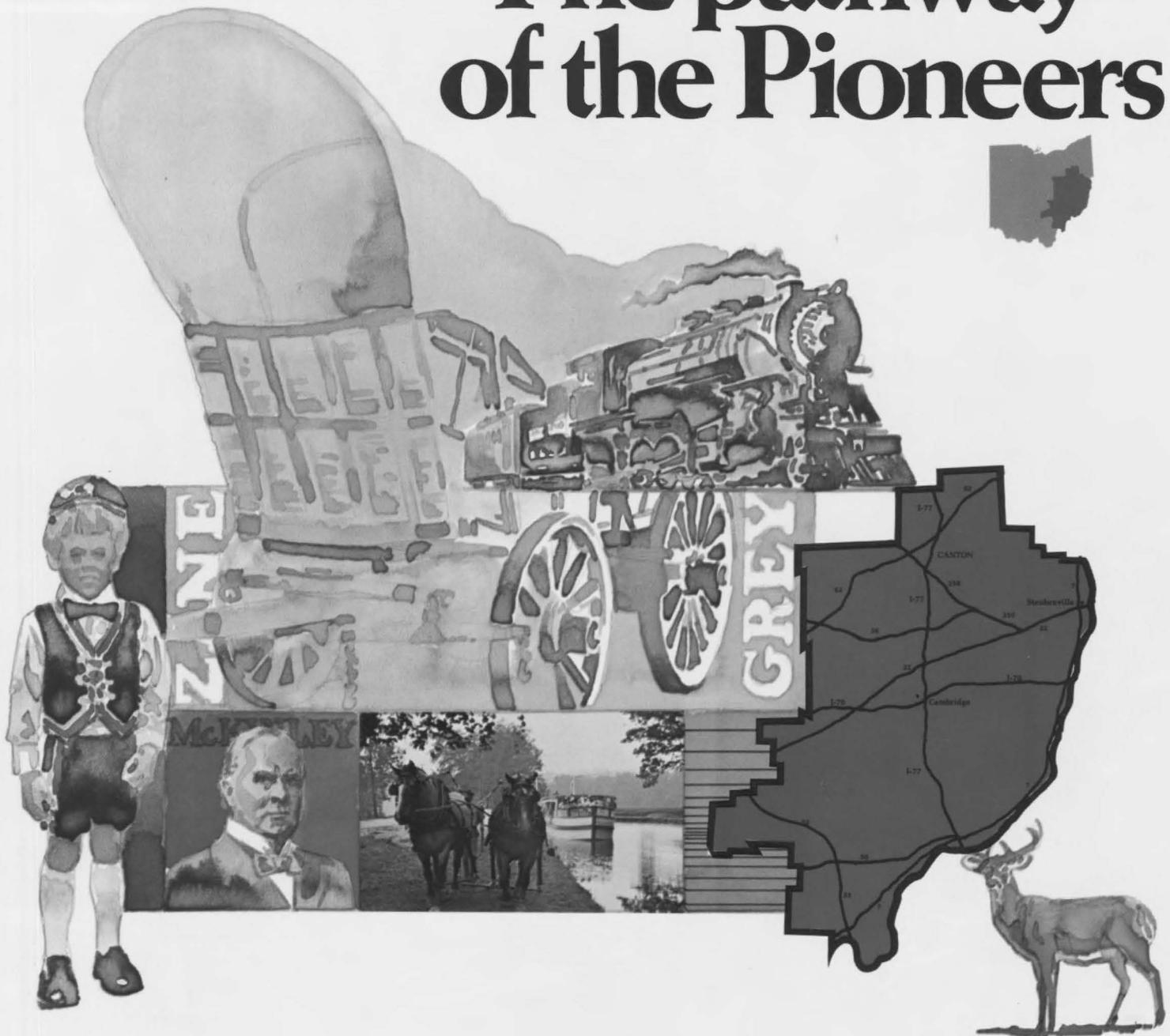
Follow the paths of these pioneers through the Buckeye region! Start at the first permanent settlement in the Northwest Territory, beautiful Marietta on the Ohio River. The Campus Martius Museum in Marietta brings that early community of determined Yankees to life, with a portion of the original fort and the Putnam House. Just a few steps away stands the Ohio River Museum, a river rat's delight! Exhibits and multi-media theatre tell the story of man and the river, and out on the dock you can tour an authentic sternwheeler,

the W. P. Snyder. The Valley Gem steamboat is a replica, but it's river-worthy and ready to take you on a cruise down the Ohio and Muskingum Rivers. Young men and women have been strolling the walkways of Marietta College since 1835, and you can best appreciate the beauty of this campus in the fall.

The Ohio Country's first church and school are part of the history at Schoenbrunn Village, near New Philadelphia. Simple log cabins, filled with primitive furniture and implements, are much as they were when missionaries and their Indian converts lived here. Drama, music and outdoor beauty are combined in "Trumpet in the Land," a theatrical performance under the stars that tells the story of the

## BUCKEYE REGION

# The pathway of the Pioneers



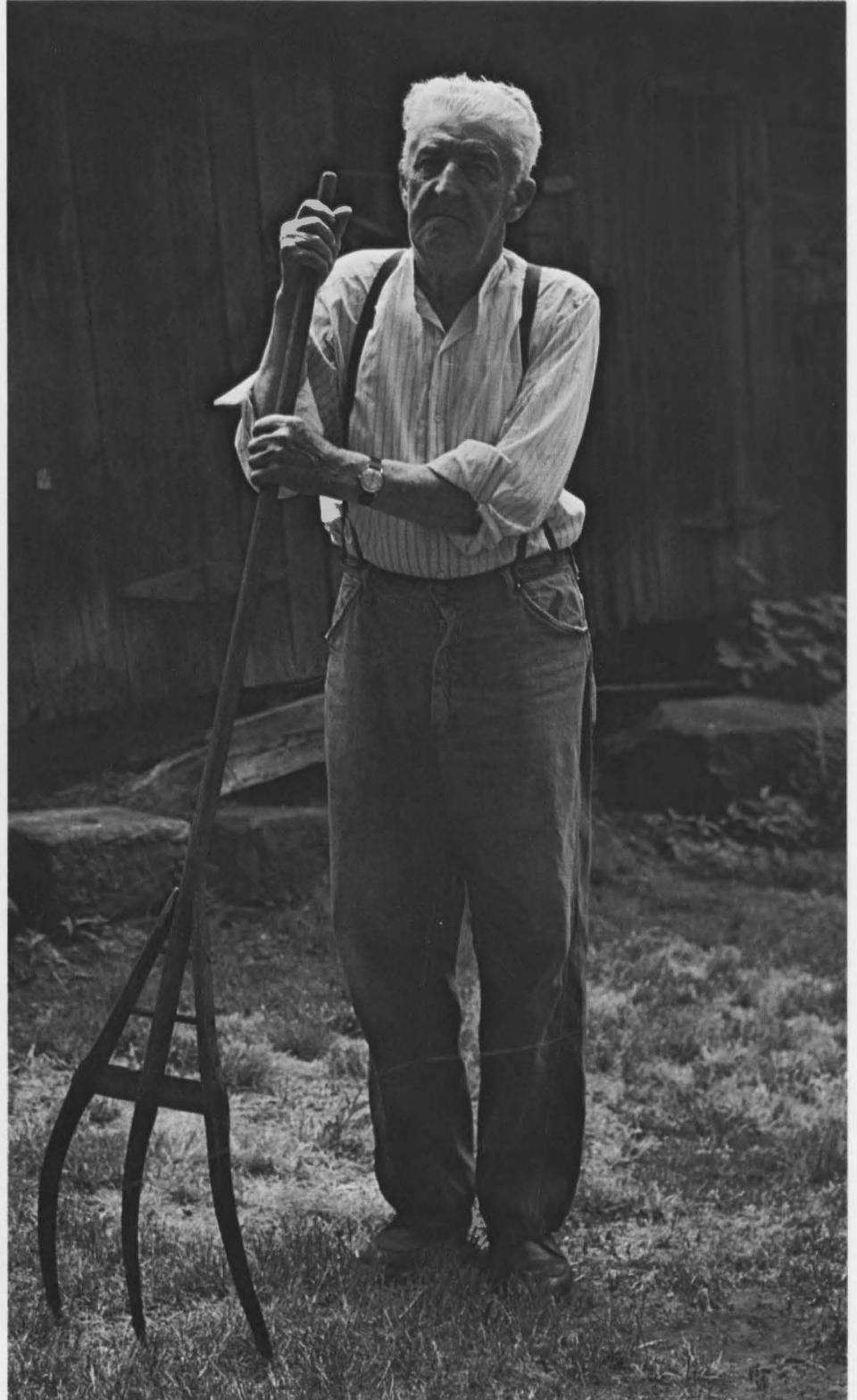


Schoenbrunn settlement. Hostilities of the Revolutionary War put an end to Schoenbrunn, and nearby you'll find the site of the only fort built in Ohio during that conflict—Fort Laurens.

Like Schoenbrunn, religion was the basis for the communal settlement at Zoar. Stroll through the formal gardens at Zoar Village, laid out according to the New Jerusalem described in the Bible, or inspect the Number One House, the communal bakery and other craft shops.

The rustic National Road-Zane Grey Museum rambles around a courtyard open to the sky, where a life-sized pioneer camping scene is depicted. Tiny models within the museum show the pathway of the pioneers, and western writer Zane Grey's study is recreated in full scale, complete with memorabilia that illustrate his colorful career.

Little more than a century ago, canals were the most important element in Ohio's growth. The bustling canal town of Roscoe is now a living museum of those days, with charming shops, a popular restaurant in the old canal warehouse and a ride on the Monticello II canal boat. Both Roscoe Village and



the town of Canal Fulton hold canal festivals, and the old-fashioned revelry includes parades, contests and festival foods of all kinds.

People come from everywhere to celebrate the heritage of the Swiss people in Sugarcreek at the Ohio Swiss Festival. Non-stop Swiss music, yodeling and dancing take place in the town's Alpine setting, and Sugarcreek doesn't take off its costume when the festival is over—the Swiss cheese industry in Ohio is centered here.

In the valleys around Sugarcreek, the black and graceful buggies of the Amish scurry through the quiet farm country. In each buggy is a bearded Amish farmer and his family, and the way of life of Ohio's large Amish community is strongly felt and easily seen in the Holmes County area.

The International Mining and Manufacturing Festival in

Cadiz combines ethnic pride with pride in industrial accomplishments, a feeling that other communities in the Buckeye region share. Bellaire remembers its heyday as a center of glass manufacturing with a museum and a festival, and you can watch present-day artisans at Bellaire's Imperial Glass Corporation. The Roseville-Crooksville area has rich deposits of clay for pottery products, and Roseville hosts the Ohio Ceramic Center, where skilled demonstrators will let you try your hand at the potter's wheel. The meticulous craftsmanship of master carver Ernest Warther can be seen in the hand-carved models of railroad locomotives at the Warther Museum in Dover.

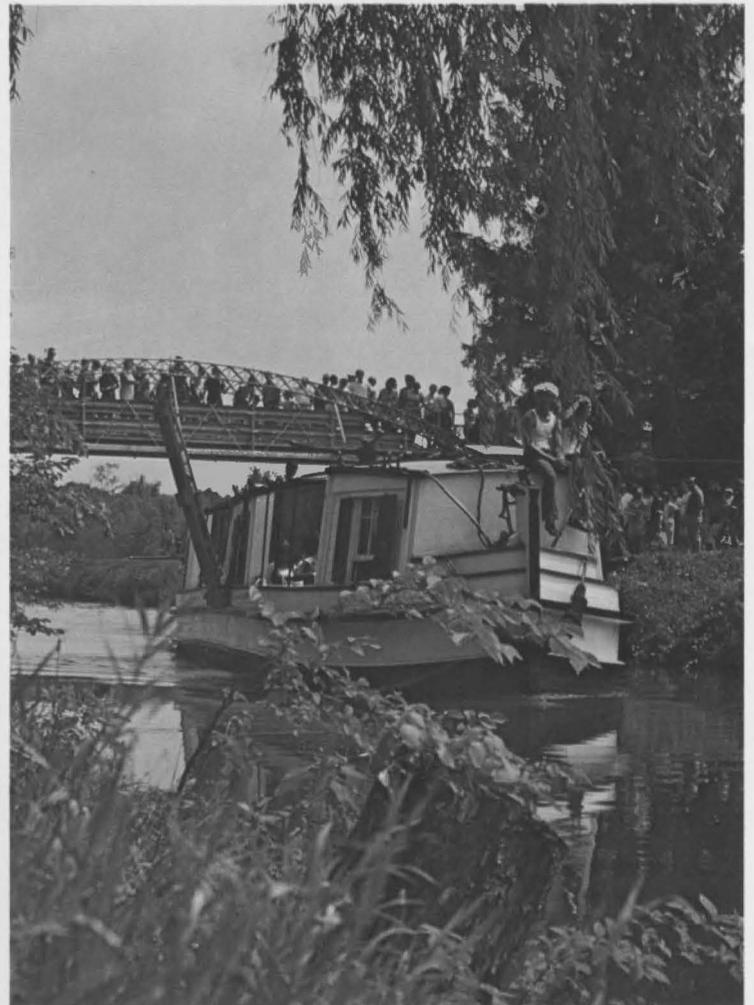
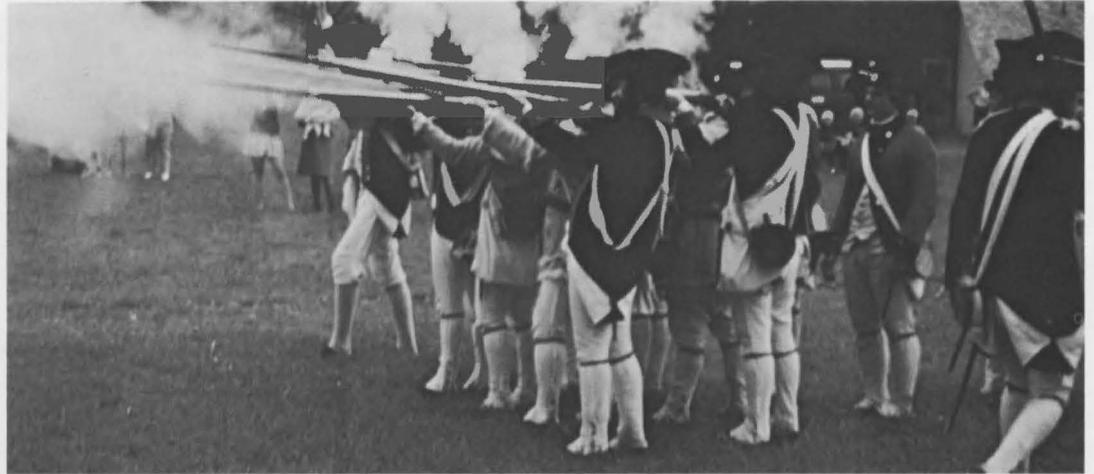
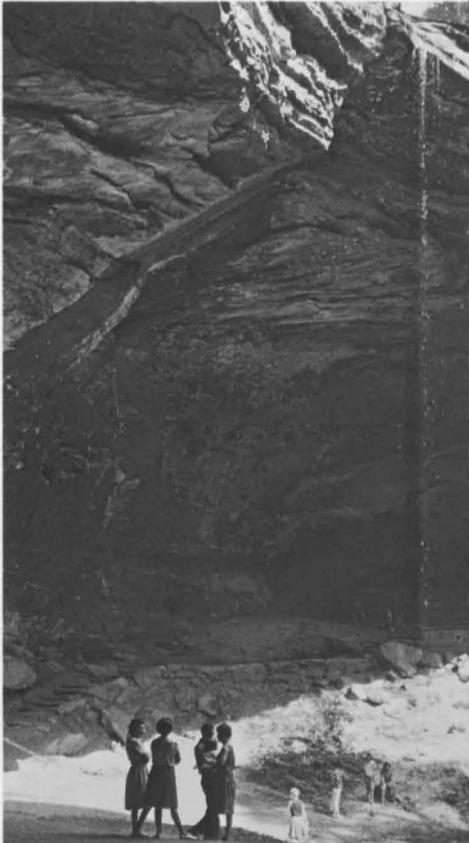
A tribute to baseball's all-time winningest pitcher and a collection of bats used by today's big-league sluggers will warm the hearts of baseball fans at the Cy Young Museum in



Newcomerstown. In Canton, armchair quarterbacks will find their shrine of shrines—the Professional Football Hall of Fame, where outstanding players are honored. Also in Canton is the resting place of William McKinley, and his tomb is on the grounds of the Stark County Historical Center containing McKinley memorabilia.

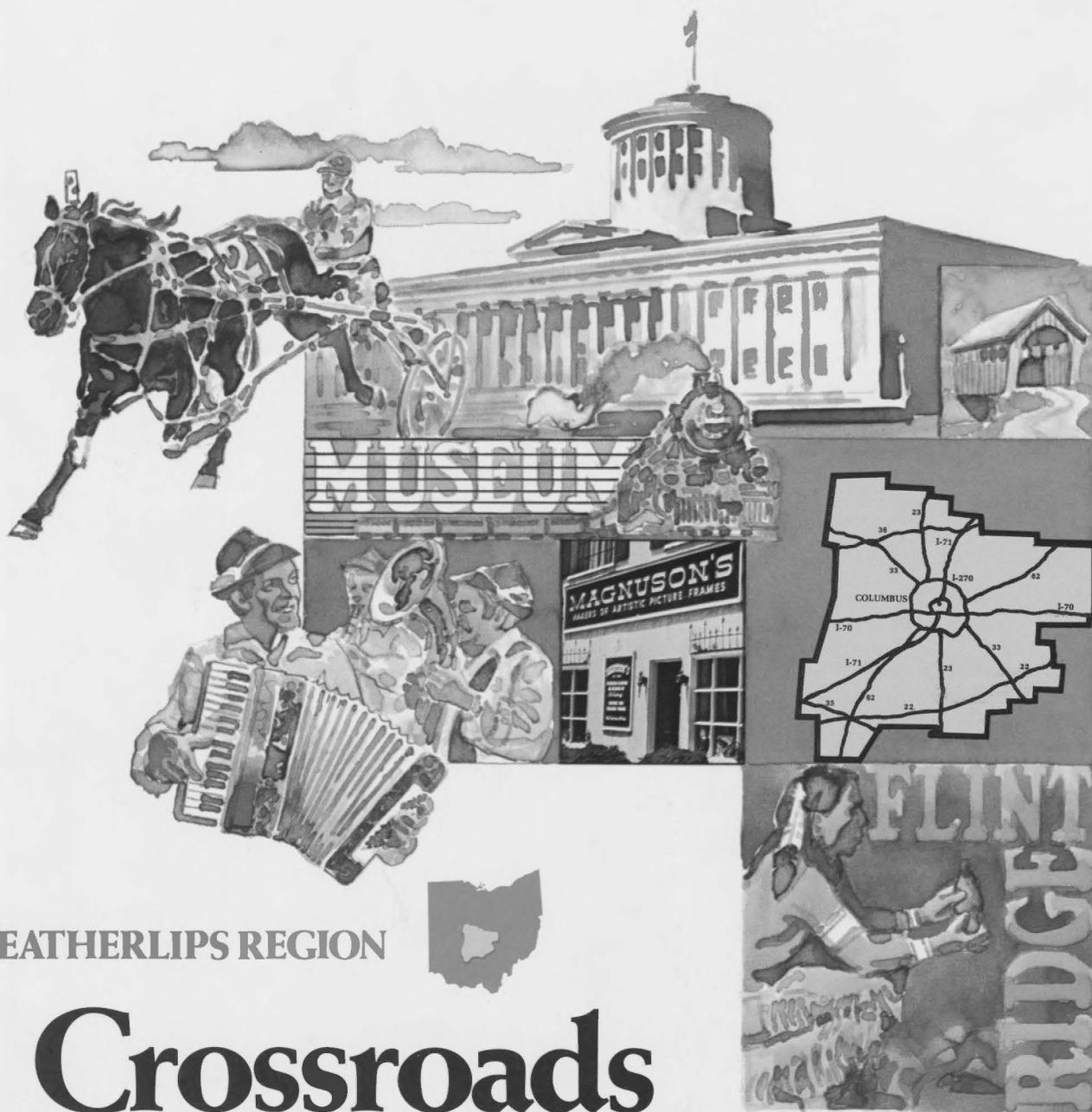
Head south to hill country and join the locals at the Moonshine Festival in New Straitsville. Pomeroy's Big Bend Regatta is the scene of the International Frog Jumping Contest, but if you're after rougher sport try wild boar hunting at the Hocking Valley Hunting Preserve.

The Hocking River Valley is a ruggedly beautiful area, and a great way to see it is on the Hocking Valley Scenic Railway in Nelsonville, where you'll want to join in the Parade of the Hills celebration, highlighted by an oldtime fiddler's contest. If you've enjoyed your tour of the Buckeye region—but you're ready to get back to nature—take in Old Man's Cave and the other spectacular gorges and waterfalls at Hocking Hills State Park.



On the banks of the Scioto River, there stands a stone monument to the Wyandot chief Leatherlips, who was executed here in 1810 by his own people because of his friendship to the white men. This region is named after that kindly chief, and offers you the same hearty welcome to the crossroads of America's first frontier.

Follow the Scioto River to the Avenue of Flags, where the banners of the fifty states beckon you to discover Ohio's capital city—Columbus! In the downtown center of this cosmopolitan city is Ohio's Statehouse, and guides will lead you from the ornate rotunda to the House of Representatives and the Senate. Just a short walk from the tree-shaded lawns of the capitol building is the Center of Science and Industry (COSI). Take a stroll down COSI's "Street of Yesteryear," ride the coal train into a simulated mine or search the stars in the Center's planetarium show. The works of masters of the old world mix with those of the new at the Columbus Gallery of Fine Arts, and the city's symphony orchestra performs here and at the downtown Ohio Theatre. Movie fans flocked to the Ohio Theatre in the 1920's, and its fancifully baroque decor has been restored to its former splendor.



LEATHERLIPS REGION

# Crossroads of the First Frontier

The restoration of the area settled by German immigrants to Columbus has been a real success story, as you'll see when you walk along the brick-paved streets of German Village. Outdoor beer gardens, restaurants and shops mix cheerfully with the village's restored homes, and you can walk through some of them on the annual Haus und Garten Tour.

A reconstruction of a typical Ohio county seat of the 1800's is a charming background for pioneer crafts and shops at the Ohio Village, on the grounds of the Ohio Historical Center. The futuristic Center houses acres of fascinating exhibits on history and archaeology that span the years from the ice age to the space age.

If you were fascinated by model trains when you were a child, don't miss the real thing at the Ohio Railway Museum, just north of Columbus in Worthington. A fine collection of

streetcars and steam locomotives has been lovingly rebuilt and polished for your inspection.

The world's largest reptile collection and the first gorilla born in captivity are part of the show at the Columbus Municipal Zoo. Children love to ride on the Scioto Belle paddle-wheeler and the Zoo Train, and across the road at Zoo Amusement Park there are more rides, food and a penny arcade.

Tickets may be hard to come by, but it's worth the trouble to see the Ohio State University Buckeyes play football in Columbus on the campus of this giant center of learning and research. Horse-racing at Scioto Downs and Beulah Park and professional hockey are also part of the sports scene in the capital city.



Horse shows, big-name entertainment, livestock displays and parades are only a part of a twelve-day spectacular—the Ohio State Fair! During the fair, the Ohio Expositions Center in Columbus explodes with a special kind of color and excitement that can't be beat.

The Little Brown Jug, considered to be the nation's finest race for the pacers of the horse world, is held each September at the county fairgrounds in Delaware. An Indian Village and beautiful underground passageways bring Indian lore to life at Delaware's Olentangy Caverns.

Indians journeyed from many parts of eastern America to fashion tools and weapons at flint pits near Brownsville, where the modern Flint Ridge Museum now rises over one of the original pits. Nearby in Newark, the elaborate Mound Builders Earthworks and Octagon Mound stand as silent witnesses to the genius of the prehistoric Hopewell Indians.

The artistic creations of these earliest Ohio residents are displayed in the Ohio Indian Art Museum on the grounds of the earthworks.

The chapel tower of Denison University serves as a landmark for travelers approaching historic Granville, but in stagecoach times the passengers thought only of the good meal that awaited them at the town's Buxton Inn. You can still look forward to dining at the Inn, and today Granville hosts another restaurant in the restored Bryn Mawr Mansion.

Six presidents have been guests of the Red Brick Tavern in Madison County, and the county fairgrounds ring with the whistles of old-fashioned steam engines in July during the Miami Valley Steam Thresher's Show.

Have a piece of the world's largest pumpkin pie at the "Greatest Free Show on Earth"—the Circleville Pumpkin Show!

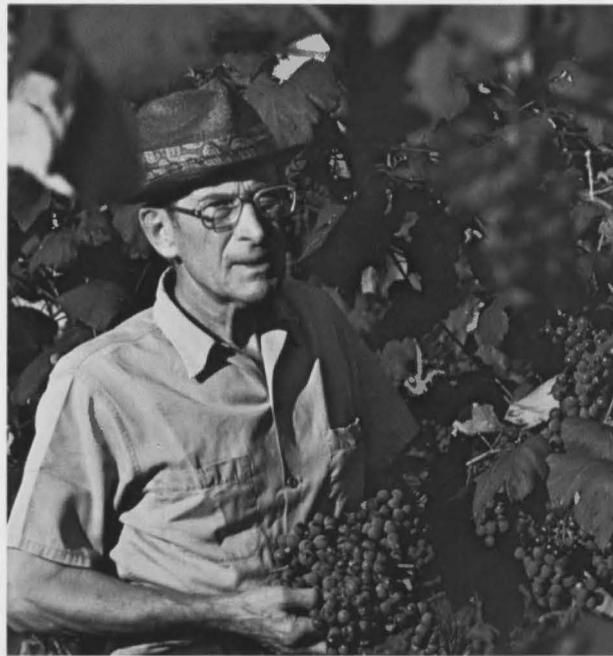




Hungry visitors are offered everything from pumpkin ice cream to pumpkin burgers as they watch parades and continuous entertainment throughout the four-day show. A few miles south of Circleville, you can watch the pressing of wine—and taste the final product—at the Shawnee Vineyards.

The tranquil beauty of the covered bridge is fast disappearing from the rural scene, but you'll find more of them in Fairfield County than anyplace else in the state. Take a nostalgic look at them on your way to the Millersport Sweet Corn Festival, where corn-on-the-cob is the principal gastronomic attraction.

In Lancaster stands the simple frame home where General William T. Sherman, leader of "Sherman's March to the Sea," and Senator John Sherman, author of the Sherman Anti-Trust Act, were born and lived as children. Today the home houses period rooms and exhibits on the life and times of the Sherman family.





## MIAMI REGION

# Land of the



The wild river, the Little Miami River, brought men to this beautiful region. Indians, generals, immigrants and statesmen fought over it, fished from it, built homes around it. The river's natural beauty is still here for you to enjoy—but men have made miracles here, too!

Sit in a place called Eden Park, look out over the valley below and you'll see a miracle—the "Queen City," the marvelous Ohio River city of Cincinnati! A prominent landmark and mecca of sports fans will catch your eye—Riverfront Stadium, home of the "Big Red Machine" (the Cincinnati Reds, of course), the football Bengals and the end-of-summer Ohio Valley Jazz Festival.

If you're lucky, the riverboat Delta Queen or her new sister ship, the Mississippi Queen, will be paddling a majestic path along the riverfront on the way to Louisville or New Orleans. The Queen is the only overnight paddle-wheeler in inland waters still carrying on the traditions of the great passenger riverboats of the 19th century. Tied to that riverfront landing

forever is the Showboat Majestic, last of the original showboats.

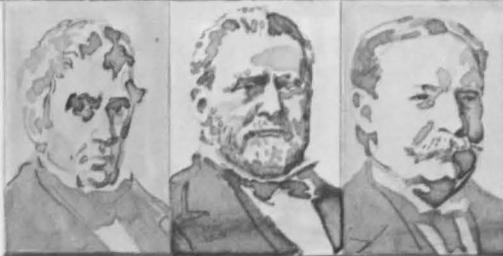
The place to start a downtown tour is at Fountain Square, where sports enthusiasts congregate after a game at the stadium. Stroll the covered skywalks to Music Hall or the Contemporary Arts Center, or walk to historic Findlay Market for fresh fruits and vegetables.

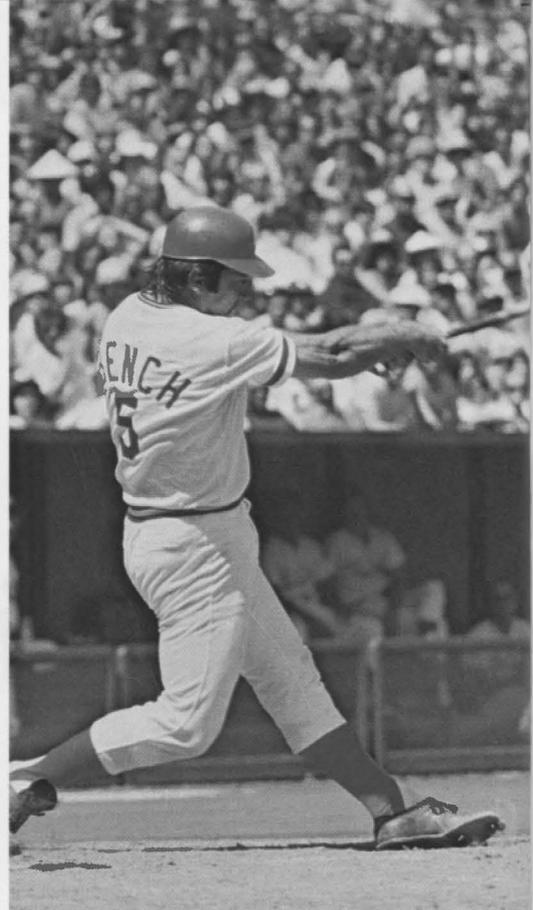
For those who enjoy the finer things in life, Cincinnati has two five-star-rated restaurants. Walk off that memorable meal on the unique Wilderness Trail at the Museum of Natural History, try your luck at River Downs thoroughbred racing, visit the zoo or swing up to the nightlife district on Mt. Adams.

Mt. Adams—there's a monastery at its peak, but the atmosphere is anything but devout! In this district, the very rich meet the very hip at places like Crowley's Pub, the Blind Lemon and chic little shops and boutiques. Mt. Adams also hosts professional theatre at the Playhouse in the Park and a



# Wild River





world-famous Near East collection at the Cincinnati Art Museum in Eden Park.

Start a mini-presidential tour (Ohio is known as the "Mother of Presidents") in Cincinnati at William Howard Taft's house, now a museum housing a priceless collection of art. A drive west along the river will bring you to Ulysses S. Grant's birthplace, a one-room cottage where the general of the armies and the 18th President of the United States was born. Nearby in Georgetown is Grant's schoolhouse, with a restored classroom and a museum on the life of Grant. From William Henry Harrison's impressive tomb in North Bend, you'll have a spectacular view of the Ohio River Valley.

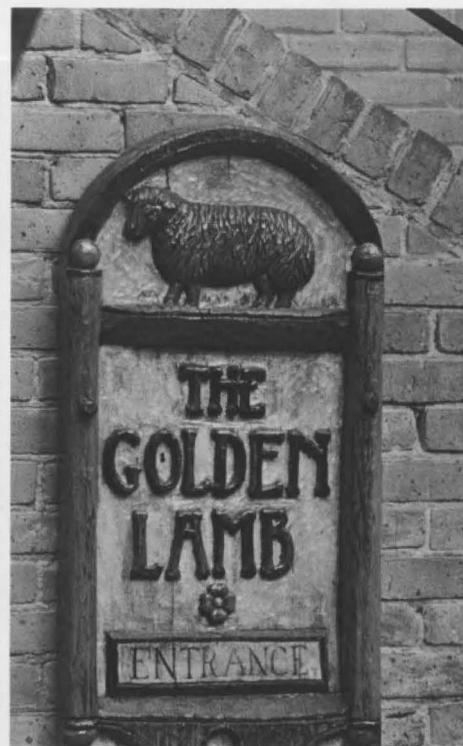
You'll find 1,600 of the happiest acres in the world at Kings Island. A fantasy land of rides, entertainment and European

charm combine with Lion Country Safari to make Kings Island a great family entertainment center. A lodge, campgrounds and the challenging courses of the Jack Nicklaus Golden Bear Golf Center complete the picture of Kings Island Country.

Follow the path that slaves used in their escape to freedom at the Rankin House in Ripley, a major stop on the underground railroad. It was here at Reverend John Rankin's house that Harriet Beacher Stowe heard the story of Eliza crossing the ice, an important incident in her book "Uncle Tom's Cabin."

The Stowe House in Cincinnati is now a museum of the anti-slavery movement. The McGuffey Museum on the beautiful campus of Miami University was the home of William McGuffey, author of the McGuffey Reader of "readin', 'ritin', and 'rithmetic" fame.





In Lebanon, dine elegantly at the Golden Lamb, the oldest hotel in Ohio and a historic meeting place for presidents, generals and celebrities that include Charles Dickens. Atop a hill in Lebanon you can visit Glendower, a Greek Revival mansion realistically arranged with furniture and artwork of the 19th century. Just southwest of this charming town is Fort Ancient, where Hopewell Indians held their "cult of the dead" ceremonies at the time of Christ.

The beekeepers of Ohio honor their sweet harvest at the annual Honey Festival in Lebanon. Things go from very sweet to very sour in this region—the "antique-shop-town" of Waynesville is the scene of the Sauerkraut Festival each October. Grape lovers won't want to miss the Wine Festival in Morrow or the Meier's Wine Cellar tour in Silvertown.

Finish up the Miami region with a whirl—visit tombstone territory and ride the thrilling "Indy 500" at LeSourdsville Lake Amusement Park.



ADENA REGION



# Through the Valley of Kings to nature's paradise



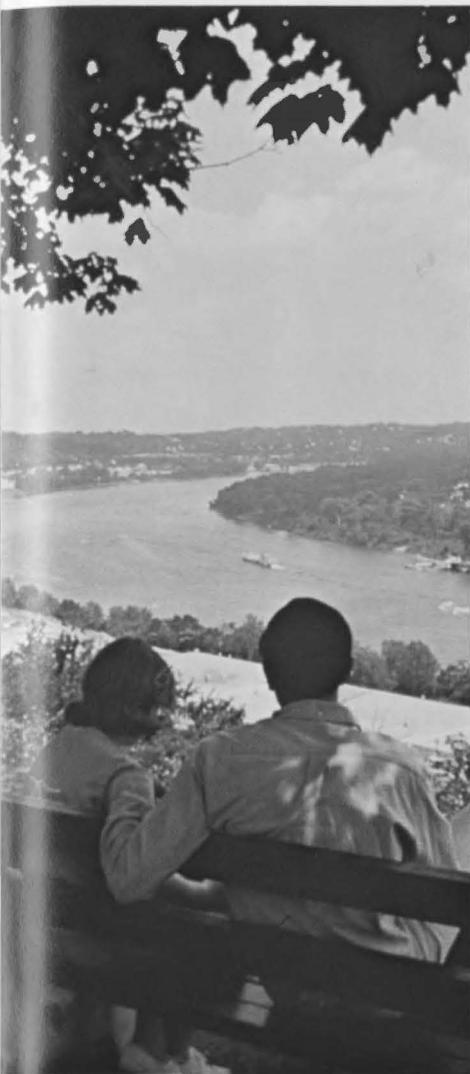
BACKPACK TRAIL



In the days before statehood, this part of Ohio must have resembled the Garden of Eden. A young man who settled here was inspired by its beauty to call his home Adena, a Hebrew word for paradise.

That young man was Thomas Worthington—"Father of Ohio," the state's first U.S. senator and sixth governor. Today his imposing home, overlooking the hills that are portrayed on the Great Seal of Ohio, is a state memorial. Costumed guides will lead you through the mansion and breathtaking formal gardens, and they'll remind you that the Shawnee chief Tecumseh was a guest here.

Tecumseh's valiant efforts to unite the Indian tribes and his tragic death are woven into the spectacular summer outdoor drama "Tecumseh" at the Sugarloaf Mountain Amphitheatre, near Chillicothe. Men on horses thunder across the stage and entire battles are recreated in a beautiful outdoor setting. "Tecumseh" is an exciting and professional production you don't want to miss!



Just as the Valley of the Dead is home to the spirits of the ancient Egyptian greats, so is this region's Valley of Kings a burial ground for prehistoric Indian chiefs. America's largest and most amazing effigy mound—the Serpent Mound—is here. Like a giant snake ready to strike, the serpent holds an egg-shaped mound within its earthen jaws. A tower observation platform offers you an aerial view of the site, built before recorded history by the Adena Indians, whose culture can be studied in the museum on the grounds. Fort Hill in Highland County was built 2,000 years ago as a ceremonial center near the sky, and Seip Mound near Bainbridge yielded the richest assortment of artifacts ever discovered in any mound. Winds howl through the geometric complex of the "city of the dead," the Mound City Group National Monument north of Chillicothe.

Mementos of Chillicothe's years as Ohio's first capital, including Constitution Table, are on display among pioneer artifacts at the Ross County Historical Society Museum in

Chillicothe. The building that houses the Chillicothe Gazette is a replica of the first Statehouse, and a Museum of Printing is located in the lobby.

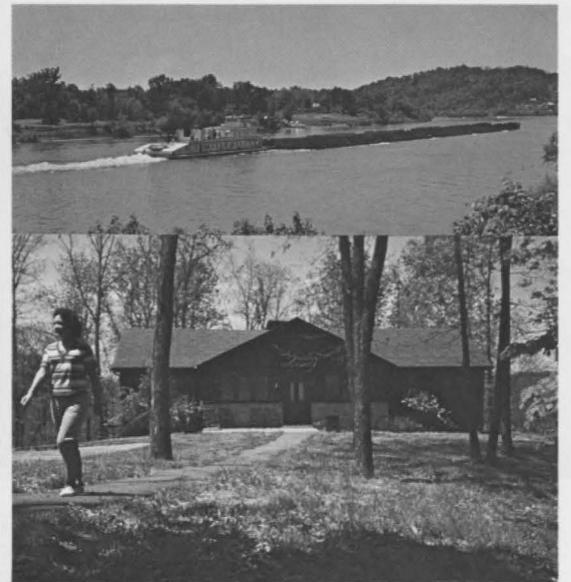
Follow the Valley of Kings to Bainbridge, scene of the annual Fall Festival of Leaves, where nature's spectacular display of fall foliage is the center of attraction. Bainbridge is the home of the country's first dental school, and the unique Dental Museum has an assortment of old-time equipment on display. Just west of Bainbridge, you'll find some of the most rugged land in the state at Seven Caves. Push-button lighting illuminates the caves, and visitors can roam the caves, gorges and waterfalls without a guide.

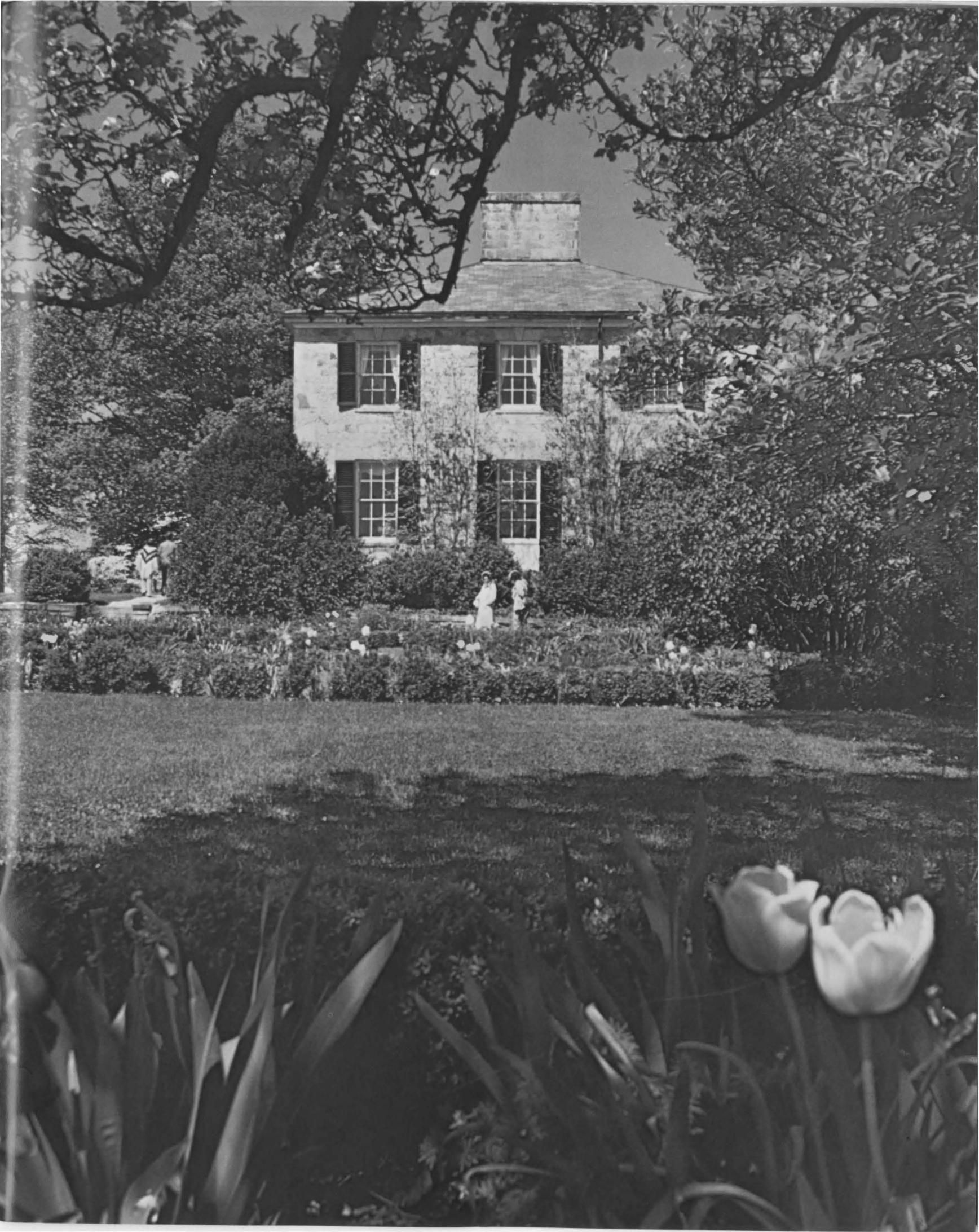
Nearly a dozen of Ohio's 63 great state parks are in this region, and for good reason—the scenic hills and dense forests are almost as they were when Thomas Worthington called it paradise. Shawnee State Park features a luxurious lodge, a variety of campgrounds and special horsemen's campsites in the nearby state forest.

You'll pass some of the most picturesque examples of Ohio's 175 covered bridges on your way to Gallipolis, the old French city on the Ohio River. Tour the historic tavern and meeting place of early Gallipolis that is simply known as Our House, where the Marquis de Lafayette was entertained when he visited the city. Stroll through City Park with its ornate bandstand, and enjoy fishing and boating on the river.

Real boating enthusiasts will enjoy the super-fast power boat races at the River Days Festival in Portsmouth. Mountains of apples and barrels of cider from the vast orchards of Jackson County are consumed at the annual Jackson Apple Festival.

Spanish mustangs, stagecoach rides and a fishing hole for children are only part of the excitement of a Bob Evans Farm tour. The farm rings with banjo pickin' and foot stompin' music in October during the fabulously free Bob Evans Farm Festival.





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*"Beautiful Ohio, in dreams again I see . . ."*

To the west lay Ohio. Oh-he-yo, the Indians called it—the land of the beautiful river. The people of a brand new nation—The United States of America—thought of it as their first frontier, the first challenge to their dreams of westward expansion.

### 3. LOCATION OF XM-1 COMBAT TANK MANUFACTURING IN LIMA, OHIO, ARMY MODIFICATION CENTER

The 600,000 square foot Lima Army Modification Center was built in 1941 to manufacture cast gun tubes and also the assembling and processing of combat vehicles. From 1945 to 1959 the Center served as a Government operated facility to rebuild depot and combat vehicles. This operation was deactivated in late 1959 and was placed on an inactive status until 1961. It has been used as a storage facility for industrial plant equipment and armed forces plant equipment. The building and equipment have been maintained well and could be put into service with a minimum of repair and alterations.

The Defense Department has a continuing commitment to the production of the M-60 tank in Warren, Michigan. It would be important for the weapon system structure to have the XM-1 manufactured at the Lima facility. Two sites would make the production facilities less vulnerable to strikes and social unrest, anti-war demonstrations, and sabotage.

The prime contractor chosen to build the XM-1 would be within reasonable distance of Ohio's technical and manufacturing facilities which would be important to the construction of a new prototype. During the construction period there would be undoubtedly changes in design effecting the prime and sub contractors. Geographical location of Lima affords easy transfer of personnel from the Defense Department, Department of Army, Corps of Engineers, GAO, and the tank command in Warren, Michigan.

This new production facility would call for the training and retraining of the present manpower pool. The community colleges, technical colleges, state university branches, and joint vocational systems could react because of the unique ability of the Ohio education system.



The transfer of raw materials to the Lima facility and the transfer of the finished product can best be handled by the rail and road system which make Lima one of the key transportation centers in the Great Lakes area. Although the XM-1 tank will be for the primary use of our own armed forces and allies, transportation to locations outside the continental limits could be by air lift or by shipping. Ohio's airport facilities are second to none. We do have deep-water ports and our rail system can transport to any of the coastal seaports.

Although the unemployment rate in Allen County exceeds that of the rest of the State of Ohio, it is only important in realizing that the unemployment could represent a skilled work force which would be important to the quality production necessary to produce the XM-1. Unemployment in the Lima SMSA now exceeds 10%, and the location of the XM-1 production at the Lima Modification Center would substantially cure that situation.



## SITE INFORMATION

### LIMA ARMY MODIFICATION CENTER

#### ACREAGE

Current total acreage is 295 acres. There are 162.5 acres adjacent (south), which could be utilized. Potential total is 457.5 acres.

#### LOCATION

One mile south of Lima's city limits on Buckeye Road, and it is three miles from the center of town. The site is within 3 miles of three I-75 interchanges: State Highway 65; Fourth Street; and Breese Road.

#### IMPROVEMENTS ON SITE

There are 58 buildings with a total square footage (under roof) of 1,022,396 sq. ft. In addition, there is 1,718,496 sq. ft. of hardstand open storage space. An improved vehicle test track is on the site.

The site is completely fenced and capable of providing full security.

#### SITE CHARACTERISTICS

The entire site is zoned "Industrial" as are the adjacent properties to the north and east. Drainage is excellent as the property gradually slopes from the south (875 ft.) to the northwest (850 ft.).

#### UTILITIES

Water: Supplied by the City of Lima by an existing 8" water line. The city has a surplus capacity, and the system is capable of handling the last known "estimated daily maximum demand" of 500,000 gallons for the LAMC.

Sewer: Supplied by the City of Lima from a 42 inch sewer main at Fourth Street and U.S.25. There is an existing 10" waste main already on the site. A new improvement to the city's sewage treatment plant has raised capacity to 55 million gallons per day and the current maximum demand is approximately 25 million gallons per day.

Electricity: Ohio Power Company provides the electrical power to the site. An estimated 15,000 to 20,000 KVA's would be needed for full operations and this amount could be supplied by the power company.



Fuel: The primary source of fuel for the existing boiler/steam system is coal. Ohio coal of 2.8 to 3.1% sulfur content is available in 100 ton-per-month shipments (to site) at \$17.00 to \$19.00 per ton - spot market price at December 12, 1975. Tonnage under a long term contract would be negotiable.

TRANSPORTATION:

Arterial Roads: Buckeye Road serves the Center and is a black top surfaced roadway - pavement is 20 ft. wide and has no weight restrictions.

South Dixie Highway (U.S.25) lies one-third mile east of entrance and is the main north-south arterial road. It has a concrete base with a black top overlay and is 40 ft. wide north of the Buckeye Road intersection, and 32 ft. wide south of that intersection - turning lanes are provided.

Rail: The site is served by both the Norfolk and Western Railway - 5 sets of spurs - and the Chessie System (B&O) offers a direct interconnect on the property with the N&W. The internal system does have a set of track scales.

Airports: The Allen County Airport is located on Hanthorn Road, just 5.5 miles east of the Center. Regularly scheduled commuter service is not offered at this time; however, contact was made by a firm to provide such service linking Lima with Toledo and Detroit.

Dayton Municipal Airport (65 miles south) and Toledo Express Airport (75 miles north) offer regularly scheduled passenger and freight service. Both are served by major carriers.

Public Transportation: Lima has an operating mass transit system. It operates 12 hours each day with five 12-passenger vehicles. In 1976, seven new 25 to 30-passenger buses will be acquired and routes will be extended to directly serve all major points of employment within areas adjacent to the city, including the LAMC.



UNEMPLOYMENT RATES

	<u>1971</u>				<u>1972</u>				<u>1973</u>				<u>1974</u>				<u>1975</u>			
	Allen	Auglaize	Putnam	Van Wert	Allen	Auglaize	Putnam	Van Wert	Allen	Auglaize	Putnam	Van Wert	Allen	Auglaize	Putnam	Van Wert	Allen	Auglaize	Putnam	Van Wert
Jan	6.2	3.2	4.0	10.1	5.9	3.2	4.3	4.9	4.0	2.6	3.8	3.5	4.0	2.5	3.0	3.6	13.6	9.1	12.2	14.4
Feb	6.2	3.2	5.1	10.1	5.9	3.2	5.4	4.9	4.0	2.6	4.2	3.5	4.5	2.9	3.7	4.6	14.8	9.9	13.4	15.5
Mar	6.2	5.1	5.1	10.1	5.9	3.2	5.4	4.9	4.0	2.7	4.2	3.5	4.9	3.5	4.4	5.1	12.1	8.0	10.8	12.7
Apr	6.2	5.1	5.1	10.1	5.9	3.2	5.4	4.9	4.0	2.7	4.2	3.5	4.9	3.5	4.4	5.1	11.6	7.6	10.5	12.2
May	7.4	5.1	5.1	8.1	5.0	3.2	5.4	4.1	3.6	2.7	4.2	3.1	4.9	3.5	4.4	5.1	10.0	6.6	9.0	10.6
Jun	7.4	5.1	7.3	8.1	5.0	3.2	6.3	4.1	3.6	2.7	4.5	3.1	4.9	3.5	3.7	5.1	10.5	6.9	9.4	11.1
Jul	7.4	3.2	7.3	8.1	5.0	4.1	6.3	4.1	3.6	4.3	4.5	3.1	4.9	3.5	3.7	5.1	10.2	6.7	9.1	10.7
Aug	7.4	3.2	7.3	8.1	5.0	4.1	6.3	4.1	3.6	4.3	4.5	3.1	4.9	3.5	3.7	5.1	8.3	5.5	7.5	8.8
Sep	6.6	3.2	7.3	6.6	4.3	4.1	6.3	3.4	4.6	4.3	4.5	2.7	4.4	4.1	3.9	4.6	7.5	4.9	6.7	7.9
Oct	6.6	3.2	4.3	6.6	4.3	4.1	3.8	3.4	4.6	4.3	3.0	2.7	4.4	4.1	3.9	4.6	8.1	5.3	7.2	8.5
Nov	6.6	3.2	4.3	6.6	4.3	2.6	3.8	3.4	4.6	2.5	3.0	2.7	6.9	5.1	6.1	7.3	8.6	5.6	7.6	9.0
Dec	6.6	3.2	4.3	6.6	4.3	2.6	3.8	3.4	4.6	2.5	3.0	2.7	8.6	6.8	7.7	9.0	8.7	5.7	7.8	9.2
Annual Avg	8.8	5.7	7.8	9.2	6.4	4.2	5.7	6.7	4.9	3.2	4.4	5.2	5.5	3.5	5.0	5.8	10.3	NA	NA	NA

A DISTRIBUTION OF PERSONS SEEKING EMPLOYMENT  
BY OCCUPATIONAL CLASS  
IN THE ALLEN COUNTY, OHIO  
STANDARD METROPOLITAN STATISTICAL AREA (SMSA)

YEAR: 1975

Class	Allen County				Auglaize County		Putnam County		Van Wert County		Allen Cty	Annual Averages			TOTAL AVG SMSA
	1st Qtr Mar	2nd Qtr Jun	3rd Qtr Aug	4th Qtr Oct	1st Qtr Mar	3rd Qtr Aug	1st Qtr Mar	3rd Qtr Aug	1st Qtr Mar	3rd Qtr Aug		Auglaize Cty	Putnam Cty	Van Wert Cty	
Profes- M	138	148	105	138	40	49	33	27	13	18					
sional F	84	78	38	79	12	23	18	7	2	7					
Total	222	226	143	217	52	72	51	34	15	25	202	62	43	20	327
Clerical M	145	149	103	126	50	55	22	24	10	13					
F	432	397	299	463	109	137	74	85	73	58					
Total	577	546	402	589	159	192	96	109	83	71	529	176	103	77	885
Service M	168	172	136	163	37	45	18	18	18	19					
F	463	446	360	475	74	93	53	67	25	38					
Total	631	618	496	638	111	138	71	85	43	57	596	125	78	50	849
Farming M	27	24	21	20	4	9	34	150	2	0					
F	7	4	4	5	0	4	8	45	0	0					
Total	34	28	25	25	4	13	42	195	2	0	56	9	119	1	185
Proces- M	77	81	60	91	61	86	93	87	44	38					
sing F	48	42	38	51	39	52	32	28	16	14					
Total	125	123	98	142	100	138	125	115	60	52	122	119	120	56	417
Mac M	397	336	267	345	158	235	112	96	163	131					
Trades F	56	72	59	87	81	92	53	38	47	57					
Total	453	408	326	432	239	327	165	134	210	188	405	283	150	199	1,037
Bench M	182	185	151	154	96	126	328	202	54	54					
Work F	193	182	204	217	134	148	249	169	127	88					
Total	375	367	355	371	230	274	577	371	181	142	367	252	474	162	1,255
Struct M	551	591	455	508	198	214	156	110	108	94					
Work F	18	27	23	49	114	80	13	12	27	20					
Total	569	618	478	557	312	294	169	122	135	114	556	303	146	125	1,130
Misc M	595	531	451	566	264	296	116	173	119	114					
F	73	65	67	198	73	93	27	36	44	37					
Total	668	596	518	764	337	389	143	209	163	151	637	363	176	157	1,333
Total Seek- ing Work	3,654	3,530	2,841	3,735	1,544	1,837	1,439	1,374	892	800	3,470	1,692	1,409	847	7,418
Annual Average % Unemployed											10.3%	NA	NA	NA	



STATE OF OHIO  
OFFICE OF THE GOVERNOR  
COLUMBUS 43215

JAMES A. RHODES  
GOVERNOR

April 6, 1976

Mr. James Cannon  
Executive Director  
Domestic Council  
White House  
Washington, D. C.

Dear Jim:

We are seeking the Administration's help on three major development projects for the State of Ohio.

First, we are working closely with Volkswagen which has indicated a possible desire to locate a new U. S. manufacturing facility at the vacant Cadillac tank plant in Brookpark, Ohio. We are asking the federal Economic Development Administration for a \$5 million grant under Title 9 to aid Brookpark in the purchase of the plant from the General Services Administration.

Second, we are urging the Administration to positively influence the Energy and Resource Development Administration to locate additional nuclear fuel production facilities at Piketon, Ohio, by building an add-on plant at the existing facility now operated by the Goodyear Atomic Corporation.

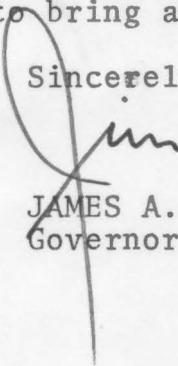
Third, we are urging the Department of Defense to choose the now vacant Lima, Ohio, Army Modification Center for the production of the XM-1 Tank.

Together these projects would provide thousands of jobs in areas with high rates of unemployment in Ohio. Positive action on the part of the Administration on Ohio's behalf would go a long way toward solving the problem of unemployment in our state.

In addition, it would help the President immensely in Ohio.

I have enclosed detailed information on each project. We earnestly seek your help to bring all of these to fruition.

Sincerely,

  
JAMES A. RHODES  
Governor



Enclosures

*for  
invitation  
22,000  
jobs  
eventually*

*P- to  
site -*

1. EDA GRANT TO BROOK PARK, OHIO (AID TO PURCHASE CADILLAC TANK PLANT)

The State of Ohio, in cooperation with the cities of Cleveland and Brook Park, have been negotiating with Volkswagenwerk of Germany and Volkswagen of America, Inc., New Jersey, to encourage the location of a Volkswagen United States manufacturing facility in the vacant Cadillac Tank Plant at Brook Park.

Volkswagen will make a decision on April 23 whether or not to establish operations in the United States. Anticipating a favorable decision in that regard, Volkswagen then will determine the site of the manufacturing facility.

From all indications we have received, the tank plant is well liked by VW for a number of reasons. First, it is close to all forms of transportation being at the edge of Cleveland Hopkins airport. It is close to the Cleveland Port; both East-West and North-South interstate highway systems run close to the plant site. There are ample rail facilities in the Cleveland area.

In addition, there is a ready labor market with thousands of auto industry workers still unemployed in the Cleveland area. The plant itself is in excellent condition and can easily be renovated to accommodate VW's needs. The plant contains 2 1/2 million square feet of manufacturing space and there is additional land available in the immediate area of the facility for further expansion. All environmental criteria can be easily meet. A sufficient supply of natural gas can be provided.

The tank plant is now owned by the General Services Administration. The city of Brook Park and the state of Ohio have an option from GSA to purchase the plant. GSA has indicated that it would accept an offer of \$15 million dollars for the plant. This price includes machinery and equipment valued at approximately \$3 million dollars. Both the state of Ohio and the city of Brook Park have assured Volkswagen that it has first call on occupancy of the plant.

The state of Ohio and Brook Park are in the process of submitting an



application to the Economic Development Administration (EDA) for a \$5 million dollar grant under "Title IX" provisions. A pre-application profile has been submitted to EDA by the Ohio Department of Economic and Community Development (copy attached) including all data relating to unemployment and other factors in the area necessary to qualify for such a grant.

Ohio Development Director James A. Duerk initiated the request for the grant in a meeting with Chicago Regional EDA Director James E. Peterson and later meeting with Assistant Secretary Wilmer D. Mizell and his staff in Washington, concerning the possible application.

The main stumbling block indicated by EDA is a judgment on their part that a full environmental impact statement would be necessary to complete the application process. The preparation of such a statement would take up to nine months and this would prevent the application from being approved in time to meet financing deadlines faced by the state of Ohio and Brook Park.

Ohio's Director of Environmental Protection, Mr. Ned Williams, has studied the situation and is convinced that a full environmental impact statement is unnecessary. He believes that environmental questions can be resolved in a "negative declaration" statement which could be prepared very quickly.

The location of the Volkswagen manufacturing facility at Brook Park would provide a minimum of 3,500 jobs within one year with a projection of 7 to 10,000 jobs within two years. In addition, the spinoff effect of a VW plant would provide another 5 to 10,000 jobs in the immediate area within two years. The VW plant, obviously, would do much to cure the auto-related, unemployment problem in the Cleveland area.

To further induce VW to locate in Brook Park, the state of Ohio and the city of Cleveland through a personal commitment of Mayor Ralph J. Perk, have committed



\$6.4 million dollars in manpower training funds to the Volkswagen operation over a period of three years.

The Cleveland Port Authority has applied to the United States Department of Commerce for a free trade zone designation that would serve VW and other industries in the area.

VW has also been assured that a number of technical problems in regard to the operation of the plant can be worked out successfully.

The Ohio Department of Transportation has committed itself to the improvement of roads and highways in the immediate area to alleviate any possible traffic congestion that would be created with the start of the Volkswagen operations.

The Volkswagen site location team has conducted one of the most thorough studies in the history of industrial development in America. They are in the process of looking at sites in Pennsylvania, Michigan, New York and Oklahoma, as well as the state of Ohio. We have reason to believe that they are concentrating the final stages of their search in the Brook Park area.

A grant of \$5 million dollars by the Economic Development Administration would provide the state of Ohio and the city of Brook Park with critical assistance in the joint project to attract Volkswagen to the United States and Ohio. It would also provide the Administration with an outstanding example of how the federal government can directly assist an area that has a high rate of industry-related unemployment.





JAMES A. RHODES  
GOVERNOR

STATE OF OHIO  
OFFICE OF THE GOVERNOR  
COLUMBUS 43215

March 26, 1976

The Honorable Wilmer D. Mizell  
Assistant Secretary for Economic Development  
United States Department of Commerce  
Washington, D. C. 20230

Dear Secretary Mizell:

Enclosed is a copy of a Profile for a Title IX Proposal from the State of Ohio and my cover letter thereto. I believe that the letter addresses the significance and urgency of our request.

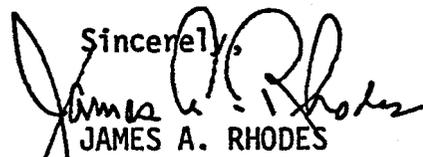
I hope that you will be able to facilitate whatever actions are necessary in order to expedite the processing of our Profile and Application.

The project meets the requirements of those not requiring a "702 Study" as set forth in Section 309.2 (e) (2) (ii) and (iii) of the Code of Federal Regulations. The fact that the project will assure retention of existing capacity and employment in the project area and will modernize a facility in the same labor market area is substantiated by the Profile.

Additionally, consistent with the provisions of Section 309.18 of the Code, the project will not cause significant change or impact to the environment and should not require an Environmental Impact Statement by EDA. In this regard I have enclosed a letter from Ned E. Williams, Director, Ohio Environmental Protection Agency. Should you need additional information concerning the project please contact James A. Duerk, Director, Ohio Department of Economic and Community Development (614) 466-3379.

Your assistance is greatly appreciated.

Sincerely,

  
JAMES A. RHODES  
Governor

JAR/PEB





**JAMES A. RHODES**  
GOVERNOR

**STATE OF OHIO**  
**OFFICE OF THE GOVERNOR**  
**COLUMBUS 43215**

March 25, 1976

Mr. James E. Peterson, Regional Director  
Economic Development Administration  
32 W. Randolph Street - 10th Floor  
Chicago, Illinois 60601

Dear Mr. Peterson:

Enclosed is the Profile for a Title IX Proposal by the State of Ohio for assistance in meeting a special need arising from unemployment in the Cleveland SMSA. We believe these facts are clearly substantiated in the Profile.

As you know, it is absolutely essential that the entire review and application process be telescoped and expedited and we appreciate the support and assistance of your staff in this regard.

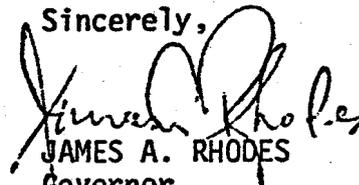
In our meeting with representatives of your staff on March 23, 1976, we indicated that we will submit our application and plan for an implementation grant by April 16, 1976 and that we would then need to receive a grant offer as soon after April 23, 1976 as possible.

We ask that you give this matter your personal attention and that you provide whatever staff assistance necessary to expedite our application.

I have designated James A. Duerk, Director, Ohio Department of Economic and Community Development to coordinate all aspects of the application process for Ohio. Please contact him or Paul E. Baldrige, Assistant Director for any information or questions that you may have.

We are grateful for your assistance with which we know we can achieve our mutual objectives.

Sincerely,

  
JAMES A. RHODES  
Governor

JAR/peb



March 25, 1976

Mr. Paul E. Baldrige, Jr.  
Assistant Director  
Ohio Department of Economic  
and Community Development  
30 East Broad Street, 25th Floor  
Columbus, OH 43215

James A. Rhodes  
Governor  
Ned E. Williams, P.E.  
Director

**OhioEPA**

Dear Mr. Baldrige:

This is in answer to your request for environmental comments on the Volkswagon plant.

Air: Volkswagon's paint facility would have to meet new source requirements. From the information supplied, there will be no problem in meeting emission regulations. The necessary pollution controls will be constructed with the facility.

Water: There are three water main connections existing at the plant, two 6-inch and one 8-inch diameter all with 50 pounds per square inch pressure. There is a 60-inch main within 1/4 mile of the plant if additional water is needed. There is an adequate supply, and no problems in supplying the plant.

Solid Waste: Solid waste will be handled by normal collection methods and disposed of in approved sanitary landfills.

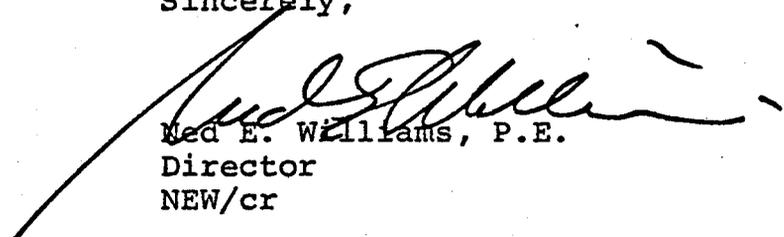
Sewage: Sewage from the plant is discharged to the Cleveland Southerly Treatment Plant, operated by the Cleveland Regional Sewer District. Capacity is available for treatment.

Noise: Due to the location of the plant on the airport, the plant will need some sound proofing from outside noises. This is not a problem.

Radiation: No sources of radiation will be in the plant.

Please contact this office if you need additional information.

Sincerely,

  
Ned E. Williams, P.E.  
Director  
NEW/cr





.Eight of Ohio's SMSAs rank among the 50 most important manufacturing concentrations in the United States.

The Cleveland SMSA (hereafter referred to as SMSA) is Ohio's industrial leader. Currently and historically the following statistics have held:  
 .Industrial employment in Cuyahoga County is greater than the combined total of 66 of Ohio's 88 counties.  
 .The SMSA accounts for 18.4% of Ohio's population.  
 .It accounts for even more of Ohio's manufacturing employment, 19.6%.  
 .The SMSA is exceeded in value added by manufacture in only Philadelphia, Detroit, Los Angeles, Chicago, and New York SMSAs.

Currently and over the last few years, Ohio has been losing its share of the nation's industrial production. This is graphically shown by a chart of the number of new firms and expansions in Ohio (Exhibit B). Given Ohio's gradual decline, the SMSA decline has been more precipitous. While Ohio's non-agricultural employment was rising by 7.5% between 1969 and 1974, the SMSA only increased by 1.6% (Exhibit C). The SMSA's five largest industrial sectors did not participate in the limited 1.6% growth (Exhibit D), but actually declined by a net of 4,500 jobs. Although historically strong, Ohio's economy is not doing as well as the nation's and the SMSA economy is faring worse than Ohio's.

b.		<u>SMSA</u>	<u>CITY OF CLEVELAND</u>	<u>DATE</u>
	Unemployment Rate	7.7%	13.9%	January, 1976
		7.9%	14.1%	February, 1976

c.	Population of Project Area (specify boundaries)		
	<u>1,984,100</u>	Total Population (1974)	
	<u>4,796,449</u>	Work Force in Applicant Jurisdiction (1975)	
	<u>874,752</u>	Work Force in Labor Market Area (1975)	

7. Describe Economic Adjustment Problem and Specify the Specific Cause(s) and Effect(s):

The SMSA's industrial posture has declined precipitously in recent years (Exhibit E). Each five of the major industrial sectors in the SMSA (SIC 33-37) has suffered severe employment losses during 1973-1975. Losses in employment range from 8% in non-electrical machinery to 19% in transportation equipment; a continuation of the 1967-1972 trend where Ohio's losses in transportation equipment employment were again not as severe as the SMSA's losses (Exhibit F). Although the SMSA is inherently more sensitive to business cycles than is the nation, these losses have been accumulating and have assumed the character of permanent economic shifts as summarized below:

<u>Economic Adjustment Problem Cause</u>	<u>Effect</u>
Spatial Shifts of Traditional Markets	Loss of Jobs/Surplus Manpower Resources
Shifts to Resource Rich Areas	Loss of Jobs/Surplus Manpower Resources
Shifts in the Industrial Mix of the National Economy	Loss of Jobs/Surplus Manpower Resources
Decline in Defense Contracts	Loss of Jobs/Surplus Manpower Resources



7. Continued

These shifts are evident in that after every recent national recession the SMSA economy has not regained its previous share of the nation's industrial production. The long-run nature of these job losses is shown by the substantial employment loss (almost 9,000) through permanent plant closings during 1975 (Exhibit G). Many major facilities were found to have closed completely or to have dropped production lines (Exhibit H). Each of these reductions added to the already telling losses that occurred in the early 70's (Exhibit I) with the closing of the General Motors Tank Plant (2900 jobs), the Fruehauf Trailer Co. (700 jobs), the Borg-Warner Corp. (614 jobs), the Republic Steel Bolt and Nut Div. (730 jobs), and the Cleveland State Hospital (700 jobs). The stagnation in industrial capital investment and predictions of only a marginal drop in unemployment foretells additional closures and more job losses. Although some of these unemployed industrial workers may be expected to migrate in spite of high personal and social costs, unemployment remains unacceptably high with one position available for every eleven applicants (Exhibit J). The Cleveland SMSA thus needs every available tool to alleviate its continuing severe economic crisis with attendant high employment dislocations.

8. Has Applicant Developed a Comprehensive Economic Adjustment Strategy?  
If Yes, Describe the Major Components:

A Comprehensive Economic Adjustment Strategy will be prepared for Brook Park, Ohio preceeding the submission of a Title IX Implementation Grant application. Related planning activities include:

- A. City of Cleveland - EDA "302" study for a long-range plan and programmatic strategies for maintaining and expanding Cleveland's economy.
- B. State of Ohio - EDA "302" state planning grant for an Ohio economic strategy.
- C. The Northeastern Ohio Areawide Coordinating Agency, covering the Cleveland and Lorain-Elyria County SMSAs will soon request economic development district delineation.

9. Describe the Title IX Project Proposal, and How It Relates to the Above Strategy, If Any:

The State of Ohio requests of EDA a \$5,000,000 Title IX Implementation Grant to apply toward the purchase of the Cleveland Tank Plant by the municipality of Brook Park, Ohio. The tank plant, located within Brook Park, is classified as surplus federal property and is available for purchase from the General Services Administration for \$15,000,000. Acquisition of the facility by Brook Park is pivotal to securing a commitment from Volkswagen to locate an assembly plant in Ohio and make up to \$200,000,000 in improvements to the tank plant facility. Following purchase, Brook Park will convey the property to a redevelopment corporation for the purpose of securing tax incentives on improvements made to the facility under lease to Volkswagen. The State of Ohio and the City of Cleveland will jointly commit \$6.4 million in manpower training

9. Continued

funds over a three-year period to assist Volkswagen in jobs training and related costs.

The proposal relates to the anticipated strategy for economic adjustment in Brook Park by:

- A. Compensating for economic dislocation caused by the closing of the tank plant in 1971 with a resultant loss of 2900 jobs at that time, down from a peak of 6391 jobs in 1952.
- B. Creating an initial level of 3500 jobs in response to severe unemployment within the City of Cleveland and significant structural changes within the Cleveland SMSA economy.
- C. Counteracting substantial decline within the primary metals, fabricated metals, non-electrical machinery, electrical machinery and transportation equipment employment sectors of the Cleveland SMSA economy.
- D. Capitalizing on an existing facility and available manpower resources.

10. State Project Purpose and Identify Anticipated Benefits and Beneficiaries:

The project purpose is to alleviate direct economic dislocation caused by the closing of the tank plant in Brook Park, Ohio and indirect dislocations within the Cleveland SMSA from plant closings, severe layoffs and structural shifts within the regional economy.

Anticipated benefits and beneficiaries include:

- A. Increased property and personal income tax revenues to the City of Brook Park and Cuyahoga County to offset a deteriorating tax base.
- B. Utilization of an existing developed 667 acre industrial site, currently idle within Brook Park, for employment expansion; thus reducing public improvement and facility costs for attracting new industry.
- C. Attraction of 3500 new jobs to the Cleveland SMSA at a location of high accessibility, via rapid rail transit and expressway, to high unemployment target areas within the City of Cleveland and Cuyahoga County. (See attached map).
- D. Basic economic generator effects of 3500 new industrial jobs that are anticipated to create an additional 2345 jobs in other sectors and increase disposable income by \$48,895,000 within the Cleveland SMSA.
- E. Offset employment losses within the Cleveland SMSA resulting from plant closings and significant layoffs.

11. Could Project Be Funded Under Titles I, II, or III? If No, State Reason. If Yes, State Why Applying for Title IX Funding:

No, the proposed activity is not eligible under these sections of the Act.

12. Project Cost:

EDA Requested	<u>\$ 5,000,000.00</u>
Local Share*	<u>\$10,000,000.00</u>
Total Project Cost	<u>\$15,000,000.00</u>

\*Identify Source: Local share will be made up by the State of Ohio and the City of Brook Park. Brook Park share will be made up by Industrial Revenue Bonds and cash on hand.

13. Applicant's Debt Financing Capacity and Authority. (Have They Reached Debt Ceiling?) What is the Tax Burden?

Under Ohio Statutes there is no limit on Industrial Revenue Bond financing. The question with respect to tax burden is not applicable.



EXHIBIT A

OHIO RANK AMONG THE UNITED STATES IN NUMBER OF EMPLOYEES, VALUE ADDED BY  
MANUFACTURE, AND VALUE OF SHIPMENTS, BY SELECTED STANDARD INDUSTRIAL  
CLASSIFICATION, 1972

SIC	Industry Group	OHIO RANK AMONG THE UNITED STATES		
		Number of Employees	Value Added by Manufacture	Value of Shipments
20	Food & Kindred Products	n.a.	5	n.a.
26	Paper & Allied Products	5	n.a.	5
27	Printing & Publishing	5	5	5
28	Chemicals & Allied Products	n.a.	5	4
30	Rubber & Misc. Plastics Products	1	1	1
32	Stone, Clay, & Glass Products	1	1	1
33	Primary Metal Industries	2	2	2
34	Fabricated Metal Products	1	1	1
35	Machinery, except Electrical	1	2	2
37	Transportation Equipment	3	3	3

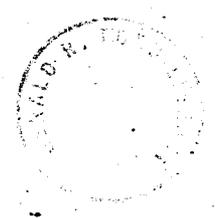
n.a.--not applicable.

SOURCE: U. S. Department of Commerce, Bureau of the Census, 1972 Census of Manufactures, General Summary.

Compiled by: Ohio Department of Economic and Community Development, Bureau of Business Research, P. O. Box 1001, Columbus, Ohio 43216.

3/76

DE:DH



# NEW FIRMS AND EXPANSIONS IN OHIO FOR FIRST 7 MONTHS OF EACH YEAR

No. of Firms

1,500

1,400

1,300

1,200

1,100

1,000

900

800

700

600

500

400

300

200

100

EXPANSIONS

NEW FIRMS



'61 '62 '63 '64 '65 '66 '67 '68 '69 '72 '74 '75

Source: Ohio Department of Economic and Community Development

EXHIBIT B

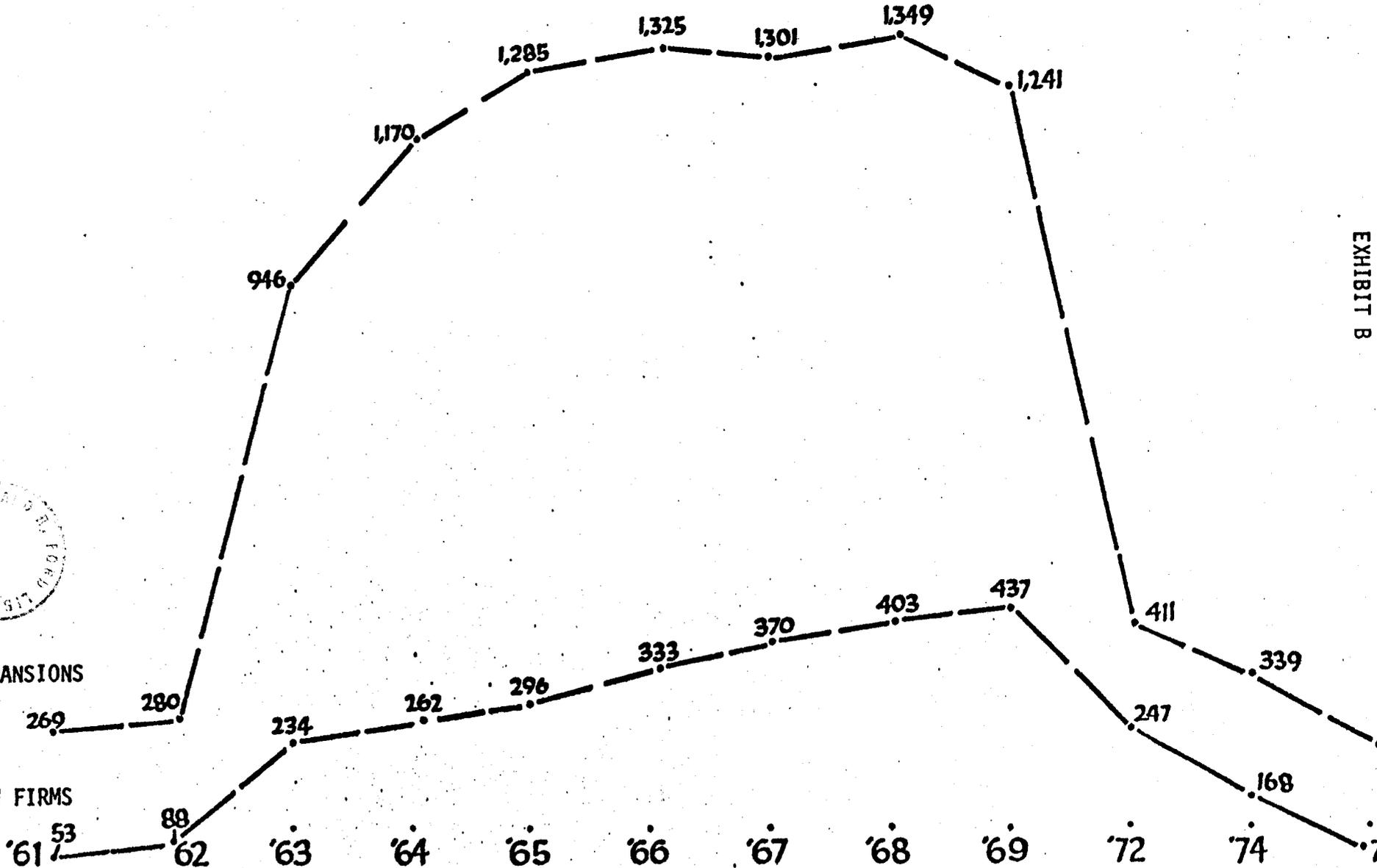


EXHIBIT C

INCREASE IN NON-AGRICULTURAL EMPLOYMENT  
STATE OF OHIO-CLEVELAND SMSA  
1969-1974

	Non-Agricultural Employment	
	Cleveland SMSA (In Thousands)	Ohio (In Thousands)
1969	867.7	3887.3
1970	855.1	3880.7
1971	829.8	3839.5
1972	838.5	3838.3
1973	865.7	4112.9
1974	881.4	4181.1

Source: OBES, U. S. Bureau of the Census

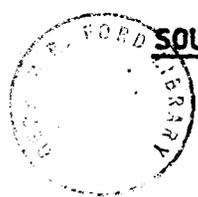
1.6

7.5

EXHIBIT D

EMPLOYMENT FOR SELECTED INDUSTRIES  
CLEVELAND S.M.S.A. (IN THOUSANDS)

YEAR	QTR	PRIMARY	FAB	NONELEC.	ELECTRIC	TRANSP.
		METALS	METALS	MACH.	MACH.	EQUIPMENT
		S.I.C. 33	S.I.C. 34	S.I.C. 35	S.I.C. 36	S.I.C. 37
1971	3+4	32.6	38.0	43.0	27.2	32.2
1972	Av	34.4	39.8	45.0	28.0	32.0
1973	Av	37.4	42.9	48.8	29.2	33.3
1974	Av	37.2	42.3	50.2	29.0	32.8
1975	1+2	33.8	36.7	48.7	26.3	27.2
	3+4	32.6	37.2	45.1	26.4	27.0



SOURCE: Michael McCarthy and Colin Loxley  
An Econometric Forecasting Model  
of the Cleveland SMSA  
(Case Western Reserve University  
Research Program in Industrial  
Economics)

## EXHIBIT E

EMPLOYMENT LOSS/GAIN IN CLEVELAND SMSA

<u>SECTOR</u>	<u>SIC CODE</u>	<u>1973- 1974</u>	<u>1974- 2nd Qt. 1975</u>	<u>2nd Qt. 1975- 4th Qt. 1975</u>	<u>% CHANGE 1973-1975</u>
Primary Metals	33	-200	-3400	-1200	-12.8%
Fab. Metals	34	-600	-5600	+500	-13.3%
Non-elect. Mach.	35	+1400	-1500	-3600	-7.6%
Elect. Mach.	36	-200	-2700	+100	-9.0%
Transp. Equip.	37	-500	-5600	-200	-18.9%

*- 25,500*

Source: M. McCarthy and C. Loxley, CWRU Research Program in Industrial Economics.



EXHIBIT F

NUMBER OF EMPLOYEES BY SELECTED STANDARD INDUSTRIAL CLASSIFICATION,  
CLEVELAND SMSA AND OHIO, 1967 AND 1972, AND PER CENT CHANGE  
1967-1972

(numbers in thousands)

Standard Industrial Classification	CLEVELAND SMSA			OHIO		
	1967	1972	Per Cent Change 1967-1972	1967	1972	Per Cent Change 1967-1972
37 - Transportation Equipment	39.5	31.7	-19.7%	170.8	161.5	-5.4%
371 - Motor Vehicles and Equipment	26.2	23.1	-11.8	105.9	117.9	11.3

SOURCE: U. S. Department of Commerce, Bureau of the Census, Census of Manufactures, Ohio, 1967 and 1972.

Compiled by: Ohio Department of Economic and Community Development, Bureau of Business Research, P. O. Box 1001, Columbus, Ohio 43216.

EXHIBIT G

EMPLOYMENT LOSS IN CLEVELAND SMSA COUNTIES, DEC. 1974 - NOV. 1975

<u>SIC CODE</u>	<u>CUYAHOGA</u>	<u>GEAUGA</u>	<u>LAKE</u>	<u>MEDINA</u>
20	328			
21	-			
22	29			
23	22		1	
24	12		6	
25	255	1	1	
26	394		78	
27	152		69	2
28	1503	3		17
29	100			
30	73	2	30	8
31	1			
32	223		52	4
33	415		15	
34	1876		64	7
35	573	3	72	125
36	1012		22	4
37	962	5	48	
38	5		74	
39	<u>37</u>	<u>1</u>	<u>5</u>	<u>    </u>
<b>TOTALS</b>	<b>7972</b>	<b>15</b>	<b>537</b>	<b>167</b>

TOTAL (4 Counties) = 8691 employees

Source: Records, Dunn & Bradstreet, Inc., 1974 & 1975



## EXHIBIT H

## LOSSES OF OVER 200 EMPLOYEES FROM PLANT CLOSINGS 1974 - 1975

CUYAHOGA COUNTY

<u>PLANT</u>	<u>SIC</u>	<u>REASON</u>	<u>EMPLOYEE LOSS</u>
Quaker State Coca Cola	20		210
Dictaphone Corp.	25		225
Wheelabrator-Frye, Inc.	28		1,100
Precision Castings	33	Labor Problem	400
Black & Decker Manuf. Co.	34		800
Donn Products, Inc.	34		300
Guarantee Specialty Mfg. Co.	34		225
Cleveland Steel Products	34		485
Park-Ohio Industries, Inc.	35		320
General Electric Co.	36		736
Grumman American Aviation	37	Consolidation	350
General Motors Corp.	37		511

MEDINA COUNTY

<u>PLANT</u>	<u>SIC</u>	<u>REASON</u>	<u>EMPLOYEE LOSS</u>
American Safety Equipment	23	Consolidation	500
Blazon Flexible Flyer	39	Bankruptcy	350

LAKE COUNTY

<u>PLANT</u>	<u>SIC</u>	<u>REASON</u>	<u>EMPLOYEE LOSS</u>
Uniroyal, Inc. (PVC)	28	Envir./safety	230

Source: Records, Dunn & Bradstreet, Inc., 1974 & 1975.  
 DECD/Chamber of Commerce Survey, 1975.

CLOSINGS - RELOCATIONS 1971

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
GENERAL MOTORS TANK PLANT 6200 Riverside Drive Brook Park, Ohio	2900	Closed down	Completed Army contracts	Plant up for
GEORGE RACKLE & SONS 13700 McCracken Cleveland, Ohio	100	Closed down	Economic reasons	
FANNER MANUFACTURING Electrical Products Division Foundry 3820 Brookside Drive Cleveland, Ohio	200 225	Closed down	Financial losses	
SHERWIN WILLIAMS 2160 West 4th Street Cleveland, Ohio	97	Closed down	Market deterioration	
A. W. HECKER 23200 Commerce Park Beachwood, Ohio	140	Went out of Business	Economic reasons	
EATON, YALE & TOWNE, INC. Fluid Controls Division 9921 Clinton Road Cleveland, Ohio	115	Shut down operations	Economic conditions	
VLN Leece-Neville 1374 East 51st Street Cleveland, Ohio	240	Shut down	Due to influx of foreign suppliers, auto strikes, and cutbacks in industry	Some operator transferred t plant in Hamil Ohio

**CLOSINGS - RELOCATIONS 1971**  
(continued)

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
ACTION AGE, INC. 18780 Cranwood Parkway Cleveland, Ohio	100	Purchased building in Monroe, Michigan and will consolidate the manufacture of recreational vehicles there	Could not find a suitable building here in which to consolidate	
WARNER & SWASEY CO. Textile Division 13000 St. Clair Avenue Cleveland, Ohio	250	Moved to Bessemer City, North Carolina to consolidate	To strengthen the company's machinery capabilities	
WYANDOTTE CHEMICAL CORP. Signal Division 5020 Richmond Road Bedford Heights, Ohio		Moved division to Wyandotte, Michigan to consolidate		
UNION CARBIDE CORPORATION Electronics Division 11901 Madison Avenue Cleveland, Ohio	400	Relocated facilities to Greenville, S.C.		
ELECTRIC CORD SET INC. 538 Miller Road Avon Lake, Ohio	30	Relocated plant to Indiana		
LYON TAILORING COMPANY 2320 Superior Avenue Cleveland, Ohio	180	Closing Cleveland plants and merging operations with M. Born & Co., Chicago, Illinois		
FRUEHAUF TRAILOR CO. Miller & Walker Roads Avon Lake, Ohio	700	Closed plant and consolidated operations at plants outside Ohio	Due to high labor costs, and antiquated plant facilities	



CLOSINGS - RELOCATIONS 1972

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
CHASE BRASS & COPPER CO. 1155 Babbitt Road Cleveland, Ohio	425	Closed	Industry overproduction, low product prices, increasing costs	
GENERAL ELECTRIC RE-FRACTORY METALS 21801 Tungsten Road Cleveland, Ohio	80	Closed	Lack of demand for aerospace products	
GENERAL ELECTRIC VACUUM CLEANER PLANT 1734 Ivanhoe Road Cleveland, Ohio	500	Closed	Market deterioration	
STANDARD OIL OF OHIO Lube Plant Midland Building Cleveland, Ohio	130	Closed plant and consolidated in Lima & Pennsylvania	Economic conditions	
DAVIES CAN COMPANY Conneaut, Ohio	75	Relocated to Pennsylvania	Economic reasons	
FABCON, INC. 33 Public Square Cleveland, Ohio		Relocated to San Francisco		
SANDVIK STEEL COMPANY 8650 Brookpark Road Cleveland, Ohio	30	Company consolidated several branches in Fort Wayne	Due to market shifts	



CLOSINGS - RELOCATIONS 1972  
(continued)

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
STANDARD TOOL COMPANY : 3950 Chester Avenue Cleveland, Ohio	30	Closed sales office & warehouse and moved to Rochester, Mich.	Economic reasons	
CONSOLIDATED PACKAGING CO. 1366 Rockefeller Road Wickliffe, Ohio	84	Closed down	Increases in labor, materials, services & supplies	
BATTEN, BARTON, DURSTINE & OSBORN 100 National City Bank Cleveland, Ohio	45	Moved to New York offices	Need for more specialized services which were provided in New York	
PNEUMO DYNAMICS CORP. (Cleve. Pneumatic Corp.) 3781 East 77th Street Cleveland, Ohio	300	Closed down	Decrease in aero- space business	
NATIONAL TOOL 11200 Madison Avenue Cleveland, Ohio	200	Closed down	Financial problems	
NATIONAL CAN CORP. 5200 Harvard Cleveland, Ohio	104	Closed down	Market deterioration	
TREMCO MANUFACTURING CO. 8701 Kinsman Cleveland, Ohio	180	Moved to Kentucky	Cheaper labor rates; Kentucky promised 2 yrs. free from taxes	
BORG-WARNER CORP. Pesco Products Division 24700 Miles Avenue	614	Closed down	Decline in industry	



**CLOSINGS -- RELOCATIONS 1972  
(continued)**

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
STRONG, COBB & ARNER, INC. 2654 Lisbon Road, SE Cleveland, Ohio	300	Purchased existing facility in Cincinnati	Economic reasons	
BANGOR PUNTA Bartlett Snow Division 6200 Harvard Avenue Cleveland, Ohio	223	Closed	Economic conditions	
MAYFRAN American Monorail Division 1111 East 200th Street Cleveland, Ohio	150	Consolidated operations in Greenville, S.C.	Couldn't continue operating both plants	
ALLOYS & CHEMICALS 4365 Bradley Road Cleveland, Ohio	350	Closed	Depressed economic conditions, difficulty in complying with City's air pollution controls	



CLOSINGS - RELOCATIONS 1973

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
REPUBLIC STEEL Bolt & Nut Division Carter Road Cleveland, Ohio	730	Closed	Operating at a loss	
GENERAL ELECTRIC Welds Plant 1133 East 152nd Street Cleveland, Ohio	145	Company phased out	Market deterioration	
KERT CHEMICAL 1348 East 123rd Street Cleveland, Ohio	32	Company moved to Toronto, Canada	Financial reasons	
PENCOR, INC. Rola-Jensen Division 2530 Superior Avenue Cleveland, Ohio	200	Moved to Hawthorne, Pennsylvania	Necessary to compete with foreign imports	
STANLEY PUBLISHING 75 Public Square Cleveland, Ohio		Relocated to Detroit	Due to multitude of taxes	
GEORGE A. MITCHELL MANUFACTURING COMPANY 18121 Roseland Road Cleveland, Ohio	11	Moved to Tennessee	High taxes, land costs & building costs	
SHIPPING ROOM PRODUCTS 18121 Roseland Cleveland, Ohio	2	Moved to Tennessee	High taxes, land costs & building costs	



## CLOSINGS - RELOCATIONS 1973

(continued)

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
MACHINE SPECIALITIES, INC. P.O. Box 884 Cleveland, Ohio	6	Relocated to Tampa, Florida	High taxes, excessive paperwork & book- keeping in Ohio	
UNIVERSAL DRAFTING MACHINE 5200 Richmond Cleveland, Ohio	70	Relocated to Chicago	Economic reasons	
SQUARE D COMPANY 4500 Lee Road Cleveland, Ohio	150	Company closed down; shifting part of operations to Milwaukee & Columbia, S.C.	Labor-management problems	
ISLAND CREEK COAL CO. 1502 Euclid Avenue Cleveland, Ohio	50	Moved to Lexington, Kentucky	More efficient manage- ment; less transporta- tion costs	
CLEVELAND STATE HOSPITAL 4455 Turney Road, N.E. Cleveland, Ohio	700	Closed	Economic reasons	



CLOSINGS-RELOCATIONS 1974

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
CLEVELAND STEEL PRODUCTS 16025 Brookpark Road Cleveland, Ohio	485	Went out of business.....	Couldn't afford to meet union demands	
PRECISION CASTINGS 12600 Berea Road Cleveland, Ohio	400	Closed	Labor problems	
AMERICAN GREETINGS CORP. 10500 American Road Brooklyn, Ohio	450	Consolidated Brooklyn plant with others in South	To offset inflationary pressures; rapid rise in transportation costs; labor cheaper in South.	
UNITED TUBE CORP. 3860 East 91st Street Cleveland, Ohio	100	Moved	Labor problems	
HYTEK INTERNATIONAL 16101 Snow Road Cleveland, Ohio	75	Company relocated to Milwaukee, Wis.	Better incentives for industrial expansion	
GRUMMAN AMERICAN AVIATION 318 Bishop - County Airport Cleveland, Ohio	300	Company consolidated in Savannah, Georgia	Management & operational efficiency	
ALLEN PRODUCTS COMPANY 7000 Denison Avenue Cleveland, Ohio	100	Company closed down	Market considerations; increase in sewage treatment costs; dissatisfaction with labor market	



CLOSINGS - RELOCATIONS 1975

<u>NAME</u>	<u>EMPL.</u>	<u>DECISION</u>	<u>REASON: STATED</u>	<u>COMMENTS</u>
TOOL DYE ENGINEERING CO. 3878 East 83rd Street Cleveland, Ohio	105	Moved to Solon	Unable to get zoning change	
MYERS INDUSTRIES, INC. 3738 West 143rd Street Cleveland, Ohio	116	Moved to Akron	Labor market problems and vandalism	
GREYHOUND 2203 Superior Avenue Cleveland, Ohio	60	Consolidated in Phoenix, Arizona	Management purposes	
SYLVANIA CORPORATION 13701 Enterprise Cleveland, Ohio	10	Relocated and expanded warehouse in New York	High personal property tax in Ohio	



EXHIBIT J

CLEVELAND SMSA MANPOWER RESOURCES AND JOB OPPORTUNITIES

<u>Category</u>	<u>For Period Ending 1/31/76, Number Seeking Jobs - OBES</u>
Female	37,190
Veteran	17,480
Under 22	10,652
45 and Older	16,885
Minority	37,497
Economically Disadvantaged	44,733
<b>TOTAL</b>	<b>76,517</b>

<u>Category</u>	<u>Nonagricultural Job Openings Received-OBES Through 1/31/76</u>
Filled	7,285
Unfilled	6,232

Source: Division of Research and Statistics, OBES, January, 1976.



## 2. LOCATION OF ADD-ON URANIUM ENRICHMENT FACILITY AT PIKETON, OHIO

The Energy Research and Development Administration, in considering facilities to substantially increase the production of nuclear fuel in the United States, is considering two possible alternatives: (A) a thoroughly new plant which would be located in Dothan, Alabama, or (B) an add-on plant at the very modern existing Piketon, Ohio facility which is now operated by the Goodyear Atomic Corporation.

The Ford administration is supporting pending legislation (S. 2035 and H. 8401) in support of the new plant at Dothan. The bills are presently being heard in the joint Atomic Energy Committee.

A General Accounting Office study has indicated, however, that nuclear fuel production could be increased much more quickly and at less cost at the proposed add-on plant in Piketon. The add-on facility would take approximately three years for construction at an estimated cost of \$2.1 billion dollars. In contrast, a new plant at Dothan, Alabama would take from eight to ten years to design and construct at an estimated cost of \$5.7 billion dollars.

There are strong reasons for building the add-on facilities. The present Piketon operation is an extremely successful one. There are trained personnel already at the location and training facilities already exist. Abundant electrical power is already available at the Piketon site and additional power needed could be provided very quickly by the Ohio Electric Power Company.

The Piketon area of Ohio, which includes the city of Portsmouth, presently has an unemployment rate of 14 percent. Several thousand construction jobs would be provided in the area in building the add-on facility and about 400 additional permanent jobs would be provided upon completion of the project.

The Tri-State Building and Construction Trades Council of the AFL-CIO has already given a letter (attached) indicating that the council has pledged no unauthorized work stoppages will occur in the construction of the add-on plant.

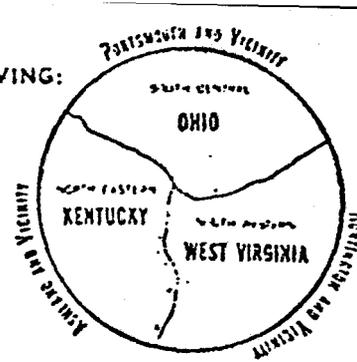


The urgency dictated by the rapidly growing need for fuel to meet the nation's energy needs, makes the add-on facility a logical alternative.



  
**Tri-State Building and Construction Trades Council**  
 924 GREENUP AVENUE  
 P.O. BOX 1027  
 ASHLAND, KENTUCKY 41101  
 TELEPHONE: (606) 524-9880

SERVING:



The Territorial Jurisdiction of this Council  
 Includes the Following Counties:

July 14, 1975

**KENTUCKY:**

BOYD  
 BREATHITT  
 CARTER  
 ELLIOTT  
 FLEMING  
 ROYD  
 GREENUP  
 JOHNSON  
 KNOTT  
 LAWRENCE  
 LEWIS  
 MAGOFFIN  
 MARTIN  
 MORGAN  
 PERRY  
 PIKE  
 ROWAN

Cal Carlini  
 Division Manager  
 Ohio Power Company  
 605 Washington Street  
 Portsmouth, Ohio 45662

RE: Construction  
 of Projects

Dear Mr. Carlini:

Please be advised that this Council wishes to indicate to you and to others our position with respect to industries that are considering locating in Portsmouth, Ohio and the surrounding area and the construction of such facilities by Building Trade Contractors utilizing the services of employees furnished by Building Trade Local Unions affiliated with this Council in the Portsmouth area.

All Local Unions affiliated with this Council have pledged that in the process of construction of such facilities there will be no unauthorized work stoppages, and if any type of a dispute does arise there will be no work delays pending settlement of the dispute in question and procedural rules shall apply in all cases and will be adhered to.

This Council will service all complaints immediately and work diligently to see that no work stoppages occur on any project in the territorial jurisdiction of this Council, where the employees are members of Local Unions affiliated with this Council, working for Building Trade Contractors.

Please do not hesitate to contact this office at any time you or any others have any question concerning this Council's position regarding this subject matter.

With best wishes and kind regards I remain.

Sincerely,

*Douglas Blankenship*  
 Douglas Blankenship  
 Business Manager



\*  
 Live  
 Better  
 Work  
 Union  
 \*

A POSITION PAPER ON THE EXPANSION OF  
UNITED STATES URANIUM ENRICHMENT CAPACITY

by Senator William H. Mussey  
Ohio 14th District

(To Ohio Republican Congressmen on February 4, 1976)

Senator Taft and members of the Ohio Republican Congressional delegation I am grateful for the opportunity to meet with you today and to encourage you to support the proposal to build a government-owned add-on plant to the uranium enrichment facility already in operation in Pike County, Southern Ohio, which I will hereafter refer to as the Portsmouth Plant.

ERDA now owns and operates three plants producing enriched uranium. These are located in Southern Ohio, near Paducah, Kentucky, and at Oak Ridge, Tennessee. The U. S. has a world monopoly on this uranium product which is used to fuel nuclear power plants here and abroad.

In his June, 1975, message to Congress, the President said, "The United States is now committed to supply the fuel needs for several hundred nuclear power plants scheduled to begin operation by the early 1980's. Since mid-1974, we have been unable to accept new orders for enriched uranium because our plant capacity is fully committed." Currently 54 nuclear power plants are in operation with another 187 plants under construction ordered or announced.

There is reason enough to expand such a critical and valuable program . . . and as quickly as possible. The question before ERDA and the Congress is HOW?

Last June the President submitted to Congress the proposed "Nuclear Fuel Assurance Act of 1975" now being considered by the Joint Committee on Atomic Energy. In short, this act, if passed, would authorize ERDA to enter in cooperative arrangements with private enterprise for the provision of facilities for the production and enrichment of uranium.

Prior to the introduction of this legislation, ERDA had recommended that the best and most expedient way to expand the program would be to build an add-on plant to the Portsmouth Plant.

On January 20, 1976, ERDA, in a news release, announced that on a contingency basis it is soliciting proposals from architect-engineering firms for design of enriched uranium production facilities which could be added to the Portsmouth, Ohio Gaseous Diffusion Plant.

A private group, hereafter referred to as the UEA, proposal would construct a totally new facility--with certain government assurances and guarantees--at Dothan, Alabama.

In comparing the privatization (UEA) proposal with the add-on plan, we ask you to consider the following:

1. The add-on facility can be built on an increment basis and producing in approximately 3-1/2 years as opposed to a projected seven or eight years for a totally new private industry facility.



2. The cost of the add-on plant is estimated at \$2.1 billion compared to \$3.7 to \$5 billion cost for a totally new plant. Plant capacities would be approximately the same.
3. The land for the add-on facility is now owned by ERDA adjacent to the Portsmouth Plant. An estimated 1500 to 2000 acres would be needed for a new plant.
4. Electric power requirements for the add-on facility would require the construction of one new coal fired power plant of 1300 MW capacity, which the American Electric Power Company has agreed to build when the add-on proposal is assured. The UEA proposal would require two nuclear plants which take considerable longer to build.
5. An adequate underground water supply, an essential element in the production process, is already available at the Portsmouth Plant.
6. The five county area in Southern Ohio surrounding the Portsmouth Plant is acclimated to the presence of a uranium plant eliminating the possibility of public opposition as might appear at the construction of a new A-Plant in a new area.
7. A resource of trained personnel and staff, and a training program for new personnel is readily available at the Portsmouth Plant. Also three technical schools and four vocational schools are located in immediate proximity of the plant to train personnel in mechanical maintenance and operational aspects of a gaseous diffusion plant.
8. All area building trades unions have pledged no unauthorized work stoppages in the process of constructing the add-on facility. It is estimated that up to 3500 construction workers would be employed at the plant during the years of construction bringing considerable relief to an area that has 15 percent unemployment at the present time. Present employment at the Portsmouth Plant is approximately 2600 with 400 more to be added on completion of the add-on plant.
9. The GAO in its report to the Joint Committee on Atomic Energy dated October 21, 1975, opposed the construction of a new facility as proposed by UEA and recommended an add-on facility be constructed. They also stated that by 1990 the add-on plant and all existing plants would be completely paid for and that these plants would return \$8 billion in profit to the nation's treasury.

Thank you for the honor and the opportunity to visit with you today, and a special thanks to Congressman Harsha for inviting Mr. Duerk and me to attend this luncheon. From the people of Southern Ohio, I express their gratitude to each of you for your continued support of their efforts to bring the add-on A-Plant to Ohio.



# The Portsmouth Times

For 122 Years Furnishing All The News Of The Area

Published daily except Sunday  
Robert L. Carl, Publisher

Member Associated Press  
Established March 23, 1852

PORTSMOUTH, OHIO, SATURDAY, JANUARY 17, 1976

## The Facts About U.S. Atomic Energy Expansion

An Editorial

During the last several months, The Times has attempted to report all facets of the discussion as to the desirability of expanding the Goodyear Atomic gaseous diffusion plant in Pike County, as against construction of a totally new facility in another area of the United States, as proposed by the federal government.

The advantages of expansion rather than new construction are so obvious that it is difficult to understand why there is any consideration given by the federal government to construction of a new plant at this time.

This country is faced with an energy shortage of mammoth proportion. At the same time, an ever-growing need for money for industrial expansion and a very probable shortage of money in the private sector is projected.

We have been living with an insidious inflation for a number of years. Petroleum products have caused much of this inflation. It is essential that energy to replace inflation-causing petroleum products from OPEC countries be produced at the lowest possible cost, and as quickly as possible.

That energy can be produced at the lowest cost and with the least delay, right here in the Portsmouth area, by expanding the Goodyear atomic plant.

We have compiled a list of reasons why the A-plant in Pike County should be expanded. Those reasons are listed below. For the next 10 days we plan to examine them one by one and to expand on them on Page One of The Times. Watch this space on Page One each day for more information why A-plant expansion is more realistic than construction of a new facility in another area.

1. The add-on facility can be completed in approximately three and half years, as opposed to a projected seven years for new plant construction in another area.

2. Cost: Approximately \$2.1 billion for expansion here as compared with \$5 billion for a new plant and facilities elsewhere.

3. Land for the add-on facility already is owned by the government adjacent to the existing plant.

4. Engineering and design plans for the add-on facility are available.

5. Massive amounts of electric power already are available in this area.

6. A more than adequate supply of water which requires minimum processing is readily available.

7. The Portsmouth Community already is acclimated to the existence of a nuclear fuel plant.

8. Trained personnel and a training program are available in the

existing plant.

9. Extensive operational experience with the gaseous diffusion process already is available within the present staff and work force at Goodyear Atomic.

10. Three technical education schools and four vocational schools are located in immediate proximity to the plant, to train personnel in mechanical maintenance and operational aspects of a gaseous diffusion plant.

11. All Portsmouth area building trades unions have pledged no unauthorized work stoppages in the process of constructing the add-on facility.

12. State, local, and municipal governments, as well as chambers of commerce and labor unions in the area have pledged full support for the add-on facility.

13. The General Accounting Office of the United States government, the agency in the best position to take an objective view of all proposals for increasing production of nuclear fuel, is adamantly opposed to construction of a new facility. The General Accounting Office has testified that the administration's plan is phony and that the add-on plant should be built in the Portsmouth area.

14. There is an abundant supply of skilled and unskilled labor in this area, to build the plant, and to operate the plant. Unemployment in this area is in excess of 15 per cent.

The Times urges every reader to clip this editorial, and the follow-up editorials during the next 10 days.

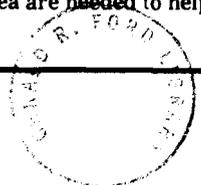
We suggest that every resident of this community write to friends and relatives living in other states to ask their support and the support of their congressional representatives in preventing what may be another sellout to the energy interests in this country and foreign countries under the guise of private ownership.

Private ownership in this case calls for a government guarantee of the money invested and a guarantee of a 15 per cent profit on the investment. Private ownership in this case means that tax payers will take all the risk, but private investors will reap all the profit.

The Portsmouth Area Chamber of Commerce is reproducing copies of this editorial which individuals can pick up to send along with letters. These copies will be available at all Portsmouth area financial institutions on Wednesday, Jan. 21, and thereafter.

Write to every friend and relative living in another state. Ask that friend or relative to write to his congressman and senator.

The efforts of every person in this area are needed to help bring the A-plant add-on to this area.

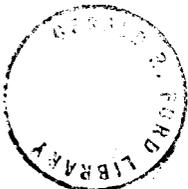


GOODYEAR ATOMIC CORPORATION

DOTHAN, ALABAMA

1. Construction time- 3 to 3 1/2 years
2. Total cost- \$ 2.1 billion
3. Unemployment rate in excess of 13%
4. Adequate electrical power sources
5. Technological know-how already exists
6. Trained personnel are already on location
7. Training facilities already exist
8. Expansion will be easier with a structure already in existence to add on to
9. Goodyear Atomic pumps \$ 2 million per month into the area via payrolls
10. Lowest employment- 1,100  
Highest employment- 3,300  
Present employment- 2,600
11. The GAO recommends that ERDA expand existing Gaseous Diffusion plants
12. The Atomic Energy Commission ( now part of ERDA ) stated that Goodyear Atomic is the only logical location' for an additional Gaseous Diffusion Plant. The plan for expansion is on the shelves at the Energy Research and Development Administration

1. Construction time- 7 years
2. Total cost- \$ 5.7 billion
3. Unemployment rate of 6%
4. Two electrical power sources would be constructed
5. Technological know-how would have to be brought in
6. Trained personnel would have to be brought in
7. Training facilities would have to be constructed
8. There is no present structure, so the building will cost more ( time and money )



# WHY OHIO





**James A. Rhodes**  
**Governor, State of Ohio**

## Ohio stellt sich vor

Ohio, bevölkerungsmässig an sechster Stelle in den Vereinigten Staaten, liegt am Eriesee, im Industriegebiet der Grossen Seen. Mehr als die Hälfte der Bevölkerung der Vereinigten Staaten wohnt in einem Umkreis von weniger als 800 Kilometern mit einer Kaufkraft, die prozentual die Bevölkerungszahlen übersteigt.

Ohio hat sieben Hauptabsatzmärkte mit mehr als 500.000 Einwohnern: Cleveland, Cincinnati, Columbus, Toledo, Akron, Dayton und Youngstown-Warren. Ausserdem haben 11 weitere Städte über 50.000 Einwohner. Die Industriegebiete sind gleichmässig über den Staat verteilt.

Herstellerbetriebe bilden die Grundlage der Wirtschaft Ohios. Mehr als ein Drittel der Arbeitskräfte, die nicht in der Landwirtschaft beschäftigt sind, sind in der Güter bearbeitenden Industrie tätig. Trotz seiner vielen Städte und Industrien gibt es auch landwirtschaftliche Unternehmen in Ohio. Es liegt an elfter Stelle in der Agrarproduktion der Vereinigten Staaten. Diese Kombination von Industrie und Landwirtschaft sorgt für ein ausgeglichenes Wirtschaftsbild und gute Investitionsmöglichkeiten.

Die gute Mischung von verschiedenen Geschäftszweigen trägt viel zu der Stellung Ohios im Welthandel bei. Ohio liegt an erster Stelle in der Anzahl von Arbeitskräften, die in export-verwandten Berufen tätig sind und an zweiter Stelle im Wert der Exportwaren.

Durch diese gute Grundlage kann es sich Ohio erlauben, sich noch mehr dem Aussenhandel zuzuwenden und gleichzeitig Investitionsanlagen in Ohios Industrien anzubieten.

Dieses Ziel wird vom Aussenhandelsbureau des Wirtschaftsministeriums in Ohio verfolgt. Das Aussenhandelsbureau hat Geschäftsstellen in Düsseldorf und Brüssel. Diese Geschäftsstellen wurden eröffnet, um Europäern, die Handelsmöglichkeiten in den Vereinigten Staaten suchen, behilflich zu sein und um Geschäftsleuten aus Ohio die Möglichkeit zu geben, Kontakte in Europa zu entwickeln.

Wie Sie aus dieser Brochure sehen können, bietet Ihnen Ohio hunderte von industriellen und landwirtschaftlichen Geschäftsmöglichkeiten. Ohio liegt im Zentrum der verschiedenen Absatzgebiete für Ihre Waren in den USA, hat erfahrene und gelernte Arbeitskräfte, ein ausgezeichnetes Transportsystem, und ein sehr angenehmes kulturelles und pädagogisches Klima.

Wenn Sie in Amerika Geschäftsmöglichkeiten suchen, kann Ohio Ihnen Vieles bieten.

## Profil de l'État de l'Ohio

L'État de l'Ohio, sixième en population aux États-Unis, est situé au coeur de la région industrielle des Grands-Lacs. Plus de la moitié de la population américaine habite dans un rayon de 500 milles (800 kilomètres) de l'État, et elle représente un pourcentage même plus élevé du pouvoir d'achat du pays.

L'État de l'Ohio comprend sept grands réseaux métropolitains de plus de 500,000 habitants — Cleveland, Cincinnati, Columbus, Toledo, Akron, Dayton, et Youngstown-Warren. En plus, il y a onze villes de plus de 50,000 habitants situées dans l'État même, ce qui fournit un profil urbain à la fois divers et bien distribué.

L'industrie, dont dépend plus d'un tiers des ouvriers non-agricoles, forme la base de l'économie de l'État. Néanmoins, malgré cette concentration de centres urbains et industriels, l'Ohio maintient une base agricole solide, onzième du pays en produits agricoles. Par conséquent, nous avons une économie bien équilibrée, offrant des possibilités d'expansion et d'investissement.

La variété d'entreprises qui se trouve dans l'Ohio contribue à son importance dans le commerce international. L'État est le premier dans le domaine de la main d'oeuvre travaillant pour l'exportation, et le deuxième pour les revenus des produits de l'exportation. Voilà pourquoi l'industrie de l'État cherche à développer son commerce et ses investissements à l'étranger.

Cet effort est dirigé par le Bureau de Commerce International qui fait partie du Département de Développement Économique. Le Bureau de Commerce International a deux bureaux en Europe, l'un à Düsseldorf et l'autre à Bruxelles. Ces bureaux sont à la disposition des Européens qui cherchent des renseignements sur le commerce et l'investissement aux États-Unis et réciproquement ils facilitent les contacts internationaux pour les citoyens de l'Ohio.

On trouve dans l'État de l'Ohio des centaines de possibilités d'investissement, la proximité de grands marchés pour vos produits, une main-d'oeuvre spécialisée, un excellent réseau de transport, et une atmosphère de culture, d'éducation, et de loisirs fort désirables.

Si vous cherchez un marché aux États-Unis, l'État de l'Ohio vous le fournira.

## an Introduction to Ohio



Ohio, which ranks sixth in population of the United States, is located on Lake Erie in the heart of America's industrial Great Lakes region. Over half the people in the U.S. live within 500 miles (800 kilometers) of the state, and these people represent an even higher percentage of the nation's effective buying power.

Ohio has seven major metropolitan markets of over 500,000 population — Cleveland, Cincinnati, Columbus, Toledo, Akron, Dayton and Youngstown-Warren. There are eleven additional Ohio cities of over 50,000 population dispersed throughout the state, which provides a diverse and geographically well-distributed urban profile.

Ohio's topography is flat in the northwest, building up to the foothills of the Appalachian Mountains in the eastern and southern portions of the state.

Manufacturing forms the base of Ohio's economy, with over one-third of non-agricultural employment in Ohio related directly to manufacturing. Yet, with this concentration of urban centers and manufacturing industries, Ohio maintains a very strong agricultural base, ranking 11th in the value of agricultural goods produced. This has provided Ohio with a well-balanced economy, with expansion opportunities along the full scale of investment options.

The diversity of business enterprises located in Ohio contributes to the state's high position in foreign trade. Ohio ranks first in export-related employment, and second in value of goods produced for export. With this strong base to build from, further growth in foreign trade and direct investment is being sought by Ohio industry.

This effort is spearheaded by the Office of International Trade, which operates within the Ohio Department of Economic and Community Development. The Office of International Trade maintains two European offices, one in Dusseldorf, West Germany, and the other in Brussels, Belgium. These offices are for the benefit and convenience of Europeans seeking investment and trade opportunities in America, and for Ohio business to develop contacts in Europe.

As detailed later in this brochure, Ohio has hundreds of industrial business and agricultural opportunities for your examination, a proximity to vast markets for your goods, products and services, a highly trained and skilled labor force, an excellent transportation system, and a very desirable cultural, educational and recreational atmosphere.

If you are looking to America for business, Ohio has it all.



# Ohio and the World Markets



## Ohio im Welthandel

Bedingt durch die Erdkrümmung, liegt Ohio den Häfen Nordeuropas um etwa 500 km näher als die Häfen der amerikanischen Atlantikküste. Deshalb versenden auch viele europäische Firmen ihre Waren über Häfen des Eriesees.

Der Exporthandel ist ein wichtiger Wirtschaftszweig in Ohio, der viele Arbeitsstellen in der Herstellung von Exportwaren bietet. Heutzutage sind schätzungsweise 55% aller Fabrikarbeiter in Exportfirmen tätig.

Ungefähr 30% Gummi und Kunststoffprodukte, die von den Vereinigten Staaten ausgeführt werden, kommen aus Ohio. Ohios Anteil an der gesamten US Ausfuhr von Stein, Ton, Glas, Maschinen, bearbeiteten Metallen und Rohmetallen beträgt 10%.

Agrarprodukte im Wert von \$500 Millionen werden jährlich an Überseeversucher verkauft. Diese Zahl entspricht 22% der gesamten Agrarproduktion im Staate Ohio.

# L'État de l'Ohio et le Marché Mondial

Un fait géographique étrange: les ports de l'Ohio sont à 300 milles plus proches de ceux de l'Europe du Nord que ne le sont les ports de la côte nord-est des États-Unis. Voilà pourquoi beaucoup de compagnies européennes se servent du Lac Erie pour véhiculer leurs produits.

L'exportation est importante pour l'État de l'Ohio. On constate que 55 pourcent des ouvriers industriels travaillent dans une compagnie qui fabrique des produits destinés à l'exportation.

Trente pour cent environ de tous les produits en caoutchouc et en plastique exportés des États-Unis chaque année viennent de l'État de l'Ohio, qui contribue aussi plus de 10 pour cent de l'exportation américaine des produits tels que la pierre, l'argile et le verre, les machines non-électriques, l'équipement de transport, les métaux fabriqués, et les métaux primaires.

L'État exporte également plus de 500 millions de dollars en produits agricoles, aux environs de 22 pour cent de sa production totale.



Because of the curious shape of the world, Ohio is actually about 300 miles closer to the northern European ports than are the traditional ports on the eastern U.S. seaboard. Thus, many firms in Europe buy and sell their goods through our Lake Erie ports.

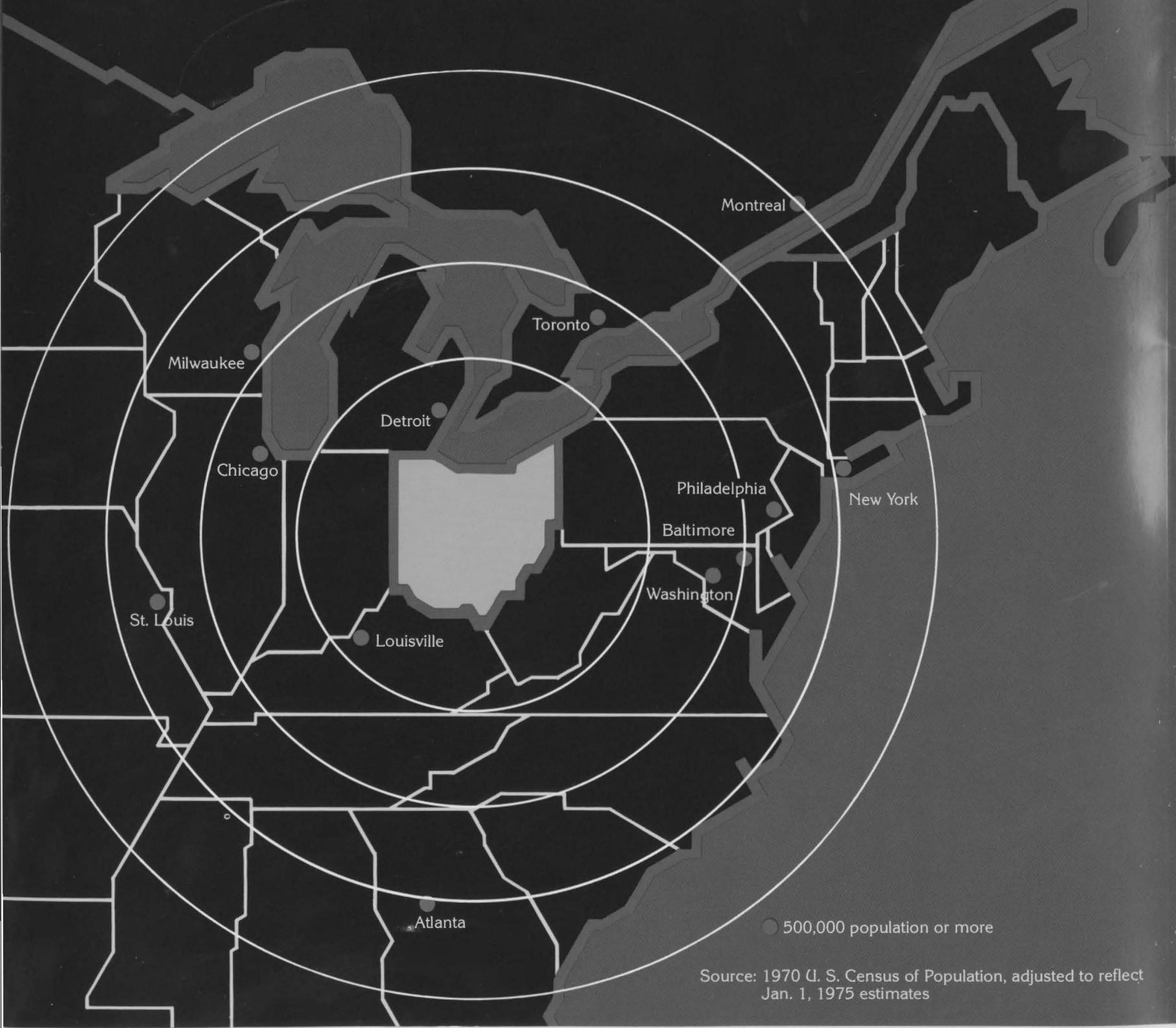
Export is big business in Ohio. And employment in export-related manufacturing is important to Ohio's economy. The current estimate is that 55 out of every 100 manufacturing workers in Ohio are employed by a firm producing goods for export.

Just about 30% of all the rubber and plastic products exported from the U.S. each year come from Ohio. And Ohio's share of total U.S. exports is over 10% in the following industry groups: stone, clay and glass; non-electrical machinery; transportation equipment; fabricated metals; and primary metals.

Agricultural products are an important export category for Ohio, as \$500 million of Ohio's total agricultural products are destined for overseas consumption. This represents about 22% of the state's total agricultural output.



# Ohio and the Domestic Market



Source: 1970 U. S. Census of Population, adjusted to reflect Jan. 1, 1975 estimates

# Zentralpunkt Ohio

Ohio liegt auf halbem Weg zwischen New York und Chicago; man kann 15 weitere Millionenstädte leicht von hier erreichen. Mehr als die Hälfte der Bevölkerung der Vereinigten Staaten lebt in einem Umkreis von weniger als 800 Kilometern. Mit unseren modernen Transportmitteln und Autobahnen können wir alle diese Märkte in weniger also einem Tage erreichen. Der gesamte östliche Teil der Vereinigten Staaten ist in unmittelbarer Reichweite von Ohio. Die zentrale Lage Ohios ist ein Hauptgrund dafür, dass sich Ohio zu einem der wichtigsten Warenlager und Verteilerzentren Amerikas entwickelt hat.

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## Entfernung von Ohio nach:

Stadt	Meilen	Kilometer
New York	424	678
Philadelphia	351	562
Baltimore	280	448
Washington	280	448
Atlanta	455	728
St. Louis	305	488
Detroit	57	91
Chicago	232	371
Milwaukee	315	504
Louisville	110	176
Toronto	213	341
Montreal	500	800

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# L'état de l'Ohio et le Marché Interieur

L'Ohio se trouve à mi-chemin entre New-York et Chicago. Plus de la moitié des habitants des États-Unis sont à 500 milles (800 kms.) de ses frontières, et grâce au développement du réseau routier américain, ces centres de commerce sont à un jour de voyage de notre État.

Cette location centrale est une des raisons pour laquelle l'État est l'un des centres américains essentiels d'entrepôt et de distribution.

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Distance des frontières de l'État de l'Ohio à:		
Ville	Milles	Kilomètres
New-York	424	678
Philadelphia	351	562
Baltimore	280	448
Washington	280	448
Atlanta	455	728
St. Louis	305	488
Detroit	57	91
Chicago	232	371
Milwaukee	315	504
Louisville	110	176
Toronto	213	341
Montréal	500	800

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Ohio lies midway between two major U.S. cities, New York and Chicago, and is within easy distances of 15 cities of 1 million population. Over half the population of the U.S. is within 500 miles (800 kilometers) of Ohio's borders. With the advanced interstate highway system in America, this great marketing potential is within overnight transportation of our state.

The entire eastern half of the United States is readily accessible from Ohio. This centralized location is one of the major reasons why Ohio has become one of America's most important warehousing and distribution centers.

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**Distance from Ohio's Borders to:**

city	miles	kilometers
New York	424	678
Philadelphia	351	562
Baltimore	280	448
Washington	280	448
Atlanta	455	728
St. Louis	305	488
Detroit	57	91
Chicago	232	371
Milwaukee	315	504
Louisville	110	176
Toronto	213	341
Montreal	500	800

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# Ohio, ein Industriestaat

Ohio liegt im Zentrum des Amerikanischen Industriegebietes und wird oftmals als das "Ruhrgebiet Amerikas" bezeichnet.

Einundvierzig der 500 grössten Industriegesellschaften der Vereinigten Staaten und fünfundvierzig von Weiteren 500 Firmen haben ihren Hauptsitz in Ohio.

Ohio steht an dritter Stelle der Vereinigten Staaten in der Produktion von industriellen Erzeugnissen, besonders in Transportmitteln, Maschinen, Metall-, Gummi-, Stein-, Glas-, und Tonprodukten.

Ohio hat eine der grössten Reserven an ausgebildeten Arbeitskräften. Viele Jahre Erfahrung in den verschiedenen Industriezweigen haben für eine ständig wachsende Anzahl von gelernten und erfahrenen Fachkräften vorgesorgt.

Diese Arbeitskräfte werden durch ein umfassendes Berufsausbildungsprogramm ständig ergänzt. Seit den sechziger Jahren sichert das Programm einen ständigen Zuwachs an gelernten Leuten, um den Bedarf der Industrie zu decken.

Ohios Hauptindustrien sind über den ganzen Staat verteilt. Stahl, zum Beispiel, wird in Cleveland, Youngstown-Warren, und Middletown hergestellt.

Autoteil- und Montagefabriken sind in fast jeder grösseren Stadt zu finden. Akron ist das Zentrum der Gummiindustrie und Toledo beheimatet drei der grössten Glashersteller der Welt.

## **Main-d'oeuvre de l'État de l'Ohio**

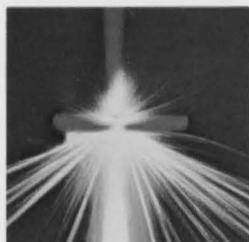
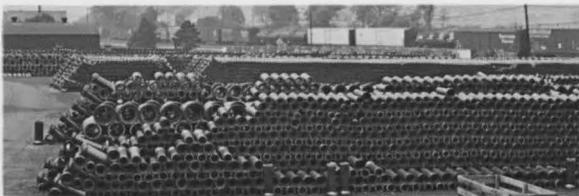
L'État de l'Ohio est le pivot de l'industrie américaine, et on l'appelle même quelquefois le "bassin de la Ruhr" de l'Amérique.

Des premières 500 compagnies américaines, quarante et une ont leurs bureaux centraux dans l'État de l'Ohio. Quarante-cinq des suivantes 500 compagnies les plus grandes sont aussi situées ici. Cela montre la confiance qu'ont les corporations américaines importantes en les possibilités commerciales de notre État.

L'État de l'Ohio est le troisième État pour les bénéfices industriels et le premier pour les catégories suivantes: l'équipement de transport, les machines non-électriques, les métaux fabriqués, les produits en caoutchouc, la pierre, et les produits en verre et en argile.

Notre État se classe parmi les premiers en main-d'oeuvre spécialisée, non seulement pour des raisons historiques, mais également grâce à nos écoles techniques. Notre programme d'éducation technique, commencé pendant les années 60, garantira une main-d'oeuvre spécialisée pour l'avenir.

Les industries non-agricoles les plus importantes sont bien distribuées dans l'État. Cleveland, Youngstown-Warren, et Middletown sont connus pour leur acier, Akron pour son caoutchouc, et Toledo pour son verre. On trouve des pièces de voiture et des chaînes pour leur assemblage dans presque toutes les villes importantes.



Ohio is the hub of America's industrial heartland, and there is a great concentration of manufacturing industries here. Ohio has been called "the Ruhr Valley of America" because of our huge manufacturing base.

Of the top 500 U.S. companies, 41 are headquartered in Ohio, and 45 of the next 500 largest U.S. firms also are headquartered here. This is an indication of the confidence placed in Ohio's business climate by major U.S. corporations.

Ohio ranks third in the nation in value-added by manufacturing, and leads the national averages in such major manufacturing categories as transportation equipment, non-electrical machinery, fabricated metal products, rubber, and stone, glass and clay products.

Ohio ranks high among all states in the availability of skilled labor. Because of our historically large industrial base, we have an established bank of highly trained, experienced and skilled workers.

A major contributor to the skills of the Ohio labor pool is our comprehensive vocational educational system. Begun in the 1960's, Ohio's program of training for employment insures that top level skills will constantly be available to accommodate the needs of industrial technology.

The major Ohio manufacturing industries are well dispersed throughout the state. Steel, for instance, comes from huge complexes in Cleveland, Youngstown-Warren and Middletown, (between Dayton and Cincinnati).

Automotive parts and assembly plants are found in nearly every major city. Akron is the heart of the rubber industry, and Toledo is the home of three of the world's largest glass manufacturers.



## Transportation



## Verkehrswesen

Ohio kann sich eines der weitreichendsten Verkehrssysteme in den Vereinigten Staaten rühmen, mit einem ausgezeichneten Netz von Eisenbahnen, Strassen, Luftverkehr und Wasserwegen, wodurch Ohio ein ideales internationales Handelszentrum darstellt. Durch diese Auswahl an Transportmitteln kann man von Ohio aus über die Hälfte der US Bevölkerung in einem Tag erreichen, was sich bestimmt als ein Vorteil Ohios gegenüber anderen US Staaten auswirkt.

### Luftverkehr

Ohio hat sieben grosse Flughäfen mit 400 Flügen täglich, von 15 verschiedenen Luftlinien. Jeder der sieben Flughäfen hat direkte Verbindungen zu internationalen Flughäfen. Ausserdem stehen 86 kleine Flughäfen für Privatflugzeuge zur Verfügung.

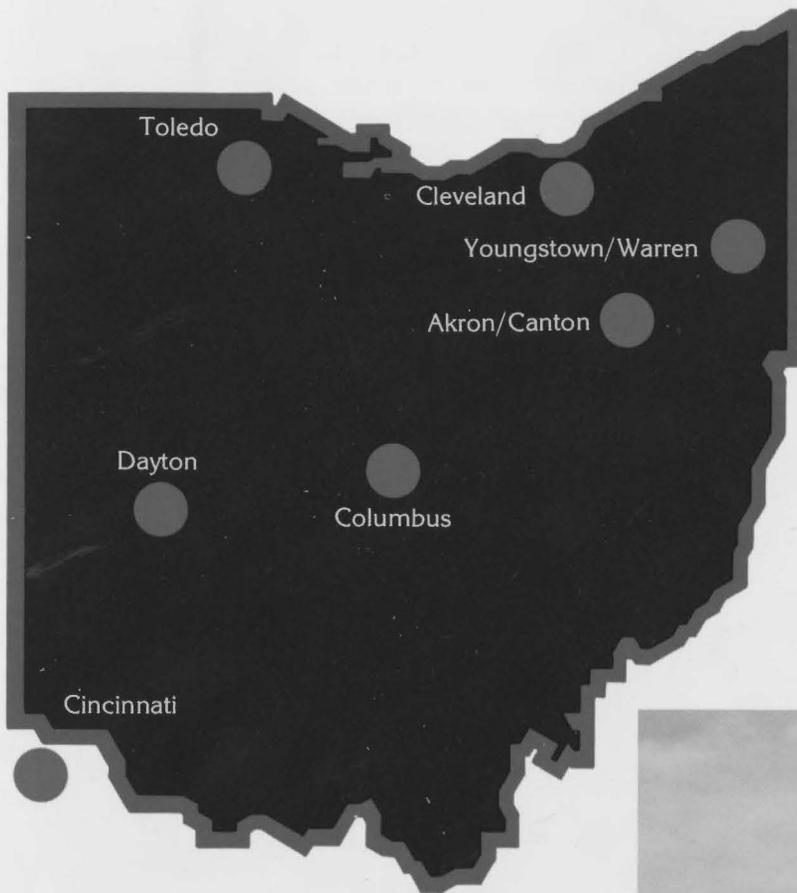


# **Le Transport dans l'Etat de l'Ohio**

L'État de l'Ohio se vante de posséder l'un des systèmes de transport les plus développés des États-Unis, ce qui fait de l'État un centre idéal pour le commerce international. Les transports consistent en un système ferroviaire, routier, aérien, et maritime.

## **Les Services Aériens**

On trouve dans l'État sept aéroports et aéroports qui enregistrent 400 atterrissages par jour; nous sommes servis par quinze lignes aériennes nationales et régionales. Un service direct pour des correspondances internationales est accessible de toutes ces aéroports. Les 86 aéroports éparpillés dans l'Etat servent aux besoins de transport des avions privés.



Ohio can boast of one of the most complete transportation systems in America, with excellent rail, truck, air and water transportation systems, which makes the state an ideal center for international trade. The proximity of Ohio to over half the population in the country combined with the flexibility in transporting goods by the most efficient carrier gives Ohio an advantage over other states with less complete systems, and less advantageous location.

#### **Air**

Ohio is served by seven major air terminals which receive over 400 daily landings by 15 national and regional air carriers. Direct non-stop service to international connections is available at each of the seven terminals.

In addition, there are 86 state/county airports throughout the state available to serve private aircraft needs.



## Water

The Lake Erie ports of Toledo, Sandusky, Lorain, Cleveland, Ashtabula and Conneaut currently serve as international shipping ports for trade throughout the world.

Located at the Port of Toledo's general cargo center is the Foreign Trade Zone, a complex similar to the European free port area. The facility encompasses over 300,000 square feet of covered storage space.

One of only ten such free port facilities located in the United States, the Toledo Foreign Trade Zone serves both export and import trade. It offers a host of profitable advantages to international tradesmen including: the deferment of duty payments, significant tax savings and the reclassification of goods under the U.S. Customs tariff.

There are three privately-owned grain elevators at this port. Toledo's annual grain exports surpass 100 million bushels. Grain harvested from the rich Midwestern farmlands is shipped through Toledo elevators to the Far East, Europe and Canada.

The Port of Cleveland is exactly on the direct waterborne line from the mines to the mills, and it is the axis of truck and rail distribution routes for international trade — both ways.

Savings up to 45 percent are the result of the Cleveland Total Import/Export Cost Concept. This includes low cost dockside warehousing for incoming and outgoing shipments, deferred duty on incoming materials until removed from bonded storage and reduced total distribution costs.

The Ohio River, on the eastern and southern borders of the state, carries more tonnage each year than the Panama Canal.

The Ohio River Terminals differ significantly from those on the Great Lakes ports in that they are not located in a singular or nucleus type arrangement but are strung-out along the Ohio River at numerous locations.

The Ohio River provides the shipper with economical water transportation to South and Central American ports through the Mississippi River and the Gulf of Mexico.



## **Wasserwege**

Die Häfen am Eriesee: Toledo, Sandusky, Lorain, Cleveland, Ashtabula und Conneaut sind Welthandelshäfen.

Der Hafen von Toledo hat eine "Aussenhandelszone" die dem europäischen Freihafen ähnelt. Diese Zone hat über (27.880 Quadratmeter) überdeckten Lagerraum. Es gibt nur 10 dieser "Aussenhandelszonen" in den Vereinigten Staaten. Der Freihafen von Toledo wird sowohl für den Export von Waren als auch für Importe benutzt. Der Freihafen bietet internationalen Geschäftsleuten bestimmte Vorteile wie den Aufschub von Zellabgaben zu einem späteren Zeitpunkt, Steuervergünstigungen und Einstufung der Waren nach den Zollgesetzen der Vereinigten Staaten.

Der Hafen hat drei Getreidespeicher durch welche jedes Jahr über 3 Millionen Kubikmeter Getreide ausgeführt werden. Getreide aus den Ackerbaugebieten des Mittelwestens gehen durch die Getreidespeicher in Toledo nach dem Fernen Osten, Europa und Kanada.

Der Hafen von Cleveland stellt die direkte Wasserverbindung zwischen den Kohlengruben und den Stahlwerken her und ist ein Verteilungszentrum für Aussenhandelsprodukte per Lastwagen und auf dem Schienenweg.

Cleveland verfährt nach einem besonderen Import/Export Kostenverfahren, wodurch ein Händler bis zu 45% der Gesamtkosten sparen kann. Einige der Kostenersparnisse sind das Ergebnis von Lagerhallen direkt am Wasser, Zollabgaben erst nach beendeter Lagerzeit und verbilligter Verteilungskosten.

Die südliche und teilweise auch die östliche Grenze Ohio wird vom Fluss Ohio gebildet, auf dem mehr Tonnage pro Jahr befördert wird als über den Panama Kanal. Es gibt eine Anzahl von Häfen entlang des Ohios, die den preisgünstigen Transport von Waren nach Süd- und Mittelamerika über den Mississippi und den Golf von Mexiko ermöglichen.

## **Eisenbahnen**

Ohio hat ein längeres Schienennetz als alle anderen US Staaten; ausserdem grosse Frachtbahnhöfe in allen grösseren Städten. Das Eisenbahnnetz erstreckt sich über den ganzen Staat und versorgt andere US Staaten mit Rohmaterialien und Fertigwaren.

## **Strassennetz**

Ohio hat das fünftgrösste Strassennetz in den Vereinigten Staaten, obwohl der Staat grössenmassig selbst nur den 35. Platz unter den anderen Staaten einnimmt. Ohio hat 31,888 km Bundesstrassen, 26,183 km Autobahnen eingeschlossen. Ein Betrieb in Ohio kann unter mehr als 2500 Speditionsfirmen wählen.

## **L'Importance Fluviale de l'État de l'Ohio**

Les ports du lac Erie (Toledo, Sandusky, Lorain, Cleveland, Ashtabula, et Conneaut) sont des centres internationaux de commerce.

Situé dans le Centre de Cargaison Générale du port de Tolédo se trouve la Zone de Commerce avec l'Étranger, un réseau qui ressemble au port franc européen. Cette zone s'étend sur 300.000 pieds carrés de capacité d'entreposage.

La Zone de Commerce avec l'Étranger de Toledo, un des dix ports francs des États-Unis, alimente le commerce d'importation et d'exportation. Elle offre bien des avantages aux marchands internationaux. Les délais en douane, et les reclassifications de produits d'après des tarifs de douane les plus avantageux, offrent aux clients une économie d'impôt appréciable. On trouve, dans ce port, trois silons de grain automatiques.

L'exportation annuelle de grain à Toledo dépasse 100 millions de boisseaux.

Le port de Cleveland est situé sur une ligne maritime qui mène des mines à la fabrique, et il se trouve au milieu d'un réseau de distribution routier et ferroviaire qui se prête à un commerce international toute direction.

Une économie de 45 pour cent peut être enregistrée grâce au nouveau système "Cleveland Total Import-Export Cost", qui comprend un entreposage très bon marché pour des expéditions, un tarif de douane payable au moment du retrait des marchandises entreposées, et des frais réduits de distribution.

Le fleuve Ohio, situé au sud de l'état, transporte plus de tonnage par an que le Canal de Panama. Ainsi, l'État peut fournir à l'expéditeur un moyen économique de transport fluvial vers l'Amérique du Sud en passant par le Mississippi et le Golfe du Mexique.

## **Les Chemins de Fer**

L'Ohio a un kilométrage ferroviaire au kilomètre carré supérieur à celui de n'importe quel autre État. Le réseau ferroviaire traverse toutes les parties de l'État, et fournit un moyen efficace d'atteindre n'importe quelle partie du pays et pour exporter des produits.

## **Les Grandes Routes**

Malgré le fait que l'Ohio est le 35<sup>e</sup> des États en superficie, il est cinquième en ce qui concerne le kilométrage du réseau routier. Il y a 19.000 milles de routes entretenues par le gouvernement fédéral et par celui de l'État, y compris 1,570 milles de routes "interstate". Il y a plus de 2.500 entreprises de déménagement pour pourvoir aux besoins de l'industrie de l'État.



#### **Rail**

Ohio has more miles of railroad track per square mile than any other state, with large freight terminals available in all the major markets. The rail network crosses every part of the state, providing swift accessibility to all parts of the country to secure raw materials and ship the finished products.



#### **Roads and Highways**

Ohio ranks 35th in the country in terms of total square miles of area, but it ranks 5th in terms of the number of miles of surfaced highways. There are 19,000 miles of federal and state highways, including 1,570 miles of four lane, non-stop interstate highways. There are over 2,500 common carrier truck lines operating in the state to accommodate the needs of Ohio firms.

# Ohio Education and Research Resources



# Ohios Bildungs- und Forschungsquellen

Ohio hat eines der besten Schulsysteme der Vereinigten Staaten. Jede Gemeinde bietet wenigstens eine Grund- und eine höhere Schule, die nicht nur normalen akademischen Unterricht bieten, sondern auch Ausbildung in Musik, Kunst, und Leibesübung. Sonderschulen für körperlich oder seelisch behinderte Kinder sind auch vorhanden, sowie voll ausgestattete Berufsschulen.

Ohio hat eines der grössten Angebote verschiedene Hochschulen in Amerika. Einhundertfünfunddreissig staatliche und private Universitäten und Hochschulen sind über den Staat verteilt. Keine Gemeinde in Ohio ist mehr als 40 km von einer dieser Hochschulen entfernt. Das Hauptgelände der Ohio State University in Columbus ist die grösste Universitätsanlage in den Vereinigten Staaten.

Die Naturwissenschaft und Technik spielen eine grosse Rolle in Ohios Bildungsprogramm. Der Beweis dafür ist, dass der Staat an fünfter Stelle in der Anzahl von Amerikas Naturwissenschaftlern und Ingenieuren mit Dokortiteln steht.

Die Universitäten arbeiten eng mit der Industrie an Forschungsprojekten der Energieversorgung, der biologischen Wissenschaften, im Ingenieurwesen, im Materialgebrauch, und in der Umweltforschung zusammen.

Heutzutage gibt es in Ohio ungefähr 300 Firmen die ihre eigenen Forschungs und Entwicklungsprogramme besitzen. Mehr als 32,000 Fachleute und 17,000 Techniker beschäftigen sich mit der industriellen Forschung und Entwicklung.

Das bekannteste Forschungs- und Entwicklungsinstitut der Welt, das Battelle Memorial Institut, hat seinen Hauptsitz in Columbus, der Hauptstadt Ohios.

# Enseignement et Recherches dans l'État de l'Ohio

L'État de l'Ohio est fier d'avoir l'un des meilleurs systèmes d'éducation des États-Unis. En plus des cours traditionnels, on offre des "services spéciaux" dans nos écoles primaires et secondaires, par exemple l'enseignement en musique instrumentale et vocale, l'éducation physique, l'audiothérapie, les conseils psychologiques, et l'orientation professionnelle.

L'État possède un vaste système d'éducation universitaire qui comprend 135 universités publiques ou privées. Où que l'on vive dans l'État, on n'est pas à plus de 25 milles d'une université ou de l'une de ses annexes. Le "campus" de l'Ohio State University a la plus grande population estudiantine de la nation.

La technologie et la science en général représentent un aspect important de l'éducation, et il n'y a que quatre États qui dépassent le nôtre en nombre de savants et d'ingénieurs ayant reçu le doctorat.

L'industrie et les universités de l'Ohio s'entendent pour le développement des recherches dans les domaines de l'énergie, des sciences biologiques, du génie, de l'usage des matériaux, et de l'écologie.

A présent, il y a près de 300 firmes qui ont leurs propres programmes de recherche et de développement. Ces maisons ont un personnel de plus de 49.000 personnes, dont 32.000 participent directement aux recherches.

Le premier institut de recherche et de développement du monde, le Battelle Memorial Institute, a son bureau central à Columbus, qui est la capitale de l'État.



Ohio has one of the finest education systems in the U.S., with at least one school in every neighborhood across the state. In addition to regular classroom instruction, special services are available in Ohio's primary and secondary schools. These include vocal and instrumental music, physical education, speech and hearing therapy, psychological services and career guidance.

The state has one of the largest higher education systems to be found in America. There are 135 public and private universities, colleges and branches throughout Ohio. No matter where you live, you are no farther than 25 miles from a university or college or branch. The main campus of Ohio State University located in Columbus is the largest single university campus in the U.S.

Science and technology are important in Ohio education, and Ohio ranks fifth in the country in the number of scientists and engineers holding doctoral degrees.

Industry works closely with Ohio universities in developing and conducting ongoing research projects in the fields of energy, life sciences, engineering technology, materials application and the environment.

Today in Ohio there are nearly 300 firms of ten or more employees which have their own product-related research and development programs. These firms employ over 32,000 professional people in their research and development activities and have an additional 17,000 support personnel.

The foremost private research and development institute in the world, Battelle Memorial Institute, has its world headquarters in Columbus, Ohio's capital city.

# Ohio's Energy Profile



# Ohios Energiequellen

Energie ist von grösster Bedeutung für jeden Industriezweig. Ohios Energiekapazität ist etwas grösser als die der Nachbarstaaten.

## Elektrizität

Wenige Staaten können sich einer grösseren Leistungsfähigkeit ihrer Elektrizitätswerke erfreuen als Ohio. Zur Zeit kann Ohio den Energiebedarf von Industrie und Wohnungen gut befriedigen. Es sind bereits Pläne entwickelt worden, um das Elektrizitätsnetz zu erweitern, sollte Bedarf entstehen.

## Kohle

Ohio verfügt über die viertgrösste Kohleproduktion der Vereinigten Staaten und hat ausserdem erhebliche Reserven, die noch nicht angestochen sind. Kohle wird in der östlichen Hälfte des Staates, sowohl im Tagebau als auch in Bergwerken.

## Öl

Ohio bezieht Öl von der Bundesregierung, in Mengen, die den derzeitigen Bedarf decken. Falls der Bedarf steigen sollte wird der Staat grössere Zuteilungen von Öl bei der US Regierung beantragen.

# L'Énergie de l'État de l'Ohio

L'énergie est essentielle à toute industrie. Les ressources d'énergie qui se trouvent dans l'État sont comparables à celles des autres états du Middle-West et du nord-est. Notre situation est, en fait, moins sérieuse que dans bien des régions avoisinantes. Les catégories suivantes reflètent la situation actuelle, et les projets d'avenir.

## L'Électricité

Peu d'États peuvent se vanter de posséder une si grande réserve d'énergie électrique qui suffit largement à la demande actuelle, et l'on dresse continuellement des projets d'expansion organisés pour pourvoir aux demandes croissantes et continues.

## Le Charbon

L'État de l'Ohio est le quatrième des États-Unis pour la production de charbon que l'on exploite par extraction souterraine et à ciel ouvert.

## Le Pétrole

L'État de l'Ohio reçoit une allocation fédérale suffisante pour satisfaire aux demandes actuelles de pétrole. Nous cherchons à présent des allocations supplémentaires pour pourvoir aux besoins de l'expansion industrielle.



Energy is a principal consideration to all business and industry. Ohio's energy situation is quite comparable to other midwestern and northeastern states, and is, in fact, less critical than in many neighboring areas. The following is a listing, by category, of the energy situation as it exists today, and plans for the future.

#### **Electricity**

Few states can boast of an electric energy supply as can Ohio. Capacity is excellent relative to current demand, and plans for orderly expansion of capacity to accommodate anticipated increased demand are constantly being drawn.

#### **Coal**

Ohio ranks fourth in the nation in coal production, and there are huge uncommitted reserves. Coal production is concentrated in the eastern half of the state, with both strip-mining and deep mining activities.

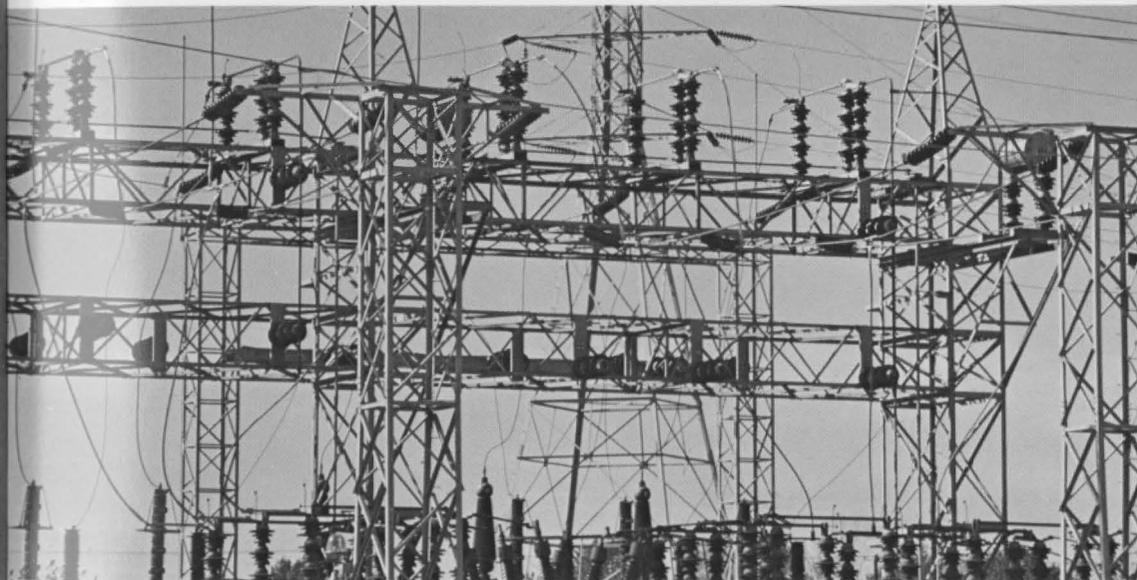
#### **Petroleum**

Ohio has adequate allocations from the federal government to accommodate petroleum demands at the present time. We are seeking additional allocations now to satisfy the needs of anticipated industrial expansion.

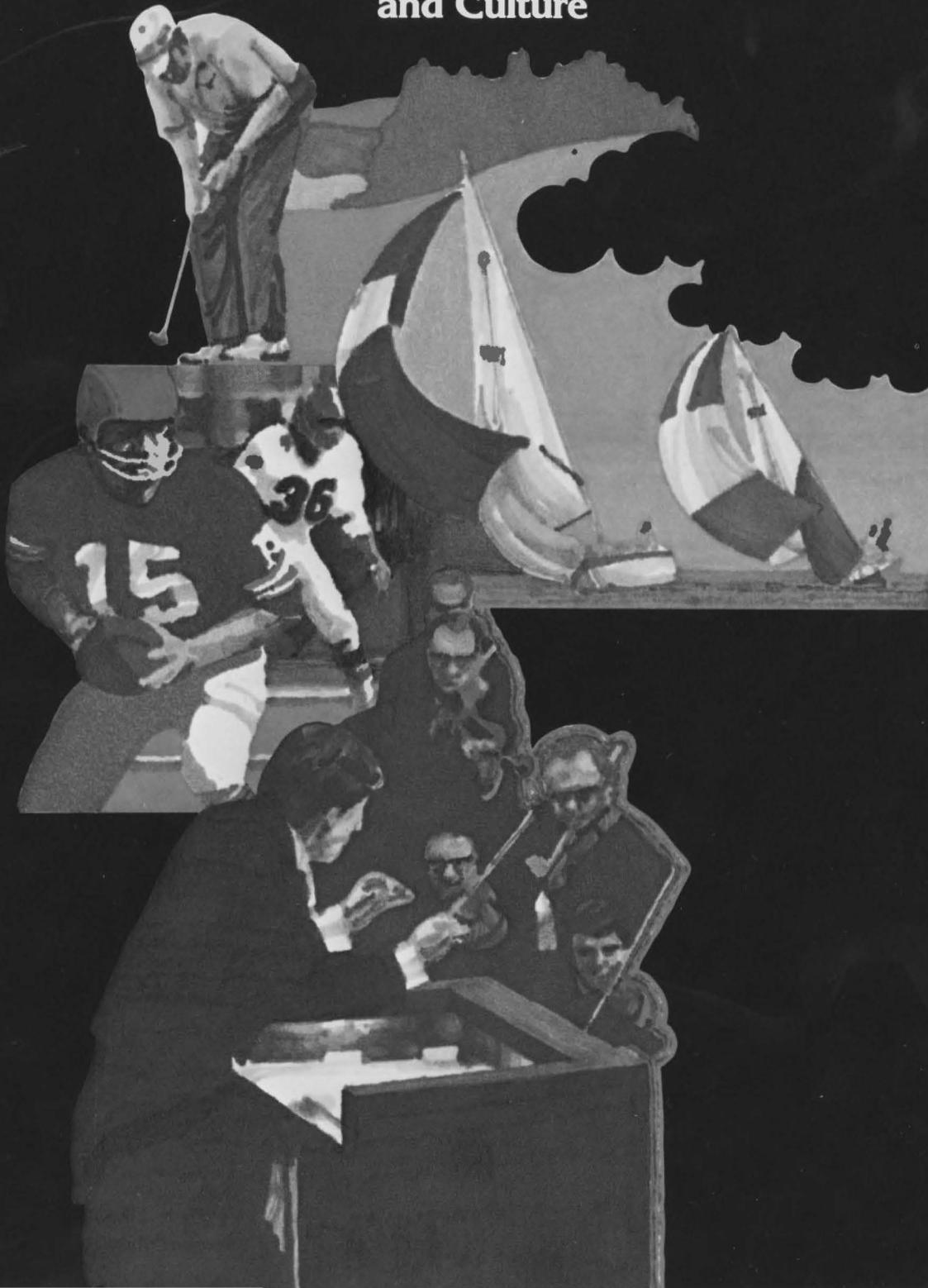
#### **Natural Gas**

Ohio is one of the world's largest users of industrial natural gas. Through the efforts of state government, Ohio has adopted a unique "self-help" gas drilling program to encourage industries to secure locally produced gas to help meet industrial demands in a period of increasing shortages of gas from the south and southwest United States.

Natural gas production in Ohio accounts for 10% of our state-wide requirements, which is double the figure of just three years ago.



**Ohio's Quality  
of Life  
and Culture**



# Ohios Lebensstil und kulturelles Angebot

Ohio gilt als das Kulturzentrum des Mittelwestens. Jedes Kunstgebiet ist im Staat gut vertreten, und kleine sowie grosse Städte bieten eine Auswahl von Theater, Tanz, Musik, Kunst, Oper, und Gastengagements bekannter Künstler an. Der Ohio Kunstrat, eine Kommission von 15 Mitgliedern vom Gouverneur ernannt, unterstützt die Forderung der Künste in Ohio.

Unser Staat ist stolz auf seine zwei international anerkannten Symphonieorchester das Cleveland Orchester und das Cincinnati Orchester. Zehn städtische und 28 Gemeinderorchester bieten eine ausgezeichnete Auswahl an klassischer und moderner Musik.

Wahrnehmung, Bildung, und Unterhaltung sind die Ziele von Ohios Museen und Gemäldegalerien. Das Cleveland Kunstmuseum mit seiner ausgezeichneten Sammlung orientalischer Kunst und das Toledo Kunstmuseum mit seiner weltbekannten "Kunst in Glas" — Ausstellung zählen zu den zehn besten Kunstmuseen der Vereinigten Staaten. Das Zentrum der Wissenschaft und Technik in Columbus konzentriert sich auf Raumwissenschaft und Elektronik, während das Luftwaffenmuseum in Dayton das grösste und vollständigste Luftfahrtmuseum der Welt ist.

Drei Opernhäuser und sechs national anerkannte Tanztruppen bieten das ganze Jahr hindurch eine Auswahl von Vorführungen. Zwei einzigartige, im Freien stattfindende Dramaproduktionen und die "Great Lakes Shakespeare Festspiele" bieten hervorragende Sommeraufführungen, während das Cincinnati Theater im Park, das Cleveland Theater und das Karamuhaus ständig berufsmässig Bühnenstücke aufführen.

Ohio hat einen besonderen Reiz für den Reisenden, Forscher, Historiker, und Sportliebhaber. Ohio bietet Alles, von einer genussvollen Fahrt durch die Stromschnellen eines Ohio Flusses bis zu einem Spaziergang durch ein schattiges Tal. Dreiundsechzig staatliche Parks mit tausenden von Quadratkilometern Land stehen der Bevölkerung zur Verfügung. Vergnügungsparks, historische Stellen und vieles Andere machen die Entspannung in Ohio zu einem reichhaltigen Erlebnis.

# La Qualité de la Vie dans l'État de l'Ohio

L'Ohio est au centre de la vie culturelle du Middle-West. Tous les arts y sont bien représentés, dans les grandes villes aussi bien que dans les villages, où on trouve théâtre, danse, musique, arts plastiques et opéra.

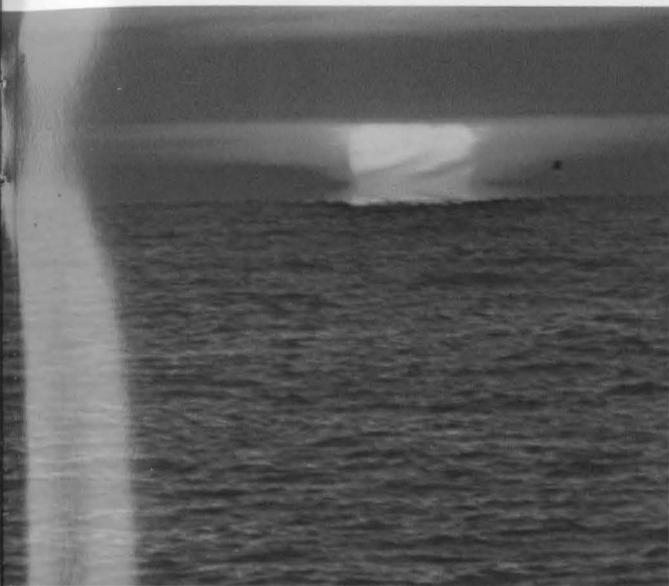
On trouve dans notre État deux orchestres symphoniques de réputation internationale: ceux de Cleveland et de Cincinnati. Il y a également 38 orchestres dans d'autres centres urbains qui offrent une grande sélection de programmes classiques et contemporains.

Le Cleveland Museum of Art, avec son excellente collection d'art oriental, et le Toledo Museum of Art, avec sa célèbre exposition "Art en Verre", se classent parmi les dix meilleurs musées de notre pays. Le Center of Science and Industry à Columbus se spécialise en sciences, et le Musée de l'Armée de l'Air à Dayton est le plus grand musée d'aviation du monde.

Trois compagnies d'opéra et six compagnies de danse de réputation nationale offrent un excellent programme annuel. En été, on trouve deux théâtres en plein air et le Great Lakes Shakespeare Festival. La Cincinnati Playhouse in the Park, la Cleveland Playhouse, et la Karami House de Cleveland sont animées par des troupes professionnels.

Il y a 63 parcs officiels qui s'étendent sur des milliers d'hectares dans l'État.

Les parcs d'attractions, les sites historiques et les panoramas pittoresques font d'un séjour dans l'État de l'Ohio une expérience inoubliable.



A state solid in its traditions, contemporary in its outlook, easy in its lifestyle — that's Ohio! Ohio's people are like that, too. Though their backgrounds and goals are diverse, the people of Ohio are always looking ahead to the future, to making a good way of life grow better. Ohioans are hard-working, pleasant people who know how to make the most of the unlimited cultural and recreational activities that the state offers.

Ohio is the cultural heartland of midwestern America. Each of the art disciplines is well represented across the state, with both large cities and smaller communities offering a variety of theatre, dance, music, art, opera and famous guest artists. Central support and encouragement are provided by the Ohio Arts Council, a fifteen-member group appointed by the governor and authorized by the state legislature to preserve and promote the arts in Ohio.

Our state is the proud home of two internationally acclaimed symphonies — the Cleveland Orchestra and the Cincinnati Orchestra. Ten metropolitan and twenty-eight community orchestras in the state provide an excellent selection of classical and contemporary programs.

Appreciation, education, entertainment — these are the goals of Ohio's museums and galleries. The Cleveland Museum of Art, with its excellent collection of oriental art, and the Toledo Museum of Art, featuring a world-famous "Art in Glass" exhibit, rate among the ten best in the United States. The Center of Science and Industry in Columbus focuses on space science and electronics, while Dayton's Air Force Museum is the largest and most complete aviation museum in the world.

Three opera organizations and six nationally recognized dance companies in Ohio offer a variety of productions year 'round. Two unique outdoor dramas and the Great Lakes Shakespeare Festival provide exciting summer theatre, while the Cincinnati Playhouse in the Park, the Cleveland Playhouse and Cleveland's Karamu House head the list of Ohio's resident professional theatres.

Ohio holds a distinct fascination for the traveler, the explorer, the historian and the sportsman. From the tense excitement of running the rapids on Ohio's rivers to a soothing stroll through shaded glens — Ohio has it all.



THE WHITE HOUSE  
WASHINGTON

January 8, 1976

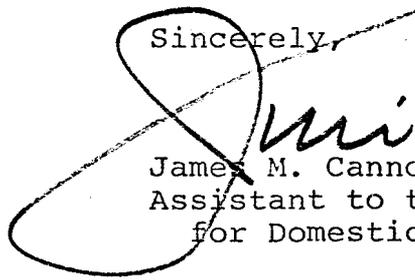
Dear Jim:

Thanks for your recent note requesting that the White House consider inviting some prominent businessmen to a dinner party in the near future.

I will, of course, be happy to forward the list you suggested to the White House staffer handling this, with a strong recommendation.

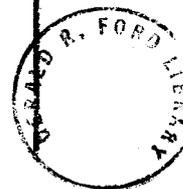
With best wishes for the New Year,

Sincerely,



James M. Cannon  
Assistant to the President  
for Domestic Affairs

Honorable James A. Rhodes  
Office of the Governor  
Columbus, Ohio 43215





OFFICE OF THE GOVERNOR  
COLUMBUS, OHIO 43215

January 2, 1976

*Request  
in  
renewal*

Mr. James Cannon  
The White House  
Washington, D. C. 20500

Dear Jim:

If at any time a dinner party is being planned at the White House to include prominent businessmen it might be well to send an invitation to:

- Mr. & Mrs. David Thomas  
4320 Woodhall Road  
Columbus, Ohio 43220
- Mr. & Mrs. Len Imke  
4401 Kipling Lane  
Upper Arlington, Ohio 43221
- Mr. & Mrs. Jack Massey  
4431 Tyne Boulevard  
Nashville, Tennessee 37215
- Mr. & Mrs. L. S. Hartzog  
2992 Rivermeade Drive  
Atlanta, Georgia 30327

*MPATAY*

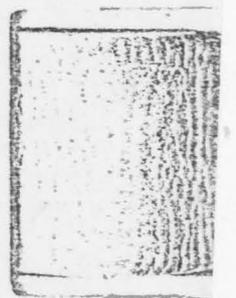
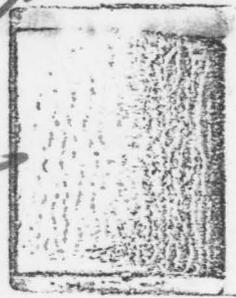
These gentlemen are top in their respective field and any consideration given to them would be appreciated.

Best wishes for a Happy New Year.

Cordially,

*Jim*  
JAMES A. RHODES

- Mr. & Mrs. Donald Hilliker  
Bellefontaine, Ohio
- Mr. & Mrs. S. Robert Davis  
OrangCo2011 Riverside Drive  
Columbus, Ohio



# Wendy's International, Inc. 1975 Annual Report



## Financial Highlights

Operations	Years ended December 31	1975	1974	% Change
Revenues		\$29,583,705	\$12,600,524	135
Income Before Taxes		5,164,260	2,134,532	142
Net Income		2,747,260	1,129,058	143
Net Income Per Share		.84	.36	133
Depreciation and Other Non Cash Charges		704,435	280,746	151
Sales—Company-Owned and Franchised		74,462,639	24,232,962	207
Restaurants in Operation End of Year		252	93	
Company-Owned		69	42	
Franchised		183	51	
Restaurants Under Construction End of Year		72	33	
Company-Owned		4	8	
Franchised		68	25	

Financial Position	1975	1974	% Change
Total Assets	\$21,747,079	\$11,713,249	86
Current Assets	6,275,063	2,575,840	144
Current Liabilities	4,495,311	3,214,543	40
Term—Debt	8,420,323	5,110,618	65
Shareholders' Equity	6,809,645	3,037,288	124

### Market and Dividend Information

There has been limited trading in the Common Shares of the Company in the over-the-counter market since September 8, 1975, no organized market having existed for such shares prior to that date. The high and low bid prices by quarter since September 8 was as follows:

	High	Low
September	\$18	\$14
Fourth quarter	24	17

The Company has paid an annual dividend in December 1974 and 1975 of \$.0025 per share. Management believes that it is in the best interest of shareholders to pay only nominal dividends in the foreseeable future, retaining a substantial part of earnings to facilitate expansion of the business.

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### To our shareholders:

The sixth year of operation for Wendy's International, Inc. was another year of rapid growth. The net income for 1975 was \$2,747,260 (\$.84 per share), more than double the net income for 1974.

On December 31, 1975, the 252nd Wendy's Old Fashioned Hamburger Restaurant opened, an increase of 159 restaurants from the 93 restaurants in operation at the end of 1974. Of these 252 restaurants, 69 were operated by the Company and 183 were operated by our franchisees. Growth in average sales per location and the expansion described above resulted in combined sales of Company and franchise restaurants in excess of \$74,400,000.

The \$2,747,260 net income for 1975 represents a 143% increase over 1974. Company revenues of \$29,584,000 increased 135% over 1974. Although the bulk of this income is attributable to additional locations, we are pleased that the annual sales volume of individual restaurants continued to increase significantly. The quality of the Company's management team is demonstrated by the fact that despite continued inflation during 1975, the Company was able to maintain its profit margin without price increases. Another indication of the strength of management is the maintenance of high quality service and eating enjoyment throughout this rapid expansion period.

During 1975, Marketing, Legal, Purchasing and Transportation departments were added and growth occurred in the existing Operations, Executive, Franchise,

Accounting, Real Estate and Engineering departments to facilitate future development and better service both to the operations of the Company and to those of the franchisees.

We are proud of the caliber of highly qualified and motivated employees we have been successful in recruiting.

The accompanying financial statements indicate the improvement in financial strength of the Company. Not only did the Company at December 31, 1975 have working capital in excess of \$1,775,000 but it had arranged \$10,015,000 of loan commitments to facilitate 1976 expansion plans. Also, significant restructuring of debt was accomplished, spreading debt maturities into the future. The most significant event, however, was the successful sale of \$4,000,000 of Subordinated Debentures in May 1975. No principal installments are due on these Debentures until 1981. At December 31, 1975, \$1,404,625 had been received upon the exercise of warrants issued with the Subordinated Debentures. Warrants were exercised for the purchase of 83,700 common shares at a price of \$12.50 per share. Warrants for the purchase of an additional 316,300 common shares remained unexercised at year-end. Management anticipates that a substantial number of these outstanding warrants may be exercised prior to May, 1976 when the exercise price increases from \$12.50 to \$15.00 per share.

In November 1975, a letter of intent was signed by the principal executive officers of the Company and the principal shareholder of Wendy's Management, Inc.

The letter of intent provides for the acquisition by the Company of the outstanding shares of Wendy's Management, Inc. and its four subsidiaries (which hold franchises for four major market areas), in exchange for a net of 275,000 common shares of the Company. The transaction is dependent upon approval of a definitive agreement by the Board of Directors of the Company, the filing of a Registration Statement with the Securities and Exchange Commission and approval of the transaction by shareholders of Wendy's Management, Inc. and its subsidiaries.

Management of your Company had hoped that this transaction would be consummated by the end of 1975. However, it is now anticipated that this acquisition will be completed in the second quarter of 1976.

The acquisition will be accounted for as a Purchase. Summarized information for Wendy's Management, Inc. and its subsidiaries for 1975 follows:

Revenue	\$13,427,851
Costs & Expenses	12,329,488
Income Taxes	451,500
Net Income	646,863
Restaurants in Operation at Year End	37

We have many people to thank for the continued success of Wendy's: our franchisees, our customers and our suppliers, but most of all we owe thanks to our ever growing team of dedicated employees who made 1975 the success it was and who, we are confident, will make 1976 an even greater success.

*R. David Thomas*  
R. David Thomas, Chairman of the Board, Chief Executive Officer

*Robert L. Barney*  
Robert L. Barney, President, Chief Operating Officer

### A Position of Strength

Since 1969 the emergence of Wendy's Old Fashioned Hamburgers as a welcome addition to the way of life in communities across the United States has provided the food service industry with one of its most exciting chapters.

Revenues for 1975 from all Wendy's operations tripled our 1974 efforts. As of December 31, there were 252 restaurants open in the United States and Canada, with 72 under construction. By the end of 1976, we anticipate serving customers from Wendy's locations in over 200 cities in more than 33 states.

In 1975, the Wendy's Old Fashioned Hamburgers concept showed an ability to grow, demonstrated by increases in our sales volumes and by the number of stores opened during the year, despite a generally depressed economy.

Our time-tested concept of providing excellent food quality at good value to the consumer has won us lasting friends among our customers. There remains a clear consumer preference for good food, served courteously, in pleasant surroundings, at a fair price.

Our base for future growth is broad. We expect to make our first appearance in several key metropolitan markets this year, and will accelerate the full development of those markets in which we have established a strong foothold. We believe all of the factors necessary for continued growth are ours: a strong financial base, expanded corporate and field management expertise, an improving economy, and a proven record of wide consumer acceptance for our products.

### Dedication to Quality and Value

The stability of our growth pattern hinges on our unwavering dedication to providing a quality product. We continue to place primary emphasis on consistent quality in all areas of food preparation and presentation.

Wendy's uses only fresh, 100% pure beef. It's delivered in bulk and pattied fresh every morning in each of our restaurants. The patties are cooked slowly to retain their natural juices and flavor. And whether our customer orders the quarter-pound Single, the half-pound Double or the three-quarter pound Triple, it's served hot and fresh from the grill—fixed any one of 256 different ways. By mixing and matching our 8 choice condiments, the Wendy's customer enjoys his hamburger just the way *he* likes it.

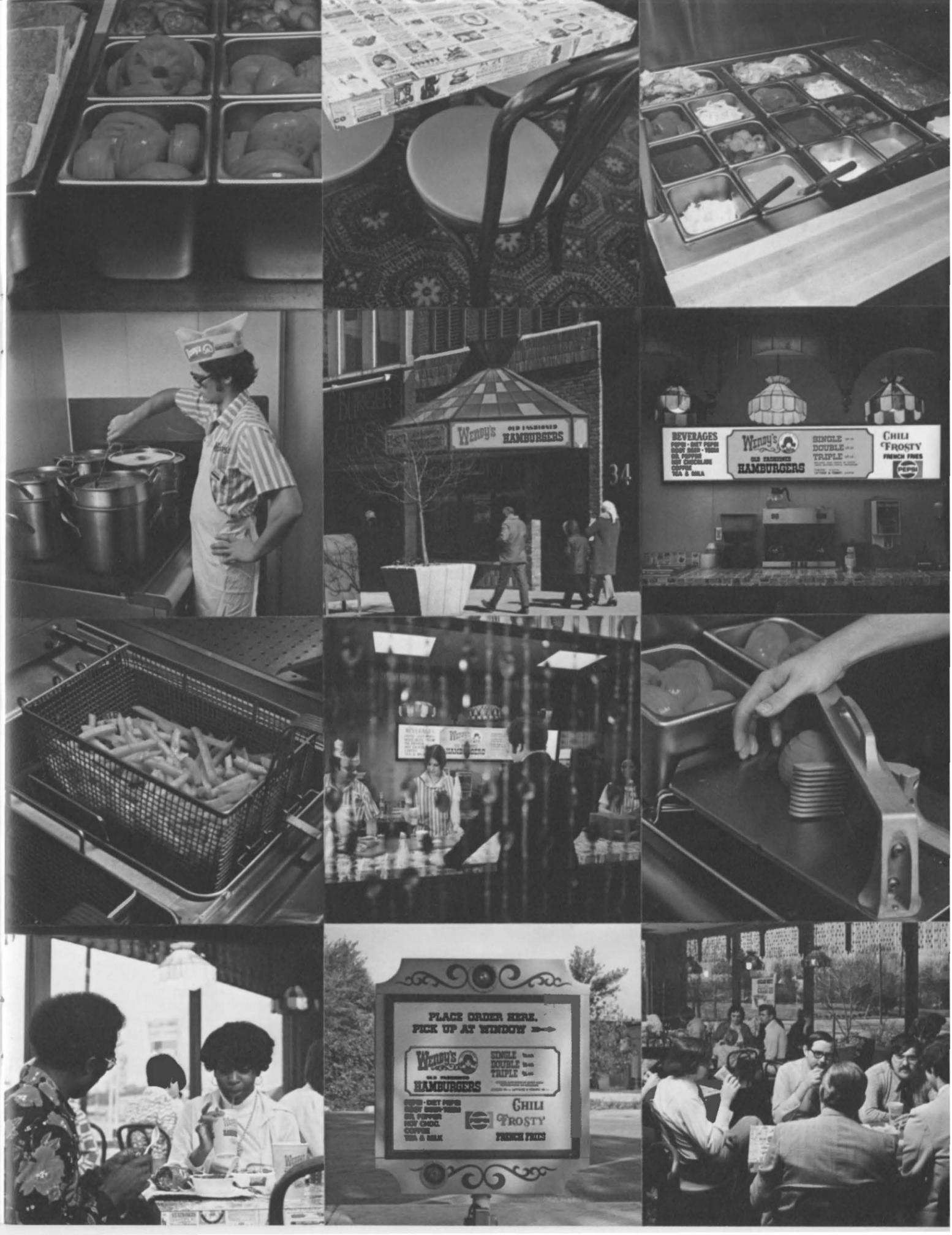
With his hamburger choice, our customer can enjoy a bowl of rich, meaty Chili—prepared daily in the stores, using our own recipe; golden French Fries served crispy hot, or a Frosty. A Wendy's exclusive, the Frosty is a cool, creamy blend of chocolate and vanilla so thick you have to eat it with a spoon.

Providing this kind of high quality in all phases of our food preparation—including fresh lettuce, tomatoes and onions, together with national brand condiments—is a continuing challenge to our purchasing operation.

The decor of our restaurants remains unique in the industry, by combining tasteful turn-of-the-century accouterments like Tiffany lamps and bentwood chairs with modern design concepts like wall-heightening, wrap-around windows that produce a cheerful, airy atmosphere. Our units are compact, yet give a spacious appearance, even when fully occupied.

The care with which we approach every aspect of our business has yielded interesting dividends this year. We continue to attract experienced, dedicated franchisees who are skilled in the food service industry. What's more, we have been fortunate to attract good management talent from our competitors. This expertise has helped develop our field management strengths much faster than industry averages.

Our field and corporate management groups have won us new friends, too, by becoming active in community affairs. Wendy's remains dedicated to the principle that our stores—and our people—will be good corporate citizens wherever we do business.



# research meeting note



INSTITUTIONAL RESEARCH DEPARTMENT

WENDY'S INTERNATIONAL (27 BID) -- FOURTH  
QUARTER 1975 EARNINGS PER SHARE RISE 200%, FAR  
EXCEEDING OUR EXPECTATIONS OF A 100% INCREASE:  
WE ARE MAINTAINING OUR 1976 EARNINGS ESTIMATE

March 1, 1976

Robert Emerson

	<u>1974</u>	<u>1975</u>	<u>1976E</u>
Earnings per Share	\$0.36	\$0.84	\$1.50

Wendy's reported fourth quarter earnings per share of \$0.27 compared with year-earlier results of \$0.09, a 200% increase. These results brought 1975 per share earnings to \$0.84, a 133% increase over the \$0.36 per share the company recorded in 1974. The reported earnings were much better than our fourth quarter and annual earnings per share estimates of \$0.18 and \$0.75, respectively.

Wendy's after tax return on beginning equity in 1975 was 90.5%, the highest of any company in the restaurant industry of which we are aware. The after tax return on average equity was 62.3%.

Because the principal source of the positive earnings variance was a much lower level of year-end administrative charges than we had anticipated, which may not be recurring, we are maintaining our 1976 earnings estimate of \$1.50 per share, a 79% gain over 1975 earnings per share. Wendy's remains on our Recommended List.

## Fourth Quarter Earnings

The principal variance from our fourth quarter projection lay in the area of operating and administrative expenses, which were \$431,000 below our expectations, or \$0.07 per share after taxes. These costs showed an increase of 87.2% for the quarter compared with our estimate of a 112.5% increase. During the first nine months these costs rose 177.6%. In the past, Wendy's has normally accrued much higher operating and administrative expenses as a percentage of total revenues in the fourth quarter than in the first nine months, presumably at least partly with a view toward reducing taxes in a given year. In 1974 these costs were 29.2% of total revenues in the first nine months of the year and 37.7% in the fourth quarter. In 1975 they were 32.5% of total revenues



**Oppenheimer & Co., Inc.**  
MEMBERS NEW YORK STOCK EXCHANGE, INC.  
ONE NEW YORK PLAZA, NEW YORK CITY 10004

# Oppenheimer & Co., Inc.

Research Meeting Notes  
March 1, 1976

in the first nine months, and we had projected that they would rise to 38% in the final quarter. In fact, they increased to only 34.0% of revenues, causing our fourth quarter earnings estimate to be far too low. Whether Wendy's will now permanently benefit from systemwide sales leverage against these costs is difficult to say, but we point out that the 139.8% rise in these expenses for the year as a whole did exceed gains in sales of company-owned units and did show a small increase as a percentage of total revenues; thus, there is no evidence that the company is skimping on the management costs needed to control future growth.

An additional source of positive earnings variance from our estimate was in the area of company-owned store gross margins, which had declined 1.0 percentage point for the first nine months. In the fourth quarter they rose 0.7%, from 44.9% to 45.6%. Hence, while company-owned sales were only \$108,000 (or 1.4%) above our estimate, the gross contribution was \$188,000 above our projection, or \$0.03 per share after taxes.

The fourth quarter tax rate of 48.3% was above our 46.0% projection, which had simply been based on the reported tax rate for the first nine months. This factor cost the company slightly over \$0.01 per share.

The following table shows details of the fourth quarter.

<u>WENDY'S</u>			
<u>FOURTH QUARTER INCOME STATEMENT</u>			
(\$ MIL.)			
	<u>1974</u>	<u>1975</u>	<u>% Change</u>
Company-owned Sales	\$ 4.214	\$ 8.099	92.1%
Contribution Margin	<u>44.9%</u>	<u>45.6%</u>	--
Contribution	1.890	3.690	95.2%
Franchise Royalties	0.184	0.772	319.5%
Initial Fees	0.075	0.380	406.7%
Other	<u>0.035</u>	<u>0.108</u>	<u>208.6%</u>
Total Contribution	\$ 2.184	\$ 4.950	126.6%
Operating & Administrative Expenses	1.700	3.182	87.2%
<u>% Revenue</u>	<u>37.7%</u>	<u>34.0%</u>	
Pretax Income	\$ 0.483	\$ 1.770	266.4%
Tax Rate	42.7%	48.3%	
Taxes	<u>0.206</u>	<u>0.855</u>	<u>315.0%</u>
Net Income	\$ 0.276	\$ 0.915	231.5%
Earnings per Share (\$)	<u>\$0.09</u>	<u>\$0.27</u>	<u>200.0%</u>

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The information and statistical data contained herein have been obtained from sources which we believe to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to any change in figures or our views. This is not a solicitation of any order to buy or sell. We, our affiliates, and any officer, director or stockholder or any member of their families, may have a position in and may from time to time purchase or sell any of the above mentioned securities.



# Oppenheimer & Co., Inc.

Research Meeting Notes  
March 1, 1976

## Prospects For 1976

One might reasonably ask why, if Wendy's fourth quarter earnings were 50% above our estimate, we are not raising our 1976 earnings estimate. Since most of the variance from our fourth quarter projection lay in our inability to predict the level of operating and administrative expenses in the period versus an historical level of unusually high seasonal accruals in the fourth quarter, we would prefer to wait and see how this account runs in a more normal quarter in 1976 before altering our annual assumption. Our revenue estimates were close to being on target for 1975, so we have no reason to change our 1976 sales assumptions.

On balance, we are very pleased with Wendy's recent results, and would only reiterate the difficulty the investor faces in quantifying the explosive growth which this company has experienced and which we expect to continue for the next several years. Our detailed earnings model is shown below:

<u>WENDY'S ESTIMATES</u>					
(\$ MIL.)					
	<u>1974A</u>	<u>1975A</u>	<u>% Change</u>	<u>1976E</u>	<u>% Change</u>
Company-Owned Sales	\$11.736	\$26.693	127.4%	\$42.7	60.0%
Contribution Margin	45.4%	45.0%		45.0%	
Contribution	\$ 5.335	\$12.018	125.3%	\$19.2	59.8%
Franchise Royalties	0.507	1.912	277.1%	5.2	172.0%
Initial Fees	0.230	0.745	223.9%	1.4	87.9%
Other	0.127	0.233		0.2	(14.2)%
Total Contribution	\$ 6.199	\$14.908	140.5%	\$26.0	74.4%
Operating & Administrative Expenses	4.064	9.745	139.8%	16.8	72.4%
% Revenues	32.3%	32.9%		33.9%	
Pretax Income	\$ 2.135	\$ 5.164	141.9%	\$ 9.2	78.2%
Tax Rate	47.1%	46.8%		46.7%	
Taxes	1.005	2.417		4.3	77.9%
Net Income	\$ 1.129	\$ 2.747	143.3%	\$ 4.9	78.4%
Earnings per Share (\$)	<u>\$0.36</u>	<u>\$0.84</u>	<u>133.3%</u>	<u>\$1.50</u>	<u>78.6%</u>



### Operations Skills Sharpening During Growth

Wendy's continually updates its techniques to provide better products and more efficient service. We have instituted store design improvements in several areas to cut down on unnecessary motion in our kitchens, and to improve store appearance and convenience for our customers.

Consistent customer satisfaction each time he visits one of our stores remains our primary operational goal. To provide that kind of pleasant experience, Wendy's devotes many hours in training our employees, and adds important services such as carefully wrapping our sandwiches to preserve their warm freshness and giving the customer a complete selection of choice condiments. Efficient, friendly service remains a hallmark of our stores, and we work hard to maintain high standards in this area.

To be a leader in the food service industry, we recognize that excellent food must be served with a friendly smile, prompt attention and a polite "Thank you" to keep our customers coming back.

The standardized design of Wendy's interiors yields maximum control of customer traffic, without impeding free movement by our customers. The attractive interior wall treatments and exterior building facade perfectly complement the Wendy's Old Fashioned Hamburgers image, yet provide modern, limited maintenance requirements.

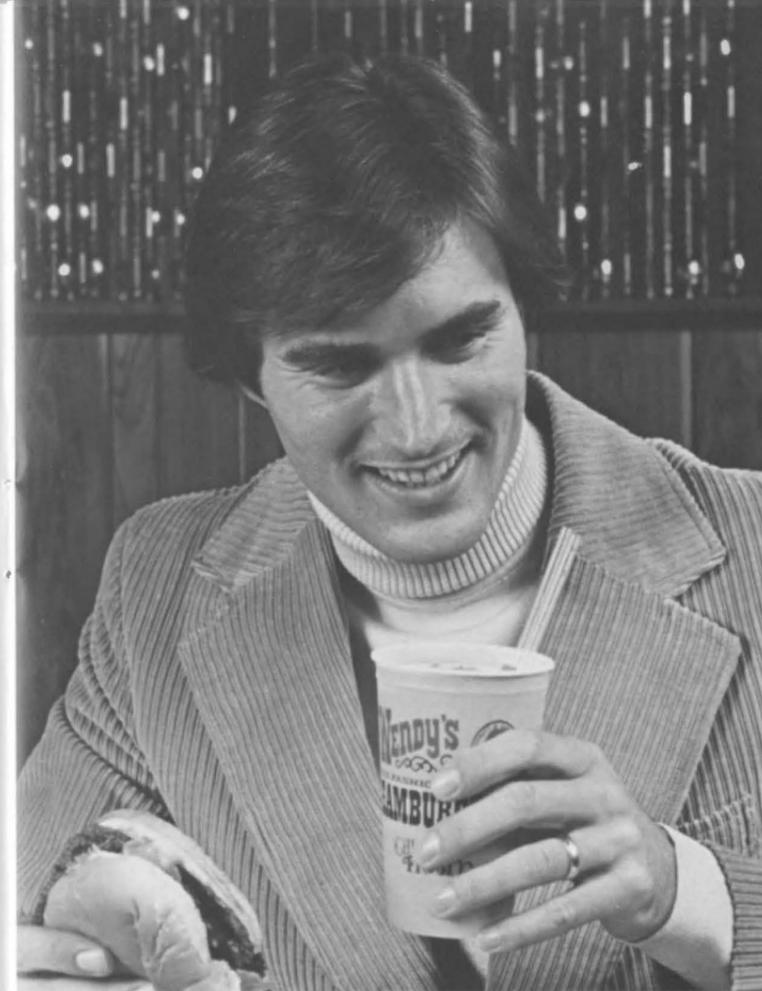
Another feature of Wendy's is the Pick Up Window. It allows a customer to place his take home order quickly and conveniently from his car. All the customer has to do is place his order over an outside speaker system and pull up to the window to receive his order.

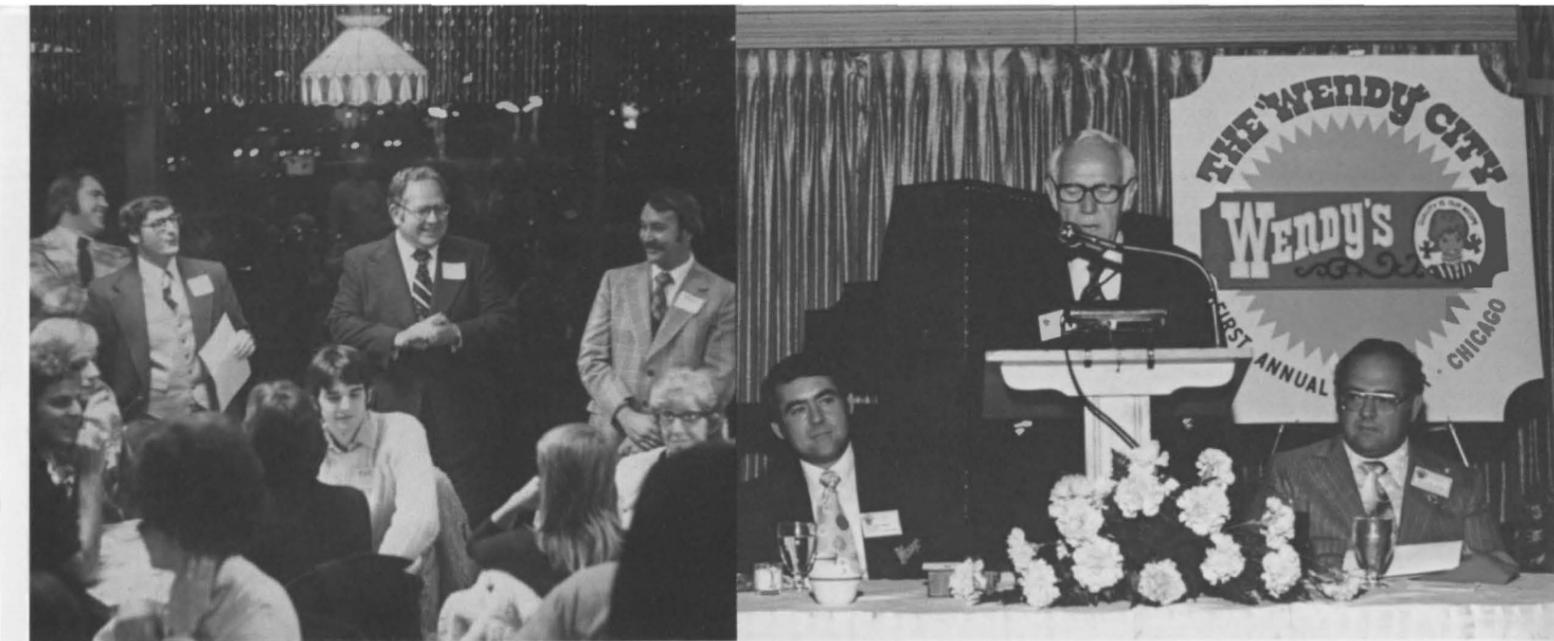
### Challenging the Past For New Success

Breathing new life into a part of American life as well accepted as a hamburger is no small challenge. For Wendy's Founder and Chairman, R. David Thomas, it meant bringing turn-of-the-century values back to the food service industry, providing customers with a product taste so natural it was different, and wrapping the whole package with trimmings of genuine consumer value.

His fresh approach to the challenge is uncomplicated. Use fresh beef, cook it correctly, use only fresh, leafy lettuce, rich ripe tomatoes, tangy onions and other fine condiments. Give the customer 256 different ways to choose from. And make each hamburger exactly right every time.

Wendy's Old Fashioned Hamburgers are now available in over 140 cities in 28 states in the U.S., and in Canada. Each year of operation brings wider acceptance of the Wendy's concept of providing good value at a fair cost, served with prompt attention in a pleasant surrounding.





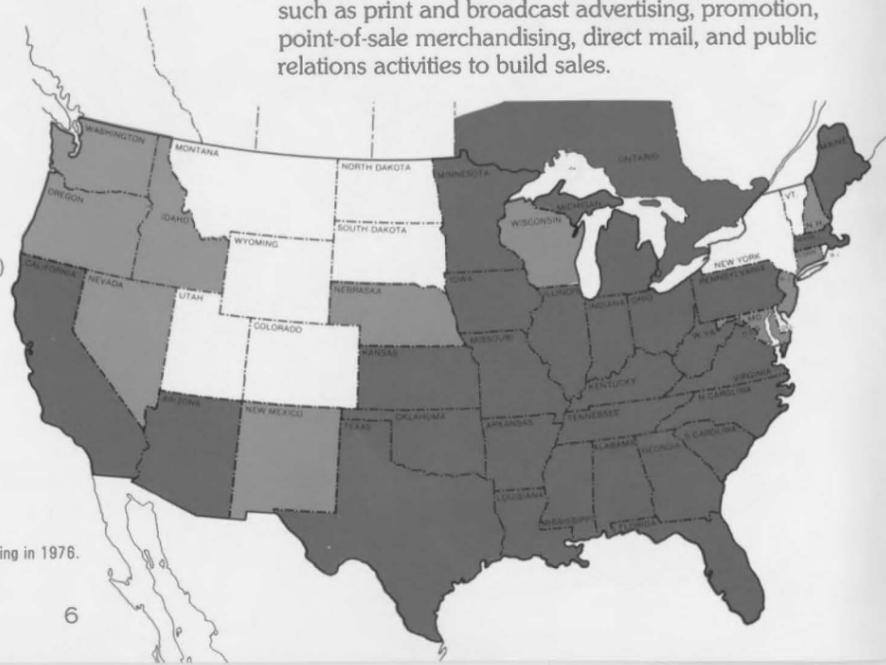
Chairman and Founder, R. David Thomas (2nd from right), attends one of Wendy's many preview store openings.

Speakers table at Seminar Awards Banquet. (l. to r.) Robert L. Barney, President of Wendy's; Jack Massey, Chairman of the Executive Committee of Hospital Corporation of America and former Chairman and President of Kentucky Fried Chicken, featured guest speaker; R. David Thomas, Founder and Chairman of Wendy's.

## Wendy's Old Fashioned Hamburgers Restaurants

Open as of December 31, 1975

- |  |  |   |   |
|--|--|---|---|
| <b>ALABAMA</b><br>Birmingham (2)<br>Gadsden<br>Huntsville<br>Mobile<br><b>ARIZONA</b><br>Phoenix<br>Tucson<br><b>ARKANSAS</b><br>Little Rock<br><b>CALIFORNIA</b><br>Fresno (3)<br><b>CANADA</b><br>Hamilton, Ontario<br><b>COLORADO</b><br>Lakewood<br><b>FLORIDA</b><br>Altamonte Springs<br>Boca Raton<br>Bradenton<br>Clearwater<br>Daytona Beach<br>Deerfield Beach<br>Ft. Lauderdale<br>Jacksonville (9)<br>New Port Richey<br>Orlando (3)<br>Pinellas Park<br>Pompano<br>St. Petersburg<br>Tampa (2)<br>Tarpon Springs<br>Winter Haven<br><b>GEORGIA</b><br>Atlanta (14)<br>Augusta<br>Jonesboro<br>Macon<br>Savannah<br><b>ILLINOIS</b><br>Chicago (4)<br>Danville<br>De Kalb<br><b>INDIANA</b><br>Clarksville<br>Evansville<br>Ft. Wayne (2)<br>Indianapolis (8)<br>Kokomo<br>Lafayette | <b>IOWA</b><br>Des Moines<br><b>KANSAS</b><br>Shawnee Mission<br>Topeka<br>Wichita<br><b>KENTUCKY</b><br>Bowling Green<br>Florence<br>Lexington<br>Louisville (4)<br>Newport<br>Richmond<br><b>LOUISIANA</b><br>Lima<br><b>MAINE</b><br>Portland<br><b>MASSACHUSETTS</b><br>Revere<br>Stoughton<br><b>MICHIGAN</b><br>Battle Creek<br>Burton<br>Detroit (2)<br>Flint<br>Grand Rapids<br>Jackson<br>Kalamazoo (3)<br>Lansing<br>Monroe<br>Saginaw<br><b>MINNESOTA</b><br>Austin<br>Hopkins<br>Minnetonka<br>White Bear Lake<br><b>MISSISSIPPI</b><br>Jackson (2)<br>Tulsa (3)<br><b>MISSOURI</b><br>Independence<br>Kansas City<br><b>NORTH CAROLINA</b><br>Asheville<br>Charlotte<br>Fayetteville (2)<br>Greensboro<br>Winston-Salem | <b>OHIO</b><br>Akron (5)<br>Athens<br>Canton (3)<br>Cheviot<br>Chillicothe<br>Cincinnati (7)<br>Circleville<br>Cleveland (8)<br>Columbus (14)<br>Dayton (7)<br>Garland<br>Houston (5)<br>Pasadena (2)<br>San Antonio<br><b>VIRGINIA</b><br>Norfolk (2)<br><b>WEST VIRGINIA</b><br>Beckley<br>Charleston<br>Huntington (2)<br>Kanawha<br>Star City | <b>TENNESSEE</b><br>Chattanooga<br>Knoxville<br>Memphis (5)<br>Millington<br>Nashville (2)<br><b>TEXAS</b><br>Austin<br>Clear Lake City<br>Dallas (2)<br>Garland<br>Houston (5)<br>Pasadena (2)<br>San Antonio<br>William O. Plyler<br><b>CALIFORNIA</b><br>Fresno<br>San Jose<br>Joseph Desmond<br>Oakland<br>Santa Rosa<br>Napa<br>Don M. Casto, Jr.<br>Frank Jones<br>Orange County<br>Donald G. Greer<br>Sacramento<br>Larry W. Bradford<br>San Francisco<br>Monterey<br>William A. Lane, Jr.<br>Mrs. R. C. Bonner, Jr.<br><b>CANADA</b><br>Province of Ontario<br>Ian D. Oliver<br>Arnold Summerville<br>Fletcher Wilson<br>Dr. Frank Barnes |
|--|--|---|---|



States with restaurants in operation. States with restaurants opening in 1976.

## Wendy's International Inc. Franchise Owners in the U.S.A. and Canada

- |  |  |   |   |   |   |  |
|--|--|---|---|---|---|--|
| <b>ALABAMA</b><br>Gadsden<br>Anniston<br>Duane L. Hoover<br>Huntsville<br>Florence<br>Decatur<br>Athens<br>Clyde Newman<br>Mobile<br>George J. Gallagher<br>Montgomery<br>Birmingham<br>Michael Bodnar<br>Raymond Schoenbaum<br>Enterprise<br>Dothan<br>George M. Scott, Jr.<br>Colon W. Folk, Jr.<br>Selma<br>Jimmy R. Wing<br>Terry L. Wing<br>Tuscaloosa<br>Talladega<br>Cullman<br>Jasper<br>Robert Maynard<br>Dugan S. Yerton<br>Dr. Stanley Rubenstein | <b>CONNECTICUT</b><br>Hartford<br>Dwight C. Pettay<br>George L. Jenkins<br>Robert Flanagan<br>Torrington<br>Danbury<br>Waterbury<br>New Haven<br>Bridgeport<br>Meriden, Norwich<br>Middletown<br>Robert C. Swartz<br>Dr. Frank Barnes<br>F. Douglas Reardon  | <b>INDIANA</b><br>Indianapolis<br>Clarksville<br>New Albany<br>L. S. Hartzog<br>Ron Gerwig<br>Dave Osborn<br>Kokomo<br>Jack D. Paulk<br>Evansville<br>Linn E. Sellers<br>David G. Long<br>Jack M. Cline<br>Fort Wayne<br>South Bend<br>John C. Young<br>Anderson<br>John Dattilo<br>Lafayette<br>Robert G. Schwartz<br>Michigan City<br>Muncie<br>Ronald Emanoil<br>Bert A. Schloemer<br>Marion<br>New Castle<br>Thomas O. Misner<br>Richmond<br>Franz Huntington<br>Ed Loving<br>Larry McFarren<br>Bloomington<br>Harold A. Parks<br>Terre Haute<br>Robert Ruckriegel<br>William Kuenning<br>David Buehler | <b>LOUISIANA</b><br>Monroe<br>Ruston<br>James O. Hardin<br>Harry L. Wyatt<br>New Orleans<br>Ray Dan<br>Larry Saunders<br>Avron Fogelman<br>Terry Shainberg<br>Alexandria<br>Lafayette<br>New Iberia<br>Lake Charles<br>J. Murl Smith<br>John E. Marcom  | Greenwood<br>Durham<br>Clerksdale<br>Greenville<br>Cleveland<br>Robert D. Young<br>William Mize<br><b>MISSOURI</b><br>St. Joseph<br>Del Newkirk<br>Douglas Dannen<br>Cape Girardeau<br>James A. Patterson<br>Clay Powell<br>Kansas City<br>John Hamra<br>Don George<br>Jefferson City<br>Columbia<br>Joplin<br>Springfield<br>Robert E. Knapp<br>Sam Hamra<br>St. Louis Area<br>Rody B. Davenport<br>Gordon L. Davenport  | Raleigh<br>Durham<br>Goldsboro<br>Camp Lejeune<br>Wilmington<br>New Bern<br>Duane L. Hoover<br>Charles L. Hill<br>Burlington<br>Richard R. Walton<br>John K. Roberts<br><b>OHIO</b><br>Cleveland<br>Mansfield<br>Kansas City<br>Thomas A. Hennings<br>Eugene Hennings<br>Marietta<br>Ironton<br>Athens<br>Steubenville<br>Eugene F. Imbrogno<br>Roy Tuggle<br>Milt Lustnauer<br>James W. Near<br>Chillicothe<br>Portsmouth<br>Oliver E. Webb<br>Ed Kizer<br>Lorain<br>Adelaide M. Fox<br>Norman A. Fox<br>Kent, Medina, Akron<br>Mentor, Warren, Canton<br>Youngstown, Massillon<br>Domenic Federico<br>Sam Federico<br>Springfield<br>Lima<br>Larry McFarren<br>Ed Loving<br>Franz Huntington<br>Sandusky<br>Michael C. Scanlon<br>Pittsfield<br>Northampton<br>Robert H. Stine<br>Mike Turner   | Greenville<br>Greenwood<br>Columbia<br>Spartanburg<br>Anderson<br>Myrtle Beach<br>Georgetown<br>Donald G. Greer<br><b>TENNESSEE</b><br>Memphis<br>Jackson<br>Dyersburg<br>Charles Rodgers<br>William O. Plyler<br>Knoxville<br>Douglas N. Sheley<br>Dr. Charles A. Ogle<br>Chattanooga<br>Edgar Tenent<br>Nashville<br>F. Wayne Oldham<br>Charlie Rich<br>Sy Rosenberg<br>Johnson City<br>Kingsport<br>Leonard S. Barr<br>Fred Goldsmith<br><b>TEXAS</b><br>San Antonio<br>Laredo<br>C. H. Roman<br>Jesse M. Hellums<br>Amarillo<br>Midland-Odessa<br>El Paso, Lubbock<br>Abilene, Austin<br>Big Spring<br>John A. Carner<br>Texarkana<br>J. Murl Smith<br>John E. Marcom<br>Victoria<br>Larry D. Manning<br>Marilee M. Manning<br>Wichita Falls<br>Sherman<br>Don Mills<br>Anthony N. Briggie<br>Waco<br>Temple<br>L. Donald Jordan, Jr.<br>J. William Lovelace<br>Corpus Christi<br>George E. Desser |
| <b>ARIZONA</b><br>Tucson<br>Gary W. Schaffer<br>Phoenix<br>Merle Roberts<br><b>ARKANSAS</b><br>El Dorado<br>Helena<br>Pine Bluff<br>Robert Young<br>William Mize<br>Ft. Smith<br>Fayetteville<br>Texarkana<br>J. Murl Smith<br>John E. Marcom<br>Hot Springs<br>Pete Burntess<br>Little Rock<br>Gerald F. S. Hamra<br>W. Memphis<br>Blytheville<br>Jonesboro<br>Charles Rodgers<br>William O. Plyler   | <b>FLORIDA</b><br>Melbourne<br>Bernard A. Fioto<br>Pensacola<br>Oliver E. Webb<br>Ft. Pierce<br>Vero Beach<br>Stuart<br>Allen F. Green, Sr.<br>Tallahassee<br>Frank Visconti<br>Naples, Ft. Myers<br>Sarasota<br>St. Petersburg<br>Tampa, Bradenton<br>New Port Richey<br>W. James Kirst<br>John A. Roschman<br>Daytona Beach<br>Morris G. Reaves<br>Ft. Lauderdale<br>Miami<br>Palm Beach<br>Eugene F. Imbrogno<br>Roy Tuggle<br>Milt Lustnauer<br>James W. Near<br>Jacksonville<br>L. S. Hartzog<br>Roy Jones<br>Lynn J. Andrews<br>Orlando<br>Sam Federico<br>Domenic Federico<br>Winter Haven<br>Merle Roberts<br>Frank Fancelli | <b>IOWA</b><br>Ames<br>Ft. Dodge<br>Marshalltown<br>Iowa City<br>Thomas C. Barbee<br>Dr. John A. Passias<br>Waterloo<br>Cedar Rapids<br>Des Moines<br>Council Bluffs<br>Sioux City<br>Lyle King<br><b>KANSAS</b><br>Kansas City<br>John Hamra<br>Topeka<br>Lincoln<br>James G. Nellis<br>Wichita<br>Dr. Charles A. Ogle<br>Larry Fleming<br>Salina<br>Emporia<br>V. Richard Hoover<br>Bernard D. Crutchfield  | <b>MAINE</b><br>State of<br>James Murphy<br>William E. Arthur<br><b>MARYLAND</b><br>Cumberland<br>Hagerstown<br>Frederick<br>Baltimore<br>Annapolis<br>Waldorf<br>Rockville<br>College Park<br>Bethesda<br>Rody B. Davenport<br>Gordon L. Davenport<br><b>MASSACHUSETTS</b><br>Worcester, Revere<br>New Bedford<br>Brockton, Stoughton<br>Weymouth<br>Benjamin A. Mattingly<br>Michael C. Scanlon<br>Pittsfield<br>Northampton<br>Robert H. Stine<br>Mike Turner<br><b>MICHIGAN</b><br>Kalamazoo<br>Grand Rapids<br>Battle Creek<br>Muskegon<br>William F. Van Domelen<br>Detroit<br>Robert Zankl<br>Richard O'Meara<br>Lansing<br>Jackson<br>Adrian<br>Ann Arbor<br>David J. Stanton<br>Saginaw<br>Bay City<br>Midland<br>Mount Pleasant<br>Kenneth F. Bialas<br>Flint<br>William G. Hopkins<br>Robert E. Scott<br>Monroe<br>Richard W. Holland<br>Phil Buerk<br>Port Huron<br>Owosso<br>Lapeer<br>Michael Ilitch<br><b>MINNESOTA</b><br>St. Cloud<br>Minneapolis<br>Austin<br>St. Paul<br>Jack H. Chabot<br>Peter Cook<br>Henderson<br>Linn E. Sellers<br>David G. Long<br>Jack M. Cline<br>Bowling Green<br>Daniel J. Davis<br>Lexington<br>Richmond<br>F. Douglas Reardon<br>Robert C. Swartz<br>Dr. Frank Barnes | <b>NEBRASKA</b><br>Omaha<br>Lyle King<br>Lincoln<br>James G. Nellis<br><b>NEVADA</b><br>Las Vegas<br>Joseph D. Karam<br><b>NEW HAMPSHIRE</b><br>State of<br>Samuel Irvin<br>William R. Crowder<br><b>NEW JERSEY</b><br>Woodbridge<br>Paterson<br>Newark<br>Elizabeth<br>Jersey City<br>Don M. Hilliker<br>Camden<br>Trenton<br>Joseph K. Pagano<br><b>NEW MEXICO</b><br>Albuquerque<br>Will Knox<br>Las Cruces<br>John A. Carner<br><b>NEW YORK</b><br>New York City Areas<br>Utica<br>Schenectady<br>Troy, Levittown<br>Poughkeepsie<br>Central Islip<br>Albany<br>Amsterdam<br>Yonkers<br>Don M. Hilliker<br>Rochester<br>Richard C. Fox<br>Allentown<br>Ithaca<br>Syracuse<br>Elmira<br>Binghamton<br>Auburn<br>Robert T. Taggart<br>Lawrence T. Marrvott<br><b>NORTH CAROLINA</b><br>Statesville<br>Hickory<br>F. Wayne Oldham<br>William E. Crosswhite<br>Asheville<br>Donald G. Greer<br>Charlotte<br>Gastonia<br>Thomas A. Hammons<br>Winston-Salem<br>Harold L. Coleman<br>Greensboro<br>Morris G. Reaves<br>Fayetteville<br>John A. Roschman | <b>MONTANA</b><br>Billings<br>Sam E. McDonald, Jr.<br><b>NEBRASKA</b><br>Omaha<br>Lyle King<br>Lincoln<br>James G. Nellis<br><b>NEVADA</b><br>Las Vegas<br>Joseph D. Karam<br><b>NEW HAMPSHIRE</b><br>State of<br>Samuel Irvin<br>William R. Crowder<br><b>NEW JERSEY</b><br>Woodbridge<br>Paterson<br>Newark<br>Elizabeth<br>Jersey City<br>Don M. Hilliker<br>Camden<br>Trenton<br>Joseph K. Pagano<br><b>NEW MEXICO</b><br>Albuquerque<br>Will Knox<br>Las Cruces<br>John A. Carner<br><b>NEW YORK</b><br>New York City Areas<br>Utica<br>Schenectady<br>Troy, Levittown<br>Poughkeepsie<br>Central Islip<br>Albany<br>Amsterdam<br>Yonkers<br>Don M. Hilliker<br>Rochester<br>Richard C. Fox<br>Allentown<br>Ithaca<br>Syracuse<br>Elmira<br>Binghamton<br>Auburn<br>Robert T. Taggart<br>Lawrence T. Marrvott<br><b>NORTH CAROLINA</b><br>Statesville<br>Hickory<br>F. Wayne Oldham<br>William E. Crosswhite<br>Asheville<br>Donald G. Greer<br>Charlotte<br>Gastonia<br>Thomas A. Hammons<br>Winston-Salem<br>Harold L. Coleman<br>Greensboro<br>Morris G. Reaves<br>Fayetteville<br>John A. Roschman |  |

**Strengthening the Management Team**

During the past year, we have responded to the challenge of our growing sales by adding three corporate departments—Marketing, Purchasing and Legal Services—and significantly expanding our manpower and services in four others—Franchise Services, Training, Real Estate and Engineering.

Meeting the growing sales development needs of Wendy's International's stores is the assignment of our new corporate marketing team. With the help of many valuable outside resource experts, they design and develop the advertising and promotion programs that generate new sales for our stores, and keep old customers coming back.

The marketing group also assists our franchisees in presenting and promoting the quality image of Wendy's Old Fashioned Hamburgers in their markets. Franchisees are offered planning services, print and broadcast advertisements as well as valuable counsel to help them get the most for their promotional dollars.

Our new Purchasing and Distribution Department has developed a nationwide cost monitoring system which will give all Wendy's operations much greater control in such areas as food purchasing and shipping. This system helps us stabilize price fluctuations on our large commodity purchases—a significant step toward keeping retail prices competitive, while at the same time giving us consistently superior, fresh goods from which we make all our products.

Our office of Corporate Counsel provides us with legal advice in a variety of areas, including a review of franchising arrangements and real estate acquisitions.

Wendy's Franchise Service Department has added several key personnel to provide expanded services to our stores. These field-trained managers are thoroughly capable trouble-shooters who provide on-the-spot assistance to franchise holders

and store managers. Each person in this group has held store and area manager responsibilities, so his input to operational problems is based on practical experience.

The staff of Wendy's Management Institute in Columbus, Ohio has grown this year. The Institute has graduated over 680 trainees. Each management trainee received operational instruction critical to a successful Wendy's restaurant, and brought back with him the confidence and skills he needs to train his store employees.

There are plans to open additional training centers throughout the United States in the near future.

Staff additions to Wendy's Real Estate and Engineering Departments effectively increased their capabilities. These specialists provide standard architectural plans, preliminary site inspections, and layout and design work for franchisees, as well as consulting services for builders.

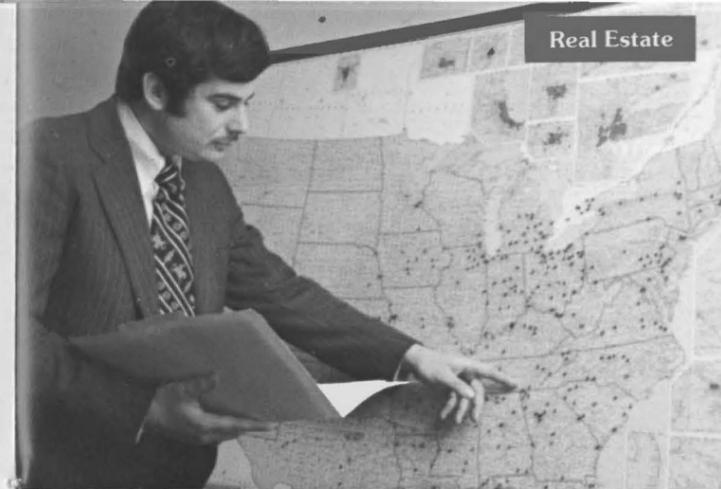
The constant process of updating plans, working on future development and evaluating new materials is all part of their challenge.

**1975—A Year of Growth**

1975 was a very good year for Wendy's. We achieved record sales. We added important new dimensions to our management strength.

But our national bicentennial year—1976—will be a year of challenge. If we are to reach our goals, we must continue to develop all areas of our business with the same degree of precision achieved during 1975. We will have to be alert to our management needs to keep abreast of our growth in sales. We must be vigilant to the need for our employees to grow with us.

But, most of all, we must not lose sight of our customer. We must continue to improve our products, our service, our ability to satisfy him each time he visits Wendy's. For without his continued loyalty, we cannot survive.



Real Estate



Marketing



Training School



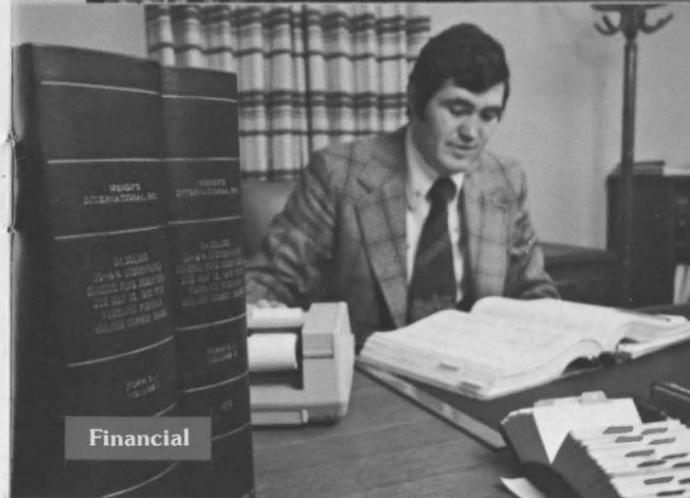
Accounting



Legal



Engineering



Financial

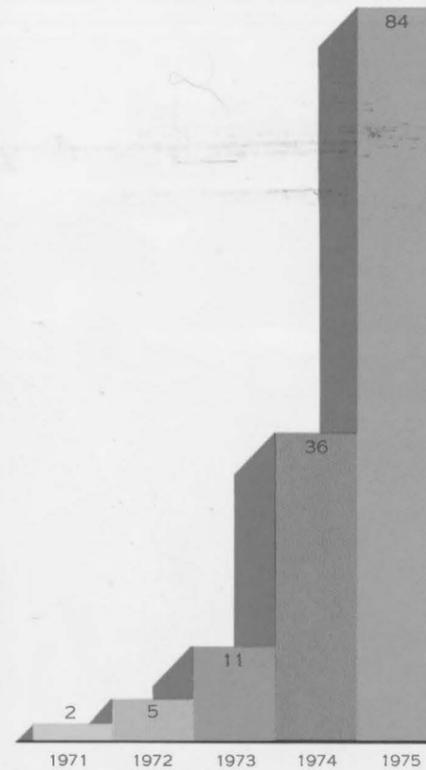


Franchise Services

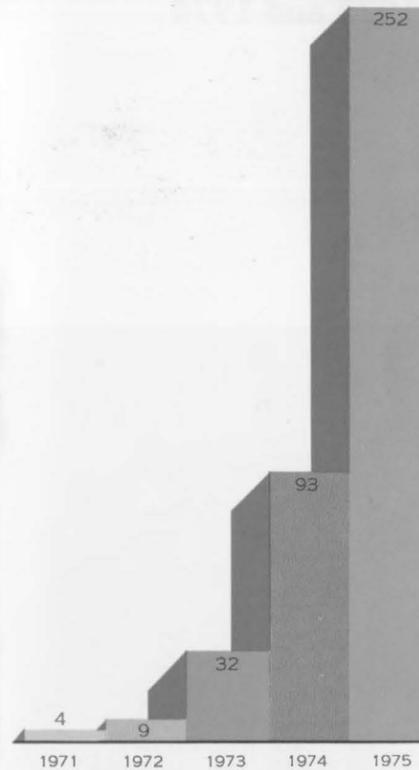


**Wendy's Buys A Grand Champion Steer.**

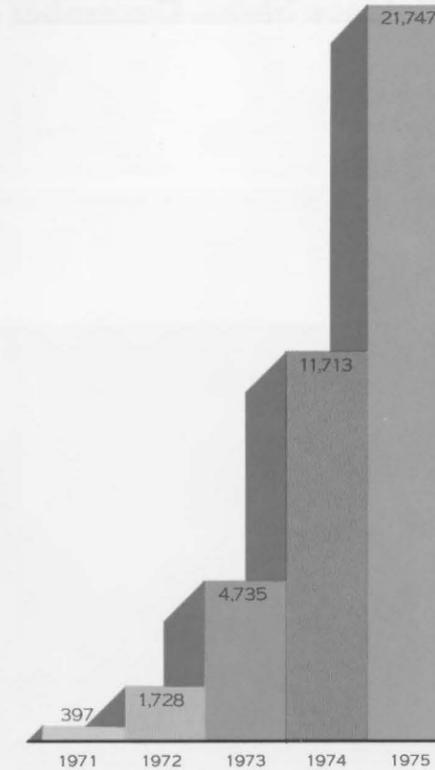
To help support young men and women going into farming, R. David Thomas (right), Founder and Chairman of Wendy's, makes the winning bid for the grand champion steer at the Ohio State Fair. The Angus, raised by 18-year-old Mike Bumgarner (left), was later presented to the Children's Hospital Medical Center in Cincinnati.



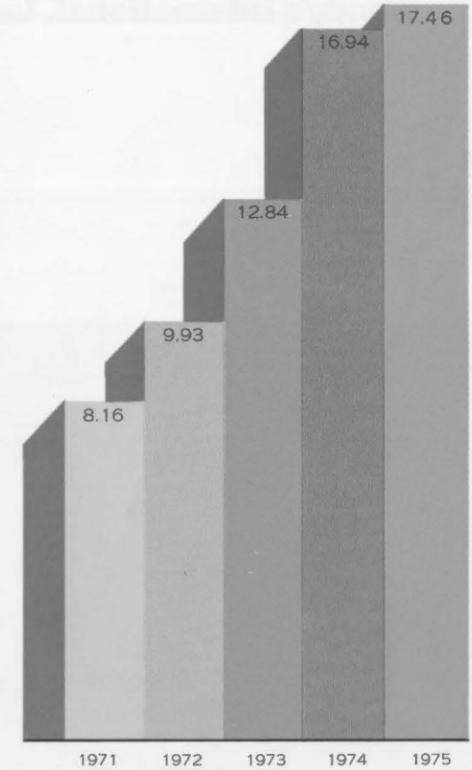
**Net Income Per Share**  
(in cents)



**Company and Franchised Restaurants In Operation**



**Assets**  
(in thousands of dollars)



**Pre-tax Margin**  
(Percent)

**Historical Financial Summary**

5 Year Period  
1971-1975  
Years Ended December 31

	1971	1972	1973	1974	1975
Revenues . . . . .	\$ 683,967	\$1,834,118	\$4,540,931	\$12,600,524	\$29,583,705
Cost of Sales . . . . .	391,894	979,602	2,372,883	6,402,173	14,674,624
Operating Expenses . . . . .	226,357	649,184	1,449,157	3,675,616	8,939,251
Interest Expense . . . . .	9,878	23,134	135,434	338,203	805,570
Income Before Taxes . . . . .	55,838	182,198	583,457	2,134,532	5,164,260
Net Income . . . . .	45,570	108,498	327,257	1,129,058	2,747,260
Earnings per Share . . . . .	.02	.05	.11	.36	.84
Total Assets . . . . .	397,165	1,728,700	4,735,835	11,713,249	21,747,079
Shareholders' Equity . . . . .	151,417	949,534	1,572,159	3,037,288	6,809,645
Number of Shares outstanding . . . . .	2,250,000	2,775,000	3,011,610	3,061,610	3,155,715
Pre-Tax Margin . . . . .	8.16%	9.93%	12.84%	16.94%	17.46%
Return on Equity* . . . . .	54.48%	19.70%	25.95%	48.99%	55.80%
Sales—Company-owned & Franchised . . . . .	681,804	2,014,567	6,263,848	24,232,962	74,462,639
Number of Restaurants in Operation . . . . .	4	9	32	93	252
Company-owned . . . . .	4	7	17	42	69
Franchised . . . . .	—	2	15	51	183
Average annual revenues of Company-owned restaurants open 12 months or longer . . . . .	265,644	345,165	390,012	438,879	463,419

\*Based on Average Equity Employed



## Management Discussion of Historical Financial Summary

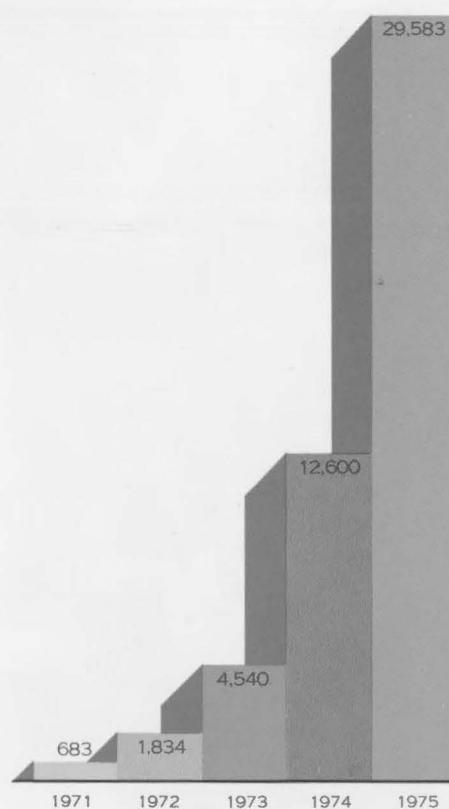
Wendy's has experienced substantial increases in revenues, expenses and net income during the five year period ending December 31, 1975. Operation of additional company-owned restaurants was the most significant factor in increased revenue and expense. However, as indicated by the average annual revenues of company-owned restaurants open 12 months or longer, growth in revenues is also attributable to increases in volume per restaurant. Each franchisee pays an amount equal to 4% of its gross sales to the company. Prior to 1974, such royalty constituted 2% or less of revenues. Royalty income was 4% of gross revenues in 1974 and 7% in 1975. Management expects royalties to continue to increase as a percentage of revenue.

The cost of food represents the Company's single largest category of expense. During the past three years the Company has experienced wide fluctuations in the cost of various food commodities and expects such fluctuations to occur in the future. Fluctuation in total food cost as a percentage of retail sales has and will continue to have a direct effect upon the Company's pre-tax profit margins. The Company's food costs as a percent of sales in 1973 were 2.07 percentage points higher than 1972 food costs and, in 1974, such costs were 2.06 percentage points lower than in 1973. Food costs as a percent of sales in 1975 were substantially the same as 1974. The fluctuations in 1973 and 1974 were substantially attributable to governmental price controls then in effect.

While developing a new market, the Company incurs certain supervisory and promotional expenses. These expenses do not increase proportionately as the number of restaurants opened in that market increases. Accordingly, the Company has experienced increased profitability in some markets due to the absorption of supervisory and promotional costs by a larger number of units.

Increases in interest costs are attributable to substantial increases in borrowings incurred to finance the Company's expansion program and to a lesser extent to increases in interest rates in effect during the periods.

## Wendy's International Inc., Five Year Charts



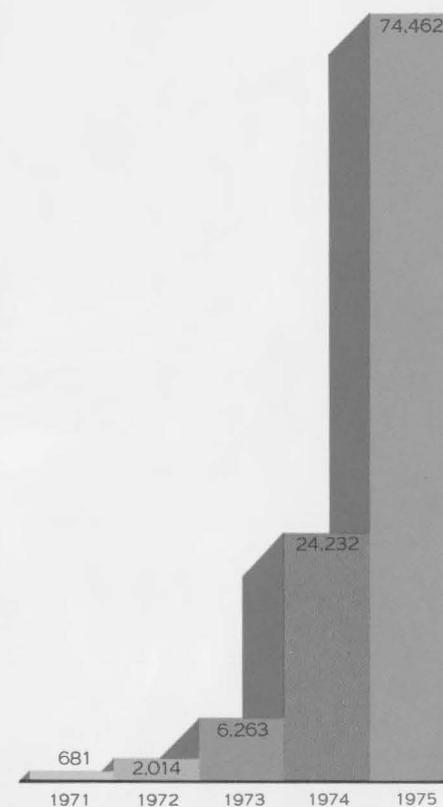
**Revenues**  
(In thousands of dollars)



**Net Income**  
(In thousands of dollars)



**Shareholders' Equity**  
(In thousands of dollars)



**Sales by Company Owned and Franchised Restaurants**  
(In thousands of dollars)

## Wendy's International, Inc. Balance Sheet, December 31, 1975 and 1974

### Assets

#### Current assets:

	1975	1974
Cash, including certificates of deposit of \$4,030,000 and \$1,130,000 respectively	\$ 4,902,543	\$ 2,133,863
Accounts receivable	504,266	146,718
Inventories (Note 1)	217,204	138,059
Deferred income taxes (Note 7)	651,050	157,200
Total current assets	<u>6,275,063</u>	<u>2,575,840</u>

Other assets	<u>700,150</u>	<u>138,446</u>
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#### Property and equipment, at cost (Notes 1 and 2):

Buildings	4,640,749	2,211,989
Leasehold improvements	1,491,133	1,136,904
Restaurant equipment	4,368,618	2,548,673
Motor vehicles	405,146	107,635
Office equipment	184,358	67,375
Lease rights	300,709	300,709
	<u>11,390,713</u>	<u>6,373,285</u>
Less accumulated depreciation and amortization	<u>1,095,506</u>	<u>439,567</u>
	<u>10,295,207</u>	<u>5,933,718</u>
Land	4,349,623	2,676,837
Construction in progress	127,036	388,408
	<u>14,771,866</u>	<u>8,998,963</u>
	<u>\$21,747,079</u>	<u>\$11,713,249</u>

The accompanying notes are an integral part of the financial statements.

### Liabilities and Shareholders' Equity

#### Current liabilities:

	1975	1974
Note payable, bank		\$ 20,000
Accounts payable, trade	\$ 1,426,933	1,204,751
Federal, state, and local income taxes	2,083,520	812,662
Accrued expenses	687,630	466,627
Current portion, term debt	297,228	710,503
Total current liabilities	<u>4,495,311</u>	<u>3,214,543</u>

Term debt, net of current portion (Note 2)	<u>8,420,323</u>	<u>5,110,618</u>
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#### Deferred:

Income taxes (Note 7)	361,800	158,300
Franchise fees (Note 1)	1,660,000	192,500
	<u>2,021,800</u>	<u>350,800</u>

#### Commitments (Notes 3 and 8)

#### Shareholders' equity:

Common stock, \$.10 stated value (Notes 4 and 6):		
Authorized: 12,000,000 shares (4,000,000 in 1974)		
Issued and outstanding: 3,155,715 shares (3,061,610 in 1974)	315,571	306,161
Capital in excess of stated value	2,165,662	1,142,195
Retained earnings (Note 2)	4,328,412	1,588,932
Total shareholders' equity	<u>6,809,645</u>	<u>3,037,288</u>
	<u>\$21,747,079</u>	<u>\$11,713,249</u>

The accompanying notes are an integral part of the financial statements.

## Statement of Income

	Years ended December 31	
	1975	1974
<b>Revenue:</b>		
Retail operations	\$26,693,048	\$11,736,311
Royalties (Note 1)	1,912,393	506,813
Franchise fees (Note 1)	745,000	230,000
Other	233,264	127,400
	<u>29,583,705</u>	<u>12,600,524</u>
<b>Costs and expenses:</b>		
Cost of sales	14,674,624	6,402,173
Operating and administrative expenses	8,264,292	3,397,040
Depreciation and amortization of property and equipment	674,959	278,576
Interest	805,570	388,203
	<u>24,419,445</u>	<u>10,465,992</u>
Income before income taxes	<u>5,164,260</u>	<u>2,134,532</u>
<b>Income taxes (Note 7):</b>		
Federal		
Current	2,717,850	897,100
Deferred	(547,850)	(17,700)
	<u>2,170,000</u>	<u>879,400</u>
State and local	247,000	126,074
	<u>2,417,000</u>	<u>1,005,474</u>
Net income	<u>\$ 2,747,260</u>	<u>\$ 1,129,058</u>
Net income per share (Note 1)	<u>\$ .84</u>	<u>\$ .36</u>
Common and common equivalent shares	<u>3,290,000</u>	<u>3,168,600</u>
Number of restaurants in operation, end of year (Note 5)	<u>69</u>	<u>42</u>
Average number of restaurants in operation during the year (Note 5)	<u>55</u>	<u>25</u>

The accompanying notes are an integral part of the financial statements.

## Statement of Shareholders' Equity

Years ended December 31, 1975 and 1974

	Shares Outstanding	Common Stock	Capital in Excess of Stated Value	Retained Earnings	Total Shareholders' Equity
<b>Balance, December 31, 1973</b>	3,011,610	\$301,161	\$ 803,470	\$ 467,528	\$1,572,159
Costs related to splits			( 6,275)		( 6,275)
Shares issued related to purchase of franchisees (Note 8)	50,000	5,000	345,000		350,000
Cash dividend, \$.0025 per share				( 7,654)	( 7,654)
Net income for the year				1,129,058	1,129,058
<b>Balance, December 31, 1974</b>	3,061,610	306,161	1,142,195	1,588,932	3,037,288
Shares issued in connection with exercise of stock purchase warrants (Note 6)	83,700	8,370	1,037,880		1,046,250
Costs associated with authorization of additional common and preferred stock			( 20,325)		( 20,325)
Shares issued in connection with exercise of qualified stock options (Note 6)	10,405	1,040	5,912		6,952
Cash dividend, \$.0025 per share				( 7,780)	( 7,780)
Net income for the year				2,747,260	2,747,260
<b>Balance, December 31, 1975</b>	<u>3,155,715</u>	<u>\$315,571</u>	<u>\$2,165,662</u>	<u>\$4,328,412</u>	<u>\$6,809,645</u>

The accompanying notes are an integral part of the financial statements.

## Statement of Changes in Financial Position

Source of working capital:	Years ended December 31	
	1975	1974
Operations:		
Net income	\$ 2,747,260	\$ 1,129,058
Items not requiring outlay of working capital:		
Depreciation and amortization	704,435	280,746
Deferred income taxes, noncurrent	( 55,000)	107,500
	<u>3,396,695</u>	<u>1,517,304</u>
Additional long-term indebtedness	6,420,042	4,066,804
Issuance of common stock	1,053,202	350,000
Deferred franchise fees	1,467,500	157,500
Total source of working capital	<u>12,337,439</u>	<u>6,091,608</u>
Disposition of working capital:		
Property and equipment additions	6,454,757	5,650,976
Payments on term debt net of conversion to current indebtedness	3,110,337	1,083,548
Purchase of lease rights		300,709
Cash dividend	7,780	7,654
Stock filing fees	20,675	6,275
Increase in other assets, net	325,435	122,428
Total disposition of working capital	<u>9,918,984</u>	<u>7,171,590</u>
Increase (decrease) in working capital	<u>\$ 2,418,455</u>	<u>\$(1,079,982)</u>
Change in components of working capital:		
Increase (decrease) in current assets:		
Cash	\$ 2,768,680	\$ 877,691
Accounts receivable	357,548	108,293
Inventories	79,145	89,918
Prepaid expenses		( 5,555)
Deferred income taxes	493,850	125,200
	<u>3,699,223</u>	<u>1,195,547</u>
Increase (decrease) in current liabilities:		
Notes payable	( 20,000)	( 34,000)
Accounts payable, trade	222,182	939,300
Federal, state, and local income taxes	1,270,858	620,562
Accrued expenses	221,003	332,846
Current portion, term debt	( 413,275)	416,821
	<u>1,280,768</u>	<u>2,275,529</u>
Increase (decrease) in working capital	<u>\$ 2,418,455</u>	<u>\$(1,079,982)</u>

The accompanying notes are an integral part of the financial statements.

## Notes to the Financial Statements

### 1. Accounting Policies:

The following is a summary of significant accounting policies followed in the preparation of the financial statements. The policies conform to generally accepted accounting principles and have been consistently applied.

#### Basis of Presentation:

The financial statements include the operations of Wendy's International, Inc. (the Company) and the operations of certain franchisees acquired in October 1974, which transaction is more fully described in Note 8 to the Financial Statements.

#### Inventories:

Inventories are stated at lower of first-in, first-out cost or market, and consist of restaurant food items and paper supplies.

#### Property and Equipment:

Depreciation and amortization are recognized on the straight-line method in amounts adequate to amortize costs over the estimated useful lives of the assets.

Maintenance, repairs, and minor renewals are charged to expense as incurred, while major renewals and betterments are capitalized.

The cost and related accumulated depreciation for assets retired or otherwise disposed of are removed from the related accounts and the resulting gains or losses are reflected in income.

Certain costs incurred during the period of construction of restaurants such as ground rentals, real estate taxes, and interest on construction loans are expensed as incurred.

Substantially, all the property and equipment is pledged as collateral on term debt.

#### Franchise Operations:

The Company grants franchises to private operators in exchange for an initial franchise fee, and receives royalties based on a percentage of monthly gross sales. The initial franchise fee is recorded as income when the restaurant commences operations. Royalties are recognized as income on the accrual basis. Expenses associated with franchise operations are charged to expense as incurred.

#### Income Per Share:

Income per common and common equivalent share is computed on the basis of the weighted average number of common shares outstanding and equivalent common shares representing dilutive stock options and warrants.

### 2. Term Debt:

Term debt consisted of the following:

	December 31, 1975	
	Total	Due Within One Year
Unsecured notes payable, bank at 1½% above prime rate, due in monthly installments through 1978	\$211,255	\$77,220
Notes payable, banks, at 1½% above prime rate, payable in monthly installments plus interest, collateralized by equipment and a mortgage on land with undepreciated costs approximating \$417,000 and \$266,000 respectively	528,708	75,984
Various mortgages on real estate, payable monthly through 1999, at interest rates ranging from 5¼% to prime plus 2%. Substantially all land, buildings, and improvements are pledged as collateral for such mortgages	3,977,588	144,024
10½% Subordinated sinking fund debentures (see below)	4,000,000	
	<u>\$8,717,551</u>	<u>\$297,228</u>

In May 1975, the Company sold \$4,000,000 principal amount of 10½% subordinated sinking fund debentures due May 15, 1985. Attached to each \$1,000 debenture was a nondetachable warrant to purchase common stock of the Company (see Note 6). Interest on the debentures is payable semiannually. The debentures are subordinated as to principal, premium, if any, and interest to all superior indebtedness as defined in the indenture. The debentures are redeemable by the Company at any time after May 15, 1980, in whole or in part at a premium of 4.65% beginning May 15, 1980, decreasing to no premium in 1985. The Company must redeem or deposit cash for redemption of \$800,000 principal amount each May 15, beginning in 1981. The indenture provides for certain restrictions on incurring additional debt and on the availability of retained earnings for dividends. At December 31, 1975, retained earnings of \$1,365,850 were not so restricted.

Maturities of indebtedness during the five 12-month periods subsequent to December 31, 1975 are as follows:

Twelve-Month Period Ending December 31.	1976	\$297,228
	1977	528,692
	1978	290,762
	1979	374,880
	1980	616,997

At December 31, 1975, the Company had available the following unused financing commitments from various lending institutions:

	Interest Rate	Term
Mortgage loans for restaurant properties	\$5,285,000 Prime + 1% to 12%	Payable in equal installments based on 10 to 20 year amortization schedules with due dates for remaining principal 5 to 20 years from date drawn
Loans secured by restaurant equipment	2,730,000 Prime to prime + 1½%	5 Years level monthly and quarterly payments
Unsecured lines of credit	2,000,000 Prime	90 Days

### 3. Commitments:

#### Leases:

The Company occupies land and buildings under terms of numerous lease agreements expiring at various dates through 1995, certain of which are designated as "financing leases" by the Securities and Exchange Commission. A "financing lease" as defined by the Securities and Exchange Commission is a lease which, during the non-cancellable lease period, either (i) covers 75% or more of the economic life of the property or (ii) has terms which assure the lessor a full recovery of the fair market value of the property at the inception of the lease plus a reasonable return on the use of the assets. In most cases, leases contain renewal options and generally provide that the Company shall pay for insurance, taxes and maintenance. The minimum annual rentals for property occupied under such leases at December 31, 1975 are as follows:

Period	Total	Portion Applicable to Noncapitalized Financing Leases
1976	\$ 554,632	\$ 459,516
1977	538,032	459,516
1978	534,032	459,516
1979	498,202	459,516
1980	493,916	459,516
1981-1985	2,403,585	2,280,285
1986-1990	2,052,365	1,997,365
1991-1995	1,332,839	1,332,839
1996 and thereafter	—	—

Rental expense under these and similar leases for the two years ended December 31, 1975 aggregated \$226,000 and \$449,000, respectively. In addition to minimum rents, certain leases require additional rentals when annual revenues exceed amounts specified in the lease agreements. Additional rentals approximated \$81,000 in 1974 and \$95,000 in 1975.

As of December 31, 1975, the present value of future lease commitments approximated \$3,993,000, computed by discounting lease payments at interest rates ranging from 7 to 11% (a weighted average of 10.20%) determined to be applicable at the time of entering the lease.

If all noncapitalized financing leases had been capitalized with the related assets amortized on a straight-line basis and interest costs on the outstanding lease liability at the aforementioned interest rates, the effect on reported net income for the two years ended December 31, 1975, would have been less than three percent. Such capitalization, amortization and imputation of interest costs for the two years ended December 31, 1975, would have reduced net income computed as follows:

	1975	1974
Amortization (straight-line method) . . . . .	\$158,251	\$ 92,545
Interest . . . . .	270,778	120,310
Minimum rent expense . . . . .	(336,031)	(170,095)
	92,998	42,760
Reduction in income taxes (at 50% effective rate) . . . . .	46,499	21,380
Reduction in net income . . . . .	\$ 46,499	\$ 21,380
Reduction in net income per share . . . . .	<u>\$ .01</u>	<u>\$ .01</u>

### 4. Changes in Shareholders' Equity:

During 1974, by action of the shareholders, the Company's authorized common shares were increased to 4,000,000 shares. During May 1974, the Board of Directors authorized a three-for-two split of outstanding shares. In September 1974, the outstanding shares were split on a two-for-one basis. The effect of the stock splits has been reflected in the December 31, 1973 balances.

During 1975, the amount of authorized shares of the Company was increased by action of the shareholders. Pursuant to such action, 250,000 voting preferred shares, \$1.00 par value, were authorized and authorized common shares were increased from 4,000,000 to 12,000,000. No preferred shares have been issued.

### 5. Restaurants in Operation:

The following table sets forth information relating to the number of Company-owned Wendy's Old-Fashioned Hamburgers restaurants opened during the periods presented and the average number of restaurants in operation during such periods:

For the Year Ended December 31.	Open	Opened During the Period	Average Number in Operation
1975	69	27	55
1974	42	25	25

### 6. Share Options and Warrants:

At December 31, 1975, 229,595 common shares of the Company have been reserved for issuance under three company stock option plans. The plans provide options to certain key employees to purchase common shares at the fair market value in effect at the date of the grant. The options expire five years from the date of grant and become exercisable three years from date of grant, at which time they are exercisable 50% per year for the succeeding two years.

A summary of options granted and cancelled under the plans for the two years ended December 31, 1975 follows:

	Number of Shares	Option Price (Market Value)	
		Per Share	Total
Granted 1972 . . . . .	144,210	\$ .40-1.33	\$ 89,184
Outstanding December 31, 1972 . . . . .	144,210		89,184
Granted . . . . .	56,250	1.33-3.33	127,500
Cancelled . . . . .	(12,510)	.40-3.33	(13,524)
Outstanding December 31, 1973 . . . . .	187,950	.40-3.33	203,160
Granted . . . . .	33,700	3.33-7.00	167,800
Cancelled . . . . .	(13,030)	.40-7.00	(27,740)
Outstanding December 31, 1974 . . . . .	208,620		343,220
Granted . . . . .	35,750	12.50	446,875
Cancelled . . . . .	(29,382)	.40-12.50	(155,780)
Exercised . . . . .	(10,405)	.40-1.33	( 6,952)
Outstanding December 31, 1975 . . . . .	204,583	.40-12.50	\$627,363

During 1975, options on 58,395 shares became exercisable. The aggregate option price was \$32,007 (\$.40-1.33 per share) and the aggregate fair market value on the date such options became exercisable was \$1,244,428 (\$21.25-21.65 per share). The fair market value of options exercised during the year was \$225,134 (\$21.64 per share). There were 31,380 shares available for option at January 1, 1975 and 25,012 shares available at December 31, 1975.

In connection with the sale of the 10½% subordinated sinking fund debentures (see Note 2) warrants to purchase 400,000 common shares of the Company were issued. The warrants are exercisable on or after July 15, 1975 at any time prior to May 15, 1985 at a price per share during the period ending May 15, 1976 of \$12.50, and at a price per share during each year ending May 15 thereafter increasing at the rate of \$2.50 per year to a maximum of \$35 per share during the last year.

Also, in connection with the sale of the debentures, an option was sold to the underwriter for \$350 to purchase \$350,000 principal amount of the debentures with warrants attached which are exercisable beginning May 15, 1976 at \$15.00 per share, increasing in annual increments of \$2.50 thereafter.

The Company makes no recognition in the financial statements until such options are exercised and no amounts applicable thereto are reflected in income.

### 7. Provision for Income Taxes:

	Pretax Income	Tax Effect	Percentage of Pretax Income
For the year ended December 31, 1974:			
Income before income taxes . . . . .	\$2,134,532		
Federal income taxes at statutory rates . . . . .	\$1,024,600		48%
Investment tax credit . . . . .	( 85,000)		(4)%
State and local taxes, net of federal income tax benefit . . . . .	65,874		3%
Total tax expense . . . . .	\$1,005,474		47%
Temporary timing differences:			
Excess of tax reporting over financial reporting depreciation and amortization . . . . .	\$ 192,000	\$ 92,200	
Franchise fees taxable when collected . . . . .	\$ 157,500	(75,600)	
Accrued Ohio taxes deductible when paid . . . . .	\$ 71,600	(34,300)	
Deferred tax provision . . . . .		\$ (17,700)	
For the year ended December 31, 1975:			
Income before income taxes . . . . .	\$5,164,260		
Federal income taxes at statutory rates . . . . .	\$2,479,000		48%
Investment tax credit . . . . .	( 222,000)		(4)%
Other . . . . .	31,500		
State and local taxes, net of federal income tax benefit . . . . .	128,500		3%
Total tax expense . . . . .	\$2,417,000		47%
Temporary timing differences:			
Excess of tax reporting over financial reporting depreciation and amortization . . . . .	\$ 434,800	\$217,400	
Franchise fees taxable as collected . . . . .	\$1,467,500	(733,750)	
Accrued Ohio taxes deductible when paid . . . . .	\$ 63,000	( 31,500)	
Deferred tax provision . . . . .		\$(547,850)	

It is not possible for the Company to accurately predict when initial franchise fees will be includable in financial statement income although such fees are generally includable in taxable income when received. However, the cash outlay for federal income taxes for the three years subsequent to December 31, 1975 may exceed federal income tax expenses for such years.

#### 8. Acquisitions:

Effective October 1, 1974, the Company acquired the outstanding stock of certain Company franchisees, Wendy's of Oklahoma City, Inc., Wendy's of Tulsa, Inc., Wendy's of Dallas, Inc., and Wendy's of Houston, Inc. (the franchisees) and, in a related transaction, the Company purchased certain assets leased by the franchisees from a shareholder of the franchisees, for a total purchase price of \$1,888,000.

The acquisition has been accounted for as a purchase. The results of operations from the acquisition date have been included in the accompanying statement of income. Under the purchase method of accounting, the total purchase price was assigned to the net tangible and identifiable intangible assets (favorable lease rights) acquired based upon their estimated fair values. Costs in excess of the aforementioned assigned values (\$79,000) are included in other assets in the accompanying balance sheet and are being amortized over 20 years by the straight-line method. Lease rights included in the accompanying balance sheet aggregated \$300,709 at acquisition and are being amortized over the life of the lease for periods up to 20 years by an accelerated method. The following is a summary of the pro forma results of operations had the transaction taken place as of January 1, 1974 (after adjustments to reflect the estimated fair value of the net assets and interest on the purchase price):

Revenues	\$14,009,257
Costs and expenses	12,017,122
Income taxes	936,474
Net income	1,055,661
Per share	\$.33

In November 1975, a letter of intent was signed by the principal executive officers of the Company and one of its franchisees, Wendy's Management, Inc. The letter of intent provides for the acquisition by the Company of the operations of the franchisee in exchange for a net of 275,000 common shares of the Company. The transaction is dependent upon the filing of a Registration Statement with the Securities and Exchange Commission and approval of the transaction by shareholders of the franchisee.

Company management anticipates completion of this transaction during the second quarter of 1976 and expects to account for the acquisition as a Purchase. Summarized information about the franchisee, without giving effect to the amortization of goodwill arising from the acquisition (not material to net income) is as follows:

	1975	1974
Revenue . . . . .	\$13,427,851	\$6,486,621
Costs & Expenses . . . . .	12,329,488	6,339,074
Gain on Sale of Subsidiaries . . . . .	—	360,755
Income Taxes . . . . .	451,500	109,789
Net Income . . . . .	646,863	276,226
Restaurants in Operation at Year End . . . . .	37	20

### Accountant's Report

To the Shareholders  
Wendy's International, Inc.

We have examined the balance sheet of Wendy's International, Inc. as of December 31, 1975 and the related statements of income, shareholders' equity, and changes in financial position for the year then ended. 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. We previously reported on the financial statements for the year 1974.

In our opinion, the aforementioned financial statements present fairly the financial position of Wendy's International, Inc. at December 31, 1975 and 1974 and the results of operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Coopers & Lybrand*  
Columbus, Ohio  
January 30, 1976

**A copy of Form 10-K as filed with the Securities and Exchange Commission will be sent to any shareholder without charge upon written request addressed to: Shareholders Relations Department 2066 West Henderson Road, Columbus, Ohio 43220.**



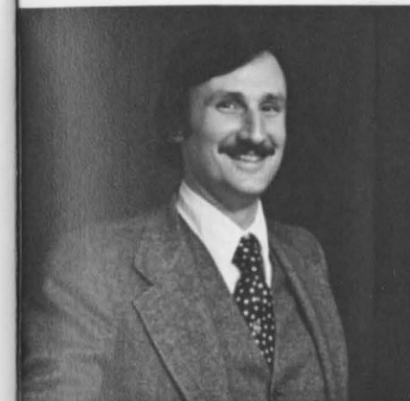
R. David Thomas



Robert L. Barney



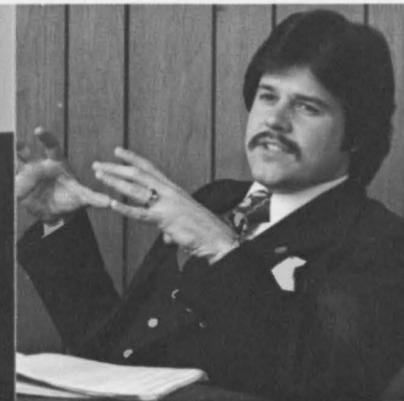
Ronald E. Musick



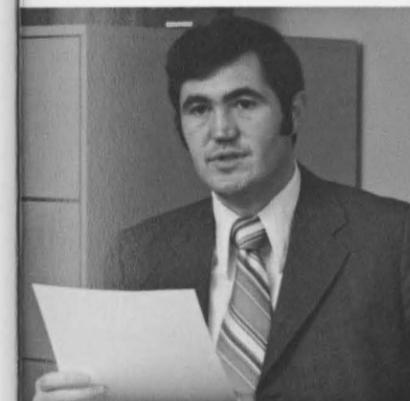
David Teal



Charles Rioux



Graydon Webb



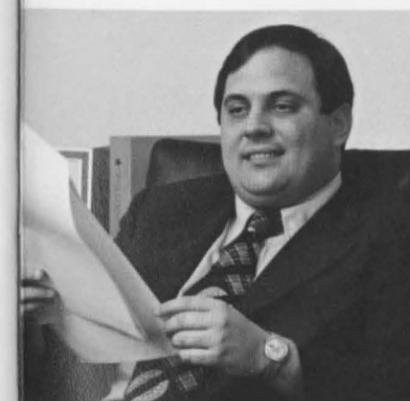
William C. Leiter



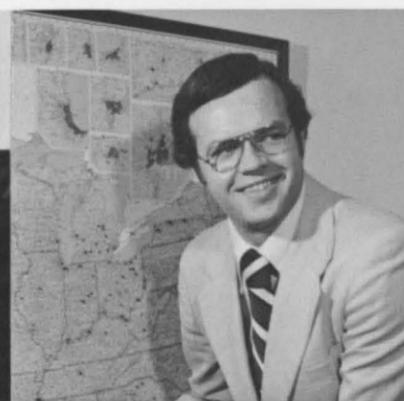
Jay B. Schloemer



Hank Sherowski



Stephen J. Simmons



H. James Graham



Richard Hill

**Wendy's International, Inc.**  
2066 West Henderson Road  
Columbus, Ohio 43220  
Phone 614-457-3610

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Leonard J. Immke  
Robert L. Barney  
Ronald E. Musick

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