

## Bond Sale Saves N.C. Taxpayers Money

A small news item about the same of North Carolina state bonds last week was overshadowed by talk of the state of the nation's economy. But, that sale produced substantial savings for the taxpayers of North Carolina, just as many previous sales had done.

The \$76 million offering, for public school facilities, clean water and a zoological park, was sold to a group of banks and other investors.

North Carolina's bonds have the highest possible rating -- AAA -- by Moody's and Standard and Poor's because of the excellent reputation the state has in the national markets. Only 14 other states have an AAA rating.

"Even among those states which have the AAA rating, North Carolina usually has one of the best records of selling the bonds at a comparatively low rate of interest," said R. Gerald Coghill. "The Wall Street Journal once quoted a bond dealer as saying North Carolina's bonds are analogous to 'the very rarest of vintage wines.'"

At almost the same time North Carolina was selling its bonds last week, the State of California, which also has an AAA rating, had a \$100 million offering. The North Carolina bonds sold at an average interest cost of 5.43 percent while the California bonds went for 5.51 percent.

"That may not sound like much difference, but when you are dealing in millions of dollars it is substantial," Coghill said. The State of North Carolina bonds were offered 20 basis points lower in yield than the California bonds. Converted into dollars, this results in a savings to the North Carolina taxpayers at well over a million dollars.

Coghill said that much of the credit for this goes to Edwin M. Gill, North Carolina's state treasurer for more than 20 years. Through Gill's efforts the rating was raised from AA to AAA in 1960. Since that time, Coghill said, many millions of dollars have been saved because the state has been able to sell its bonds at lower interest rates.

On the most recent sale, bids for the bonds made by the three syndicates ranged from 5.43 to 5.53 percent. A co-manager of the winning syndicate, then reoffered the bonds to members of the syndicate at various rates and maturity dates. Only \$1.3 million remained unsold after the two-hour reoffer period.

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## tips for consumers from your BETTER BUSINESS BUREAU

Bob was riding his bike without a chain guard. Suddenly his foot caught

between the pedal and the chain and he fell, fracturing his skull.

As Jimmy was riding his bike downhill, the bike's front wheel suddenly became loose

and twisted. He lost control and crashed to the ground, fracturing his knee.

Accident stories like these cited by the Consumer Product Safety Commission are sobering, especially if

you're buying a bike for your child this holiday season. The Better Business Bureau says that accidents such as the above can be prevented by buying a safe bike and making sure it stays in a safe condition.

When you buy children's clothes, perhaps you buy them a little large so your children can grow into them. There's nothing wrong with that. But a bicycle is different; it should fit the size your child is today. If it's too big, your child won't be able to handle it safely. To see if a bike is not too large, have your child sit on the seat;

he should be able to touch the ground with his foot.

Don't buy a bike with slippery plastic pedals. Much safer are rubber-treaded pedals or metal pedals with serrated edges.

Don't buy a bike that has sharp points and edges, such as along fenders, or with protruding bolts that could scrape or tear clothing. And be sure the bike has a chain guard.

A headlight and rear reflector are musts if your child will be riding at night. Other precautions for night time riding are reflective tape

on fenders, handlebars, chain guards and wheel sidewalls. Many bikes are equipped with reflectors on the pedals.

The sting ray bikes that are so popular -- with banana seats, small wheels and high handlebars -- aren't as safe as conventional bikes. They are

more likely to tip over because of the shorter wheel base and the high handlebars. The banana seats invite riding double or doing "wheelies" (Tipping back on the rear wheel), both dangerous practices. So keep this in mind if your child asks for this type of bike.

## Buying A Safe Bike