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N.E. FACES OIL-BOOM POSERS

By TED STRACHAN

AS ANXIETIES mount about deepening recession throughout Britain, "lucky" Aberdeen and North-east Scotland are already facing problems of a boom — chief among them a threatened shortage of furnished housing to rent for families of oil-exploration teams now converging on Aberdeen from the ends of the earth.

It was disclosed yesterday that an American company are bringing another oil-exploration vessel to Aberdeen — the Glomar III. from the Argentine. They hope to set up a base in Aberdeen next month. Their requirements include furnished houses for 26 families and "digs" for 15 single men. and they are only one exploration company.

Another company are bringing a massive rig from New Zealand to the North Sea off Aberdeen where, according to the latest estimate, nine rigs will be drilling for oil by this summer.

With seven more rigs coming to join the two already here — British Petroleum's Sea Quest, meantime drilling for Hamilton Brothers Inc., and Staflo, drilling for Shell-Esso — that could mean an influx of about 300 oil-exploration specialists, plus their families, to the North-east . . . in addition to the creation of hundreds more jobs servicing the exploration companies.

Even this might be a distinctly conservative estimate of the newcomers likely to arrive with the oil exploration teams. Although the companies concerned are maintaining traditional oil-industry discretion about their North Sea finds, the activity now building up does nothing to discourage speculation that BP and the Shell-Esso consortium have struck oil in even greater quantities than the Phillips Ekofisk find on the Norwegian side of the North Sea.

Local authorities, harbour authorities and bodies such as the North-East Scotland Development Authority, Aberdeen Chamber of Commerce, the Scottish Council (Development and Industry), property agents and law firms are receiving a stream of requests from exploration firms about facilities available in the area.

GRUMBLES

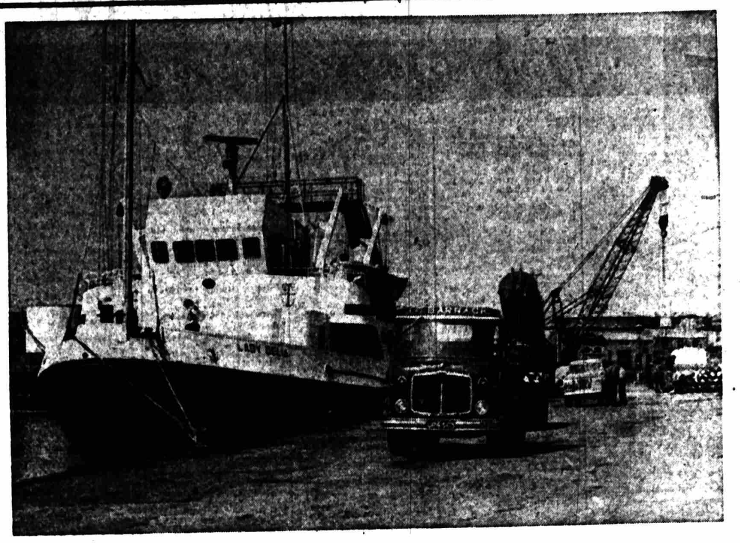
Although there have been grumbles about pressure on harbour-side space, lack of housing is emerging as the biggest headache.

North-east development officer Mr John Hutton, who has received inquiries from 'about a dozen' companies connected with oil exploration in the past few weeks, is considering an approach to the Scottish Special Housing Association.

But although the SSHA plan to build almost 1000 houses in the North-east in a massive programme between now and 1976, he is likely to find little help unless that programme can be speeded up. The SSHA have completed the first 100-house phase of a three-phase programme to build 300 houses at Heatharyfold, Aberdeen — but, according to an SSHA spokesman in Edinburgh: "We already have a waiting list of people for Heatheryfold, including 44 people with 'absolute priority' for houses."

The SSHA programme includes 300 houses to be built at Bridge of Don and 200 at Cove Bay/Portlethen, as well as 110 at sites in Aberdeenshire still to be determined.

Housing shortage looming as exploration steps up



AN OIL RIG supply ship takes on a load of pipes at Aberdeen. Grumbles are being heard about growing pressure on harbour-area facilities by the influx of North Sea oil exploration companies to Aberdeen—but housing shortage is emerging as the biggest problem raised by the oil-search boom getting under way.

Samson of supply fleet in Aberdeen

By JIM KINNAIRD

THE SAMSON of the North Sea oil rig supply fleet—the newly-commissioned, German-built Spitalertor — has taken up station in Aberdeen.

The 4000 h.p. craft is the most powerful yet to join the Aberdeen-based tenders ferrying supplies to offshore drilling rigs.

She will operate for BP and Hamilton Bros.—servicing the rig Sea Quest—but the 770-ton vessel will have more than a fetch-and-carry role

EXTRA POWER

Her extra power gives her greater versatility and she is equipped for towing and anchor-handling as well as carrying general rig supplies.

Timed for the new ship's arrival was the establishment in Aberdeen of a shore-management base.

It is being set up by Offshore Marine, a Cunard subsidiary and a member of the Offshore Supply Association, a consortium with a world-ranging connection in the rig-supply field.

BASE

Setting up the base is 24-year-old Mr Roger Baxter, from Yarmouth, where the company are already established.

Another of the ships under their management, the Suffolk Shore, previously operated through agents from Aberdeen, but Mr Baxter said yesterday it had been decided to set up a base in Aberdeen because they expected to have several vessels working from the port this summer.

The move is additional evidence of the ever-heightening interest of oil prospectors in the northern sector of the North Sea.

Sugar prices

Tate and Lyle's ex-refinery price for granulated sugar in 1cwt paper sacks is £3.77½ each for home trade and £62.20 per ton for export

TOOLMAKERS PUSH PROFITS UP, BUT –

No payout again by Herbert

By MICHAEL WALTERS

A 16-STRONG expedition are all set to trek from Coventry to Moscow in July to spearhead a major drive by Alfred Herbert to capture a larger slice of the Russian machine-tool market. Shareholders must be hoping that they will return with more than snow on their boots, for extra orders are becoming increasingly vial to the group who once proclaimed themselves the largest machine-tool makers in Europe.

The claim is not featured these days and the times when the boast could be backed by some hefty profits are looking increasingly distant.

Herbert have checked in with news of £1,260,000 pre-tax profits for the year to October 31 — just over £1,000,000 better than for the preceding year — and have surprised some of the "bears" hunting around the City lately.

Profits after tax emerge at £642,000, against a figure of £476,000 which was boosted previously by exceptional items. But then Herbert have to take account of a 44 p.c. share of the losses of the Developing Herbert-Ingersoll business and this amounts to a minus figure of £444,000 before tax relief.

With all of this on hand, it is hardly surprising that managing director Mr H. N. Raine and his board have decided there can be no final dividend, leaving shareholders with nothing for the year.

SALES UP

Sales last time rose from £43,400,000 to £46,970,000, but demand has fallen sharply during the current financial year and group output is running below that for 1970.

Senior management have been reinforced and everything possible is said to be being done to reduce the break-even point by aligning capacity to demand "a nice way of referring to closures and redundancies".

Even so, the group warn that, from now on, the key to the outlook for the rest of the year must be the timing of any upturn in demand and if this is long delayed, the outcome cannot be but that "the results for the year will not reach break-even".

Mabon gets new post

DR DICKSON MABON, M.P. for Greenock and former Minister of State, Scottish Office, has joined the Inbucon Group as adviser on regional development and Scottish affairs to AIC, their principal management consultancy company.

ADVANCE FACTORY HELPED WIN MULLARD PLANT FOR ABERDEEN

THE DECISION by Mullard Ltd. to set up an electronics components plant in Aberdeen is cited by Brigadier R. B. Muir, general manager of the Scottish Industrial Estates Corporation, as an example of how advance factories can be a potent influence in location-of-industry decisions.

In "Opportunity 71," the latest in the series of annual brochures sent by the corporation to industrialists all over the world, he states: "In Aberdeen, Philips Electrical Industries are establishing a major new electronics components factory through a subsidiary company, Mullard Ltd.

"The company are beginning pilot production in an advance factory on our Aberdeen Craigshaw estate and, as a result, have been able to establish themselves immediately in the area selected and to commence training while the main factory is still under construction."

ANOTHER EIGHT

He also points out that the corporation are undertaking projects of factory building with bodies such as the Highlands and Islands Development Board and the Development Commission — at Inverness and Thurso for the HIDB and at Duns and Keith for the Development Commission.

Sir Robert A. MacLean, chairman of the corporation, discloses that they have started to develop another eight locations from Fort-William to Eyemouth.

FEATHER WARNS OF 'SUPER FIRMS'

TUC general secretary Mr Vic Feather said in London yesterday that the time was coming when international companies would have control over national governments.

"In Britain it seems we have been travelling in this direction very quickly," he told the World Auto Councils of the International Metal-workers Federation.

Mr Feather referred to Mr Heath's meeting with Mr Henry Ford recently.

He told the conference: "One of the biggest trade-union tests of our age is to control and if necessary to counteract increasing massive, almost unchallenged, power wielded by thes giant companies."

CBI CHIEF'S WARNING

BRITAIN could face overwhelming new international trade competition in the 1980s if she stays out of the Common Market, an industrial expert warned in London yesterday.

Many large British firms could find themselves engaged in an unequal duel with giant American rivals and great European groupings as yet undreamed of, said Mr Campbell Adamson, director-general of the Confederation of British Industry.

He told a Common Market briefing organised by the "European Review" magazine that it was accepted that the cost of Britain's entry to the EEC would bear on the nation before the benefits began to show.

Coral and Mark Lane agree on merger

CATCHING even the most alert City punters by surprise, two bookmaking groups J. Coral and the Mark Lane Group, announced yesterday that they had agreed terms for a merger.

A new company, J. Coral Holdings, will acquire the whole of the share capital of Coral and Mark Lane. Coral shareholders will receive 10 Ordinary shares in Holdings for every 19 Coral Ordinaries and Mark Lane shareholders will get one Holdings Ordinary for each Mark Lane share.

PRESIDENT

About 49 p.c. of the equity of Holdings will be held by present Coral shareholders and 51 p.c. by present Mark Lane shareholders.

With Coral yesterday standing at 47p and Mark Lane at 88p this values each Coral Holdings share at 88.7p. The whole of the Coral equity is thus valued at £2,930,000 and the Mark Lane equity at £3,070,000.

Mr Joseph Coral will become president of Coral Holdings and Mr Mark Lane chairman.

AUSSIE SHARES TUMBLE

STOCK MARKET dealers, as a whole, again reported low-volume trading yesterday. Small investors were continuing to back their Budget fancies and it began to look as though perhaps a few of the institutional operators were showing some interest.

Australian mines again provided the major centre of activity, though this time, prices were moving downward. They ran into a wave of profit-taking, sparked off by the overnight reaction that had set in "Down Under."

In the domestic sections, industrials held firm from start to finish and gilts recovered from initial hesitancy to close on quite a good note.

£100,000 ORDERS

Orders from Eastern Europe worth more than £100,000 have been won by Rowntree-Mackintosh for three of their leading chocolate confectionery products following the firm's participation in the Leipzig Trade Fair.

BANK OF SCOTLAND PAY SAME

THE REDUCTION in the rate of corporation tax and the "success of efforts to increase earnings and improve efficiency" have enabled the Bank of Scotland to rout the powers of rising costs and a lower average Bank Rate and turn in a 24 p.c. increase in adjusted after-tax profits

Pre-tax profits for the year to the end of February rose from £6,160,000 to £8,770,000. A final dividend of 10 p.c. makes an unchanged 19 p.c. total for the year.

For accurate comparison between these and last year's results, some £520,000 must be added to after-tax profits for last year in respect of pre-acquisition profits earned by the British Linen Bank, which merged with the Bank of Scotland at the beginning of March.

The reason for the unchanged dividend in the face of much-improved profits is the view of the directors "that there is a need to conserve and consolidate resources" at present.

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SCOTTISH BUSINESS IN BRIEF

ELECTRIFICATION work on the Scottish section of the main railway line between Glasgow and London has begun.

British Railways announced in Glasgow last night that the massive operation to instal the overhead electric power supply northwards from Gretna Junction will start in a few weeks.

A total of 103 route miles is involved in Scotland in the £25,000,000 scheme to electrify the 235 miles between Glasgow and Weaver Junction.

The line south of that junction is already electric.

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HARROTT and Co. of Aberdeen today report a loss for the year to December 31, 1970, of £7322 before providing for depreciation. Last year there was a profit of £249.

There will be no dividend on the Ordinary shares — the same as last year.

After providing for depreciation of £6562, against £6367 last year and a same-again nil for corporation tax, there is a loss for the year of £13,884, against £6118 the time before.

Mr John David Hilton, Wyndsway, Woodside Hill, Gerrards Cross, Bucks., and Mr Alexander Miller Johnstone, Birches Court, Codsall, Staffs., have been co-opted as additional directors.

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EVERYTHING you want to know about the Inverness area and its beauty spots are in two new brochures that should be ready for this year's summer tourists.

One of the brochures is in colour and they have been produced by the recently-formed Inverness and Loch Ness Tourist Organisation.

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A THIRD-CLASS postal rate for Christmas cards was suggested by Scottish newsagents at their annual conference in Ayr yesterday.

It was agreed to ask the Post Office for a concessionary rate after Mr Roy

HINT OF MORE NEW FIRMS FOR N.E.

THE DEVELOPMENT officer of the North-east Scotland Development Authority, Mr John Hutton, says he and other officials of the authority had "meaningful discussions" with several industrialists interested in expansion in the North-east at the Nordex 71 exhibition in Glasgow.

It is difficult to assess when these firms will be ready to expand in the North-east, he admits. "But the seed has been sown and I would regard it as a strong possibility that at least one or other of the companies concerned would establish themselves in North-east Scotland."

North-east firms who used the NESDA stand at the exhibition as a base from which to secure new business included Wilmar Engineering Ltd., North East Glass Fibre Works Ltd., both of Aberdeen; Alexander Dey, of Huntly; and Dauntless Engineering and Supply Co. Ltd., Macduff.

Among visitors to the display during the exhibition were Mr George Younger, Scottish Under-Secretary, and Mr Maitland Mackie, chairman of the authority and convener of Aberdeen County Council.

SCOTTISH Under-Secretary Mr George Younger (centre) discusses prospects for industrial development in the North-east with development officer Mr John Hutton (right) at the North-East Scotland Development Authority stand at the Nordex 71 exhibition in Glasgow. With them is Mr James Dinnes, assistant development officer.

COMPANY REPORT

BANK OF SCOTLAND

Consolidated results of the Bank of Scotland Group for the year ended February 28, 1971, are as follows.—

	1971	1970
	£000	£000
Group Profit	8,770	6,158
Taxation	3,851	2,726
Profit after Tax	4,919	3,432
Bad and Doubtful Debts—Additional Provision (1970—Credit)	287	(346)
	4,632	3,778
Dividends	2,451	2,451
Retained	2,181	1,327

The accounts have been prepared on the same basis as last year, complying with the Companies Act, but without regard to the Special Provisions for Non-Disclosure available to Banking Companies.

The consolidated profit before tax is arrived at after charging an amount in respect of bad and doubtful debts which represents the average experience of the last five years. All known bad and doubtful debts have been specifically provided for, but in view of the prevailing economic climate the directors have deemed it prudent to add to the general provision by setting aside out of profits £500,000 gross (£287,000 net). This compares with a release of excess provision of £628,500 gross (£346,000 net) in 1970.

Profits and losses on realisation of investments are held in suspense and credited or charged to revenue on a five year average basis. Discounts on the purchase of dated securities have been amortised over the period from date of purchase to maturity and credited to profit and loss account accordingly.

To make an accurate comparison between the results of 1971 and 1970 it is necessary to add to the after-tax profit of 1970 a sum of £520,000 (net) which represented pre-acquisition profits earned by the British Linen Bank and not consolidated. When this adjustment is made the profit after tax (before the special charge and credit in respect of bad and doubtful debts referred to above) shows an increase of 24%. Increased resources accruing during the second half of the year, the continuing success of efforts to increase earnings and improve efficiency and the reduction in the rate of Corporation Tax have combined to offset the effect of rising costs and lower average Bank Rate. The hire purchase and finance company subsidiaries have each made a significantly increased contribution to the Group's profits.

Proprietors' funds are as follows:—

	1971	1970
	£000	£000
Capital	12,900	12,900
Reserves	29,318	29,255
	42,218	42,155

Reserves have been increased by the retained profits but reduced by additional provisions for staff retirement benefits occasioned by a re-assessment of the position during the year and an adjustment in respect of the change in the rate of tax.

The Directors take the view that there is a need to conserve and consolidate resources at the present time and therefore, notwithstanding the increased profit, they recommend that the rate of dividend be left unchanged at 19%.