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Honeywell's Earnings From Operations Rose 49% in Second Quarter

By a WALL STREET JOURNAL Staff Reporter

MINNEAPOLIS — Honeywell Inc. reported a 49% increase in operating earnings for the second quarter, citing "strong worldwide performance in environmental-controls markets with continued steady improvement in both residential and commercial building-control sales."

Earnings before a tax credit were $17.1 million, or 84 cents a share, up from the year-earlier $11.5 million, or 59 cents a share. A $2.2 million tax credit boosted net income for the latest quarter to $19.4 million, or 95 cents a share; a $1.2 million credit lifted the year-earlier net to $12.7 million, or 65 cents a share. Revenue rose 4% to $705.3 million from $678.8 million.

For the first half, operating earnings were up 136% to $29.7 million, or $1.47 a share, from $12.6 million, or 64 cents a share, a year earlier. A tax credit of $3.2 million brought 1976 first half net to $32.9 million, or $1.63 a share, and a tax credit of $1.2 million brought year-earlier profit to $13.8 million, or 70 cents a share. Revenue increased 6% to $1.35 billion from $1.27 billion.

The second quarter's rate of improvement isn't expected to continue in the second half because of the comparative strength of last year's second half, Edson W. Spencer, president, said.

Second quarter profit included a foreign-exchange gain of two cents a share, against a year-earlier foreign-exchange loss of two cents a share. For the first half, the foreign-exchange gain was 19 cents a share, against a year-earlier loss of 38 cents a share.

Honeywell said revenue in world-wide industrial markets was about equal to the year-earlier quarter and half. Bookings for the quarter and half increased, reflecting a gradually improving level of capital spending, it said. Performance in the aerospace and defense segment of Honeywell's business "continues to meet expectations," the company said.

Computer-systems bookings "nearly matched" the second quarter record set last year, but bookings for the half "lagged the comparable period," Honeywell said.

Computer revenue for the quarter trailed the year-earlier period, but in the half was even with the 1975 first half. Rental and service revenue in the computer business gained slightly for the quarter and half. Purchase revenue improved from the first quarter of 1976, but was down from the 1975 second quarter and half, the company said.

Margins in the computer business improved in the second quarter from the first, but were below the six-month level achieved last year, Honeywell said.

Halliburton's Capital Budget

DALLAS—Halliburton Co. said its board approved an increase in its 1976 capital-expenditure budget to $292 million.

It said the 1976 budget originally was set at $276 million and was increased $2 million in February. The latest supplement was made primarily for a drilling-fluids service barge for Imco Services division and for additional construction equipment for its Brown & Root Inc. subsidiary, Halliburton said.

Wall-Repair Goods Are Said to Contain Carcinogenic Fibers

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Compounds for Patching Paste Have Perilous Asbestos, Studies Say; Ban Asked

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Some of the compounds used for patching and repairing interior walls contain cancer-causing asbestos fibers and should be banned, two public-interest organizations contended.

In a petition to the Consumer Product Safety Commission, the Natural Resources Defense Council and Consumers Union estimated that between a third and a half of the patching compounds sold in the U.S. would be subject to such a ban. It cited products sold by Mobil Corp.'s Montgomery Ward Inc. subsidiary and by Georgia-Pacific Corp. as among those that allegedly pose a health hazard.

When asbestos fibers are inhaled, they greatly increase the danger of cancer of the lungs, the lining of the lungs and the abdomen. The petition cited medical studies showing very high concentrations of the fibers in the air after asbestos-containing compounds were used for dry wall repairs. Asbestos gets into the air both when powdered compounds are mixed with water to create a patching paste and when patched places are sanded after the paste dries, the studies showed.

London Stock Prices Rise; Quotes in Tokyo Decline

Stock prices climbed in London and sank in Tokyo yesterday.

On the London Stock Exchange, the Financial Times industrial share index rose 4.2 points to 393.3, with much of the moderate buying laid to trader expectations that the British government would curb spending.

Among major issues, gainers included EMI, Burmah Oil and British Petroleum. But Distillers fell despite higher earnings.

Gold mining shares also sagged, evidently on trader disappointment with the results of the International Monetary Fund's latest bullion sale. The South African finance mining index sank 1.0 point to 101.0.

On the Tokyo Stock Exchange Thursday, the Nikkei Dow Jones average lost 50.71 points in light dealings, to 4695.68, and the exchange index slipped 2.51 points, to 347.36. Brokers continued to cite concern about Lockheed Aircraft Corp. payoffs in Japan.

Light electrical issues were mostly lower, but Sony managed to post a gain. Autos also were generally weaker, though Honda rose. Hitachi fell despite higher earnings.

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NEWSLETTER FROM—

GYPSUM SERVICES CORP.

Sanding and mixing of drywall taping compounds can cause serious asbestos risk

ASBESTOS: Dangers in sanding

IN SPITE of the introduction of asbestos-free insulation materials and the existing bans on the use of asbestos-containing spray fireproofing, a serious asbestos hazard remains in the construction industry, with members of the Painters Brotherhood of the Building and Construction Trades Department being at greatest risk.

Wallboard finishing compounds and spackle have been found to contain significant amounts of chrysotile asbestos, which is released into the air as dust either during the dry mixing of these compounds or during sanding.

Drywall taping compounds came into widespread use shortly after World War II. Until fairly recently,most of the material used was mixed at the construction site, raising large clouds of dust. In the past few years, many contractors have switched to premixed compounds, thereby eliminating one major source of asbestos dust. This practice, though, depends entirely on the contractor and what he supplies; several tapers interviewed recently by Mount Sinai personnel said they still had ocassion to use the dry-mix brands.

Sanding can be Dangerous

The problem that remains, even when ready-mixed compounds are used, is that of the dust produced when the dried compound is

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sanded, prior to painting. In some areas of the country, tapers, or their apprentices, stay and do their own sanding; in others, the painters are left to finish the job, often sanding while other men are working in the same room. Sanding is done either by hand or with a pole.

The Environmental Sciences Laboratory took air samples at selected job sites in New York City while tapers were at work. Personal samples taken during pole sanding ranged from 1.2 fibers per milliliter (f/ml) to 19.3 f/ml; in an adjacent room, at a distance of 25 feet from the sander, a level of 8.8 f/ml was found. Levels for hand sanding ranged from 1.3 to 16.9 f/ml in the breathing zone of the workers, and a high of 7.1 f/ml was obtained in an adjacent room, at a distance of 15 feet. During dry mixing, a breathing zone sample was found to contain 59 f/ml, though after a 15-minute lapse the level went down to 0.5 f/ml.

The sweeping of floors after sanding was also found to stir up considerable quantities of settled dust. Thirty-five minutes after sweeping a the site of the sanding, a fiber concentration of 26.4 f/ml was obtained. The current U. S. standard in industry is an average not to exceed 5 f/ml, mandated to go to 2 f/ml in July, 1976. The Department of Labor has recently initiated procedures to have the standard lowered to 0.5 f/ml.

The results of this sampling, especially when constrasted with the current standard in industry, emphasize the importance of both repiratory protection and careful cleanup in order to reduce the risk of inhaling asbestos fibers. A respirator should be worn by sanders and by any other workers who must be in adjacent areas while this work is in progress. If

the dust to settle and be removed before proceding with their own trades. The area should be cleaned, preferably with a vacuum, as soon as the dust has settled. If no vacuum is available the floor should be dampened prior to sweeping, and the sweeper should wear a mask.

Health Effects Seen

Simply because sanding is only a small part of this construction activity is no reason to minimize the importance of the problem. Although exposure duration may be short, the cumulative effort of repeated short-term exposures to measurable concentrations of asbestos fibers can be serious. In the course of a medical study of 69 drywall tapers belonging to Local 1974 of the Drywall Tapers and Painters of Greater New York, two-thirds of whom had an exporsure of ten years duration or longer and 61 of whom were smokers or ex-smokers. X-ray abnormalities characteristic of asbestos exposure were found in 37 out of 63 films. There is a close similarity between these findings and those among insulators.

At least two brands of commercial wallboard finishing compound are currently available containing no asbestos. It is likely that, as the negative aspects of asbestos containing compounds become more widely known other manufactures will develop new formulations that are free of asbestos. Until then, only premixed materials should be used and the sanding of dry material eliminated or reduced as much as possible.

(Reprinted from the Insulation Hygiene Progress Report published at the Environmental Sciences Laboratory, Mount Sinai School of Medicine of the City University of New York, N. Y.)