

Stockholders gain company guarantee

United Press International
WASHINGTON — Without admitting guilt to charges contained in a Securities and Exchange Commission complaint, top executives of a Dallas energy company agreed to fully inform stockholders in the future.

The chairman of Dorchester Gas Corp., George S. Rooker, signed an agreement with the SEC, which had charged company executives asked stockholders to protect the firm against takeovers without telling them they intended to assume ownership themselves.

The SEC complaint was filed Monday in federal court. Rooker said Tuesday his signing of the agreement settled the matter.

"These were allegations that the SEC was alleging and of course there's been no trial," he said from his Dallas office. "We just agreed without admitting or denying to the consent order in order to save further legal expenses and taking up any more time. This settles it."

Using the case as an example of how management can attempt to take advantage of stockholders, the commission issued a statement warning company managements to

provide "adequate and accurate disclosure."

"It is especially important, when management is considering or pursuing a leveraged buyout with its attendant serious conflicts of interest, that full and fair disclosure of the impact of the anti-takeover measures on the proposed transaction be made," the commission said.

The SEC charged that Rooker, president John R. Barnes and vice chairman Preston A. Peak began to map plans to buy up controlling interest in Dorchester stock, using the firm's own assets as collateral, after an unidentified company expressed interest in a takeover in June.

They went as far as signing an agreement with an investment banking firm, promising to pay one percent of the cost of the takeover up to \$4 million for services rendered in accumulating stock at \$22.50 a share before making any public announcement hinting about what was under way, the SEC said.

Then the public announcement failed to fully explain what had already happened, the SEC charged.

The SEC said a first set of proxy materials intended to be sent to shareholders did

not mention at all the proposed "leveraged buyout" by the senior management.

After the SEC staff told Dorchester to be more forthcoming, as required by law, management sent a letter to stockholders Dec. 9, saying an investment banker was authorized to "attempt to develop a leveraged buy-out proposal" and promising to submit it for shareholder approval if one were worked out.

The letter did not explain that such an agreement had been worked out, without shareholder approval, by Nov. 28, the SEC said.

Instead shareholders were called to a Dec. 14 meeting, later postponed, to consider three measures to protect the company from outside takeovers, including increasing the number of common shares to 42 million from 36 million, authorizing 5 million preferred shares and adding a fair price provision intended to deter certain takeovers.

In addition the stockholders were told that there had been preliminary discussions with third parties about taking over the company when in fact Rooker never answered the single letter containing a takeover query, the SEC complaint said.

Reagan favors ties with China, but to honor Taiwan agreement

United Press International
WASHINGTON — President Reagan told Premier Zhao Ziyang of China Tuesday he cannot abandon Taiwan but will honor U.S. commitments to phase out arms sales to the nationalists while seeking closer ties with the communist giant.

"For our part, we recognize the differences between our two countries, but we stand ready to nurture, develop and build upon the many areas of accord to strengthen the ties between us," Reagan told Zhao during an honor guard reception on the south lawn of the White House.

Reagan and Zhao met for 70 minutes in what was described as frank but cordial talks. Officials indicated Taiwan was not the major issue — for Zhao it is gaining greater access to American technology and credits — but it remains the chief obstacle to forging closer relations.

take them as they come, argue vigorously for our respective interests and surely work out mutually acceptable solutions in the end," Shultz said in toasting Zhao at a State Department luncheon.

Reagan stood in the grey overcast chill and welcomed the premier in a ceremony filed with fanfare on the south lawn. Both leaders did not appear to notice the faint chants of "Peking, no, no, no" from nearly 1,000 pro-Taiwan demonstrators outside the distant White House fences.

"Today, we know it is within our grasp to reap enormous rewards from the courage and foresight of those who opened

the doors of Chinese-American friendship," the president said.

Reagan, by rewards, meant trade. In his four-day visit Zhao will discuss obtaining computers, cooperation in nuclear and fossil energy exploration, and industrial development and investment.

Zhao called on both governments to "embark on a smooth path," building on a relationship that began with sailing traders 200 years ago, then was interrupted by the communist revolution, the Korean war and 30 years of Cold War chill before diplomatic relations were restored in 1979.

"In order to turn the possibil-

ity into reality, it is necessary for both sides to show mutual respect and for each other to take into account the national interests of the other side as well as his own country in handling the problems before them," Zhao said of Taiwan. But he said the relations would be free of jolts if the agreement is followed.

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U.S. comment wanted for forest improvement

United Press International
WASHINGTON — The Agriculture Department Tuesday asked for public comment on possible changes, including increased timber harvesting, in the management and use of 191 million acres of national forest over the next five decades.

Findings from the review will be used for the latest five-year update of the program that guides Forest Service activities concerning timber, grazing, recreation, wildlife, wilderness, water and minerals in the national forests.

Part of the nation's wilderness, primarily national forests, is administered by the Agriculture Department through the Forest Service. The Interior Department administers other wilderness land.

A draft environmental impact statement contains nine alternative policy options, ranging from following the status quo to increasing production of timber, minerals and livestock on federal lands.

Another alternative calls for placing more emphasis on conservation of water, wilderness and wildlife and more recreational use of national forests.

For example, one option calls for a dramatic increase in the harvest of timber, now at 11 billion board feet a year, to 16.1

billion board feet in 1990 and 22.1 billion board feet a year in the year 2030.

An opposing option calls for increasing wilderness areas from 32 million acres to 42 million acres in 2030. The government has not yet stated its preferred alternative.

Forest Service Chief R. Max Peterson said that a 1984 supplement to the assessment indicates the demand for products such as timber will continue to rise rapidly.

This is the third such update prepared by the Forest Service

to fulfill requirements of a 1974 law. The first review came in 1975, with another in 1980.

Public comments on the environmental impact statement are due April 9. Responses can be sent to Forest Service offices in Washington; Missoula, Mont.; Lakewood, Colo.; Albuquerque, N.M.; Ogden, Utah; San Francisco; Portland, Ore.; Atlanta; Milwaukee; and Juneau, Alaska. Copies of the document outlining the alternatives are available at those offices.

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Personal interviews will be held in Houston in March, 1984. Selected Applicants will be expected in Tokyo from June to October, 1984.

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