High-Salaried Company Men Shaking as Proxy Time Nears

New York —(UP)— This is fingernail biting time in the plush executive suites of many corporations.

The nervousness stems from the fact that this is the time of year that the proxy firm's management begin unlimbering their big guns.

Most companies hold their annual stockholders meetings in the spring. It is at these affairs that irate stockholders usually lower the boom on managements that haven't "done right" by stockholders.

As annual meeting time approaches, high-salaried presidents and board chairmen of companies that haven't fared too well begin casting a wary eye at their stockholder ranks for signs of revolt.

Wars for control of companies are called proxy fights because both sides seek to have stockholders sign a legal document — called a proxy —giving them right to vote the stockholder's stock.

Who's Who in Industry

Companies engaged in proxy fights in recent years read like a Who's Who in industry — New York Central Railroad, New Haven Railroad, Montgomery Ward & Co., Fairbanks, Morse & Co., R. Hoe & Co., and Decca Records.

In 1954, William White, now president of the Delaware & Hudson Railroad, lost a $125,000-a-year job when his management was ousted from control of New York Central by the forces of the late Robert R. Young.

This year, George Apert, who makes more than $50,000 a year as president of the New Haven Railroad, finds his job in jeopardy. A banking and investment group headed by A. C. Allyn & Co. of Chicago wants to oust him.

The Central proxy fight is considered the biggest and most expensive ever fought. One of the biggest of the early corporate wars took place on March 7, 1929, when the late John D. Rockefeller Jr. ousted Col. Robert W. Stewart from the chairmanship of Standard Oil Co. (Indiana).

Proxy fights are strikingly similar to political elections in that the outcome is decided at the polls.

Allen Will Harris, noted management consultant and a proxy fight authority, noted that these skirmishes often are thought of as tugs-of-war between two powerful forces.

"But, in the last analysis, stockholders owning 100 shares or less are the deciding factors. Their support is necessary for victory, which is why a great deal of time and money is spent wooing them."

Nine Million Stockholders

The number of Americans owning stock in companies has jumped dramatically in the postwar period and now exceeds nine million. That means one out of every 18 Americans owns stock.

"The vast majority of them are small stockholders — housewives, taxi cab drivers, white collar workers who own but a few shares apiece," Harris said.

Harris pointed out that proxy fights usually start when a person or group of persons becomes disatisfied with management and tries to replace it. The outcome of these encounters often depends on the attitude of the average stockholder toward a company's recent earnings and dividend record.

He estimated that proxy wars can cost as much as $30 or more per stockholder. In the aggregate, the cost can run into seven figures.

Construction Rise Of 50 Per Cent Seen in 10 Years

New York, N.Y. — A construction boom of "dazzling" proportions which will see building expenditures in the next ten years climb 50 per cent over the past record decade, is forecast in the current issue of Architecutral Forum.

The magazine predicted that construction outlays between now and 1967 will amount to a staggering $600 billion compared with $409.6 billion from 1948 through 1957.

The $600 billion figure represents more than the present value of all existing private structures.

Forum's vision of the future, which it terms "fabulous," is based on two studies just completed by the magazine's economic consultant, Miles Colean. One of the surveys covers the probable level of construction activity for the current year. The other is the Forum estimate of building volume for the decade ahead. Taken together, the two studies represent the latest and most comprehensive data available on the building outlook.

Here are some of the factors that will help make the next ten years this nation's greatest building era, according to Forum: $200 billion to be spent on residental building alone; $85 billion on industrial and commerical construction; $16 billion on religious and private institutional buildings; and $75 billion on utilities. Outlays for schools and educational facilities will amount to about $45 billion, while highway spending will total at least $75 billion, and outlays for sewer and water systems, nearly $20 billion.

The magazine says that the outlook for building is so "dazzling" that the only "troubling question" is whether the economy can supply the men and materials that will be needed to make the goals attainable.

"If the economy can achieve these building objectives, it will have an unprecedent prop for prosperity not only for the next ten years but for all the decades beyond," the magazine said.

As for the immediate future, Forum sees new construction this year climbing nearly 4 per cent above last year's total of $47.3 billion to a new record of $49 billion.

OLCC Refuses Beer Permits Near UO

Portland—(UP)—The Oregon Liquor Control Commission Wednesday refused to grant package beer licenses to three grocery stores in the area surrounding the University of Oregon campus in Eugene.

OLCC Chairman Hugh R. Kirkpatrick said the refusals were made partly because the area is predominantly populated with students under 21 years of age, but mainly because there were already enough licensed premises within a reasonable distance for adults who want to buy beer.

The action in effect upholds the so-called "dry zone" around the Oregon campus. This zone was established informally years ago under an agreement among the OLCC, the University and the Eugene city council.

Attorney General Robert Y Thornton last month said in an opinion that the dry zone was without legal status.

The California woodpecker carefully stores acorns in holes that it drills in trees and telephone poles, the National Geographic Magazine says. One pole was studded with 1,500 acorn. A large sycamore held 20,000.