BUSINESS
St. Paul Pioneer Press
Fri., Sept. 6, 1963 C 11

HITS RECORD $101

Control Data Stock Soars

By HARRY HITE
Staff Writer

Stock in St. Paul-born Control Data Corp. climaxed a meteoric rise on the New York Stock exchange Thursday by reaching a record high of $101 a share — a 303-fold increase in value in the six years since it was first sold to the public.

The computer manufacturer's stock sold at $1 a share when the first public issue of 600,000 shares was made in July, 1957. The stock rose as high as $118 in April, 1961, and was split three-for-one in September, 1961.

Transactions in the stock were handled in the over-the-counter market until March 6, 1963, when it was listed for the first time on the Big Board. It advanced from about $40 a share then to the current level.

Millionaries have been created virtually overnight on modest investments with the phenomenal expansion of the computer firm.

A proxy statement announcing the annual meeting of stockholders Sept. 17 discloses that William C. Norris, St. Paul president and board chairman, held 183,220 shares of stock as of June 30 with a market

Norris

Mullaney

value of $18,505,220 based on Thursday's closing trading price.

Second largest stockholder among the company's officers is Frank C. Mullaney, also St. Paul, a vice president, with 55,004 shares valued at more than $5,500,000.

A St. Paul man who invested $2,500 in the stock in 1957 now has holdings valued at $634,785 after giving away shares worth another $116,000 to members of his family and relatives.

Another who got in on the ground floor is a St. Paul stock broker who bought 1,000 shares at $1 a share in 1957. That $1,000 investment is now worth $303,000.

The stock traded at a low of $18 as recently as May, 1962. It had been up as high as $52 a share the same year.

A company official estimated that about 300 people purchased the stock at the initial offering in 1957 for an average sale of 2,000 shares per stockholder.

"Probably over half of those initial subscribers here in Minnesota still own their stock," he added.

There were 4,043,681 shares of stock outstanding as of June 30. The stock now is held by 18,573 stockholders.

The company has sales offices all over the U. S., in Australia and in a number of European countries. In addition, it has a computer manufacturing plant under construction in Arden Hills, two operating facilities and headquarters in Bloomington, three plants in Minneapolis, research facilities in Palo Alto and Los Angeles, Calif., and in the Boston area and a manufacturing plant in Los Angeles.

Control Data has never paid a cash dividend. The stock is now priced at 133 times the 75 cents a share earnings for the fiscal year ending June 30, 1963.

The stock experienced one of its sharpest rises since Aug. 29, when it was traded at 83¾. It opened Thursday at 94½ and rose 6½ to the closing 101.

Current assets increased from $26,536,174 in 1962 to $47,326,172 in 1963, while liabilities rose from $16,760,734 to $22,149,088, according to the annual report.

COMPUTER MIXING ICE CREAM

DIRECTING SWIMSUIT SHIPMENTS
Now they have also learned to reproduce.

TIME, SEPTEMBER 6, 1963

TECHNOLOGY

The Brainy Breed

Computers may some day hold conventions of their own, delivering learned papers on people and running up expense accounts. Last week, however, man still had the upper hand as the Association for Computing Machinery held its 18th annual conference in Denver. William C. Norris, president of the highly successful Control Data Corp., told the convention that "only the world's needs for energy rival the world's needs for computation and data processing." Though U.S. industry has already turned out 15,500 computers worth $5 billion, Norris' enthusiasm was not farfetched. The computer is becoming so versatile that businessmen and scientists are almost daily discovering new and unexpected uses for it.

At Boston's H. P. Hood & Sons, a computer figures out the right mix of fruit that goes into the company's tutti-frutti ice cream, instructs the ice cream-making machinery just what grade and quantity of ice cream to make. In the kitchens of Sara Lee bakeries, another one stores recipes and orders the proper amount of butter and eggs; soon, it will also control the cake mixes, ensure that they are baked at the right temperature, then automatically test their quality, setting up electronic protests if it has been disobeyed. A General Electric computer is scheduling the timing of each stage in the construction of a 34-story Manhattan apartment house, and in Detroit computers tell automen how to make their cars ride more smoothly by calculating the strain requirements of springs and shock absorbers.

Watching the Grads. The cattle industry uses an electronic brain to get in 40 seconds a three-generation ancestry of any one of the 3,700,000 registered Aberdeen Angus beef cattle; an IBM machine tells many farmers, on learning the size and location of their farms, what crops to plant, what fertilizers to use and how many laborers to hire. Computers help to design comfortable brassières for the garment industry, and have so highly automated many warehouses down to the billing and shipping that Rose Marie Reid swimsuits has cut by 75% the time it takes to ship a suit after getting an order.

They are now widely used to check on the consumer's buying habits (the average supermarket shopper spends $13.10 on 22 items each time she enters the store), are pressed into service by oil companies to locate likely areas to drill, and can tell the Navy weather conditions surrounding almost any ship on the ocean. Stanford is using a Burroughs model to try to establish a scientific basis for foreign policy by measuring international tensions and the reactions of world leaders to current events. Georgia Tech assigns football seats for old grads strictly on a computer's reading of how active they have been as alumni.

Telephone Chats. It is hardly a surprise that computers have begun talking over the telephone. The Communitype, made by Manhattan's Radio Electronics Corp., enables a computer to receive a problem over phone lines and in seconds return an answer that can be read on an electric typewriter. Other systems now take phone requests for customer credit and answer with such prerecorded phrases as "Credit no good." Perhaps the most startling development is that computers have learned how to create others of their kind, and are speeding up their own birth rate by designing even more sophisticated brains, then guiding automatic machines to put them together. To those out of step with the cybernetics revolution, it may come as a relief to discover that computers can be fallible: one at M.I.T. gasped and gave up the ghost after trying to digest all the weather information for the past million years, and another collapsed while trying to remember all the known scientific articles ever written.