

Business, Industry & Finance

Waste Specialists Create Benefits

By KENNETH A. ANDERSEN
Business & Industry Writer

H. Goodman Co. has been practicing a "Waste not, want not" philosophy for the past 60 years.

But only recently, as the nation rides on a crest of affluence, has it become apparent that Nate Goodman and his son Daniel are in fact benefactors of the community as well as processors of waste paper and scrap metal.

Tighter Roles
"With regulations tightening on dump burning and property becoming more scarce for land-fill operations, people are bringing their waste to us. And, surprisingly to them, they are getting paid for it," said Neurick Goodman.

The father-son team operates at the end of Tremont Street where the paved road ends. Trucks roll in loaded with waste paper or scrap metal, check in at the weighing platform and unload within minutes.

Waste paper is unloaded directly onto a conveyor belt which carries the material to a shredder. Once past the multi-bladed wheel, the small pieces are blown upwards into a holding tank from which they drop into a compressor and the material is turned out in bales.

The entire operation, from unloading to loading the bales onto a trailer headed for a paper mill, takes about six minutes, according to Daniel Goodman.

"Doesn't it make more sense to run the material through here than bring it to a dump?" asked Goodman. "It takes about as much time and energy to run it out here as it would to fill up hard - to - come - come fill."

Goodman Pays
And of course, Goodman pays for material brought in. The firm makes no pickups but it does spot any one of a half - dozen trailers for Boy Scouts or civic organizations that request them for paper drives.

"We spot the trailer, pick it up after the drive, and send them the check," Goodman said.

The paper to be accepted must be clean; a stipulation which opposes arguments for those who would mix garbage and waste paper.

Goodman said that more and more sources of waste paper - such as department stores and merchandisers - are sending their empty boxes and paper trash to Tremont Street instead of the dump.

And the evidence was there. Slowly toppling onto the conveyor belt was a mountain of corrugated boxes whose life as containers had already been spent. Goodman has a fleet of about 14 trailers which constantly shuttle between the plant and paper mills in the vicinity.

When an incoming truck doesn't take the paper route, it ends up dumping metal - at the other side of the Goodman operation.

Baled Autos
"We deal mostly in No. 2 steel which comes mostly from auto bodies," said Daniel Goodman. "We don't act as a junk car dealer and we don't pick up cars. What comes to us is the shell, or skeleton of a car which we crush into a bale in 90 seconds, load onto a truck or rail car and ship out."

The car-baling operation was installed about 10 years ago to eliminate the practice of burning out the shells. Since that time, the method of making steel has changed and consequently outmoded the method at Goodman's.

"Cars are now sheared rather than baled. This prevents wood and rubber from getting into the product; something the baling method can't do. Still, the baler is efficient and does turn out a salable product," Daniel Goodman said.

There is space on the rail spur for about six rail cars and on a good day a crane with a magnetic attachment can load two cars.

Other scrap - foundry rejects and scraps of new metal from plants in Greater Springfield - also find their way to Goodman's.

One other operation retrieves the lead from auto batteries. Three batteries are placed in a holding unit while a shear splits the batteries in two. The lead is then removed and the casings thrown away.

"There is a way of getting some good from the casings," said Daniel Goodman, "and we might start soon to take advantage of it."

Nate Goodman compared the 25-man operation with that of a group of miners.

"Actually, we're creating wealth," he said. "It may not be glamorous - and neither is mining - but we're producing an item for which there is a demand. What's more, anything we get will not pollute the air from smoke or fill up the lessening number of land fill dumps in the area."

Court Spurns Wolfson

WASHINGTON (AP) - The Supreme Court refused Tuesday to throw out the federal securities conviction of Louis E. Wolfson, the junkyard owner's son who became a multimillionaire industrialist and now faces a year in prison.

\$100,000 Fine
Wolfson, 56, and his long-time business associate, Elkin B. Gerbert, were convicted in 1967 in New York City of selling a large block of unregistered stock owned by them or members of the Wolfson family.

Wolfson was fined \$100,000 in addition to the prison sentence. Gerbert was sentenced to six months in prison and a \$50,000 fine.

Their defense was that they were unaware of any registration requirement for stock of unlisted companies. The case was a major test of a provision of the Securities Act of 1933 prohibiting use of unregistered stock by an issuer, underwriter or dealer.

Wolfson and Gerbert claimed their sale, with others, of 690,000 shares of Continental Enterprises, Inc., a Florida-based company which they controlled, was exempt because they were not issuers, underwriters or dealers.

The court made no comment in rejecting their appeals. The U.S. Circuit Court in New York City had affirmed the convictions last Dec. 27.

Wolfson, of Miami Beach, is the son of a Russian - born Jacksonville junkyard proprietor. A football scholarship helped him through the University of Georgia.

Underwriters Plan Seminar

Speakers from two local life insurance companies, Massachusetts Mutual and Monarch, will be featured next Tuesday in a double-barreled sales seminar sponsored by the Springfield Chapter, American Society of Chartered Life Underwriters.

Edward B. Sullivan, Jr., director of advanced sales at Massachusetts Mutual, will address the morning session. His topic will be "Estate Planning in the 70's."

Robert L. Herman, Monarch vice - president, training, will speak in the afternoon on "Business Uses of Health Insurance."

Members of the Springfield Life Underwriters Association and of the Hampden County Estate Planning Council have been invited to attend, along with the local Chartered Life Underwriters.

Under the chairmanship of Owen P. Jacobsen, manager of advanced underwriting services at Monarch, the seminar will be held at Storowton Tavern from 10 a. m. to 3 p. m. There will be a break at noon for lunch.

Israel Vacationland

GENEVA (AP) - Tourists throughout the world are estimated to have spent an all-time high of \$14.4 billion last year, about \$600 million more than in 1967. A 59-nation survey published by the International Union of Official Travel Organizations showed Israel registered the highest growth among major vacationlands with receipts up 89 per cent to \$42.5 million. Other Middle East countries reported an over-all decline in revenues by about one-third although Lebanon reported its tourist income up 54 per cent. France remained the world's leading travel country in spite of a drop in the number of "arrivals" from 42.6 to 38.5 million. Receipts were not listed in the survey. The United States registered a 45 per cent growth to \$841 million.

Bypasses Brokers

NEW YORK (UPI) - American Telephone & Telegraph Co. Tuesday announced a program under which its stockholders can reinvest their quarterly cash dividends automatically without resort to brokerage services. First National City Bank of New York, which will act as agent for the program, will buy AT & T shares in bulk on the open market. Participants in the program will share in the cost of such purchases, which will be lower than what individual purchasers would have to pay, plus a quarterly fee. City Bank said the fee may make the program too costly for small AT & T shareholders.



Waste Is His Business

Neurick Goodman, who with his son Daniel, operate the H. Goodman Co., a firm that processes both waste paper and scrap metal. The 60-year-old firm has recently taken on new significance as a benefactor to the city by cutting out burning and eliminating the need for some land fill dump operations.

Your Personal Finance

Holding Scotch Well Can Be Rewarding

By CARLTON SMITH
And
RICHARD PUTNAM

The Scots are reputed to be a canny people, a notion reinforced by the fact that when a Scotsman's estate is admitted to probate there is likely to be, among the assets, a "portfolio" of Scotch whisky.

Richly Aging
Lying somewhere in a bonded warehouse are his barrels of hogsheads of Highland dew, quietly and richly aging. In a normal year, every gallon appreciates considerably in value, simply by growing older.

Swiss and German investors, a pretty canny lot themselves, have made fortunes in Scotch, and in recent years the word has been getting around among American investors.

The word making the rounds just now is that you may be able to double your money in 18 months or so by acquiring warehouse certificates testifying to your ownership of a number of barrels of Scotch. At worst, if the investment proved disappointing, you could throw

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Chase Bank Advocates 'Crawling Peg'

NEW YORK (UPI) - The present gold-dollar system, the basis of international financing arrangements, can be preserved and improved without any change in the price of gold, Chase Manhattan Bank said Tuesday.

Such alternatives as boosting the gold price, doing away with gold altogether, or establishing floating currency exchange rates "come off second-best by considerable margins in terms of promoting the continuing expansion in world trade and investment so essential for world prosperity," Chase said in its bi-monthly economic report.

The bank said any world financial system will work only if it has a high degree of cooperation among leading nations. With such cooperation, many specific measures, such as the special drawing rights and a provision for more flexibility in exchange rates called "the crawling peg," could help the system work well.

The crawling peg (which Chase thinks should be called "the dynamic peg") has become increasingly popular among international money market experts.

Under the crawling - or dynamic - peg, a deficit nation would find that its exchange rate stayed at the lower level of an allowable band of fluctuation. Its exchange rate thus would move downward in predictable fashion until the impact of a lower exchange rate brought its balance of payments back into equilibrium.

The situation would work in reverse in the case of a nation with a surplus. Its exchange rate would go up in manner that would gradually reduce the surplus.

In effect, other currencies would move around the dollar, which would remain fixed - pegged - at \$35 an ounce of gold.

A major merit of the system would be that currency movements would be predictable and therefore less subject to speculative forces.

one of the biggest parties the neighborhood had ever seen. Investing in Scotch has been rewarding in recent years. If you had owned matured whisky in 1956, for example, it would have been worth a shade more than three times what you'd paid for it, four years earlier. Over a dozen years, until just recently, this four - year increase averaged about 2.4 times the investor's cost.

Prices Down
Four or five years ago, however, a combination of circumstances began driving prices down. Investors who sold four - year whisky in 1967 and early '68 even took losses - though if they'd held on, as some did, they could have sold at a profit, since prices turned up again last year.

What's happened, say the Scotch brokers, is that factors which drove prices down are now reversed, and prices are due to climb. Maurice L. Schoenwald of New York City, said to be the largest, continuously active whisky broker in this country, says market data indicates that partially aged "grain whisky," now available to investors, may well rise two and a half times in price within the next year and a half.

You don't have to sell, incidentally, when your whisky reaches age. You can exchange it for new, "zero - age" whisky at a ratio reflecting the price differential. The ratio averaged 2.4 until the price declines of recent years. You'd buy new whisky, let it age, then trade it, getting 2.4 gallons of new whisky for each gallon you'd matured.

Thus a Scotsman who invested in a couple of hundred gallons for his son at birth, might prefer to "snowball" the investment with an exchange every four years. At the average ratio of the past his heir, at age 20, would own 38,222 gallons - a tidy growth from the original 200.

This "snowballing" appeals to some American investors, since there is no profit to report and no tax to pay until whisky is actually sold. Taxes, therefore, can be deferred for any desired period of years. Nor are investments in Scotch subject to the interest - equalization tax imposed on foreign securities. Other tax advantages are also possible, as worked out with the brokers.

The investor, Scot or American, actually owns a certain "parcel" of whisky, identified by numbers stamped on his barrels, hogsheads or butts in a bonded warehouse. Schoenwald's minimum - size parcel is 20 barrels, which will put you into the whisky business for around \$1200 at current prices for three - year old grain, now priced at about \$1.10 a gallon.

Ten years ago, the investor with a parcel of four - year old grain could sell it for \$10.30 a gallon - but then, it had cost him about \$3. four years earlier. Schoenwald believes the price has bottomed now and is so low that there's little downside risk for investors.

Costs, in addition to the whisky itself, are about 7 cents a week storage on each barrel, and insurance with Lloyd's of London or a similar underwriter, running about 1 per cent of the investment per year.

Having made these arrangements, you just sit and wait while your investment mellow, or hoot! mon, maybe ye'd rather gae over the yon warehouse and trundle it home.

Subcompact Car Rivals Gird For American Market Battle

CAREFREE, Ariz. (AP) - The Ford Motor Co.'s promotion of its new subcompact Maverick will be aimed at Volkswagen.

Press Review
Ford officials said Monday at a national press review of the Maverick that much of their advertising and public relations program will concentrate on listing Maverick's strongest points while downgrading some of VW's accomplishments.

And they expressed confidence in cutting into the about one million sales of compact cars that foreign firms racked up last year in the United States.

The Maverick, first of the U. S. auto industry's new band of

subcompacts, is due in dealer showrooms April 17. It is 19 inches longer than the VW and priced \$200 above VW figures. Its six-cylinder engine is expected to get 22.5 miles per gallon, contrasted with the 26 miles that VW claims for its four-cylinder engine.

No Box or Bug
Ford officials expressed confidence that car buyers who might, for example, compare VW and Maverick would find that the U. S. car was roomier, more luxuriously furnished and virtually as economical to operate as a VW.

Ford vice-president John Naughton explained the company position this way: "A small, inexpensive car can be

beautiful—it need not look like a box or a bug."

Naughton said a multimillion-dollar advertising spurge would accompany the first showing of Maverick in dealer showrooms. He would not release a cost figure but an advertising source estimated the amount at \$4 million, with the biggest share going into network TV saturation advertising, most of it on the eve of the Maverick announcement day.

VW Predicts Gains

WOLFSBURG, Germany (AP) - Volkswagen, biggest selling foreign car in the United States, anticipates an expanded market

for subcompacts in the United States because of Ford's latest entry, the Maverick, a spokesman for the West German auto makers said today.

"The burden of advertising small cars will now be shared by the American manufacturers," the spokesman said. "We are confident this will increase sales for subcompacts from which we hope to participate."

Claiming the Maverick was no real competitor for the beetle, because it was considerably larger, the spokesman said his firm considered its chances for future Volkswagen sales in the United States "more positive than negative."

The Daily Investor

Dividends Are for Retirement

By WILLIAM A. DOYLE

Q. My husband and I know little, if anything, about stock. I have been receiving shares of stock as part of a profit-sharing plan in a company I used to work for. Each year I converted that stock into what I was told are "blue chips." I assumed I was building a portfolio for our retirement.

We now own 15 shares of American Telephone & Telegraph, 20 Atlas Chemical, eight Standard Oil (New Jersey), two Allied Products common and five Allied Products preferred. Our total dividend checks now come to an even \$45 a year.

I feel we would have been better off just putting the money in a savings account. Why do people put so much in stocks? How can they hope to retire on their dividends?

A. People who hope to retire on their dividends had better have a good deal more invested in stocks than you have accumulated to date. Although your stocks are paying much more dividend income than you indicate, the total still isn't all that great.

Somewhere, somehow, your figures went way off base. Either you haven't added up your dividend totals correctly, or some of your dividend checks have gone astray. A quick tabulation shows that dividends on your stocks, this year, total up to \$97.40.

AT&T's dividend is now \$2.40 a year. On 15 shares that's \$36. Atlas Chemical pays 80 cents - \$16 on 20 shares. Jersey Standard's 1968 dividends amount to \$3.65 - and \$73.20 on eight shares. Allied Products common now pays 60 cents - \$12.00 on two shares. And that company's preferred pays \$3 - \$15 on the five shares you own.

Add them up. Sure, you could have received more by putting your money in some savings accounts. But (except for the preferred stocks - on which the dividend does not change) these companies have good records of gradually increasing their dividends.

In a nutshell, that's the motive most people have for buying stocks - the hopes dividends will be raised in the years ahead. And that has been the history of common stocks of well-managed companies.

You now own five stocks of four companies. That gives you diversification - putting your eggs in different baskets. And my guess is that's what you mean by a "portfolio." Considering the rather limited size of your total investment, I wouldn't advise spreading yourself around much more. Instead, you should think about buying more of what you already have.

And, even though you don't name the company in which you are receiving stock from that profit-sharing plan, I suggest you think twice before you sell the next batch of shares you receive from that source. If it's a good stock, why not hang on to it?

Readers are invited to send their questions to Mr. Doyle in care of The Springfield Union. He can answer only representative questions of general interest.

Computer Watching

WASHINGTON (AP) - The Internal Revenue Service has estimated it will process about 110 million tax returns by computer this year, an increase of two million from 1968. This year's individual and business tax returns were expected to result in more than \$186 billion in collections this year, an increase of \$32 billion from the previous year, the IRS said.

Last year IRS computers turned up 1.5 million taxpayers who owed \$2.9 billion additional. Conversely, an audit caused the return of \$177 million to 1.5 million taxpayers who overpaid.

New Englanders' Oil Bill Higher by \$325 Million

WASHINGTON (UPI) - New England consumers pay \$325 million a year in excess costs for petroleum products because of import quotas, a Rhode Island University professor estimated Tuesday.

Effect on Competition
Prof. Joel B. Dirlam, Kingston, R. I., gave the estimate to the Senate subcommittee on antitrust and monopoly. The subcommittee is studying the effect on competition of the government's oil policies.

Dirlam also attacked the system of prorating - limiting production of oil by the producing states - and the tax advantages the industry enjoys. He conceded that prorating, which is justified for conservation purposes, prevented some waste of oil.

"But its major purpose is to maintain oil prices, and it leads to higher costs in production and exploration," Dirlam said. The tax subsidy enjoyed by the industry is chiefly the 27.5 per cent depletion allowance which permits deducting on an income basis rather than a cost of production basis.

But oil companies also enjoy the right to charge against investment expenditures. "These tax incentives lead to more investment in petroleum exploration and development than would otherwise take place but prorating at the same time restricts the level of output, in order to maintain prices. As a result we have not only wells producing at less than maximum efficient output, but too many wells drilled," Dirlam said.

The witness said the country had three million barrels of excess production capacity a day, while it produced only 9.4 million barrels a day.

Returning to the subject of imports, Dirlam estimated that a proposed refinery at Machiasport, Maine, using foreign crude oil, could result in savings for the area of as much as \$158 million a year.

Not Justified
Another witness, Professor Wayne A. Leeman of the University of Missouri, attacked the industry's rationale for the quota system - national security.

"Restrictions on imports often are justified on grounds that functioning domestic oil in-

dustry must be kept in being, ready, should war break out, to expand and supply the needs of a war economy.

"I shall leave to military experts the question of whether or not in the nuclear age a prolonged war is probable. Should a long war occur, the United States might find its access to overseas cut off. Under these circumstances, domestic oil could be exceedingly valuable.

"The trouble with import quotas is that while they keep an active domestic oil production in existence, they also deplete during peacetime domestic reserves which might be more valuable when there is military conflict," Leeman said.

SLOPES TO SCREEN
PARIS (AP) - Olympic ski champion Marielle Gohse, has been signed to appear in a movie titled, "Don't Push Grampa Into the Daisies." She will play the part of the country wife of a poor Frenchman who decides to see Paris first.

American Airlines to Los Angeles.

The only evening nonstop.*

8:00 AM	4:00 PM
9:10 AM	4:55 PM
12 Noon	5:30 PM*
	9:35 PM

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