

# WALL STREET REALLY GOES

**T**he really big investors in the City — merchant bankers, insurance companies and the like—tend to recruit their share analysts from the world of accountancy and economics where you are naturally expected to know how to read a balance sheet and can spot the difference between a liability and an asset.

But on Wall Street these days some investment houses are taking on fellows who come in not knowing the difference between a dividend and a Debenture. Men who instead have solid grounding in such disciplines as chemical engineering, geology, electronics or some other esoterically technical subject.

A leading light in the move

## merger ed...'

### 'S BATTLE PLAN

year. Sir Derek has already told his own shareholders that both are operating as a single unit and sales and profits are ahead of expectations.

### Trade not so radiant, but . . .

After the Unilever meeting, Lord Cole had some gloomy things to say about present trading of the company, which has just made its own bid to enter the mushrooming "biological" detergent market. Its Radiant brand is now selling in competition with U.S.-owned Procter and Gamble's highly successful Aerial.

Lord Cole said that trading in January and February had been "very bad." But March and April were "much better." Eventually, he hoped that the current year would be successful.

His cautious optimism echoes the message given a couple of months ago by Sir Derek of Allied. He said that trading was "buoyant" but that profit margins were under increasing pressure.

# SCIENTIFIC

## Tempting men from the 'lab' to swap their white coats

to persuade scientists to swap their lab coats for a sober business suit is Mr. Reid Dennis, 42-year-old head of American Express's mighty 2000 million dollar investment fund.

In London this week, Mr. Dennis explains the thinking behind this pro-science investment philosophy.

"By far the most valuable asset I have as an analyst is my ability to know what technical people in industry are talking about," he declares. "In my experience finding out the outlook for the market is a particular product is much more important than analysing the balance sheet."

His record in the investment world, one of outstanding suc-



**REID DENNIS**  
Outstanding success.

cess by any standards, adds much weight to his views.

His training as an electrical engineer gave him a strong interest in small technology companies that were growing up all over California in the early '50s.

And it prompted a modest investment of £2000 in a company called Ampex which within eight years grew so much that it became worth around £600,000.

Then followed a period of rapid growth for his own space simulation equipment company—eventually bought out by a larger concern.

He moved from there to invest-



ment management with an insurance company. Then the Midas touch worked again, this time with a concern called Recognition Equipment—again a science-based concern.

When he picked up the shares for the fund they were around one dollar apiece. Last year they touched 100 dollars at one time.

### FILLING GAPS

Now with American Express, he is anxious to fill the gaps in his own investment team's technical knowledge with that of recruits from chemical engineering, mining and geology.

He is a great believer in seeking out investment opportunities in companies at the very early stages of development. "I want to get there well before everyone else wants to join the bandwagon," he says.

He is a great believer in holding on patiently to a share even when it already shows a big profit. "It's true that you can never go broke taking a profit, but you can sometimes feel awfully sick afterwards," he says.