

Little Improvement In Second Quarter Corporation Profits

By ELMER C. WALZER
United Press Financial Editor
New York—(AP)—Noting that the recession probably is bottoming out, Standard & Poor's sees little promise for over-all improvement in corporation earnings in the second quarter.

It is conceivable that earnings comparisons might begin to improve in the third quarter, but Standard notes that hopes center chiefly on the closing months of the year. "By that time," it says, "the economy might be showing the first signs of revival—nothing pronounced but representing some progress from current levels. Moreover, profits will be measured against the sliding results of the fourth quarter of 1957. On the latter basis alone, year to year comparisons should become less unfavorable."

It could well be, the statistical agency adds, that the decline of some 31 per cent in the total corporate profits for the first quarter might be trimmed to a decrease of 15 per cent to 20 per cent for the full year.

Important Dividends
But it adds this sour note: "On a historical basis, 1958 is likely to be the poorest year since 1952."

Apparently Wall st. is less concerned over earnings than it is over dividends. The street continues to bring out the tabulation on dividends paid in the first quarter by companies listed on the New York Stock Exchange.

This dividend payout totaled \$2,179,860,580, a first quarter record, and an increase of \$43,369,950 or 2 per cent over the total cash dividends paid by the same companies in the first quarter of last year.

For all corporations, the Department of Commerce reported that the dividend payout for the first quarter increased by one-half of 1 per cent.

Any increase at all is considered highly important. It reflects some influence of the recession, however, since companies are spending less on plant expansion and paying stockholders a greater percentage of their income.

Decline in Earnings
Dividend news in recent stock market sessions has been more influential in swaying stock prices of individual shares than have earnings reports. In many instances declaration of the usual dividend on a stock whose company has reported poor earnings has sent its price up sharply.

The street, of course, is interested in earnings but it considers the over-all totals with only academic interest—for the purposes of record. That is the analysis when dividends are retained.

Standard & Poors' first quarter calculation showed 662 industrial companies had an aggregate decline in earnings of 36.1 per cent. When a group of utilities was added, however, this percentage decline for all the companies was cut to 30.5 per cent.

Three out of four groups suffered decreases in the calculation. Declines of 50 per cent or more appeared in automobile, auto part, metal fabricating, carpet, oil well equipment, rail, steel, textile and apparel industries.

Increases centered on such lines as utilities, food, drugs, confectionery, grocery chains, soaps, tobacco products and finance companies.

Visiting Reporter Employed at Paper

A visiting reporter from Bend, Ila S. Grant, today began a two-week association with The Mail Tribune. Mrs. Grant will cover the city hall and special assignments during her stay here. She is a member of the staff at The Bend Bulletin.

"I am happy to have an opportunity to spend time in Medford and get acquainted with newspaper people here," Mrs. Grant said. "I have always enjoyed southern Oregon on visits for the Shakespearian festival, and it's a real pleasure to be here."

Baker Air Field Work Bids Opened

Seattle—(AP)—McCormack Construction company of Pendleton is the apparent low bidder for construction of receiver and transmitter buildings at the Baker air station, Army Engineers said today. The McCormack bid was \$47,110.

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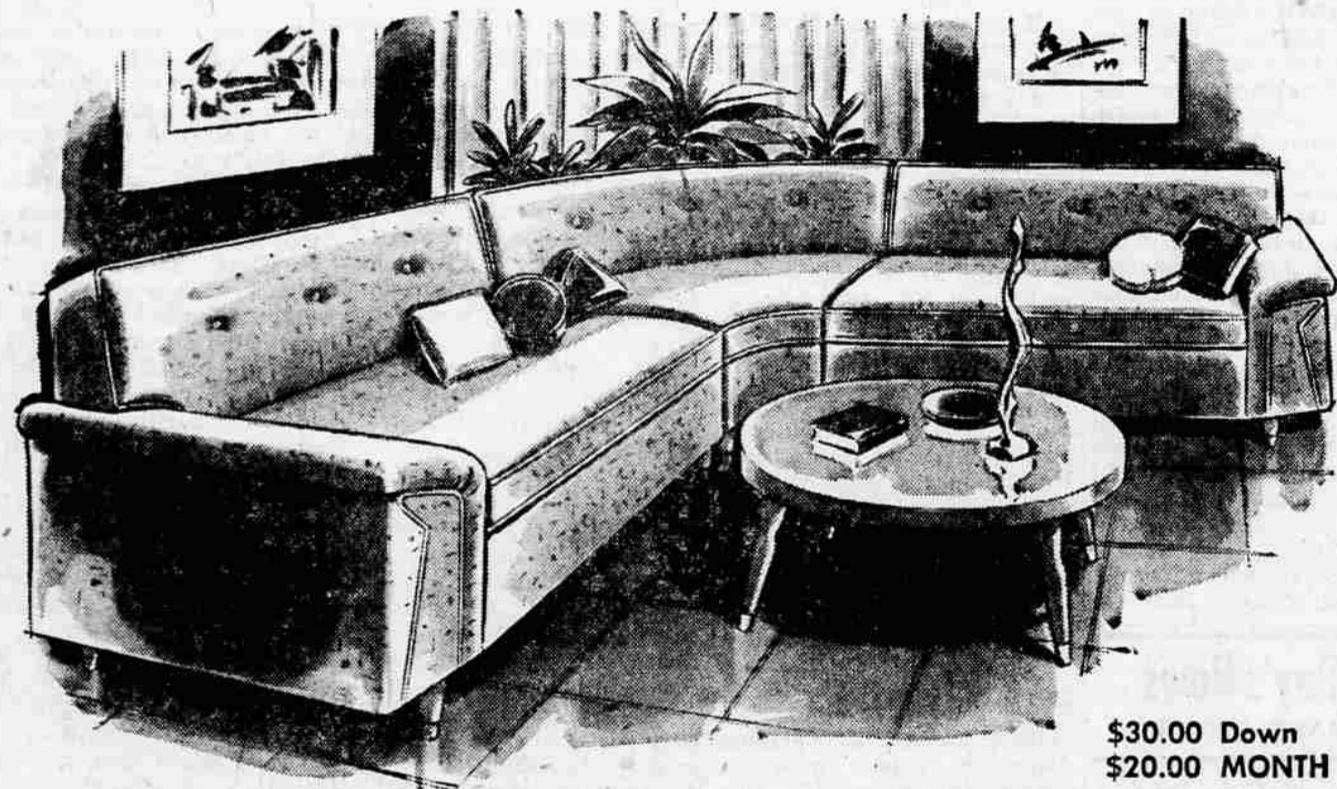
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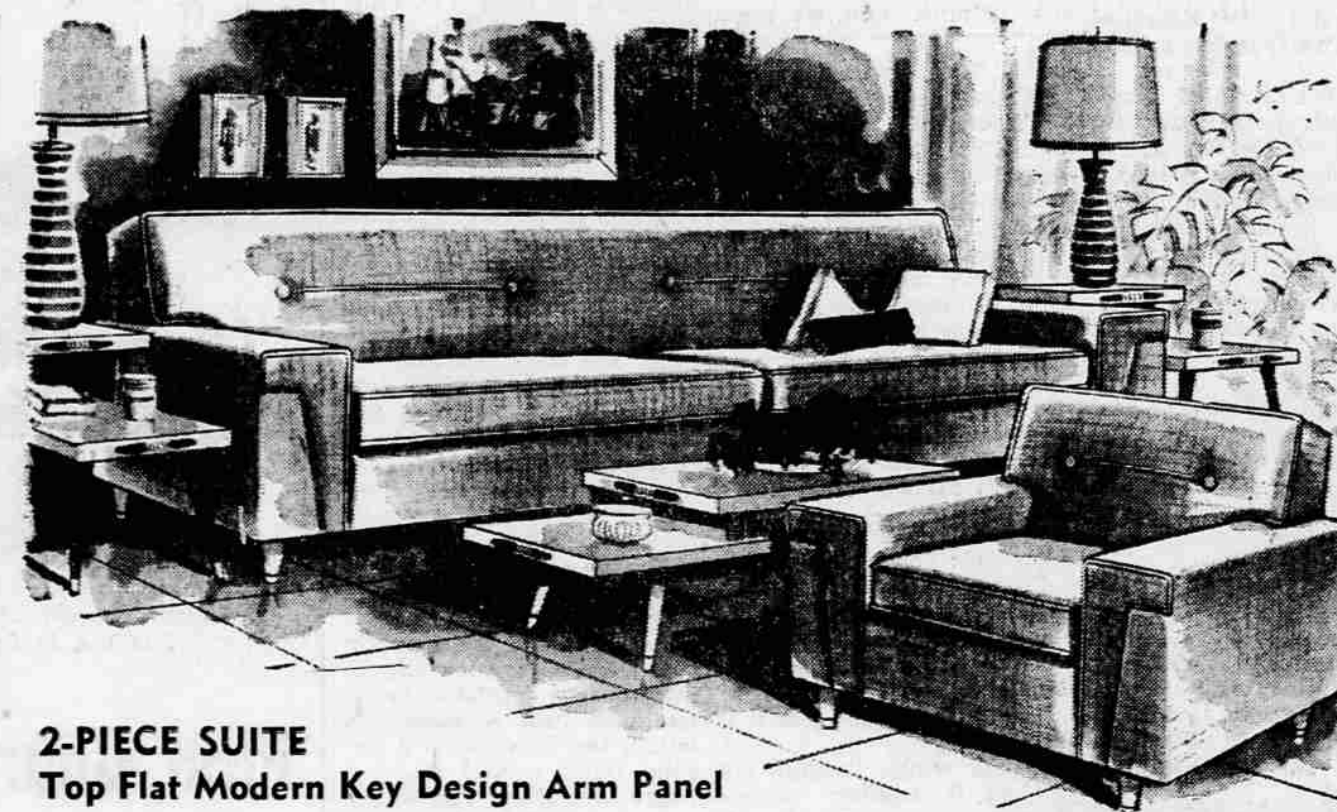
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