



TRIUMPHAL RETURN—A heavy mist obscures the tops of Manhattan's tall buildings as the atomic submarine Nautilus passes under the Brooklyn Bridge in New York after its return from its epochal trip under the Polar ice cap, from the Pacific Ocean to the Atlantic.

Experts See Problems Ahead For Stock and Bond Markets

By **ELMER C. WALZER**
UPI Financial Editor

New York (UPI)—The stock and bond markets have some problems ahead with the bond section seemingly nearest the wailing wall.

The experts think that the stock market can go higher. They are skeptical about bonds because of firming money and the pressure of treasury offerings.

If these things occur in that sequence the net result will be a crossing of the lines in the graph of yields of those two markets. Stocks will yield less than bonds for the first time since the 1920s.

Currently stocks in the Dow-Jones industrial average yield 4.16 per cent and high-grade corporate bonds yield 3.80 per cent.

According to the firm of Arthur Wiesenberger this 36-percentage point difference is the smallest since February 1939 when it was 30 points.

The yield on a stock or bond is the return to the investor on the dividends or interest paid at the price the issue was purchased. For example, American Telephone, paying \$9 annually, yields exactly 5 per cent at \$180 a share.

Two Courses
Standard and Poor's says the stock market has two courses of action open to bring the list into a more realistic relationship with underlying conditions:

1. A fairly sharp reaction, and 2. for the market to hesitate and consolidate its position while waiting for business to catch up.

"We are inclined to believe," says Standard, "that the latter course will prevail, in view of the pressure of funds seeking investment and the widespread feeling of confidence fostered by the economy's strong recuperative powers."

The Wiesenberger firm holds that the level of yield should be no worry for the investor.

"If stocks are headed higher and bonds lower," says the firm, "we are likely as in the early 1920s and the early 1870s to see long periods when stock yields will stay below high-grade bond yields—a fact that will doubtless elicit much comment but will be more normal and orthodox than not."

Tough Problem
According to the government bond firm of Aubrey G. Lanston and Co., the treasury is up against a tough problem. On Sept. 1 it must pay

out \$1.9 billion to meet maturities of the 2½s and 2½s that were not exchanged during the recent refunding offering. In addition interest and other expenses will pull down the Treasury balance to the point where the Treasury may decide to raise some new money by selling additional bills.

For the remainder of the year, it appears to the Lanston firm as though the Treasury may need to sell between \$7 billion and \$8 billion of new securities for cash.

Now for business. The trend is higher. And earnings are improving.

Income To Be Up
Standard and Poor's estimates that for the December quarter corporation income will be running at an annual rate of \$3.25 a share or more against \$2.75 for the second quarter and \$2.71 for the first quarter.

For 1958 as a whole, Standard believes it will go down as the poorest year since 1954 in corporate earnings. Now, it finds the trend is up and the agency expects that the 29 per cent decline shown by the first half to be trimmed to a decrease of 15 per cent to 20 per cent for the full year, with the final quarter approximating the last three months of 1957.

Baby Swappers Must Stand Trial
Tulsa, Okla. (UPI)—A Pennsylvania couple who allegedly traded their 5-month-old baby for a 1957 pickup truck must stand trial along with the owner of the truck.

Common Pleas Judge Lloyd McGuire ruled Wednesday Mr. and Mrs. Richard Readdy, Shamokin, Pa., and Jesse Lester Burger, 42, El Dorado Springs, Mo., must face trial as the state has evidence the Readdys took Burger's truck and left the baby behind.

Burger remained free on \$2,500 bond today.

Bond for the Readdys has been set at \$5,000 each, but McGuire said he would release the young mother to any responsible person offering her employment.

A statement signed by the Readdys was introduced in court, saying they swapped the baby for the truck because the baby would be better off while they were hitchhiking to California. The statement also said the couple planned to return for their child at a later date.

The swap allegedly was made in the early morning hours of Aug. 9 just outside of Tulsa.



STANDING IN GULLY near Eureka, Nev., Albert H. Lewis (right), tells police where to dig for body of his wife, Dolly, whom he confessed killing in San Francisco home during drinking spree. He placed body in trunk of car and drove into Nevada to bury it.



EIGHT-MILE SHOT—This unusual photo of the San Francisco-Oakland Bay Bridge was made from almost eight miles away, in the pressroom atop the Seals Stadium. Note how four of the towers seem bunched together and the span itself appears steeply arched, in the distortion caused by foreshortening.

Potatoes Lead State Shipments

Salem—Potatoes dominated the fresh fruits and vegetables shipped from Oregon points during July, the state department of agriculture reports. The total of July inspections amounted to 1,414 cars—up 366 cars from last year's July figure.

Potatoes accounted for 1342 cars, which is 368 cars more than the shipments last July. Most of these were from the Ontario district.

Fifty-four cars of fresh sweet cherries were shipped out of Hood River, which closed out the cherry season there. Wasco county totalled up a near all-time record this cherry season, according to W. L. Close, federal-state shipping point supervisor. The Willamette valley crop was also substantially larger than last year, he added.

The shipping point district at Milton-Freewater reported 62 cars of potatoes were shipped in July. Twenty-six cars of brine cherries were inspected at Salem for out-of-state shipment.

FALL HUMILIATES HER
Knoxville, Tenn. (UPI)—Mrs. Jean Brownfield, 34, today sought a divorce on charges that her husband operated a motorboat in such a sloppy manner she fell from her water skis and was humiliated in front of her friends.

Court Records
MUNICIPAL COURT
Jack Leroy Vincent, no operator's license in possession, \$10.
James Brandel Backes, inadequate equipment, \$5.
Raymond West McComb, violation of basic rule, \$10.
Arlis Belle Lewis, violation of basic rule, \$10.
Earl Burgess Warner, no tail light, \$2.50.
Edwin Bruce Stuart, violation of basic rule, \$10.
William Ralph Morgan, violation of basic rule, \$10.
Hugh Allen Messer, failure to leave information at the scene of an accident, \$20.
John Edwin Harper, violation of basic rule, \$10.
Donald W. Wyatt, driving on wrong side of street, \$5.
Cecilia Ella Dodson, violation of basic rule, \$10.
Bernal Orland Slead, disobeying traffic signal, \$5.
Duke Miles Guile, disobeying traffic signal, \$5.
Edgar Allen Walker, improper turn, \$5.
Carol Ann Flipse, driving on wrong side of street, \$5.
Joanne Keizer, violation of basic rule, \$10.
Floyd Elbert Barnes, disobeying traffic signal, \$5.
Angus Robert Ayer, violation of basic rule, \$10.
D. A. Parker, violation of basic rule, \$10.
Anthony Sebastian Glogowski, operating vehicle without lights, \$2.50.
Clyde Marvin Mooney, violation of basic rule, \$10.
Ronald Alex Mete, violation of basic rule, \$10.
Donald Arland Langston, no operator's license in possession, \$10.
Delbert V. Sharp, violation of basic rule, \$10.
Jim Seth Cunningham, violation of basic rule, \$10.
Elizabeth Marie Richey, disobeying traffic signal, \$5.
Orvel Howard, improper lane change, \$5.
Harold Victor Rominger, Lucy's apartments, drunk in public, \$10.
Charles L. Folck, Portland, drunk in public, \$15.
Steven Ray, no operator's license, \$10; violation of basic rule, \$10.
Leo Robert Behnke, disobeyed traffic sign, \$5.
Carroll Conwell, disobeyed traffic sign, \$5.
Charles Vernon Burgess, disobeyed red light, \$5.
William Howard Gardner, no operator's license, \$10.
James Wayne Lick, no operator's license, \$10.
Donald Ray Nelson, violation of basic rule, \$10.
Gordon Leslie Sharp, disobeyed stop sign, \$5.
Leroy Jack Gillaspay, disobeyed traffic signal, \$5.
William Allen Darling, disobeyed stop sign, \$5.
Glenn Dimmett Martin, violation of basic rule, \$10.
Hellen Vada Parrish, disobeyed red light, \$5.
Raymond Earnest Childreth, disobeyed stop sign, \$5.
Raymond Alexander Tebo, improper right turn, \$5.
Donald Thurston Wilkinson, violation of basic rule, \$10.
Edward Jerry Dowlan, violation of basic rule, \$10.
Joseph Edward Hasler, violation of basic rule, \$10.
Edward Donahue Nino, violation of basic rule, \$10.
Daughtry Lee Couch, violation of basic rule, \$10.
Federico Martinez Andrade, violation of basic rule, \$10.
Loranzel Dow Webster, disobeyed stop sign, \$5.
William D. Stewart, violation of basic rule, \$10.
William Donald McLeod, violation of basic rule, \$10.
Jack Weston Fowler, violation of basic rule, \$10.

DISTRICT COURT
Edwin L. Bean, overload, \$39 and \$42.
Dwain C. Epp, overload, \$5.
Patricia R. Smith, no operator's license, \$10.
Raymond A. Thompson, no operator's license, \$10.
Dawn L. Cheney, insufficient binder, \$15.
Ralph F. Champion, failure to stop and yield to oncoming traffic, \$10.
Gary A. Heath, violation of basic rule, \$15.

CIRCUIT COURT
Mary Alfonso vs. Benjamin Alfonso, divorce complaint.
Elizabeth May Reeves vs. Bethel Bishop Reeves, divorce decree.
Pauline B. Ksmville vs. Darrell L. Ksmville, divorce complaint.
Martin Owens vs. Luther Owens, divorce complaint.

MARRIAGE LICENSE APPLICATIONS
Charles Henry Hoyt and Marlene Chastotte, both of Medford.
Charles David Mondray and Thelma Louise Hughes, both of Medford.
Henry Lee Wolford and Barbara Ella Williams, both of Ashland.

JACKSONVILLE MUNICIPAL COURT
H. T. (Mike) Purcell, 132 First St., Jacksonville, driving while under influence of intoxicating liquor, \$100.
Leonard Ralph Black, 833 West Jackson St., Medford, excessive noise (traps), \$10.
Froy Lee Price, route 3, box 82, Medford, driving without Oregon driver's license, \$5.
Fess Graham, route 1, Applegate, driving while under influence of intoxicating liquor, \$100.
Clifford Ecken, Medford, possession of liquor, \$25.

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