

Excellent Reading in Corporation Reports For Second Quarter Seen by Wall Street

By ELMER WALZER
UPI Financial Editor

New York (UPI)—Wall Street is looking for some excellent reading in the corporation reports for the second quarter which soon will be making their appearance.

These reports will reflect record high production for the nation as a whole which means general business operating at its best levels in history.

Full recovery from the recession of 1957-1958 was accomplished earlier this year and new highs have been set since then in many lines. The recovery is continuing although most of the experts look for the usual summer lull. A new spurt ahead is foreseen for the fourth quarter, making 1959 the best year in our economic history.

New Incentives

Market men anticipate that the gains to be shown in the second quarter corporation reports will be of sufficient scope to give the stock market new incentives to speed up its summer rally which has been generating for some time.

Higher earnings are changing the price-earnings ratios and making them look more in line with historic levels than they have been.

Higher earnings for corporations will mean higher earnings for employees, higher dividends for stockholders, and increased expenditures for plant rehabilitation and expansion.

High Personal Income

Also there'll be a new record in gross national product which will simmer down to record high personal income, and record high disposable income.

The end isn't in sight. Economists for Keystone Funds' \$460 million investment management organization predict an eight per cent rise in gross national product at the end of 1959, plus record highs for such items as industrial production, corporate profits and dividends, and personal income.

Optimism continues because all signs point to a continuation of the upward phase of a normal business cycle that started from a low point in the first quarter of 1958," says Andrew P. Ferretti, economist for Keystone. He says the upward phase should continue into 1960.

Best Christmas Season

Ferretti sees the best Christmas season on record in prospect for retailers, because personal income is expected to show an after-tax gain of some \$25 billion. Americans will have about \$8 billion more discretionary income than they had last year, he adds.

This economist believes consumer durable goods industries will be the principal beneficiaries of increased spending, with consumer outlays in this general area up 20 per cent.

He says this will include not only furniture, appliances and automobiles, but also the myriad new items which are sensitive to changes in discretionary income—travel, summer and winter vacations, picnic equipment, boats, swimming pools, and the like.

Sales of automobiles, which already have shown considerable improvement, should be up substantially in the first quarter of 1960, perhaps as much as 30 per cent over the early months of this year, he holds.

There are some cross-currents right now as industry

had expected. There has been some slackening in construction, slower demand and sagging prices for copper, weakness in plywood quotations.

The foregoing are pointed out by Standard & Poor's which finds the economy just now is producing more than it is consuming—another way of saying inventories are being built up.

Standard says the rate of accumulation is no greater than is justified, or even required, by the rising trend of activity, and the ratio of inventories to sales remains highly conservative.

Around 30 Per Cent Gain

Standard & Poor's estimates that the 1959 gain in corporate profits will be around 30 per cent or more; in dividends, close to 15 per cent.

The firm estimates profits on its index of 425 industrial stocks at \$3.85 a share against 1958's \$2.95; for dividends, \$2.10 against \$1.88. The fourth quarter annual-rate levels should be around 4 for earnings, \$2.30 for dividends, it holds.

On this basis, the firm notes, the current price-earnings ratio is 15.9 while the yield is 3.4 per cent. "Thus," it adds, "valuations are not extreme, especially when allowance is made for inflation and the market's basically altered supply-demand balance."



STEAMING PAST DETROIT en route to Chicago is heavy cruiser USS Macon, first armed American warship to cruise up Detroit River since War of 1812.

'RUMOR' MONGER
Offutt Air Force Base, Neb. (UPI)—When the Strategic Air Command was conducting a contest to choose a name for its new B-70 bomber, one airman suggested "Rumor." Reason, he said, was that "rumors fly faster than anything else." The B-70 later was officially designated as the "Valkyrie."

PRACTICE MAKES PERFECT
Quincy, Mass. (UPI)—Every day, 90-year-old Charles G. Childs practices for half an hour on his baritone horn, just as he did 65 years ago when he began playing with the Quincy Scotch Band.



SENTENCED—Fred G. Davis, a Georgia-born Marine, has been sentenced by a Beaufort, S. C., court to die for raping a Negro woman. If the sentence is carried out, Davis will be the first white man to die for raping a Negro in U. S. court history.

Now you can get the life insurance you need even if you become uninsurable.

With The Travelers *Guaranteed Insurability Plan*, no matter what happens to your health—even if you become uninsurable later on—you can still buy up to \$60,000 more life insurance for your family.

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220 South Central—Medford
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representing THE TRAVELERS, Hartford, Connecticut

They'll Do It Every Time By Jimmy Hatlo

PLUSVIM BRIMSTONE EMPLOYED 12,000 MEN—BUT FEW EVER SAW HIM—HE BELIEVED IN DELEGATING AUTHORITY.

I REPEAT! I AM NOT INTERESTED IN PETTY DETAILS! THAT'S YOUR JOB! HIRE GOOD MEN AND FIRE THE MISFITS! ALL I'M INTERESTED IN IS RESULTS! THAT IS ALL, GENTLEMEN—YOU MAY GO!!

HAROOH—BRING YOU'RE PUTTING THE PETUNIAS TOO CLOSE TOGETHER—DID YOU SPRAY THE ROSES? THE LAWN MOWER SOUNDS LIKE IT NEEDS OILING—WHAT ABOUT THE GOPHER TRAPS?

HE'S DRIVING US BERSERK! IT'S ONLY A QUESTION OF WHO QUILTS FIRST—THE GARDENER OR ME!

THANK AND A HAT TIP TO HORACE (SEAMAN), 203 POLAR DR., ROSS, CALIF.

features . . . Juicy, tender "U.S. CHOICE"

POT ROAST

Safeway Pot Roast has an extra-grand flavor because it has been "scientifically aged" in our temperature-humidity controlled aging rooms in our modern meat warehouse.

MEATY, BLADE CUT ROAST
Per Pound **45¢**

7-Bone Roast lb. 49c

SAFEGWAY

CORNED BEEF 69¢ lb.
Safeway's own "USDA CHOICE" boneless beef brisket. It's carefully trimmed of all excess fat and waste and cry-o-vac wrapped.

GROUND BEEF 49¢ lb.
Lean beef with just enough fat added for maximum flavor. It doesn't cook away.

3-lb. Pkg. \$1.45

BEEF SAUSAGE 39¢ 1-lb. roll
"US CHOICE" beef with delicate seasonings. Here's a flavorful taste treat.

Cake Mixes 4 pkgs. \$1.00
Reg. 35c Pillsbury brand. Orange, white, choc. fudge, Golden yellow, spice, caramel, and pineapple.

Baby Food 12 4½-oz. cans \$1.00
Gerber's. Save on all strained varieties of fruits and vegetables.

Spaghetti 8 15½-oz. cans \$1.00
Famous Franco-American brand. You'll enjoy the hearty rich tomato-cheese sauce. Just heat 'n serve.

Money-Saver!

Count your savings in DOLLARS... not pennies... with your own **HOME FOOD FREEZER!**

Facts and figures (from independent university research) prove that the average family of four can save approximately \$200 a year on food bills with the proper use of a home food freezer.

FREE... For delicious freezer recipes and complete information on how to save the most with your freezer, write the Cal/Ore Electrical League, Box 231, Medford... and ask for your free copy of Bev Lyons' "FREEZER-LEISURE—Tips on How, What, and When to Freeze."

SEE YOUR **CAL/ORE ELECTRICAL LEAGUE DEALER**

He will be glad to help you pick the right size freezer for your family and set up your own freezer plan—to give your family the best meals all year 'round—at the lowest prices.

cal/ore Electrical League Inc.

Missing JP's Check Honored

Gold Beach (UPI)—The case of a missing justice of the peace took a new turn here Friday.

Justice William E. Fuller, Gold Beach lawyer, disappeared Tuesday and then state auditors found a shortage of \$5,900 in his accounts.

It was learned that Fuller had sent a check for that amount to the Curry county treasurer just before he vanished, but the check did not clear the bank.

Friday the check was tendered to the bank a second time, and honored.

The first time the check went through the bank, there were not sufficient funds to cover it, according to First National Bank branch manager Ted Roberts.

Friday morning, however, Curry County Treasurer Bernard I. Mather presented the check a second time. He said he was not at "liberty to divulge" the persons who made the deposit.

BOYS FELL OFFICER

New York (UPI)—A young policeman was seriously injured Sunday by four boys he approached as they were setting a grass fire in a Queens field. Police said the youths pulled back a branch of a tree and let it go, when the officer, Patrolman Michael Dunn, came in range. He was struck on the forehead, knocked unconscious and hospitalized with a cerebral concussion. The boys escaped.

PAN-AM TO FLY NIXON

Sydney, Australia (UPI)—Pan American Airways has made plans to fly U.S. Vice President Richard M. Nixon non-stop from Washington to Moscow later this month in a new jet airliner, a company spokesman said today. Nixon has accepted an invitation to make the trip in the first inter-continental Boeing jet liner to be delivered to Pan American, the spokesman said.

QUICK WORK

Bennington, Vt. (UPI)—It took the Ben-Mont Paper Co. only a few minutes to erect a new building. The 120-foot-long structure was made of heavy gauge nylon and was blown up with a powerful fan.

Orange Juice Bel-air "Premium" frozen concentrate 4 6-oz. cans 89c

Jell-well Gelatins 7 delicious fresh fruit flavors 4 6-oz. pkgs. 29c

Mixed Vegetables Bel-air "Premium" quick-frozen 10-oz. pkg. 21c

Slenderway Bread Skylark "Flavor-lift" of the week 1-lb. loaf 28c

Mrs. Wright's Bread Save 2c a loaf White or wheat loaf 31c

Lucerne 3.8 Milk Richer, finer "Bonus quality" ½ gal. 47c

Half and Half Lucerne 12% milk quart 50c

Gal-Ore Wines sweet varieties fifth 69c

Cigarettes Camels, Luckies, Chesterfields Reg. size carton \$1.85

Kordite Bags Pints 49c Quarts 69c

Kordite Boxes Pints 75c Quarts 98c

Jelly Glasses Ball brand dozen 87c

Certo Pectin For perfect jams and jellies 6-oz. btl. 29c

MCP or Sure Jell Pectin 2 Pkgs. 29c

Paraowax Seal for jelly glasses 1-lb. pkg. 29c

Safeway Natural Cheese

Monterey Jack Mild Cheddar Approx. 20-oz. pkg. Packed in an air-tight wrapper to insure grand flavor. Lb. **63¢**

Potatoes Here's a special LOW price on U.S. No. 1 White Rose potatoes **10 lbs. 59¢**

Cucumbers Firm, smooth skinned, crisp 'n crunchy. Perfect for slicing. each

Fresh Corn Large well filled ears of plump, tender, golden kernels. ear

Yellow Onions Medium size, mild flavored. Great on 'burgers. lb.

Sunkist Lemons Lemonade—a sure thirst quencher. each

Radishes - Onions Mild flavor, garden fresh. bun.

SAFEGWAY

Filled Cookies Sunshine Hydrox 1-lb. pkg. 49c

Tuna Pet Food Nine Lives 3 No. ½ cans 29c

Margarine Parkay brand lb. ctn. 29c

Mother's Oats Quick cooking 42-oz. pkg. 57c

DRESSING Kraft French 8-oz. btl. **25¢**

DETERGENT Liquid Trend 2 12-oz. Cans **59¢**

Prices in this advertisement are effective through Wednesday, July 8 at Safeway in Medford. We reserve the right to limit. No sales to dealers.