They'll Do It Every Time — By Jimmy Hatlo

Sudden Bond Activity Could Be Warning of Business Decline

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New York —UPI— A sudden demand for bonds in the future could mean a warning that a business decline was in the making.


Elmer Walzer

Wall Street has been talking that way although in a roundabout fashion.

What it has said is that bonds aren't likely to come into favor for some time because the business outlook is good and that will mean a strong demand for money at high rates.

High money rates work against bonds. They have declined to the point where their yields are far higher than yields on stocks whose price have risen faster than dividends.

The future of the bond market will depend, it is felt, on how long investors think the business upturn will run. They will not wait for it to turn down but they will jump in and buy bonds when they are convinced in their own way what a recession could develop.

This would mean higher prices for bonds. This discounting process then would be the reverse of the formula of the stock market which would ease if stock traders thought there might be a lull in business.

There has been some disagreement on the duration of the rise in industry. Not a few economists had believed a letup would come in the autumn of 1960. But the steel strike threw statistical indicators into turmoil and these same economists said it prolonged the business recovery, stretched it out.

Depends on Upturn

Hence, many now feel the upturn will carry through all of 1960. By that time, it is felt some excesses may have developed sufficiently to halt the rise and bring some readjustment None looks for anything more than a moderate recession as the business world gets its house in order for a resumption of the rise.

Despite the prospect of continued high money rates, some investors recently have been nibbling at the bond market bait which is higher income. Though saying little about the market for bonds, some commentators have been printing some lists of bonds suggested for income and capital gain.

Merrill Lynch, Pierce, Fenner & Smith in its current security and industry survey has some comment on the bond and money market.

That firm notes that since the beginnings of this year there has been a substantial reduction in the flow of savings to thrift-institutions, a factor which has resulted in a scarcity of long-term capital generally.

Spending Firm

Individuals, the firm adds, have indicated a willingness to spend rather than save and this is reflected in the record volume of consumer credit outstanding. A good auto year would add up to consumer indebtedness and reluctance to save, it is pointed out.

Thrift institutions have been hit by high interest rates which have lured many to withdraw savings and put them to work where they can get a higher return.

The recent so-called magic 5s of the treasury did just that. Many withdrew savings not only from banks and other institutions but also sold government savings bonds to buy the 5s.

The federal reserve is expected to work to prevent a boom based on credit. Hence no easing is seen for money rates for some time.

Rate Ease Seen

There will be an easing of money rates when business begins to turn down, the experts note.

The bond market may not be the barometer of the future that the stock market is. But investors keep a sharp eye on all market and if they are convinced business downturn might come several months from now, they might begin to build up a portfolio of bonds, say the market experts.

That process, it is noted, would be discounting a business dip which some experts hold could be generated late in 1960 if for no other reason than that will be about the length of time when recoveries from the past recessions have begun to waver.

According to Merrill Lynch, fixer income securities have appeal where income securities have appeal where income is the investor's principal objective.

"When bought selectively," the firm adds, "such bonds provide potential for attractive capital gains. Bonds registered sharp gains as recently as the winter and spring of 1958, and, eventually, will do so again."

Colored Print is New Idea for Books

Washington—(Science Service) — We may soon be reading books with colored pages and colored print if a newly patented book printing technique gains favor.

The method aims at improving the efficiency, comfort and pleasure of reading. To do this, inventors Errington A. Whiteford of New York City and Faber Birren of Stamford, Conn., reduce the reflectance of normal white book paper and therefore its brightness and glare. At the same time, they increase the reflectance of the printing ink to reduce the contrast between paper and ink.

The inventors add just enough coloring matter to the paper to produce tints that reflect 70 to 80 per cent of the incident light. White paper reflects about 85 per cent. Similarly, they use colored printing inks, of a shade related to the page color, that reflect from 8 to 12 per cent of the incident light. Normal black print reflects about 5 per cent.

Natives of Western Samoa, administered by New Zealand, are Christians of various denominations.

Steroid Hormones Came on Market Nine Years Ago

Washington —(Science Servicce)— Steroid hormones, the principal subjects in Senator Estes Kefauver's latest hearings, began trickling onto the market nine years ago.

The first was cortisone, introduced by Merck and company, Rahway, N.J., in 1950, followed by hydrocortisone two years later. Cortisone is marketed as Cortone, Cortogen and Cortisone. Hydrocortisone is sold as Hydrocortone, Cortef and Cortril.

Steroid hormones are used for many purposes including the treatment of allergic disorders such as bronchial asthma and the reactions to other drugs; inflammatory diseases of the eye; skin diseases; blood diseases such as pernicious anemia; kidney diseases, and pulmonary fibrosis.
pulmonary fibrosis.

No. One Crippler

But their most widespread use is in the treatment of rheumatic diseases. It is estimated that roughly 10,000,000 Americans are afflicted with rheumatic disorders, about one person in every 16 of the population. More than 1,000,000 are permanently disabled. Rheumatoid disease has become known as the number one crippler, striking more people than cancer, heart disease, and tuberculosis combined.

Steroids do not cure arthritis. They do, however, relieve patients from severe pain for periods of time.

Others on Market

Other steroid hormones now on the market include prednisone and prednisolone, introduced in 1955 by Schering Corporation, Bloomfield, N.J. These two are sold as Meticorten and Meticortelone, Deltra and Hydeltra, and Deltasone and Delta-Cortef. Sterane is still another trade name for prednisolone.

In 1957 Upjohn company of Kalamazoo, Mich., introduced methyl - prednisolone which they shortened to Medrol, while Squibb and Sons, New York city, and Lederle Laboratories of Pearl River, N.Y., presented triamcinolone, labelled Aristocort and Kenacort.

By 1958, Merck was back to introduce still another, dexamethasone. It is marketed under the names Decadron, Deronil and Gammacorten.

Other drug firms now engaged in manufacturing these hormones include Charles Pfizer and Co. Inc., Brooklyn, N.Y., and Ciba Pharmaceutical Products, Inc., Summit, N.J.

In 1959, the sales from these drugs alone at the manufacturer level are estimated at $120,000,000. Individual pills cost approximately 30 cents.

New Formula Found For Figuring Power

Charlottesville, Va. — (Science Service) — Two University of Virginia chemists here have come up with a timesaving formular for figuring the lifting power of solid rocket fuels.

Merritt M. Birky and Dr. Loren G. Hepler have been experimenting with perchlorates of potassium, ammonium and lithium, powerful ingredients of solid fuels used in rockets. Using a hand-made instrument so precise that it recorded temperatures to 1/5,000th degree centigrade, they measured the heat given off when these materials dissolved in water.

Their experiments, said Dr. Hepler, "have helped to provide a mathematical short-cut, which will be published, and which could save a lot of time for the engineers who are mixing solid rocket fuels."

Rhode Island became the first state to formally accept Memorial Day as a legal holiday. It did so in 1874.

Oregon Highway Commission OKs Portland Survey

Salem—UPI—The State Highway Commission has approved a survey expected to cost $225,000 that would involve up-to-date traffic data in a restudy of the traffic situation in the Portland area.

The survey also includes suburban cities bounded by Oregon City to the south, Beaverton on the west and Gresham on the east.

The survey was recommended by the state highway engineer and will be carried out by the Highway Department.

Highway Engineer W. C. Williams said the survey would take about one year to complete. It has been discussed for about seven years.

Portland Request Held Up

The Commission voted to hold over a request of the city of Portland that a firm of engineers be retained to make a study and evaluation of routes for the new Stadium freeway.

The Commission approved installation of a flashing signal at the railroad grade crossing in Independence where the Monmouth secondary highway crosses Second st. Southern Pacific agreed to pay 10 per cent of the cost.

The Commission also approved a recommendation giving the state engineer authority, to apply to the Public Utility Commission for an order directing signal installation at a railroad grade crossing in Aumsville on the old route section of the north Santiam highway.

Other Action

In other action, the Commission:

—Approved renewal of a lease next year of Mr. and Mrs. J. L. Campbell for the lodge building at Silver Falls state park.

—Approved installation of an electric power line into three youth camps at Silver Falls state park. The initial installation cost is $11,300.

—Approved a throughway and abandonment agreement with Wasco county covering the new Columbia River highway from the east city limits of The Dalles to a point just east of The Dalles dam interchange.

—Confirmed approval of a cooperative construction agreement with Wasco county covering work on The Dalles bridge highway in connection with construction of The Dalles dam section of the Columbia River highway.

Pendleton Warmer Spot Than Medford

Portland—UPI—The cities of Medford and Pendleton usually are weather opposites but not usually the way it was Tuesday.

The high in the southern Oregon city of Medford was 34. Pendleton in usually cool eastern Oregon had a high of 67. The weather man said a fog kept the mercury low at Medford while warm air moved in generally east of the Cascades.