



DERBY QUEEN—Queen Dee Lawson (third from left) and her court will reign over the Medford 20-30 club's annual Catfish Derby at TouVelle State park Sunday. Miss Lawson and her princesses were elected by their sophomore classmates at Medford High school. From left

are Sandra Bates, Teresa Six, Miss Lawson, Vicky Enders, Nancy Maxson and Judy Ayres. Miss Bates and Miss Enders, however, have elected to attend a church summer camp, and will not be on hand for Sunday's festivities. —(Knackstedt Photo)

# People Making Good Money on Stocks Not Paying Dividends

By ELMER C. WALZER  
UPI Financial Editor

New York—(UPI)—In the old days when an investor was considering buying a stock, he would ask such questions as "What's the dividend?", "What's the yield?", and "How many times earnings is it selling for?"

In these days people make good money buying stocks that don't pay a dividend and never have paid one.

Also the old rule of thumb that good common stocks sell for 10 times earnings has been given a jolt with some issues selling at more than 50 times earnings and doing right well price-wise.

The New York Stock Exchange in the June issue of its magazine, "Exchange" delves into these angles.

On the times-earnings problem, it notes that old Wall Street adages like the one about 10 times earnings neither die nor fade away, "but they certainly lose some of their luster at times."

The magazine lists 40 stocks, 20 selling for less than 10 times earnings, and 20 selling for more than 25 times earnings.

In the latter list are such issues as Polaroid, selling at 78.6 times earnings; Texas Instrument at 53.4 times, and International Business Machines at 54.5 times.

Four of the issues in the other group, American Sugar Refining, International Harvester, Northwest Airlines, and U.S. Lines are quoted at less than seven times earnings.

"When one issue sells for only slightly better than five times earnings and another nearly 79 times, the 10-times ratio becomes a shaky measuring rod, indeed," says the Exchange.

Other Factors Noted  
It notes that most people take a great many other factors into consideration before making an investment, such as apparent trend of economic conditions, the calibre of management of the particular company being studied, the rate of its growth, the sums spent on research, the proportion of profits plowed back into the business and the general outlook.

The principal reason why some common stocks sell so high in relation to earnings is investor confidence that over the long pull those issues will do well and reward their owners handsomely, says the article.

Another Conclusion  
Another conclusion from the article is that few of the issues in groups which sell for either high or low prices in relation to earnings are found in the volume leaders on the market.

"Why should anyone purchase a block of stock in an enterprise which has never paid a cash dividend?" the Exchange asks and answers, "It all depends on the person queried."

"For instance, an investor who bought a block of Texas Instruments six years ago for less than \$10 a share might tell you that the lack of dividends was more than offset by the 1959 closing price of above \$170 a share."

"You'd get a different answer, though, from the owner of a block of International Railways of Central America

who paid \$26.25 for shares which had a year-end closing of \$12.25 each."

Other Answers  
There are other possible answers, such as the purchase of non-dividend payers on the

hope or expectation that cash disbursements will be made eventually. Others are bought for capital gains.

Dividend payers average higher in price than non-dividend payers on the basis

of parallel lists carried in the Exchange magazine. The dividend payers register wider market swings, running to 97.4 per cent in Texas Instruments.

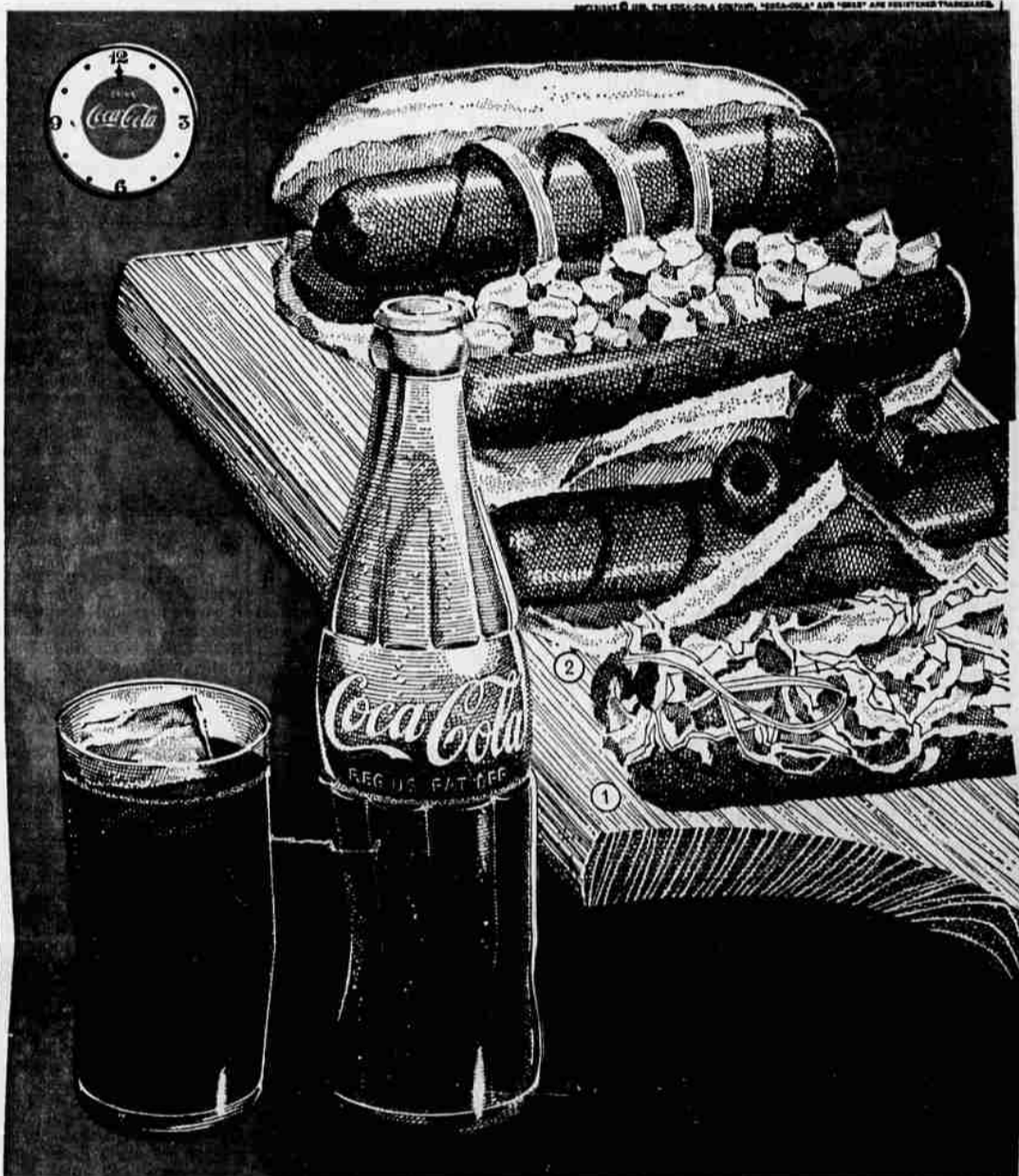
The magazine in another article lists 12 companies which boosted their annual dividends consistently during the past decade.

If an investor had held 100 shares of each of these 12 through 1950 he would have

received \$570 in dividends for the year, or \$47.50 a month. If he continued to hold these stocks, retaining shares received in splits and stock dividends, his 1959 dividend income would have soared to \$1,532, a monthly average of \$128. That's a gain of 169 per cent.

"Past performance, of course," observes the Exchange, "is no promise for the future."

# BE REALLY REFRESHED AROUND THE CLOCK!



Here are four easy ways to serve "Fancy Franks." 1) Slice a hot frank, stuff with cole slaw. 2) Roll frank in slice of mustard-spread bread. Fasten with wooden pick, brush with melted butter, brown in hot oven. Add olives. 3) Mix relish into canned baked beans, pile into sliced franks, pop in hot oven. 4) Put hot frank in bun with slice of dill pickle, red sash of pimento. Serve with ice-cold King Size Coca-Cola. Only Coca-Cola gives you that cheerful lift... that cold crisp taste that brightens any bite.



Serve this Hors d'Oeuvres Pie for a midnight snack with King Size Coca-Cola. Just take a center slice out of a round loaf of dark or white bread. Decorate with a circling of devilled ham and egg salad. Mix yellow pasteurized processed cheese spread with softened butter and pipe along the edges with a pastry tube. Garnish with cucumber slices, sliced olives, cream cheese and a radish. Cut into wedges and serve with ice-cold King Size Coca-Cola!

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# 25th Annual Catfish Derby Scheduled at TouVelle on Sunday

Girls, games, food, prizes, entertainment - and maybe even a catfish or two - will highlight Sunday's 25th annual Catfish Derby at TouVelle State park.

Opening ceremonies for the event sponsored each year by the Medford 20-30 club will begin at 11:30 a.m., according to Derby Chairman Dick O'Dell.

On hand will be Derby Queen Dee Lawson and three of her five princesses, Teresa Six, Nancy Maxson and Judy Ayres. Two other members of the court, Sandra Bates and Vicky Enders will be out of town attending a church summer camp.

Elected By Classmates  
The girls were elected by their sophomore classmates at Medford High school.

The picnic-style family affair will last throughout the day. There will be no admission charge and no entry fee for the catfish contests.

Prizes will be awarded for the largest, the smallest and the most catfish. Fish must be in good condition, but may have been caught at any time, anywhere in the continental United States. Entries must be

## Girls State Delegates Keep Sense of Humor

Salem—(UPI)—The 250 young women studying government here at Girls State made sure they didn't lose their sense of humor.

The teen-agers have set up mock counties and cities and came up with these mythical areas: Sunburn county with cities of Bilster and Peel; Spy county with cities of U-2 and ME-2. Togetherness county with cities of You and I, and Sense county with cities of Little and None.

Eugene—(UPI)—The State board of Higher Education's building committee has moved to condemn property near Oregon State College for future dormitory construction.

## Best Fishing Award

The Grand Champion award will go to the person displaying the best all-around fishing ability.

Contests slated during the day include pic eating, sack races, egg throwing and balloon blowing. Prizes also will go to the boy and girl with the reddest hair and the oldest married couple attending.

Refreshments, including hot dogs, candy, ice cream and soda pop will be sold. A portion of the proceeds will be donated to the rheumatic fever fund.

## Motorists Urged To Use Caution

Washington—(UPI)—Traffic accidents involving school-age children increase during the summer months, George R. Hammond of the American Automobile association, warned in a plea for more motorist precaution.

Hammond offered these safety suggestions: —Teach children to cross streets only at intersections, never to dart from between parked cars, and to look both ways before entering a street. —Keep youngsters from playing in the street by finding them a supervised play area.

—Instruct children walking or bicycling along the street to keep on the left, facing traffic, and be sure bicycle owners know the rules of bicycle safety.

Above all, motorists should drive slower and keep alert for children to do the unexpected.

## Pilots Restrained From Boycotting

Chicago—(UPI)—A federal judge Tuesday issued a temporary order restraining members of the Air Line Pilots Assn. from boycotting jet planes carrying federal inspectors in the third pilot's seat.

## Thornton Rules on Spending of Funds

Salem—(UPI)—Attorney General Robert Y. Thornton said Tuesday a school district has no power to spend public money to advertise or inform voters of bond issues, serial levies or levies in excess of the six per cent limitation.

The opinion is one of three dealing with school matters requested by Dr. Rex Putnam, superintendent of public instruction.

Expenditure of public funds to advertise purposes of a bond issue must be expressly authorized by the legislature, Thornton said. Such use of funds would be unfair to electors opposing a bond issue, he said.

Portland—(UPI)—Five Japanese destroyers, which spent six days tied up at the west seawall of the Willamette river, pulled away Tuesday and headed for San Francisco.



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