

# Varying Theories Offered as Bottom Keeps Dropping From Stocks

By JESSE BOGUE  
UPI Financial Editor

New York (AP)—The morning after New Year's Day, trading on the New York Stock Exchange opened with the Dow Jones averages at 731.14.

Thursday at the opening of trading: 654.64.

Difference: 77.10.

Wall Streeters differ in their regard for all the technical values of indexes; but they all watch them. This particular set represents the general levels of 30 industrial stocks.

People ask: What happened to the level of stocks? Is there something wrong in the stock market?

Out in Chicago, engineer Robert E. Lyke said he is "perplexed."

"All the business indicators point to a rise, but the bottom keeps dropping out," he said.

But down in Washington Tuesday Secretary of Commerce Luther H. Hodges, pointing on jumps in the rate of personal income for April over the figures for the preceding month and a year ago, said what was happening in the stock market was "not a reflection of what we find in the economic picture."

Varying Theories  
Traders and analysts—the men who try to keep track of

what the market is doing—have varying theories on its behavior. But most agree it is not one single thing, but a combination of many, which has led investors to watch IBM go from 579 last Dec. 29 to 437 Tuesday; American Telephone and Telegraph from 138 1/4 to 120 1/2; and others perform similarly.

They talk about the "earnings ratio." That is the ratio of the dollar value of a stock at the current market price to the dollars it earns the dividends-per year.

More simply: How much of a dollar comes back for the dollars tied up?

Some investors during the latter months of 1961 and into 1962 certainly had the feeling that the earnings ratio was too high.

In a frame of mind of this kind, one may or may not choose to ignore whatever might be the long-range worth of the company or industry behind the stock; decide simply that the price to pay—or the price one could get for a share—was such that there might be a better opportunity elsewhere.

After all, banks and other financial institutions raised interest rates. Or perhaps the growth potential—the amount by which one's stock could hope to increase just because

of the population figures or the opportunity for a business expansion was not growing as fast as it had in the past.

Forty dollars of a man's money might be tied up to get him \$1 a year. He might be able to get \$1.60 by putting it into a bank and leaving it there for a while.

So he doesn't buy the stock. He may even sell it. Pull out for a while and see what comes next. Sit still.

**Matter of Arithmetic**  
All this is pretty much a matter of arithmetic. But a dollar doesn't put itself into a stock market; some one puts it there.

## Scientists' Demand Remaining High

Corvallis—Demands for highly trained scientists, for both teaching and research, are running far ahead of present numbers being graduated, it was reported recently at Oregon State University.

While the number of scientists in this country with doctorate degrees has doubled since 1950, available funds for scientific research have increased five times in the same period, it was noted.

In a special report, Dr. Roy A. Young, OSU botany and plant pathology department head, said many scientists with Ph.D. degrees are being drawn into teaching to fill critical gaps in that field. Adding to the demand are greatly expanded programs by the National Science Foundation, National Aeronautics and Space Agency, U.S. Public Health Service and other federal agencies.

The big problem is to make it financially possible for students with bachelor degrees to continue the necessary three or four additional years work for Ph.D. degrees, Young said. He is chairman for the meetings of the American Institute of Biological Sciences that will be held in August at OSU and that will draw some 4,000 scientists to the campus.

Last Monday, so many people sold stocks that for a time the tape—the 1/4-inch wide paper strip which reports transactions on the market—was more than 30 minutes behind telling what was going on at the floor of the exchange.

There were too many sales for the machinery to cope with.

It could have been bad news from Laos, and that small investors were worried. Or there were some solid figures about business expansion and the general outlook out of a conference of business leaders and administration figures at Hot Springs, Va., but nothing to indicate any sudden spectacular push upwards.

Then about midday, the market turned around and started to climb. By the end of the day, the averages were up.

Institutions and funds came into the market to try for the stocks at the low prices, and they bought. But Wednesday, the market was a bit aimless again.

"This market has fooled a lot of people," said one analyst. "Two weeks ago, it looked like it might have 'bottomed out,' reached a low level for the time. It fooled me... the indicators this time didn't work."

"It has been in an emotional state."

## Try and Stop Me

By BENNETT CERF

BORIS KARLOFF was giving a party one evening in Hollywood, and one guest called up to get directions. "Is it far from where I am now?" asked the guest. "Oh, about fourteen miles," estimated Karloff, "as the bat flies."

From a personal column in a western gazette: "Gent who smokes, drinks, and carouses, wishes to meet lady who smokes, drinks, and carouses. Object: smoking, drinking, and carousing."

Sidney Harris, acidulous Chicago critic, won the undying enmity of a fat, prolific lady novelist with a one-sentence review of her newest potboiler, "Miss Black's new book," noted Harris, "is underwhelming."

We understand that a budding scientist at Amherst is trying to calculate what the speed of lightning would be if it didn't stop to zig-zag.

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## In the Day's News

By FRANK JENKINS

The latest on Laos: The United States and Russia agree on the necessity for an "effective" cease-fire there.

The agreement is reached at a Washington meeting between U.S. Secretary of State Rusk and Soviet Ambassador Dobrynin. After conferring with Secretary Rusk for 35 minutes, Dobrynin tells reporters: "It is necessary to put into effect an agreement reached at Vienna last year by President Kennedy and Soviet Premier Khrushchev for a neutral and independent Laos."

The agreement leaves unanswered the question whether pro-communist Pathet Lao forces will return to the cease-fire line they broke through recently.

WHO are these Pathet Lao troops? They were supplied originally by the Soviet Union. They were trained by North Viet Nam COMMUNIST officers. They probably include a lot of Red Chinese "volunteers."

You will probably remember the Red Chinese "volunteers" in Korea and what they were there for. They were there to GRAB KOREA for Red China. It can be assumed that these Red Chinese "volunteers" are in Laos to grab for Red China, if possible.

BUT—The agreement reached in Washington indicates that Old Kroosh isn't ready YET to go to war over Laos—which is of much more importance to Red China than to Red Russia.

That's SOMETHING.

ONE more question: How much is a communist's word worth — on an agreement, or anywhere else?

IN AN effort to find an answer to that question, let's go back to Vladimir Ilyich Lenin—the founder of modern communism. World revolution was his meat. By means of world revolution, he sought to conquer the world. As a part of his program, he put together what he called the Ten Commandments of Revolution.

Of these ten commandments for communists, the third reads: "There are no morals in politics: There is only EXPEDIENCY." The sixth commandment reads: "Truth does not count unless it serves an end." The ninth commandment reads: "Promises are like piccrusts: Made to be broken."

Here is his tenth commandment: "Scheme . . . zigzag . . . retreat . . . ANYTHING to hasten the coming to power of communism."

SO—After all—What good is an agreement with a communist?

WE CAN all agree, I think, that ANYTHING that avoids . . . or even postpones . . . shooting war away over there in Southeast Asia is worth a try. Other than friendly trade and commerce, we have little business in that corner of the world. It is outside our orbit. We are properly concerned there only with lending our good offices to the cause of peace.

But let's keep our fingers crossed on communist promises. Let's not jump to the conclusion that an agreement with a communist guarantees an honorable settlement of ANY issue.

ENTERS HOSPITAL  
Reno, Nev. (AP)—Entertainer Danny Kaye, who had complained of "feeling bad" for several days, was ordered hospitalized Thursday night by his physician, Dr. Clifton Wright of Lake Tahoe ordered Kaye to St. Mary's hospital in Reno. There was no immediate explanation for the action.

## Forest Service's Recreation Report

Applegate district—Many of the roads and trails are still blocked by snow in the high country of the Applegate district. Depending on the weather, most of them should be open by late May. Roads now open may be difficult to drive during and immediately following rainstorms.

Fishing has been good in Squaw lakes. Ashland district—Fishing at Fish lake is reported to be fair to good. The road from Butte Falls to Fish lake is open to all traffic, but rough in a few spots.

The Big Elk road from the Dead Indian highway to Fish lake is open for all types of vehicles, but it is rough. The road from Fish lake to Lake of the Woods and Fourmile lake is closed.

Camping space is available at no charge in the Fish lake campground. House trailers and tent campers may use the trailer spaces at the resort. The nominal fee for trailer parking at the resort covers the charge for use of the resort facilities and utility hook-ups.

The Mt. Ashland Loop road is closed by snow drifts above Bull Gap.

Butte Falls district—Whiskey Springs and Fourbit Creek campgrounds are open and in good condition. All other campgrounds in the higher elevations are still covered with snow.

The Fish lake road is in good condition to Willow lake, but motorists are cautioned to watch for road equipment. The Fish lake road above the lake is in fair to good condition.

It is advised that motorists keep to the main traveled roads, since many of the high elevation roads have not been opened for the season.

Fishing in Big Butte creek is fair, while many anglers have taken their limit from Willow lake.

Union Creek district—There are still snow blockades at some points along all of the forest roads on the Union Creek district.

Fishing has produced poor results this spring. Natural Bridge campground is now open and Union Creek campground may be open by the week end.

Beckie's cafe and the Union Creek Resort are open for business and have had several customers stop on their way to Seattle.

## JESSI Students To Visit PP&L Men

High school junior and senior boys who are interested in careers in engineering, and also are enrolled for the Junior Engineers' and Scientists' Summer Institute at Oregon State university next month, will visit with Pacific Power and Light company's top technical specialists in Portland as part of their two-week JESSI program, the company has reported.

"PP&L's sponsorship of the career seminar affords these bright young men an opportunity to see engineers and scientists on the job at the company's engineering, research and industrial development departments," the company's Medford manager, F. A. Benesh, said.

"JESSI is widely endorsed by engineering and educational leaders as helpful to high-school age youth seeking vocational guidance," he said.

The JESSI session will begin June 10 at the OSU campus in Corvallis and provides a program of typical college class instruction sessions in 19 fields of technical and scientific study. Arrangements for enrolling can be made through local high schools.

Already registered to attend JESSI from the local area are Curtis Barnes, Todd Jones, and Wayne Singley.

KEEPS COSTS DOWN  
Gary, Ind. (AP)—Willard Van Horn waged a thrifty campaign as the unopposed Republican candidate for nomination to a Lake county judgeship. Van Horn said he spent four cents to mail his declaration papers and four cents to mail an account of his campaign expenses.

QUEEN REPORTED ILL  
London (AP)—A sore throat and temperature forced Queen Elizabeth to cancel to public Elizabeth to cancel two public hiam Palace announced.

Receiving certificates were Bruce Brasten, Melvin Hall, Richard Hensley, E. C. Howell, Jack Milhoan, William Thorndike, Clyde Wheaton, Donald Wood, Medford; Harold C. Buck, Thomas Carter, Clifford Craft, Chester Fitch, Jessie Fitch, Shurman Gardner, Mae D. Lay, Florence Martin, Gene Morris, Robert Onstad, M. E. Roberson, Philip Selby, Richard Strong, Walter Tanner, Bert Wright, Ashland, and Henry C. Martin, Grants Pass.

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Members of Forum Receive Certificates  
Ashland—Certificates were awarded 19 members of the Administrative Management for Small Business forum which has been sponsored jointly by Southern Oregon college, the Ashland Chamber of Commerce, and the Federal Small Business administration, at a special presentation dinner this week at the Mark Antony hotel, Ashland.

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