



A FLYING SAFETY AWARD was presented this week to Lt. Col. Carl H. Leo, right, commander, 322nd Fighter Interceptor Squadron at Kingsley Field, by base commander Col. Jack Williams. The Flying Safety Award is presented to those organizations under Western Air Defense Force who had an accident free year during 1959.

## General Trend Of Market Not Followed By Average

By ELMER C. WALZER  
UPI Financial Editor

NEW YORK (UPI)—The utility average, youngest of the trio of famous Dow-Jones market measurements, now stands just about where it was when the figure was born on Jan. 2, 1929.

It started its life at 85.64, rose to a record high of 134.61 on Sept. 21, 1929, and then slipped downward until July 8, 1932, when it set its low at 16.53.

Since this average was born some 32 years after the industrial and rail averages it isn't even considered by the followers of the Dow theory. That theory says a movement to be valid in the industrials must be confirmed by the railroad average, and vice versa. But there's no mention of the poor orphan—the utility average.

Market operators have come to regard the utility group as a defensive set of stocks that are good to buy when the other major groups are suffering from recessionary influences. Also utilities are supposed to be hurt more than other groups by inflation since they more or less have their earnings fixed by edict of commissions, and they are supposed to have limited growth potentials.

They haven't always followed the trend of the general market. In 1957 when industrials declined 69.78 points and rails lost 56.27 points, the utilities closed the year at a gain of 0.4—a mile, but a gain.

In 1958 when the whole market closed the year on its highs, the utilities were right in line and did the same thing. They finished

at 91.00 up 22.42 points and a new high since June 13, 1950.

In 1959 this group moved up to a new high since June 16, 1950, at 94.70 and then slipped back to close the year at 87.83 off 3.17 points from the 1958 close. Rails lost 3.60 points, while industrials finished the year at a record high of 679.36 up 95.71 points from the 1958 close.

Utilities have found a champion in Frederick W. Page, partner in J. & W. Seligman & Co., Investment Bank, and vice president of Tri-Continental Corp., closed end investment company.

He holds as a fallacy the theory that utilities are hurt by inflation and insists the group contains many growth issues that outdo some industrials.

And, he denies that the only appeal of utilities is their

diverse characteristics.

He presents figures to show that an investment in the Tri-Continental utility portfolio at the close of 1958 would have produced a much bigger profit than a similar investment in the Dow-Jones industrials.

He finds many utilities with growth potentials greater than many industrial shares and he holds that in these cases the issues should sell at higher price earnings ratios.

"We feel," Page says, "that a utility with a growth rate of 10 per cent should sell at 25 times earnings to be in line with the slower growth rate companies. A 15 per cent growth trend should entitle the company to a 35 times ratio or better on the same basis and when compared with industrials."

He believes there is room for a great deal more fanning out of price earnings ratios as utilities are better understood, before the growth utilities become overvalued.

"I am confident that investments in this area will work out comparatively well over the next few years," he concludes.

• Newspaper SPOT ADS are inexpensive — repeated daily \$1.16

## Paperboard Industry To Increase

NEW YORK (AP) — Production capacity of the nation's paper and paperboard industry will increase 3.8 per cent in 1960, a trade survey reported Thursday.

## New Charge Confronts Stereotyper

PORTLAND (AP) — A new indictment charging dynamiting of newspaper trucks confronting Levi S. McDonald, a member of the striking Stereotypers Union local negotiating committee, and still more accusations against him are reported.

The fresh indictment is a substitute for one McDonald's attorney had attacked.

The new accusations were disclosed by the *Portland Reporter*, a new weekly which is the official newspaper of the Portland Inter-Union Newspaper Committee.

Benjamin Slatin, economist of the American Paper and Pulp Assn., said total capacity in place at the end of the year was expected to rise to 123,290 tons a day from 118,770 tons at the end of 1959. In terms of the industry's historic 310-313 days per year of operation, this would raise annual capacity to 38,699,000 tons from 37,289,000 tons a year earlier.

Slatin's figures were included in a report submitted to the APPA executive committee and board of governors.

The report came as 5,000 delegates to the APPA's 83rd annual convention winds up Thursday night with the annual dinner, at which the main speaker will be Benjamin M. McKelway, editor of the *Washington Star* and president of the Associated Press.

The survey report of a 3.8 per cent gain in production capacity this year predicted an increase of about 3.8 per cent for paper and about 3.9 per cent for paperboard.

Largest expansion in the next three years is expected in paperboard capacity (6,420 tons on a daily basis), while paper capacity per day is expected to rise by 3,480 tons and wet marine board and construction paper and board capacity is scheduled to rise by 500 tons per day.

The gain of 3.8 per cent compares with a prediction Wednesday by Peter W. Hognet, president of Econometric Institute, Inc., that demand for paper and paperboard should increase about 2 per cent. He noted that demand rose 10 per cent last year and said the

The Reporter printed a story saying two newspaper union men had "disclosed to authorities they declined alleged assignments to blow up trucks at a third firm the night of the newspaper truck dynamiting" Jan. 31.

The Reporter went on to say it had learned from an unimpeachable source that the men's statements identified McDonald as having assigned them to do the bombing. They said dynamite was found buried on a Clackamas County farm where they had reported it.

According to the statements the two men were unaware of a bombing plan until dynamite was put in their car and they were instructed to plant it in trucks of the Johnston Brothers, a contract hauler for the Journal and the Oregonian. They said they refused to do it.

But that night, Jan. 31, 10 trucks owned by other haulers for the newspapers were dynamited. Four men arrested later said McDonald paid them \$400 to do it.

McDonald, 52, whose union started the strike Nov. 10 against the newspapers, was arrested and denied bail.

In a series of motions his attorneys have tried to get the indictment against him dismissed on grounds that it is faulty.

Glenn Geurts, deputy district attorney, had the indictment dropped in a surprise move Wednesday but quickly presented a new similar one from the Multnomah County grand jury, which still was in session.

McDonald's attorney expressed the opinion the new one also is faulty and said it probably will be attacked.

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HOAX SAVES LIVES  
MOBILE, Ala. (UPI) — A bomb hoax may have saved the lives of 847 pupils at Azalea Road junior high school Tuesday.

The pupils, marched from the building when a telephone threat was received, were outside when a plumber accidentally set the building afire with a blow torch. Damage was extensive.

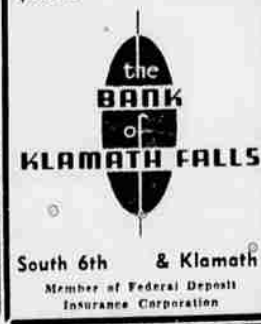
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Borrow This Amount	Repay in 18 monthly Payments
\$200	12.53
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# BONUS DAY!

Monday, February 29th is Leap Year Day  
... that EXTRA DAY in 1960!!

## Bonus Day Values for You ...

<p>6 ONLY</p> <h3>Frigidaire Imperial 30" RANGE</h3> <p>'59 Model - Has Everything! reg. 419.95 ..... Sale 299.95 Less Copco Bonus ..... 20.00</p> <p>YOU PAY ONLY <b>279<sup>95</sup></b></p> <p>Less Generous Trade-in Allowance</p>	<p>4-ONLY</p> <h3>Frigidaire Imperial 40" RANGE</h3> <p>Double Oven - Fully Equip. reg. 549.95 ..... Sale 399.95 Less Copco Bonus ..... 20.00</p> <p>YOU PAY ONLY <b>379<sup>95</sup></b></p> <p>Less Generous Trade-in Allowance</p>
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ONE ONLY - 1959 FRIGIDAIRE IMPERIAL

## Frost Proof Refrigerator 349<sup>95</sup>

12 Cu. Ft. ... reg. 579.95 ... Bonus Day

<p>ONE ONLY - 1959</p> <h3>FRIGIDAIRE FROST PROOF Refrigerator-Freezer</h3> <p>2-door Model Reg. 499.95</p> <h2>399<sup>95</sup></h2>	<p>ONE ONLY</p> <h3>FRIGIDAIRE Imperial Auto. Defrosting Refrigerator-Freezer</h3> <p>2-door Model Reg. 479.95</p> <h2>349<sup>95</sup></h2>
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Many Other Specials! Hurry! Don't Miss These Leap-Year Day "Bonus Specials" Monday Only! While They Last

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FANTASTIC PRICE FOR FLOOR LENGTH!

And these are value-packed in every way! Heavy-weight rayon, acetate — you'd expect to pay more for fabric alone! 10 pinch pleats per pair! Deep hems! 3 prints or solid color white, champagne, nutmeg, gold, green.

**4<sup>99</sup>** pair  
48 by 84 inches

PRISCILLAS WITH WHITE FROSTING!

**5<sup>95</sup>**  
48x81 inch

72x81 ..... 9.95  
92x81 ..... 12.95

Wash 'n hang cafes, Fiberglas® (glass fiber)

You'll say they're pretty as your etched glassware! Penney's ruffled sheers of ivory Dacron® polyester are delicately traced with soft flocking! A buy!

You wash and hang in 7 minutes! And, they're firesafe, won't sag or stretch! So pretty in white, nutmeg, turquoise, green, pink or yellow. Fabulous price.

**2<sup>98</sup>** pair

50 inches wide, 45 inches long 3.98  
30 inches wide  
Valance 54 inches wide ..... 1.59  
30, 36 inches long

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24x40 Inches **2<sup>98</sup>**

27x48 inch ..... 4.98  
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Get a great show for your money at Penney's. Loop-pile cottons; machine washable. Medium set. Assorted colors.

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Only through a buy like this... these terrific values! Beautiful spreads in heavenly colors! Fashion fresh fabrics! All quality detailed, decorator styled!

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## PELICANA AUDITIONS

Monday, February 29 . . . . 6:30 p.m.

### Girl's Gym at Klamath Union High School

Bring costumes, music & accompaniment. If number is suitable for orchestra accompaniment, bring an orchestration.