

THE FORWARD VIEW Reuther Proposal Subtle Socialism

By IRVINE W. REYNOLDS The San Diego Union's Financial Editor The Communists took the direct approach when they confiscated all private property in the USSR.

Walter Reuther, president of the United Automobile Workers, a master in distorting economic facts, has long been engaged in seeking the same socialistic objectives; however, he seems to prefer a more subtle approach.

Before considering the economic implications of either course of action on the part of the automobile industry, however, examine in some detail precisely what Reuther would gain from such a demand.

The net earnings of 13 automobile and truck manufacturing concerns reached an all-time high of \$1,742,977,000 in 1955. The net assets of these firms at the close of 1955 amounted to \$5,844,027,000.

MAJOR REDUCTION IN PROFITS This means that in 1955 the automobile industry would have paid approximately \$289,643,750 to employees under the profit-sharing plan, or roughly \$362 per worker.

Under the profit-sharing agreement now being proposed, the net earnings of \$1,133,691,000 would have been distributed as follows: bonus to employees, \$100,894,000; refund to customers, \$100,894,000; retained by corporation for dividends and growth, \$931,903,000.

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Final figures are not available for 1957 but total auto industry earnings are expected to about equal the 1956 figures. Three facts stand out in these comparisons of net earnings and invested capital in the automobile industry.

TREASURY BUSINESS WASHINGTON (AP)—The cash position of the Treasury compared with corresponding data a year ago: Jan. 10, 1958 Jan. 10, 1957

DOW JONES SPECIAL REPORTS Ford Merging Edsel Division; Rockwell Interested in Holding

FORD MOTOR CO. WILL merge its Edsel division into the Lincoln and Mercury division, leaving itself with only two automotive divisions.

Rockwell Spring & Axle indicated an interest in buying Penn Texas Corp.'s 46 per cent of Fairbanks, Morse & Co. Col. Willard F. Rockwell Sr. said Rockwell Spring was interested in buying the F-M holdings and had replied, "Yes, at a certain price."

SOUTHWEST ATOMIC Energy Associates awarded a \$4,554,000 research and development contract for an advanced-design nuclear reactor to the Atomics International division of North American Aviation.

AT&T READY ON OFFERING Margin Cut For Stock Purchases

NEW YORK, Jan. 15 (AP)—American Telephone & Telegraph Co. directors today set terms of the \$718,313,000 debenture issue—biggest new financing in corporate history and approved earlier at a special meeting of stockholders.

The debentures will bear a coupon of 4 1/2 per cent, be due in 1973 and be convertible into common stock on payment of \$42 for each \$100 face amount of debentures.

This would give the rights value of between \$2.25 and \$2.75 each on the basis of today's closing price of \$172.37 on the New York Stock Exchange.

Oil, Chemical, Steel Stocks Pace Advance Oils, chemicals and steels posted some solid gains late today, putting the stock market firmly on the upside for the third straight day.

After the close, the Federal Reserve Board cut margin requirements in a credit-easing move which had been hoped for and anticipated in some quarters.

OILS PICK UP A rally by oils began just before general publication of an American Petroleum Institute report that oil imports in the week ended Jan. 10 were 20 per cent below the previous week and that most of the cuts were in West Coast imports.

CREDIT PEAK IN 1955 The board spokesman said the total of stock market credit last November was down roughly 25 per cent from the December, 1955, peak.

POTENTIAL MODIFIED Walter Dixon, partner in charge of margin accounts for E. F. Hutton & Co., said "it may loosen up a few frozen margin accounts and thus may stimulate activity, but it has always been my opinion that if the public wants to trade it will regardless of what the margin requirement is."

OVER THE COUNTER The following bid and asked prices are obtained from the National Association of Securities Dealers, Inc. and are unofficial. They do not represent actual transactions.

Table with multiple columns listing various stocks and their prices, including sections for Industrials, Eastern Bank Stocks, and Cotton Volume.

ATLAS MASS OUTPUT INDICATED; WIZARD NEWS DUE Convair Backlog Over 20% Missiles

Well over 20 per cent of Convair's present backlog is now in missiles, Jack V. Naish, executive vice president of the General Dynamics Corp. division, said yesterday in an interview.

Naish noted that Convair's Atlas intercontinental ballistic missile was only in pilot production but would be in "high tempo production soon."

It is expected Convair shortly will be revealing the status of its highly-classified Wizard missile. This San Diego development, it is believed, is being groomed for roles in the nation's space and anti-missile programs.

Bank Directors Promote Sefton Thomas W. Sefton yesterday was elected executive vice president of San Diego Trust & Savings Bank at the monthly board of directors meeting.

Sefton elected vice president in December of 1951. Sefton is a director of the San Diego Downtown Association and serves as a field advisor for the Small Business Administration, in addition to participating in other local business and civic activity.

AMERICAN STOCK EXCHANGE TRANSACTIONS

Table showing American Stock Exchange transactions with columns for stock symbols, prices, and volume.

production" of F102s only over the past couple of years. Convair has so far received 250 million dollars of orders for the F106, of which 216 million dollars are earmarked for the F106A and 47 million for the F106B.

"The F106," Naish stated, "is in about the same stage today as the F102 was four years ago."

Another of the company's new projects, the Convair 880 commercial jet transport, should be pulling additional orders in the next few months, the official said.

CALIFORNIA COMPANY SLATED FOR BORON FUEL PRODUCTION NEW YORK, Jan. 15 (AP)—Aerojet-General Corp. of Azusa, Calif. and Stauffer Chemical Corp., New York, today signed an agreement to produce boron fuels, expected to be used widely for rocket, missile and airplane propulsion.

L.A. Poultry, Eggs NEW YORK (AP)—Eggs—receipts 11,000 cases; Wholesale, Ungraded, 110¢; Large 4 1/2; Medium 4 1/2; Small 4 1/2.

'Iron Age' Hopeful NEW YORK, Jan. 15 (AP)—The nation's steel mills may have seen the worst of steel inventory cutbacks by their customers, Iron Age National metalworking weekly, said today.

Central Federal Branch Planned

Central Federal Savings & Loan Association will open its first branch about April 1 at 227 Third Ave., Chula Vista.

NEW YORK (AP)—Spot non-ferrous metal prices Wednesday: copper, 24 1/2-25 1/2; zinc, 22 1/2-23 1/2; lead, 21 1/2-22 1/2; tin, 41 1/2-42 1/2; nickel, 10 1/2-11 1/2; silver, 60 1/2-61 1/2; gold, 100 1/2-101 1/2.

AMERICAN BONDS NEW YORK (AP)—Following is the official list of transactions on the American Bond Exchange, giving all bonds traded.

Table showing American Bonds transactions with columns for bond symbols, prices, and volume.