

Threatened Strike In Steel Industry Would Be Severe Blow To Nation's Economy

By SAM DAWSON
AP Business News Analyst

NEW YORK (AP)—In all the guessing about whether there'll be a steel strike this summer one question sticks out:

How long before the innocent bystanders would be hurt?

Just how much steel steel users have been able to pile up is debatable. Some observers think that almost all have enough to keep going for two or three months without further deliveries. Others think that many companies, particularly the smaller ones, would have to close down after a few weeks.

Some industries serving the steel mills would be quickly affected. Example: Railroads that carry coal and ore to the furnaces and tote steel products to users. Another: Coal mines that supply steel mills (ore mines usually are involved directly in any steel strike).

Steel users have been busy for months building up stocks. Steel mills have been running at near capacity to supply the demand.

European steel firms have stepped up exports to this country and expect to profit handsomely if a strike is called and shortages develop. England recently cut steel prices a little, which could act as a cushion. And the St. Lawrence Seaway has carried a lot of foreign steel into mid-America.

But many would-be builders of steel inventories have found that as a result of the pickup in business activities they were using more of it than they had anticipated. So their stock piles aren't as high as planned.

Some small users of steel have found that, as the poorer customers, they have been put at the end of the list on steel mill order books and have built up little inventory. They could be in the fix after a strike, if one develops. To start up again, small users might have to wait long for deliveries.

To find out just what the situation might be, the Research Institute of America Inc., a fact-finding

agency for industry, asked its members in the metal working fields how long they could keep going if steel deliveries halted July 1 because of a work stoppage. From about 300 replies the institute reports small companies would feel strike effects first. Nearly half of these say they'd be out of steel after eight weeks. After 12 weeks three-fourths would be closed, these having 300 or more employees, 89 per cent can maintain normal operations for more than six weeks, 68 per cent for more than eight weeks and 43 per cent for more than 12.

Small Firms First Sufferers
Companies that buy steel components and parts — jobs shops, tool makers, gear plants, assemblers — counting their own stocks and firm delivery promises from their suppliers, report those with less than 100 employees, 55 per cent would have eight weeks supply on hand or in sight, but only 25 per cent would have more than 12 weeks. The big firms would fare better: 75 per cent with eight weeks supply and 45 per cent with more than 12.

The real pinch may come in special types of steel.
Only half of all companies using structural shapes and heavy plate have more than eight weeks supply. A like supply of castings and forgings are held by 56 per cent of all users; 59 per cent of users of bars and rods are in that position; and 61 per cent of users of pipe and tubing.

Wire and wire products would last 68 per cent of users for eight weeks or longer. And 67 per cent of firms using sheet and strip have more than eight weeks supply at hand.

DA's Meeting Slated

SALEM (AP)—The seventh annual institute for district attorneys will be held here June 25-26. Atty. Gen. Robert Y. Thornton announced.

The program will include study of new criminal laws.

LOCAL NEWS

Mr. and Mrs. Elmer Hunter and son, Glen, of Roseburg and the former's sister, Alice Drake of Corona del Mar, Calif., left here Friday for Hanley, Saskatchewan, Canada, to visit for two weeks with relatives and friends. The Hunter grocery store at Kelley's Korner is being tended by Mrs. R. C. Lawrence Jr. and Mrs. Paul Holland.

Mr. and Mrs. H. L. Schaeffer, who were married 25 years ago in Roseburg, will celebrate their silver wedding anniversary at an open house Sunday, June 14, at their home at 413 W. Umpqua. Friends, relatives and neighbors are cordially invited to call between 1 and 5 p.m. The Schaeffers have requested that there be no gifts.

Mr. and Mrs. Joseph Morgan left for Corvallis Saturday night to attend the baccalaureate services and commencement exercises at Oregon State College. They will see their son, Max, be graduated today after which he will receive his commission as second lieutenant in the U. S. Army. Before beginning service in the Army, Morgan will go on to study for his masters degree in Arizona.

Mr. and Mrs. Bruce Roark and son, Bob, and Mr. and Mrs. Richard Bernier and son, Scott, all of Roseburg; and Mr. and Mrs. George Williamson of Brownsville and formerly of this city, went to Eugene Sunday to visit at the home of Mr. and Mrs. Bill Williamson and daughter, Kris. The family got-together was to celebrate the birthdays of Mrs. Bill Williamson and her daughter.

Mrs. Don Pearson and son, Ken, of Ashland stopped by in Roseburg Friday to visit briefly with the former's aunt, Mrs. S. V. Wright. They were on their way to Cottage Grove to visit with Mrs. Pearson's parents, Mr. and Mrs. Walter Allen, and to attend commencement exercises at Cottage Grove High School at which time the Allens' son, Roger, will receive his diploma.

Jason Lee Letters Given To College

TACOMA (AP)—Two thousand forgotten letters of pioneer Methodist missionary Jason Lee and others were presented to the College of Puget Sound here at the Pacific Northwest Conference of the Methodist church's 86th annual session here.

Jason Lee was the first missionary in Washington territory and the letters date back to 1835. He founded a school and church at Fort Nisqually when it was a Hudson's Bay Co. post.

The letters were presented to Dr. R. Franklin Thompson, CPS president, by the Rev. Dr. Vernon Middleton of the Division of National Missions in Philadelphia.

Photo copies of the letters were made and will be kept in Philadelphia. The originals will be kept at CPS.

Manufacturing Costs Go Higher, Presaging General Increase In Retail Prices

By WALTER BREEDER JR.
AP Business News Writer

NEW YORK (AP)—Rising price trends made news last week as the economy boomed along at a record clip.

Sharply higher manufacturing and wholesale costs pointed to higher retail prices soon for a wide range of consumer products including cotton bed sheets, electric light bulbs, kitchen appliances and automobile tires. Also blankets, suits and carpeting made of wool.

Also inching up were interest rates—a trend likely to hit you right in the pocketbook when you buy a car on the installment plan or get a mortgage on a house.

Behind the creeping rise in interest rates lay a surging demand for borrowed money—a demand spurred by credit-hungry consumers, shopkeepers, manufacturers, state and local governments, and Uncle Sam.

Handicapping the federal government in its efforts to borrow cash was a 41-year-old ceiling on the interest the U.S. Treasury is allowed to pay on newly issued long-term bonds.

The ceiling, set by congress in 1918—is 4½ per cent. President Eisenhower indicated that he wants congress to raise the ceiling to a point where new government bond issues can compete with other securities on the market. Some top-rated utility company bonds, normally regarded as gilt-edge investment, are currently yielding 5 per cent or more.

Consumer Debts Hoisted

Consumer appetite for credit showed up on another front this week. The Federal Reserve Board reported that consumers increased their total installment debt in April by 423 million dollars—the biggest increase for any month since September, 1955. This brought the total installment debt outstanding to nearly 34½ billion dollars.

Stepped up buying of new cars triggered the April boom in on-the-cuff buying—and the spring surge into auto sales was still gaining momentum this week. Dealers sold 530,000 new cars in May—their best score since March 1957. Auto industry leaders said June would be even better.

Other signs of upturn: Sears, Roebuck & Co. said its May business set a record. Sales totaled nearly 385 million dollars.

up 1.6 per cent from May last year.

Oilmen attending the fifth World Petroleum Congress pointed with alarm this week at rising inventories of gasoline and other oil products. They were cheered, though, by predictions that the present oil glut may soon be a thing of the past. World demand for petroleum is expected to double in the next 15 years.

Briefly over the business scene: Latest contestant in the coming U.S. small car derby is the Dart, to be manufactured and sold by Chrysler Corp.'s Dodge Division. Department store sales in the Memorial Day week scored a 5 per cent gain over the same week last year. With a strike threat still hanging over the industry, steel mills set a scorching production pace this week—2,674,000 tons. If they make that quota, they'll set a record.

Stockholders of the Great Atlantic & Pacific Tea Co. (which operates the A.P. super market chain) were told to look for a dividend increase. The Chemical Corp. Exchange Bank and the New York Trust Co. announced merger plans that would create the nation's fourth largest banking institution.

Admiral Corp., which stopped making color TV sets last year, will start making them again. Penn-Texas Corp. changed its name to Fairbanks Whiteley Corp. this week—and the stock went up. The American Express Co. said student travelers will spend more than 60 million dollars on foreign trips this summer, mostly in Europe.

Catalina Corp. of America is supplying the material for a new plastic Christmas tree that comes in 30-inch, four-foot and six-foot sizes. The tree doesn't wilt, it won't shed needles, and it can be taken apart for storage. Walter Sternberg, senior vice president of National Airlines, called last week for repeal of the 10 per cent federal tax on airline tickets. Said he: "Cats and dogs can ride tax-free on America's commercial airliners but human beings pay Uncle Sam 220 million dollars in air travel taxes a year."

POLICE CAR LOOTED

SALT LAKE CITY (AP) Someone looted police officer David Robinson's squad car while he was investigating a disturbance. They took his street guide, copy of the city traffic code and two books of traffic tickets.

Friend Of Dope Traffic Culprit Pays His Fine

PERTH AMBOY, N.J. (AP)—A sympathetic magazine editor has paid a fine for Shane O'Neill, son of the late playwright Eugene O'Neill.

O'Neill, 39, was jailed here when he could not pay the \$50 fine on a disorderly person conviction. He had pleaded guilty earlier in the day to failure to carry an identity card required of narcotics users in New Jersey.

Crowell Bowen of Chappaqua, N.Y., sent the fine and \$5 costs to the Municipal Court by money order. Bowen is editor of the Madison Avenue Magazine and collaborated with O'Neill on the book "The Curse of the Misbegotten."

He said O'Neill "is a former heroin user who is making a desperate and successful struggle to stay off the stuff. To my knowledge he has not taken heroin since 1948."

Police found O'Neill wandering dazedly Thursday. They said he had a large medicine bottle of white pills identified as amphetamine sulphate, a narcotic. Bowen said amphetamine sulphate is a form of benzadrine and use of benzadrine helps former addicts fight a return to drugs.

Nude Swimmers Draw Friendly Court Action

CHARLESTON, S.C. (AP)—Five young German sailors who unwittingly stripped on a nearby beach to change into their swimming suits drew suspended sentence and an invitation from a friendly judge.

Through an interpreter, Judge Herbert Lauden told the five Friday night that stripping on American beaches just isn't done. The five, members of a large German contingent undergoing training at the Charleston naval base, were arrested last Friday after shocked bathers watched them calmly strip, don their suits, go swimming, strip again, and pause to wash their suits in the surf.

DODGES HER OWN JAIL

DETROIT (AP)—"Pay \$50 or serve 10 days in county jail." Traffic Court Judge George T. Murphy told Mrs. Hassie Dole who pleaded guilty to a drunken driving charge. "I'll pay the fine," she replied. "I have to get back to work." Mrs. Dole is a matron at the county jail.

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Ecuador's Rioting Spurred By Fight Between Soldiers

GUAYAQUIL, Ecuador (AP)—

Ecuador's biggest disturbance in years grew out of a personal grudge between a raw army recruit and his spit-and-polish captain.

Within a week at least 25 persons were dead, including the soldier and officer, and 150 were injured.

The entire country is under martial law.

President Camilo Ponce in decreeing martial law declared he was acting "to save the republic from anarchy and aggression."

His press officer charged that Communists exploited last week's initial outbreak at Porto Viejo, brought on by a squabble between recruit Pablo Antonio Garcia and Capt. Galo Quevedo.

The trouble between the soldier and his captain broke out May 28 in Porto Viejo.

A witness said the recruit thought the captain was assigning him all the dirty details, and taking away some of his privileges.

Captain Made Target
When the recruits started out on a training exercise, the soldier lagged behind. At the first chance, he opened fire on the captain.

The officer fell to the ground and the soldier turned the gun on himself and committed suicide.

The captain was unhurt.

When the captain showed up the

next day at the soldier's funeral, the youth's mother threw rocks at him. Others began pushing him around and in seconds the mourners were ready to lynch him. The captain fled.

Recruits, soldiers and even youngsters, marched to the officers club and set fire to the building and fired shot after shot into it. The captain—his uniform and hair aflame—staggered out.

The rioters pumped bullets into the captain.

They threw a rope around his neck and dragged him through the streets, then dumped his body in a cemetery.

TWINING ON MEND

WASHINGTON (AP)—Gen. Nathan F. Twining, chairman of the Joint Chiefs of Staff, is back home again after a lung cancer operation May 12 at Walter Reed Army Hospital. He left the hospital Friday. The Pentagon reported he was making excellent recovery.

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