

## Post-Recession Recovery Seen Continuing Through New Year

New York (UPI)—The year 1959 is expected to be a very good one for the nation's re-gression economy. Leading economists see no boom developing in 1959, but they are confident the post-recession recovery which began in 1958 will continue through the new year. The consensus is that higher personal income, increased government, business, and consumer spending, a record level of construction and a shift back to inventory accumulation will exercise powerful forces for expansion. Many economists also believe that inflation will be arrested in 1959, making most of the anticipated gains in economic activity real rather than illusory.

**Problems Seen**  
Although the economy will rise steadily through 1959, the new year will not be without its problems. Competition for the consumer's dollar will be keen and industry will be faced with a continuing profit-squeeze. The level of unemployment is expected to decline slowly and the Federal Reserve Board's tight money policy — which makes it more expensive to borrow money — may have some effect on housing starts later in the year. Despite these problems, economists surveyed by United Press International are convinced 1959 will witness "a sound business recovery along a broad front."

The gross national product, the dollar value of all goods and services purchased in the nation, is slated to rise around eight per cent in 1959 to a new all-time high of \$472 billion. Some economists look for an even greater increase. In 1958, reflecting the recession which stalled industry in the first six months, the GNP declined to \$436 billion, about four billion dollars below 1957.

The biggest gains in 1959 are looked for in industries hardest hit by the recession, including automotive, rubber, steel, copper, aluminum, appliances and railroad. Construction Better  
The construction industry, which countered the industry trend in 1958 by operating at record levels, will do even better in 1959. The volume of new construction in 1959 may rise another three billion dol-

lars to a new peak of almost 53 billions.

The auto industry, which accounts directly and indirectly for one out of every seven jobs in the country, is highly optimistic that its 1959 model cars will sell well.

The anticipated improvement in auto sales — from 4,500,000 units in 1958 to 5,500,000 or more — will benefit a long list of supplier industries, including tires, paint, textile, glass and steel.

Sparking the growth of the economy in the coming year will be the nation's 175 million consumers, who account for almost two-thirds of all the goods and services sold each year.

Economists anticipate that consumers will spend close to \$307 billion in 1959 for everything from automobiles to haircuts. That would be a gain of about \$17 billion over 1958.

**Income Increase**  
The groundwork for this increase in consumer spending will be laid by an estimated 5.7 per cent increase in personal income, reflecting higher wages and salaries, longer hours at the job and rising employment.

Disposable income, what consumers have left after paying their taxes, also will rise 5.7 per cent to a new peak of \$328 billion, which will mean consumers will have almost

\$18 billion more to spend in 1959 than in 1958.

Consumers are expected to add about one billion dollars to their savings in the new year.

Also brightening the picture is the belief that industry's expenditures for new plant and equipment will begin rising later in the year. This, coupled with the reversal of inventory policies from liquidation to accumulation, will be definite upward factors in the economy.

**Excesses Eliminated**  
The economy came through the recession in good shape. Some excesses were eliminated and a sound foundation was laid for the business recovery that now is picking up speed.

The high level of consumer spending and government expenditures in 1958 prevented the business decline from becoming a more serious economic dislocation.

A key factor behind the optimism surrounding 1959 is the great improvement that has been noted in consumer confidence since the recession hit its peak in the spring of 1958. When consumers are optimistic about their economic future, they are willing to spend a greater portion of their incomes on those goods and services which raise their living standards.

## Unseen Mites May Be Clue to Need for Doctor, Pest Man

Washington (Science Service)—Mites that bite, but cannot be found, may mean there is need for a psychiatrist, in addition to the physician and the pest control operator.

Discussing insect phobias that people have, Charles Pomerantz told the Entomological Society of Washington meeting here that actually the three specialists may have to cooperate.

The pest control operator is often called because the patient believes that his doctor has no knowledge of insects. Also, Pomerantz, who is head of research for the Bell Extreming Co., New York City, explained that many persons complain their physi-

cian has no "patience."

**Dermatologist Consulted**  
After making a thorough investigation of the individual's home or office, the pest control operator is often able to convince the bite sufferer that there is no scientific basis for his complaints. At this stage the pest control operator may recommend that his customer see a psychiatrist or dermatologist.

Sometimes, Pomerantz said, merely spraying the home or office with an evil-smelling, nontoxic mixture will convince the individual bitten by the "ghost" insect that the insects are really gone. Other times, recommending a move to a new home may end the phobia.

In reciting numerous case histories of persons afflicted with insect phobias, Pomerantz emphasized the need for a combination of scientific knowledge with a "fatherly approach and compassion and understanding of the patient's problem."

**Many Ills Suspected**  
When he has demonstrated the difference between real insects and imaginary specimens consisting of dust, lint and dirt particles, or even mis-weaves in bed linens and napkins, the pest control operator has the responsibility of advising the phobia sufferer to visit his doctor or dermatologist.

Many ill, such as circulatory conditions, food allergies and contact dermatitis may simulate and be diagnosed as insect or mite bites, Pomerantz said. So in some instances the physician might call in the pest control operator for advice, he suggested. Several cases diagnosed as allergies or hives were subsequently found to be the result of bed-bug bites, Pomerantz pointed out as an example.

However, while many persons suffer from insect phobias, the pest control operator must always be alert to the possibility that a previously unknown insect is the actual source of the patient's troubles, or that a real insect or mite may be there. As an illustration of the need for scientific care, Pomerantz stressed the importance of the dermatologist's studies.

**Nurserymen Return From Convention**  
Representatives of the Cascade chapter of Oregon Association of Nurserymen recently returned from a convention in Eugene.

Attending from Medford were Mr. and Mrs. J. Vernon Marshall, Mr. and Mrs. Elwood Stansfield and Mrs. Willard Herzburg.

The Cascade Chapter consists of the area from Sutherlin south to the state line.

Also representing the chapter at the convention were Mr. and Mrs. Myron Lehne of Roseburg. Lehne is president of the chapter.

**SET INAUGURATION DATE**  
Caracas, Venezuela — (UPI) — Leaders of Venezuela's political parties have agreed on Feb. 12 as the date of President elect Romulo Betancourt's inauguration.

## Turncoat Still Feels Socialism Most Advanced

Honolulu (UPI)—Korean War turncoat Richard C. Corden told reporters here he is glad to be returning to "the high standard of living in America," but that he still feels socialism "is the most advanced system in the world."

The dapper-looking Corden, formerly of Providence, R.I., is coming home after almost nine years in China. He has been identified by other prisoners as the ringleader and spokesman for the 23 Americans who chose to go to Red China after they were captured.

**Not To Disembark**  
He had his first view of American soil in nine years Wednesday when the liner President Cleveland arrived here from Hong Kong. He was interviewed on deck after he told reporters that he had been told by the American consul's office in Hong Kong not to disembark until the liner reached San Francisco next Monday.

The mustachioed Corden, 31, answered questions dispassionately, although they dealt with such subjects as treason and charges of informing.

He said he "had never intended to remain in China."

"I like a good standard of living," he explained. He called socialism "the most advanced system in the world," but added that he considered it only a step towards communism. He did admit Chinese methods "may be a little extreme."

**Reporting in Duties**  
When the term "brainwashing" was mentioned, Corden corrected it to "political indoctrination."

He answered charges of informing on his fellow charges by stating that his duties as "squad leader, monitor and club officer" naturally included reporting the comments and opinions of his fellow prisoners to the Chinese officials.

He called the American soldier "soft." He lives good so when he runs up against a tough situation he just gives up."

**Representative for Firm Named Here**  
H. D. (Danny) Christianson has become a registered representative of the Medford office of Zilka, Smither and company, investment securities firm James H. Zilka, president of the company, has announced.

Christianson joins Richard Watson, vice president of the company, in Medford to extend service to investors in this area. Christianson was in the investment department of the First National Bank of Oregon for two years and was cashier with Zilka, Smither and company for eight years in Portland.

He plans to move to Medford when adequate housing is available. Zilka, Smither and company has had an office in Medford for 25 years. The office is located at 14 South Central ave. They are members of the Pacific Coast Stock exchange with direct wires to Portland and other financial centers.

The average American sees his doctor about five times a year.

## Inflationary Pressures Lacking In 1959; Lower Food Costs Due

Washington (UPI)—Old man inflation is settling down for a long winter's nap. He may even sleep through most of 1959.

So say high government economists interviewed by United Press International. They expect the economy to be relatively free from inflationary pressures in the coming months.

One put it this way: "The cost of living has already levelled off these past few months. If things go the way we think they will, prices should continue for a while about where they are now. Some might go up a bit but others, especially food costs, are going to slide."

**May Go Upward**  
Another high official pointed out, however, that "if consumers and businessmen take off on a spending binge, the cost of living may start upward again."

For the most part, though, the experts are confident that the value of the dollar will hold steady in the immediate future. They point to the administration's announced intention of resisting excessive government spending and the Federal Reserve Board's readiness to prevent excessive use of credit.

As for the long run — and economists are chary of making long-run predictions—the outlook is not quite so rosy. Prices could well continue to pursue their historical path upward. But the rise would be more gentle than it has been.

A lot would depend on government policies, the state of business and the international situation.

**Over-All Stability**  
In 1959, the cost of living may climb one month and slip back the next, but it is likely to show over-all stability. Government economists offer the following reasons for this:

—There is a good deal of unused manufacturing capacity in the economy. Hence, demand for manufactured goods is not likely to outstrip supply.

The Laohokow peasants of the Yangtze province of Hupen have founded a new industry—the breeding of scorpions, which are valued for their poisons, which have medical uses.

Businessmen have been pursuing a conservative inventory policy. Economists emphasize that businessmen do not expect prices to rise sharply or they would have begun stockpiling to beat the price hikes.

Business has also been modest in spending for new factories, lathes, presses and other production equipment. Like defense spending, capital expansion outlays have some inflationary impact because no consumer goods result, at least initially.

**Not Aggressive**  
—With full employment of men and resources not yet achieved, both labor and business aren't likely to be very aggressive in their wage and price policies.

—The Federal government's budget will be much closer to balance in the 1960 fiscal year starting next July than it is in the current fiscal year, when the deficit is expected to hit \$12,200,000,000. In fiscal 1960, the red-ink margin will be half that large—perhaps less, depending on revenues, policy decisions and the pleasure of Congress.

Fiscal experts here feel that the Treasury will be able to do most of its new borrowing from non-bank lenders, thereby eliminating the biggest inflationary hazard associated with a deficit budget. (When commercial banks lend, they create credit. When anyone else lends, it is with already

existing funds.) In sum, the economists see business in 1959 moving at a brisk, prosperous pace but with enough restraint to avoid any strong pressure on prices.

## Judge Kelly Speaks At Lions Meeting

Jackson County Circuit Court Judge Edward Kelly discussed child delinquency at a meeting of the Crater Lions club at Ping's Gardens this week.

Gene Barlow was chairman of the program. In addition to Judge Kelly, other visitors included Jack Preston, Clyde Wheaton and Rudy Teatru.

## WHAT'S THE RUSH?

London (UPI)—Sculptor Jacob Epstein said "I resent being hurried" when he turned down a \$5,600 job for a shopping center decorative panel. The center had given him the commission three and one-half years ago and recently asked to see at least a sketch.

The next meeting will be Jan. 20, at Ping's.

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