

## Experts Predict Improvement In Industry in Balance of '60

By ELMER C. WALZER  
UPI Financial Editor  
New York (AP) - Two business experts today looked for improvement generally in industry in the second half of 1960.

A. W. Zelomek president and economist for International Statistical Bureau finds "the American economy has more vitality

Elmer Walzer at the present time than during any period of recent history."

He looks for general business to average moderately higher during the rest of the year based on gross national product, and adds that even total production will average slightly higher later in the year, "possibly exceeding slightly the 1959-60 peak."

John W. Riday of the Dun & Bradstreet business economics department, says that while no spectacular gains are in prospect, business activity during the rest of 1960 is almost sure to rally from the slight setback in the early months, "and to move on to new high ground before the year is out."

Writing in the current Dun's Review, Riday draws the following conclusions:

**Production Edging Upward**  
-Industrial production will edge up gradually all summer, matching its January

peak some time in the fall. -Now that May and June output schedules have been revised upward, 1960 may turn out to be the second best auto year in history.

-Any increase in the production of consumer goods will probably wait until fall, but output of machinery and paperboard should start to rise soon.

-Only late in the year will business men increase inventories significantly-and give a healthy boost to industrial output.

-Rising production in late 1960 will not push unemployment below 5 per cent of the labor force.

-Retail sales will hit more records as the year wears on.

**Profits To Fall Off**  
-Despite continued high sales levels, profits in the second quarter will not keep up to the level of the first three months.

-Outlays for industrial building will be well up for the year as a whole.

In arriving at his conclusion on America's economic vitality, Zelomek says he does not ignore such restraining factors as a shrinking farm income, the somewhat large consumer debt structure although not abnormal, and the fact that most of the postwar shortages have been made up.

He finds the vitality of the economy is the result of a healthy population growth,

America's industrial creativeness, the revolution in income distribution, and the relative stability in prices and expanding consumer demand.

"The fact that the economy has withstood some major readjustments and still remains at about the peak," he says, "certainly attests to the vitality of the American economy."

**Favorable Business Trend**  
"The current higher general business trend which

should continue until the end of the year, is favorable.

"This does not imply a boon or excesses with a subsequent sharp letdown. It does indicate good, steady economic growth with only temporary interruptions."

Zelomek holds that consumer spending will contribute to the better showing for the rest of the year.

He also looks for a small gain in business spending during the last quarter but

holds this will be influenced by the international situation and the resultant inventory charges.

"Government spending will also be influenced by international tension, although changes will be limited, short of war, which we do not expect," he says.

Zelomek expects neither inflation nor deflation. He believes stability of firmness will characterize the price trend, assuming no worsen-

ing in the international situation.

The supply of money will be adequate to take care of needs, and will be a stimulating factor, he says.

On the stock market rise, Zelomek feels that the sharp upturn in prices, while it may obviate an immediate easing in margin requirements, is not expected to be sufficiently marked to warrant a reversal in the present monetary trend.

### Kentucky Policemen Victims of Thefts

Louisville, Ky.-Thieves left two Louisville policemen calling for the law.

Sgt. D. S. Kimball said a bicycle worth \$65 was stolen from his porch and Ptl. Archer Andrews reported that four hubcaps were taken from his private car while he walked his beat.

Some 88 per cent of all Canadian households include a sewing machine among home appliances.

### 'Tone of Voice' Told in Whispers

Providence, R.I. - (Science Service) - A person's "tone of voice" can be told even when he whispers, Acoustical Society of America was told here.

Three scientists reported that their experiments on communication by voice showed most persons could easily recognize happiness, surprise, boredom or disbelief in the voice of an unseen speaker. The speakers, who had no dramatic training, would say such a neutral sentence as "the jump stool on the desk,"

and try, at the same time, to express various emotions.

Results showed that it is possible to identify a number of tones of voice quite accurately even when there is a considerable amount of interfering noise or when the speaker whispers. The scientists testing verbal recognition of emotion were Drs. Irwin Pollack, Herbert Rubenstein, and Arnold Horowitz of the human factors office of the Air Force Cambridge Research center, Bedford, Mass.

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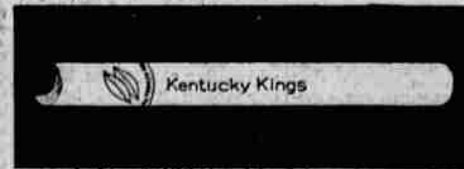
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## Burning Currency One of Jobs for Engraving Bureau

**Guidelines for Good Currency**

Washington - (AP) - These are the Treasury's guidelines for determining if currency is fit to continue in circulation: It must be fairly clean, so that its class, denomination and genuineness can be determined without difficulty.

It must contain a sufficient amount of "life" or "sizing" to permit its being handled with facility. It should not contain heavy creases which break the fiber.

It should not be so badly soiled as to be offensive, or be torn, perforated or otherwise mutilated. Turned down corners do not render notes unfit.

Washington - (AP) - If anybody tells you that money just goes up in smoke after it gets to Washington, don't argue. It's true.

You can see the smoke, but not the cash, anytime you are in town and care to look.

The smoke comes curling out of a 115-foot smokestack atop the Bureau of Engraving and Printing Annex. It originates two floors below street level in a furnace for burning currency which is worn out, soiled, mutilated or torn.

**Gets Fire Going**  
There's not much ceremony in it. While a two-man "destruction committee" gets the fire going with some scrap paper, an employee wheels in a cart packed with money.

All three men job handfuls and armloads of bundled currency through the furnace door.

A package misses the opening and lies unattended on the floor. A stray bill flutters half way across the room. A visitor wonders if the committee will fail to notice the package or the bill and leave them lying on the floor.

Not so. After the truck is emptied - a matter of five minutes and hundreds of thousands of pieces of currency, mostly ones, fives, tens and twenties - committee Chairman John F. Moran and his aide meticulously pick up the scraps of money lying around and chuck them into the fire.

**Legally Canceled**  
Even if Moran missed a piece, it probably wouldn't be much good to anyone else. Most of the currency burned at the Annex is Federal Reserve Notes which have been

legally canceled by perforation and split in half lengthwise. Even the top and bottom of a canceled note together are worthless.

The worn, canceled Federal Reserve Notes are shipped to the Treasury by the Federal Reserve Banks, which confine their own burning of old money to Treasury currency.

The Federal Reserve does not destroy its own liabilities," explained John R. Farrell, head of operations for all 12 Reserve Banks and their branches. The bills are split before shipping as a hedge against theft.

(Treasury currency includes U.S. Notes, two and five-dollar bills with red seals, and Silver Certificates, ones, fives and tens with a blue seal. Federal Reserve Notes, fives and up, have a green seal. All are government money and equally good. But for technical reasons the first two kinds are Treasury obligations and the third a Federal Reserve liability.)

**No Rigid Test**

When is a piece of money worn out? There is no rigid test. Local custom is important. The Treasury has found that bills sent in by Federal Reserve Banks in the South are more worn or limp than those coming from New York or Chicago, some of whose rejects are nearly crisp.

This means only that in the South people are more willing to use creased or limp bills, an official said.

Before old money is burned it is counted—several times, at least once in a commercial bank, twice more in a Federal Reserve Bank and at least once by the Treasury. The Treasury check might be considered a double counting since the tops and bottoms of the split bills are tallied separately.

**Monotonous Work**

Riffling through packs of 100 bills at a time, counters also weed out counterfeiters. Only women are hired by the Treasury and Reserve Banks as counters because the work is monotonous and men are believed too impatient for it, according to Frank N. Proctor, chief of the Treasury's Currency Redemption Division.

Proctor's unit counted and sent to the furnace 503,713,728 pieces of currency in 1959. What few pieces didn't go up in smoke right away stuck to a screen at the top of the smokestack. The government just doesn't let that stuff go flying around.

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