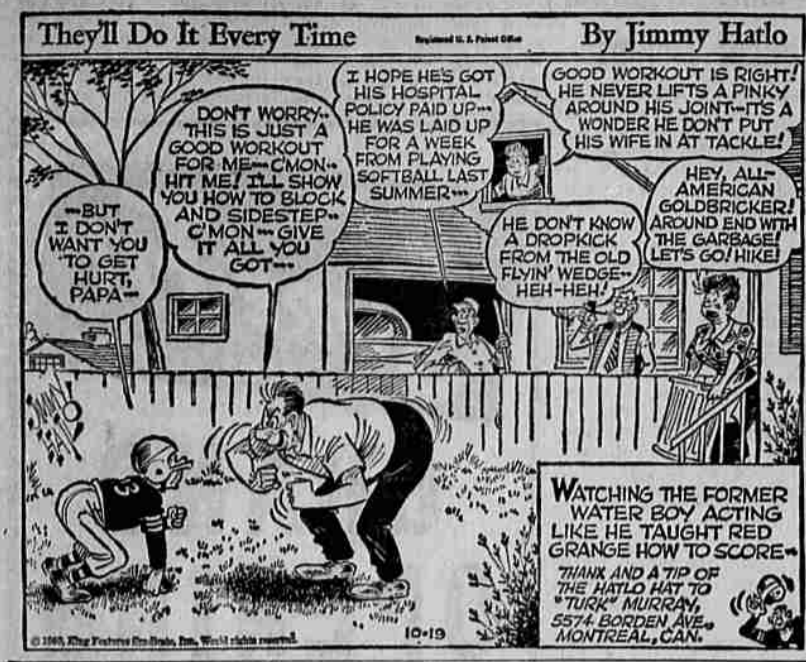


Experts Divided on Shape of Business; Forecast Contradictory



Secretary of Treasury Sees Favorable Outlook

Washington — (UPI) — Rarely have the experts been so divided and uncertain about the shape of business. They agree that the economy tailed off slightly in July, August and September. Some call it a recession, others an adjustment or a lull. As to how business is doing now and the prospects for the rest of the fall and winter, the forecasts are hedged, clouded and contradictory. The Eisenhower administration's view, as expressed by Treasury Secretary Robert E. Anderson, is that the business world is adapting itself to a sudden disappearance of inflation psychology. Anderson strongly believes the economic outlook "is favorable, both for the near future and for many years ahead." It may be significant in the speech in which he made that statement, he did not specifically forecast a rising business tide before the end of the year. **Difficult to Judge** Other economic observers do not fully subscribe to Anderson's view of why business has failed to rise substantially since spring. For example, the Morgan Guaranty Trust Co. of New York said "it is difficult to judge" whether Anderson is right or whether the nation is sliding into a recession. Some authorities go so far as to disagree with the Secretary outright. This is the view of Thompson & McKinnon, a Wall Street brokerage house: "We have a recession rather than an adjustment, but how deep it will be and how far it goes is still very much in question." Whether the country is in, or will be in a recession is, partly a matter of statistics, partly a question of word meanings. Commerce department figures to be released in a few days almost certainly will show total output of goods and services declined in the third quarter. But the shrinkage is likely to be only 2 or 3 billion dollars off the record \$505 billion annual rate of April, May and June. **Rolling Adjustment** This slippage has been described by Charles H. Kellstadt, chairman of Sears, Roebuck & Co., as a "rolling adjustment more severe than any since 1946" — but he feels there is no recession, since the setback was small. A contrary view was expressed by Leon Keyserling, chief economic adviser to former President Truman. If total output turns down, he said, that is a recession. Keyserling added, in a state-

ment requested by the New York Times, that "adjustment" lacked precise meaning. "The economy is always going through adjustments," he said. Arthur F. Burns, former chief economic adviser to President Eisenhower, told the Times that "recession" also lacked "recognized scientific meaning." It has come to mean, Burns said, a decline of over-all business activity which is "of moderate size, fairly widespread and lasts from about eight months to a year or a little longer." By that definition it would not be clear before late winter or spring whether a recession does exist. Another factor is industrial production, which declined in September for the second month in a row. In reporting this last week, the Federal Reserve Board said: "The decline in September reflected reductions in output of materials and business equipment, owing partly to the effects of rail strikes. Output of consumer goods changed little." Most economists probably would agree that if business is lower in the closing three months of the year than in July-August-September, that would mark a recession, if only a mild one. How business will do in the final three months is the question on which expert opinion is most uncertain and divided. Here are some samples: —Ralph Robey, National Association of Manufacturers: "We will have a slight upward trend for the balance of the year, continuing to some time in 1961." —Martin Gainsbrugh, National Industrial Conference board: "If this is to be called a recession, it will be the mildest and shortest-lived since the war." —AFL-CIO Economic Policy committee: "America is on the brink of another recession. . . Few lines of business activity show signs of added strength. Trends point, instead, towards a weakening of sales, production and employment." —George Shea, financial editor, Wall Street Journal: "A recession has been under way for some time, and the real question is when it may end." **Expansion Expected** —Neil Jacoby, former adviser to President Eisenhower: "The remainder of the year will bring expansion." Without predicting it openly, the administration in its revised revenue estimates for the federal budget has pointed to a snappy fourth-quarter upturn. The indicated rise is about \$8 or \$9 billion in total output. Few economists, even among the optimists, expect business to show that much zip. The treasury has avoided a specific prediction. When the budget review was released, the treasury confined itself to saying total output would come within one per cent of the original 1960 forecast of

\$512 billion. Usually a more precise figure is offered. Budget Director Maurice H. Stans anticipated the fourth quarter would see "the normal seasonal improvement in business conditions and it may well be better than that." There is considerable doubt among some experts that the final three months of the year can generate more than a seasonal expansion. Past years indicate a normal autumn spurt would be about 6.2 to 6.4 per cent. According to one commerce department expert who works with the figure two key measures of business are likely to be down: Capital investment and inventories. However, some other economists say inventory accumulation — which has fallen off steeply since the beginning of the year, braking the economy — may begin to revive. Briefly, the statistical record through September shapes up this way: —Gross national product (total output): Early in the year a sharp snappack from the steel strike, up slightly in the spring, down slightly in the summer. —Industrial production: Set a record in January, has held steady just below that level since. Has dropped two months in a row. Durables especially steel, down and soft goods up. —Individual incomes: Have risen steadily every month to new highs, but the monthly rise has been shrinking, was almost nil in September. —Unemployment: High for a non-recession year. Has averaged more than 5 per cent, was 5.7 per cent in September. —Employment: Very high, with most months showing records in the number of jobholders. —Corporate profits: Treasury expects them to match 1959's record \$47 billion. But some independent economists doubt it. Original forecast was \$51 billion. —Construction: Likely to slip a little below 1959's record of \$56.1 billion, with home building down, highways up. —Retail sales: Have slipped some from record set last April.

OF SMITH & MEN

By Jack Smith
(c) 1960 — Times-Mirror Syndicate

It hasn't been in the papers yet, but a bright young professor at the California Institute of Technology has invented something which, he quietly claims, is absolutely useless. This is heartening news, but no cause for us to be smug. Some Russian scientist, working independently, is likely to emerge with just as spectacular a breakthrough any day. Until that happens, however, it gives us an edge in the struggle to work our way backward to the halcyon aura of the harpsichord and the genteel pursuits of the 18th century drawing room. It's a question of getting back there before it's too late. This Caltech fellow, it must be understood, is no fool, nor is he being paid to idle his time away with romantic tinkering. This thing he has come up with was contrived in his spare time, while smoking a pipe, and is a by-product of his true purpose, which is to break through in the opposite direction. I have seen a photograph of the professor holding the invention. It was taken from some distance and apparently with a cheap camera. Nevertheless, the thing can be seen clearly. It is about the size of the fur muffs women carried before the first world war ended the era of genteel elegance. It appears to be made of marbles, concrete and glue. The simplicity of its makeup, in fact, is one of its main virtues. It will be inexpensive to manufacture, although at present there are no facilities for mass producing it. The way it stands now, the production of a single unit will require the weekday evenings and Sunday afternoons of a bachelor of science for an entire spring semester. If the professor decides to make a public announcement of his invention there doubtless will be scoffers. This is a busy, suspicious world. We have developed communications to the point that nobody can invent anything useless without being chastized by some ill-qualified judge within the hour. Only 300 years ago Samuel Pepys, who had his eye on every event of interest in the world, was able to dismiss an October day with a typically empty observation. "This morning," he wrote in his journal, "it proved very rainy weather, so that I could not remove my goods to my house. I to my office and did business there, and so home, it being then sunrise, but by the time that I got to my house it began to rain again, so that I could not carry my goods by cart as I would have done. After that to my Lord's home and so to bed." Could this man, with all his burdens of rain and cartage, sunrise and sunset, have gone to bed with equanimity after a day on which Khrushchev hammered on his desk with the Presidency of the United States clashed before 80 million people over the destiny of two small islands off the China coast, Standard Oil of New Jersey held steady at 41, an American citizen was executed in Cuba, three black mice rode 700 miles into space and the Pittsburgh Pirates won the World Series from the New York Yankees by breaking a 9-9 tie in the ninth inning? In such times it is comforting to know that some of our best men are working out something useless.

Two Take NROTC Training at OSC

Corvallis — Two Medford youths are included among the 44 students attending Oregon State college this fall under Naval Reserve Officer Training Corps (NROTC) midshipmen training appointments. They are Matthew George Rode, 2242 Buena Vista, and Larry Robert Anderson, 1234 Corona ave., according to Capt. R. W. Shafer, commander of the Naval program at OSC. Under the appointment the students receive all tuition fees for four years of college, books, uniforms and \$50 a month during their college work. OSC is one of 53 colleges in the country offering the Naval ROTC program. Only 2,000 students in the U.S. were selected for appointments out of a group of 30,000 who took a nationwide written test and underwent a rigid physical examination. During their four years of college work, students complete the regular course of study in their selected major fields along with one Naval science class each quarter. On graduation the students are commissioned either as ensigns in the Navy or as second lieutenants in the Marine Corps. They must serve four years of active duty. Portland — Funeral services were to be held at 2 p.m. today at St. Mark's Lutheran church here for George Bertz, retired sports editor of the Oregon Journal, who died last Friday in Eugene at the age of 67.

Small Worlds Around Us

By Lynn M. Watkins

Did You Know About Zoo's Freebooters? Passing easily in and out of the cages and pens in the great city zoological park is always a group of "freebooters" that expect and receive their livelihood from the bountiful spread the city prepares and serves for its animal prisoners. Hardly any of the human visitors to the place ever notice the army of pilferers, but their numbers are great and many varieties. Several species of small birds (predominantly sparrows), gophers, mice, chipmunks, rabbits and squirrels, all taking advantage of the fact that the city provides ample and nourishing food for its caged inhabitants. These uninvited guests pass in and out of the various cages, helping themselves to the food served to the confined occupants; selecting, discarding, and choosing exactly that which suits their fancy at the time. **Good Selection** If the available food in one cage doesn't suit their fancy, they can walk or fly to another cage, knowing full well that there the desired food can be found. With careless and calm unconcern they steal a crumb from the very jaws of a tiger or a leopard. With sheer self-assurance, or stupid recklessness, they pilfer a morsel from under the very nose of a lion. It looks rather ridiculous to see a tiny striped gopher,

Some Books in Oregon Schools Under Criticism

Salem — (UPI) — Certain textbooks in use in some Oregon high schools brought criticism by a group of citizens at Tuesday's State Board of Education meeting. About 20 persons, mostly late mothers from the Portland area, appeared before the board and cited sections in some books which they described as "trash." The criticism centered on a 9th grade text called "Adventures for Today," a volume on literature and a poem in it called "The Heart." The poem, by Liuis Untermeyer, has to do with a wicked temptress. A spokesman for the group, Kenneth Landgraver of Portland, criticized such books, and complained of others which include stories of such badmen as Billy The Kid and Jesse James. **Motion Approved** He declared education has turned to teaching "groupology and life adjustment" instead of "basic skills." The board listened to complaints for about an hour, then approved a motion calling on the State Textbook Commission, composed of five teachers, to get together with the citizens for a hearing. One board member, Mrs. Robert Caldwell of Oregon City, pointed out that local districts choose their own textbooks from a multiple list of approved volume, and teachers can be authorized at the local level to delete certain sections from the curriculum if they are offensive to a particular community.

Watching the Former Water Boy Acting Like He Taught Red Grange How to Score

THANK AND A TIP OF THE HATLO TO "TURK" MURRAY, 5574 BORDEN AVE., MONTREAL, CAN.

Medical Students Get Scholarships

Portland — (UPI) — Eight five-year medical students at the University of Oregon Medical School have been awarded Dr. Laurence Seiling Student Research Scholarships, according to Dr. D. W. E. Baird, dean. Students are Rolf R. Angel, Delbert M. Kole and Sam L. Meyer, all of Portland; Wesley A. Cook and Frederick C. Hoesly, both of Milwaukie; Gunnar E. Christiansen, Eugene; Kit G. Johnson, Klamath Falls; and Myron E. Shirsasu, Hawaii. The scholarships range from \$700 to \$1500.

This is Columbia's finest
with Columbia's new "Sound That Takes You There" only \$499.00

Fifty-four impeccable watts of purest audio, five carefully matched loudspeakers, a diamond stylus and a superb record changer bring you "The Sound That Takes You There." This console also offers you the finest available AM/FM tuner. The hand-crafted cabinet is available in Colonial or Traditional styling to complement the decor of your home. From a purely practical point of view, this Columbia model represents a remarkable value—you'd have to pay at least \$150 more for anything near its equal. Enjoy a demonstration today.

113—Misc. For Sale

TAKE THE worry out of winter. Dry clothes electrically. DRY your clothes any time, day or night, electrically.

FOR SALE
Easy Terms
CLOTHES
PROTECTOR!

SAVE wear and tear on clothes and linens. Dry the gentle electric way. WIFE-SAVER. An electric clothes dryer saves the homemaker hours of hard work. CLOTHES last longer, dried the safe electric way.

PUT A CLOTHES PROTECTOR — AN ELECTRIC CLOTHES DRYER — IN YOUR HOME!

VISIT A CAL/ORE ELECTRICAL LEAGUE DEALER

Bif Y Appliance Center
Eads Transfer and Furniture
Crosier Appliance
Couey's Appliance Store
Home Appliance Company
Johnston Stores
Hal "K" Appliances
Leonard Electric Company
Sears Roebuck & Company
Trowbridge & Flynn Electric Company
Montgomery Ward & Company

Ask your League dealer how you may WIN an electric clothes dryer -- FREE!

Electrical League

NEW DIMENSION IN PORTABLE STEREO
4 SPEEDS—4 SPEAKERS
\$109.95

A value-packed portable from Columbia. In addition to four-speed, fully automatic operation, you get a pair of removable, side-mounted speaker enclosures, each with a six-inch and a four-inch loudspeaker. This model comes with a special jeweled cartridge that makes snap-in, snap-out replacement a breeze. Your choice of colors: gray case with silver metal trim, or saddle leather with gold trim.

Swem's
217 E. Main Medford

TIME PAY PLAN Available

LAY-AWAY NOW FOR CHRISTMAS