

TODAY'S BUSINESS MIRROR

Business Experts See Slump In America Getting Worse Before It Gets Better—Steel, Coal, Railroads On Bottom Now

By SAM DAWSON
NEW YORK, June 29 (AP)—The slump is expected to get a good deal more painful shortly. Some big key industries, like steel and autos, have yet to feel it. And when they really cut back, it'll raise hub with all business in the industrial Midwest and East.

The walling and moaning you've heard to date will just be a whisper to what you'll hear before this year's over.

At the same time, a number of other industries have brighter prospects for the second half of this year. And still others expect that any further slump this fall will be a mild affair for them, only a little worse than now.

Let's look at some of these prospects, starting at the indigo bottom of the industrial rainbow and working up toward the rosy top.

Gloomiest outlooks just now are for steel, other metals, coal and, as a result for the railroads.

Steel hit its peak in a booming first quarter, is now sliding downhill fast, experts hit bottom the first of next year and start back up in the spring quarter. If hasn't trimmed prices much yet.

Non-ferrous metals cut prices drastically after demand died in March. A number of mines have closed, others have cut back the work week. Many feel the worst will be over by August or September but doubt if their purse will be really strong again before next spring.

Coal mines over-production piled large supplies on the ground. Cold weather will help, but whether costs and prices can be brought down to help coal in its competitive fight with fuel oil and natural gas depends a lot on what comes out of the talks with John L. Lewis.

Railroad carloadings averaged lower this year. They are pretty well reconciled to having traffic fall off still more the last half, but they pray for freight rate hikes to offset it. Truck and barge competition bites deeper into their business with each rate increase.

Industries farther along the readjustment trail but still having their troubles are furniture, clothing, shoes, textiles, retail trade and the airlines.

Furniture output is running about 20 per cent behind last year, but it was a lot worse than that a few months ago. The shoe industry ran into trouble two years ago and is beginning to feel the first faint recovery breeze now. Clothing sales and production are now in pretty good balance, but far below the peak. Price differences still split the clothing makers and the retailers.

Wool mills caught the slump head on at the beginning of the year. Production hit a low point in April and has made its first hesitant upward step. They might get going again the first of the year.

Retail trade felt the slump first, when customers balked at prices. Department store dollar sales are below last year, but unit volume is holding high. Earnings are due for a drop this year, and if unemployment grows, sales will drop faster this winter. Inventories aren't dangerously high, however.

Airlines went sour after the war, but are in the black again. This is their best flying weather. Earnings may slide again next winter, but they're pushing their lower-priced coach service.

Industries still riding high, but with prospects for the second half doubtful, are autos and utilities.

Auto order backlogs may disappear this fall, but the industry is still producing top speed, giving at least token price cuts to buyers and earnest pep talks to salesmen. Building of homes is running behind last year and may sluff off

further next winter. Industrial building is also eating off. But public and institutional building is increasing and taking up the slack.

Riding along on the cushions of government support are the farmers. Right optimistic are the process. And perhaps the cheeriest of them all are the airplane builders.

Farm income is down about 19 per cent from last year. That cuts buying at the village store some, too. But the farmer counts on the government to keep things from getting much worse. However, nothing in sight now indicates the farmer will be better off next year, unless unusual weather, here or abroad, cuts down present surpluses.

Grocery prices are expected to drop about 5 per cent more by the end of the year, but store sales unit volume will stay high, barring a big jump in the number of jobs.

The aircraft industry looks on 1948 and 1947 as the years of the worst than now.

big slump. Plane orders now keep prospects bright for some time to come. All it has to worry about are congressional inquiries or a most unlikely change of heart by Premier Stalin.

Referendum Move Gets Signatures
PORTLAND, June 29 (AP)—The sponsors of referendum petitions against the old-age pension act of the 1949 legislature said today they have half the signatures they want.

Joe E. Dunne, Portland, one of the sponsors, said the petitions have 10,000 signatures. About 16,000 are needed to keep the act from going into effect July 16. The measure then would go on the ballot in November, 1950.

Dunne said they hoped to get 20,000 signatures.

It Pays to Use the Want Ad!

German Youth Has Praise For Hot Grid

The fame of Klamath Falls' hot grid system on Esplanade continues to reverberate, the latest notice coming from a 17-year-old German lad in a letter to the mayor of Klamath Falls, in which he expresses the wish "to get a pen-pal in your town."

The boy, Peter Christof Stueber, living in the Russian zone in Germany, writes in his letter to Mayor Robert Thompson, "certainly you'll wonder why I just decided to write to you for there are so many other towns in America."

He explains that he read an article about the hot sub-soil water in a German paper.

"I'd like to start correspondence with any girl or boy in the United States," he writes.

He translates the newspaper article in the German newspaper in full in his letter to the mayor.

The boy adds, "Just because I see your town is one of the most progressive ones in the States I would enjoy it to get a pen-pal in Klamath Falls."

He ends with "I thank you very much for your troubles and I remain, yours respectfully . . ."

Step Into This!



Motorcycle Too Much For GI

PORTLAND, June 29 (AP)—Police-man Robert Cosby met a dejected soldier on the street here recently.

The soldier identified himself as James W. Kelly from Port Lewis and added he was tired of motor-cycling. He explained he had bought his machine to take him to his Texas home on a 30-day furlough.

But he was tired, and the contrary vehicle took too many repairs. In fact, he was too tired to give it away.

"Why don't you give it to me?" asked Cosby.

"It's yours," said Kelly, handing the patrolman the title and the bill of sale. Kelly walked off to the nearest airline station. Cosby valued the motorcycle at \$200.



"Lightning tubes," or fulgurites as they are called by geologists, desert country, are formed by lightning striking the sand and fusing curious glassy objects found in it into glass.



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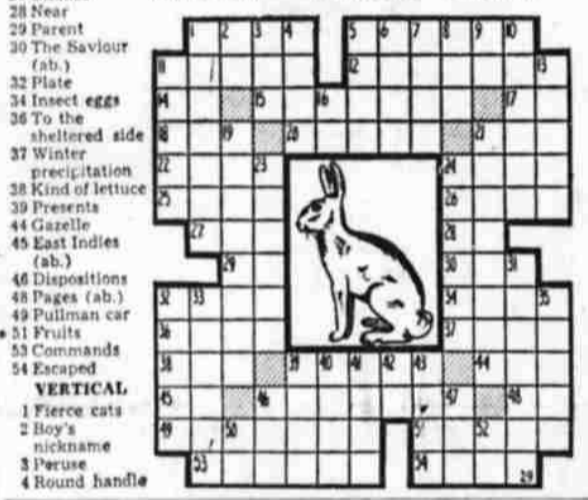
Big Hare

- HORIZONTAL**
- 1.5 Depicted hare
 - 11 Claw
 - 12 Interlaties
 - 14 Giant king of Bashan
 - 15 Observes
 - 17 Low Latin (ab.)
 - 18 Regret
 - 20 Rosy spines
 - 21 Small (Scot.)
 - 22 Season
 - 24 Sulk
 - 25 Shield bearing
 - 26 Vein of ore
 - 27 Offense
 - 28 Near
 - 29 Parent
 - 30 The Saviour (ab.)
 - 32 Plate
 - 34 Insect eggs
 - 36 To the sheltered side
 - 37 Winter precipitation
 - 38 Kind of lettuce
 - 39 Presents
 - 44 Gazelle
 - 45 East Indies (ab.)
 - 46 Dispositions
 - 48 Pages (ab.)
 - 49 Pullman car
 - 51 Fruits
 - 53 Commands
 - 54 Escaped
- VERTICAL**
- 1 Fierce cats
 - 2 Boy's nickname
 - 3 Peruse
 - 4 Round handle

Answer to Previous Puzzle



- 32 Small fish
- 33 Panay seaport
- 35 Exchanges
- 39 Yawn
- 40 Brain passage
- 41 Its — are used for felt
- 42 Transpose (ab.)
- 43 Person
- 46 Man's name
- 47 Spanish river
- 56 Comparative suffix
- 52 Pronoun



Experimental Fish Expedition Set

ASTORIA, June 29 (AP)—Experimental fishing by the federal government in Alaskan waters will get under way shortly, continuing a study started last year.

Word received here from the fish and wildlife service said the plan is to locate new fishing areas to sustain commercial operations. One of the objectives is to locate king crabs and devise a means of making profitable catches.

Initial dragging for fish will be in the vicinity of St. Mathews island, with the major work planned for the waters between St. Lawrence island and Nome.

The government has contracted for the vessel Deep Sea. Original work was begun last year by the vessel Washington. Four fishery engineers and technicians will accompany the Deep Sea.

"COLD LIGHT"
 The "cold light" produced by some luminous animals raises the temperature less than one-thousandth of a degree Centigrade, according to the Encyclopaedia Britannica.

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