The Herald and News

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Encouraging

By SAM DAWSON
AP Business News Analyst

NEW YORK (AP)—Those who hold that the economy can and will heal its own recession wounds without direct government cure-alls have some reassuring figures today to back them up.

Factory employment rose in June after slipping for 18 months. The factory work week lengthened in May and June for the largest two-month gain since the war. This helped boost the average weekly wage in manufacturing industries by $1.27 to a record high of $83.10.

Since most of this betterment in the industrial areas was without direct stimulation by the government, the let-business-alone advocates are having an inning.

But another current improvement is traced to government action last March aimed at easing the slump in home building. Mortgage terms were changed to stimulate that industry and money for such projects was made easier to come by.

As a direct result perhaps, the Federal Housing Administration reports that mortgage insurance applications rose in both May and June, foreshadowing greater building activity ahead. The Veterans Administration reports increased requests for appraisals and GI mortgages.

This can be cited by those who think the government should manipulate the economy in its own best interests.

Debate between these conflicting points of view has slackened a bit since Congress accepted the administration stand that the slump was leveling off. But will the truce hold during the summer lull when the figures may be far less reassuring?

And if recovery doesn't come as fast as some predict, if the fall pickup is weaker than expected and the fourth quarter doesn't live up to advance billing as the start of a new boom, the clamor for new government measures may revive fast.

This is what the economists of the Guaranty Trust Co. of New York fear. In their July survey they see little "hope that public opinion as a whole has awakened from the dream of perpetual boom under governmental auspices."

Like many in the banking fraternity they hold that government shot in the arm measures tend to do business more harm than good in the long run.

Caution against overoptimism now is added by the First National City Bank of New York in its July letter. It sees prospects good for a moderate increase in business activity after the summer lull.

But it warns: "As yet, however, there is no evidence of a force which would push the economy upward in a vigorous recovery. In such circumstances it is healthier to plan conservatively."

Deficit

By FRANK CORMIER
Associated Press News Analyst

WASHINGTON (AP) — The recession-hit economy will get a bigger boost from Uncle Sam in the next 12 months than the federal budget indicates.

The budget, according to expert estimates, will be 10 to 12 billion dollars in the red for the 1959 fiscal year that began July 1.

That much deficit spending — spending of borrowed money, in effect — can add a good bit of zip to the business outlook. But that's only part of the deficit story.

Uncle Sam keeps still another set of books, and government experts are now guessing that these will show a deficit one to two billion dollars bigger than that in the regular budget.

The second set of books is kept on a cash flow basis. That is, it reports the amount of money the government receives from the public, balanced against federal payments to the public.

Economists say cash flow is a good measure of the impact of federal financial operations on the income of the public as a whole.

For example, if the cash figures show a 12-billion-dollar deficit in the current fiscal year, the government in effect will be adding roughly this amount to the public income.

A fiscal transfusion on that scale would prove a potent prop under the economy. And if the recession has already touched bottom, as some economists believe, it could give business a big push upward.

It's also significant that the effect of the deficit will be greater in the first half of the fiscal year, through Dec. 31, than in the second half. This is so because government revenues are scanty in the July-December period. Corporation tax payments are heaviest in the second half of the fiscal year.

The cash flow figures ordinarily show a smaller deficit than the budget statistics. For fiscal 1958, for example, some government economists estimate the cash deficit will be about a billion dollars less than the budget deficit.

The cash accounts include Social Security and highway trust funds and some other items that aren't part of the regular budget.

These special funds have shown a surplus in recent years. In fiscal 1959, however, more money will be paid out of these accounts than will be taken in.

That's why the cash figures this year will add to the economic impact of the budget deficit, instead of blunting its effect.

A lot of Americans who normally don't like red ink spending by the government may say it could not have happened at a better time — particularly if they are among the 5½ million unemployed.

New Job

By United Press International

Good news for college graduates seeking work, a new field has opened up, lone wolf product scouting.

The profession is not crowded. So far there's only one, but he says if you have a degree in chemistry, a reputation as a research and marketing expert, talent as an ad man and public relations counsel, or plus the ability to fly a plane 25,000 miles a month, the possibilities are enormous.

Paul Cherlap has all these qualifications. And he needs them.

Cherlap is the one-man product scouting department for a major wholesale distributor of groceries, home products and related gadgets. He spends his time ferreting out inventors and researchers that might have a hot seller for his firm.

Cherlap says there is one more thing a product scout must have—plenty of heart. For, he says, 98 times out of 100 a product that sounded terrific from a distance turns out to be a flop.

Cherlap offers as evidence his horrible experience with a device designed to cut gas consumption on autos. Cherlap heard of the inventor through a foreign trade paper and finally located him.

He installed the device in his own brand new automobile.

Cherlap and his wife were motoring along through Westchester County in New York when he switched on the gadget.

The explosion that followed sent the hood, carburetor and ignition wiring high into the sky. Cherlap says, "My wife and I look for them every time we drive by Westchester County Reservoir in the summertime."

Then there was the time he introduced the head buyer of a grocery chain to a new "shoe spray." He sprayed a bit on the gentleman's shoes and left. His report the next day stated that "all the stitches fell out."

Ordinarily, every product Cherlap runs down undergoes extensive testing before a customer sees it. And that's where Cherlap's chemistry degree comes in, he does most of the testing himself in a home laboratory.

New products must fulfill all claims and meet exacting manufacturing tests. If they pass, Cherlap presents the findings to his firm.

But his job doesn't end there. If the firm decides to market them, Cherlap must line up the buyers.

Cherlap says as far as he knows he is the only "lone wolf" product scout. Usually, a team of specialized people handle the work.

He feels the [illegible] in his solo operation is the time saved in getting a product to the market.

Cherlap's outlook: "For a man with an integrated background in marketing, marketing research, flying, ad know-how and scientific training there is an unlimited future as a product scout."

Business News

By WALTER BREEDE JR.

NEW YORK (AP) — Business ventured into the second half of 1958 this week with some lines up and others down.

In steel and autos it looked like a long, hot summer. Informed observers said a production pickup was a good two months away.

Closer to Main Street, things were booming for purveyors of sun tan lotion, soda pop, air conditioners, water skis, bathing suits, bermuda shorts and beer.

Nationwide, the summer retail picture was anything but glum. Dun & Bradstreet said total retail sales for the week ended Wednesday averaged only two per cent lower than a year ago when a pre-Fourth of July buying binge broke all records.

Congressional approval of the Alaskan statehood bill opened up new vistas. Retailers toyed with the notion that Alaska as a full-fledged state may attract an influx of settlers and may eventually provide a new market with an almost unlimited potential. And that Horace Greeley's advice may be changed to: "Go north, young man, go north."

Companies in the guided missiles field had cause for celebration this week. From the Pentagon came a string of fat contracts: $48,867,850 to Douglas Aircraft for Nike-Hercules launchers; $20,708,000 to Western Electric for Nike-Hercules and Nike-Ajax parts; $2,500,000 to Hycom Manufacturing Co. for missile test sets for the Navy.

Less impressive dollarwise but with significant implications for the future was a million-dollar contract to General Dynamics Corp. It calls for preliminary research on a space ship that will be propelled by controlled nuclear explosions.

Construction has definitely turned the corner. It's out of its recession phase. So says F. W. Dodge Corp. in announcing that construction contracts awarded in May added up to $3,402,575,000—highest ever recorded for a single month.

Dollar volume of contracts for one-family houses was up one per cent from a year ago and apartment buildings showed a gain of 14 per cent. But contracts for new factories and new stores were down sharply.

New layoffs were the rule in many of the nation's steel mills and auto factories this week. The auto industry shut down nearly 60 per cent of its assembly plants, reducing car output to about 34,000 units.

Model changeovers will disrupt the auto production pattern for about two months. Buick has already stopped making 1958 cars and is tooling up for 1959 models.

Race Problem

By SPENCER DAVIS

WASHINGTON (AP) — Has the territory of Hawaii's large Asian population prevented it from being admitted to statehood?

Democratic delegate John A. Burns thinks not and he is optimistic that the so-called Crossroads of the Pacific will be accepted as the 50th state if not now, by the next Congress.

Nevertheless Burns, an Irishman who describes himself as a former cop (he was once a Honolulu detective) does not mince words.

Of the 500,000 residents of the territory, minority groups of Asian ancestry—Japanese, Koreans, Chinese and Filipinos—compose more than 40 per cent.

As far back as 1900, Burns said, the then governor of Hawaii, San Ford Ballard Dole, declared publicly that statehood was out of the question for Hawaii because it would result in a Japanese governor.

That attitude persisted on the part of the influential economic group in Hawaii until 1945, although it was not publicly expressed, Burns said.

By the end of World War II the exploits of the 442nd Regimental Combat Team, composed of Americans of Japanese ancestry, and the Hawaiian recruited 100th Infantry Batallion which fought valiantly with the 34th, 36th and 92nd divisions, dispelled any doubts of loyalty to the United States.

Since then Burns said opponents of statehood have cited communism in the islands as the great danger.

Democratic senators also have raised objections to Hawaii's noncontiguity with the American continent as another obstacle.

Back of this observers will admit is some prejudice against the Asian minority groups.

Hawaii has long been considered a Republican bailiwick. Burns is the first Democratic delegate from the territory in 22 years.

In rather partisan fashion, Burns credits Republicans with heightening Democratic opposition by pointing out that southern congressmen are afraid that Hawaii Republicans would vote for civil rights legislation if they were admitted to Congress.

The Republicans have said this for so long and so vigorously they have convinced some die-hard southerners of the truth of their contention, he said.

However Burns noted that Alaska statehood obtained eight southern votes in the Senate to 13 opposed. He predicts that Hawaii will marshal more southern support than Alaska did.

Water

By EDWIN P. JORDAN, M.D.
Written for NEA Service

Today's first question deals with a fundamental aspect of life.

Q—Please say something about the importance of water to the human body and how much is needed.—L. C.

A—Human life cannot exist unless the body takes in water. When deprived of water a person dies much more rapidly than when deprived of food. There is some variation in the need for water, depending on outside temperature, exercise and many other factors. But thirst is about as good a guide as to how much water should be taken as anything else.

Recently I read that in an average lifetime of 75 years a person will drink over 20,000 gallons of water. Doing a little arithmetic, I came up with an average of 1½ quarts per day. Probably this is reasonable when one considers the water consumed with soft drinks, coffee, milk and the like, as well as just plain drinking water.

Q—I am [illegible] and my eyesight is good for my age. But for the last eight or 10 years about every four or five weeks I have a bright dazzling light coming over my eyes. Sometimes I also have some pain over my right eye. Would you discuss this.—H. J.

A—It is possible that you have glaucoma or some other eye disease, in spite of the fact that your vision is so good. It would seem wise to consult an eye specialist to make doubly sure that something is not present in your eyes which should be treated.

Q—A short time ago you wrote of a lady who had gone to a long list of doctors for 20 or 25 years without finding what was wrong, and you implied that her difficulty was not of a physical nature. I have had about the same experience for 35 years, but only 12 years ago did a doctor discover I had chronic brucellosis. I think you should be more careful about concluding that people are not sick when they feel that way. — Mrs. J. L.

A—Several other correspondents have taken me to task for the remarks in question. It is true, of course, that there are obscure illnesses which escape diagnosis for a long time, and I agree that every physician should have a high degree of suspicion, even when it seems difficult to find any.

However, it remains true that some people are miserable for emotional reasons rather than because of a definite physical disease.

Q—Does honey taken with hot tea or warm milk have a tendency to cause a person to retain water in his system?—Mrs. E. M.

A—This is a new one to me. I doubt it.

Pogo

They'll Do It Every Time — By Jimmy Hatlo

Commission Asks To Build Bridge

The State Highway Commission has filed an application with the Public Utilities Commission in Salem for permission to build a bridge over the S.P. tracks north of the present Biehn Street bridge.

The commission must approve construction affecting a public utility. It usually holds hearings and takes testimony.

The bridge will be part of the new West Side Bypass on which construction will start later in the month.

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Annulment Postponed

ROME (AP) — A prosecutor's notice of appeal today delayed annulment of the marriage of Ingrid Bergman and Roberto Rossellini.

The presiding judge of Rome's First District Court announced today that the court had annulled the eight-year marriage of the Swedish film star and the Italian movie director.

But Judge Mario Elia said the public prosecutor had announced intention to appeal the decision and that it would not become final until the appeal was heard.

Elia made the announcement after an extended conference with the other two judges who heard the suit, brought by Rossellini.

The Italian movie man in his suit had contended that Miss Bergman's Mexican divorce from Dr. Peter Lindstrom in 1950 was not recognized by Swedish or Italian law and therefore their subsequent Mexican proxy marriage had never existed.

Elia said the court had accepted Rossellini's contentions but that the decision would not be final until after the prosecutor's appeal was heard.

Earlier the court clerk had said the prosecutor wanted to hold up the decision until Dr. Lindstrom could be called to Rome to testify. Lindstrom is now professor of neurosurgery at the University of Utah, Salt Lake City.

The prosecutor in opposing the suit maintained that granting of an annulment would automatically declare Miss Bergman still married to Lindstrom.

AWOL LONG TIME

EDINBURGH, Scotland (UPI)—Army Private Hughie A. Smith was sentenced to nine months in prison Wednesday for being absent without leave for eight of the 10 years he has been in the service.

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