

# Rapid deterioration of job market predicted

WASHINGTON (AP) — The nation's unemployment rate rose slightly in July to 5.7 percent, making a full year in which the jobless rate has been below 6 percent, the government said today.

The Labor Department said the number of persons without jobs — 5,848,000 — was little changed from June but there were signs of possible future deterioration in the job market.

The unemployment rate in June had been 5.6 percent, the lowest in nearly five years.

Since last August, the jobless rate has been slightly below 6 percent.

Unemployment is expected to increase markedly toward the end of this year and into 1980 as the nation slides into an economic recession, according to Carter administration forecasts. As many as 8 million persons may be without jobs by mid-1980, internal White House documents predict.

The reason is the business slowdown that began in the second quarter this year and could continue into early 1980.

Although the unemployment rate increased only slightly in July and total employment rose by 456,000 in a catch-up from considerably slower growth in March and April, there were signs of weakness in the figures.

Jack Bregger, chief of the Labor Department's Division of Employment and Unemployment Analysis, noted that "the male unemployment rate advanced a couple of tenths (of a percent) and there was an increase in the number of persons who lost their last job."

The lost jobs category, which Bregger described as "the most

cyclically sensitive," increased by 174,000 persons to 2.5 million in July.

The unemployment rate for men rose to 4.1 percent in July from 3.9 percent in the previous month. At the same time, the rate for women declined from 5.8 percent to June to 5.5 percent in July.

The rate for women reflected the fact that "the entire July increase in employment took place among adult women, as both white and black women posted strong gains," the Labor Department said.

The rise in the unemployment rate in July was foreshadowed by recent economic developments.

Deterioration in the business sector was visible in the government's recent report on the nation's output, which fell at an annual rate of 3.3 percent from April through June. Meanwhile, factory orders have been sluggish, and production has been down. All have an impact on jobs.

Except for June, the unemployment rate has ranged from 5.7 percent to 5.9 percent since last August. Largely because of new jobs created in that period, less than 6 million people have been unemployed each month.

But the job creation could stop as the economy slows down.

A task force of administration economists says unemployment probably will rise to 8.2 percent next year rather than the 6.9 percent forecast by the administration only three weeks ago. The revised prediction is contained in a new, though not yet publicly an-

nounced, assessment of the economy.

Since there are about 100 million persons in the job force, an 8.2 percent rate would mean more than 8 million people out of work in the year President Carter faces re-election.

One published report indicated that the economists outlined the possibility of a \$25 billion tax cut to stimulate the economy. Most would involve cuts in Social Security taxes starting Jan. 1, but about \$5 billion would be earmarked to encourage corporate investment and, indirectly, job creation.

In economic developments Thursday, the Federal Home Loan Bank Board approved new rules that should make it easier for families to buy cooperative apartments or to improve the homes they own.

Savings and loan associations will be allowed to make loans on up to 95 percent of the value of co-op apartments. The thrift institutions previously were prevented from making such loans because no deed was available to secure the loan. Now they institutions will be able to accept as security the co-op owners' stock shares in the cooperative.

Home improvement loans previously had been limited to \$15,000 for 15 years. Under the new rules, there will be no dollar limit and loans can be issued for up to 20 years.

Bank board decisions also cleared the way for greater involvement by savings and loan associations in state housing corporation activities. And the thrift institutions will be able to invest in tax-exempt mortgage bonds.

# world

## Kennedy sponsors bill to outlaw handguns

WASHINGTON (AP) — Sen. Edward M. Kennedy today introduced gun-control legislation that would outlaw the cheap handguns most often used in crimes and tighten restrictions on the sale of other weapons.

The Massachusetts Democrat, whose brother, Sen. Robert F. Kennedy, was assassinated with a pistol in 1968, is sponsoring the bill at the request of gun-control forces who accused President Carter of reneging on a campaign promise to champion their cause.

The proposal immediately drew praise from gun-control advocates but the wrath of the gun lobby. The Gun Owner of America called it an "outrageous effort to disarm the American people."

The new bill would:

- Ban the manufacture, importing and all trading in "Saturday night specials," cheap, easily concealed handguns. A 1968 law passed after the slayings of Robert Kennedy and civil rights leader Martin Luther King Jr., bans importation of these guns but allows assembly in this country of foreign produced parts.
- Establish a definition of "Saturday night specials" based on how easily such weapons



EDWARD KENNEDY Draws gun lobby's wrath

can be concealed and on their potential for crime rather than sporting use.

- Require police departments to verify the eligibility of handgun purchasers. Federal law already prohibits purchases by criminals, the insane and certain other people and requires buyers to fill out identification forms, but does not require that the information be verified.
- Require that all handgun transfers, whether the original purchase or later sales, take place through licensed dealers. While someone owning a handgun now would be free to keep

it, its disposal would be regulated.

- Prohibit pawnbrokers from dealing in handguns and tighten the licensing requirements for other dealers.

- Require manufacturers to keep track of the distribution of the handguns they make. This is similar to requirements imposed on automobile manufacturers and other industries that must keep records in case recalls are required. The gun records would be intended largely to aid in tracing weapons used in crimes.

- Require immediate reporting of the loss or theft of a handgun and prohibit most weapons from being loaned or rented.

- Provide mandatory imprisonment for anyone who uses or carries a gun in the commission of a federal felony.

Pete Shields, chairman of Handgun Control Inc., the leading anti-gun group, said Kennedy "knows handgun tragedy" and called the bill "a breakthrough in the national campaign to combat handgun crime and violence."

Shields said his group turned to Kennedy when Carter failed to propose an administration bill.

## State provides \$13.4 million for loans to flood victims

INDIANAPOLIS (AP) — The state has deposited \$13.4 million in 44 banks in 10 flood-stricken southern Indiana counties to provide funds for short-term loans to flood victims, says State Treasurer Julian L. Ridlen.

Ridlen said Thursday the money was deposited in each of the banks for six months at a 5 percent interest rate, a move which will permit loans to victims at interest rates of about 7 percent.

The purpose of the action, he said, is to assure the availability of short-term loans while flood victims await longer-term financing, such as low interest Small Business Administration or Farmers Home Administration loans.

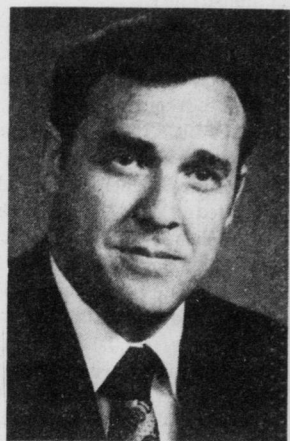
Aside from depositing the money, Ridlen said, the state will not be directly involved in granting the short-term loans.

Flood victims seeking loans, he said, should go to their local bank in the 10 counties and apply there.

John Fuller, director of financial services in the Indiana Department of Commerce, said his staff will work with flood victims to dovetail the short-term loans with longer-range federally backed financing.

Applications for federal disaster loans may be made at any of the three disaster assistance centers established this week in English, Clinton and Princeton.

James Faris, director of the Department of Financial Institutions, said his staff would monitor the program to assure that the banks use the money to aid flood victims.



JULIAN RIDLEN Announces deposits

Ridlen said that it was the first time the state has undertaken such a massive transfer of funds to provide financial aid for disaster victims.

Most of the money, Ridlen said, had been on deposit at other banks throughout the state. It is general fund money, collected through such sources as the state sales tax and the state income tax.

Since the money was not immediately needed to finance state programs, it was available for investment.

The counties in which the money has been sent include Crawford, Dubois, Gibson, Orange, Martin, Perry, Pike, Spencer, Vermillion and Warrick.

Similar action will be taken in other counties if they are also designated disaster areas by President Carter, the treasurer said.

## Chemical spill no hazard

SPRINGFIELD, Ill. (AP) — State environmental officials say there appears to be no danger to health from a toxic chemical which accidentally spilled into the Wabash River then flowed south toward the southern tip of Illinois.

Charles Bell, of the state Environmental Protection Agency, said Thursday that tests of water in the river showed the chemical was present in amounts so small that they are not even officially considered detectable.

He said he expected future tests as the chemical flowed south would find it had dissipated entirely.

Other tests showed the chemical was present in "very low levels" in the water supply of Mt. Carmel in east-central Illinois, but well below the amount considered unsafe, Bell said.

Those tests were conducted on water that had been specially treated by the community with activated carbon in an effort to remove the chemical from the drinking supply, he said.

The chemical, hexachlorocyclopentadiene, is a byproduct from the manufacture of the pesticide chlordane. Officials said it flowed into the Wabash River earlier this week when heavy rains eroded a dike in a waste storage pond operated by Velsicol Chemical Corp., near Marshall.



Adam Schneider, 8, of Richmond, Mich. holds a ball bearing which was removed from his ear two weeks ago. It wasn't until the doctor pulled the rusty pea-sized ball bearing out of Adam's ear that Mrs. Schneider remembered finding Adam and his twin brother, Tony, playing in a box full

of bearings when they were two-years-old. Adam has had hearing problems ever since. That was also the year that Adam stuffed 40 watermelon seeds up his nose. The bearing was found by X-rays after Adam slipped and fell and was taken for an examination. (AP Wirephoto).

## Little Leaguers get day in court

INDIANAPOLIS (AP) — Two youngsters who were barred from playing Little League baseball because they didn't sell enough candy for their team "lost a summer that never can be relived," an attorney for the children says.

Challoner Morse McBride made the comment in court Thursday during a hearing on a suit brought by Charles W. Ponsler of Indianapolis on behalf of his 13-year-old daughter Carole and his 10-year-old son Paul.

Ponsler is seeking \$20,000 in damages from the Edgewood Athletic Association Inc. Little League and its president, David

Conley. The suit alleged that the Ponsler children were not allowed to play baseball because they only sold 38 bars of candy, instead of the 96 required for league membership.

Mrs. McBride, in stating the case for Marion County Superior Court Judge Michael T. Dugan, noted that Ponsler, a driver for the Perry Township Fire Department, had volunteered to do hauling for the league to make up for the \$29 worth of candy that wasn't sold. Athletic association officials said his offer wasn't acceptable.

"But the children were damaged mentally and physically and lost a summer that never

can be relived," Mrs. McBride said. "They just wanted to play baseball, but now we have a case of a \$29 price tag for the abuse of the children."

Ponsler's son Paul told Dugan that he wanted to play baseball but "they (the league) was bullying my dad so I didn't play."

Robert Cole, assistant district administrator for Little League, testified that unsportsmanlike conduct and failure to attend practice are the only grounds for being expelled from the league. He added that the Edgewood association has been placed on notice by the league's office.

## Wabash floods valuable farmland

GRIFFIN, Ind. (AP) — Rains that have set parts of southern Indiana awash pushed the Wabash River beyond its banks and over thousands of acres of prime farmland, dealing storm-weary residents another blow.

Leo Austin, civil defense director in Posey County, estimated Thursday that before the river recedes, area farmers could lose 25,000 acres of corn and soybeans that could have brought as much as \$8 million.

"Those people put up one hell of a fight," Austin said. "It was one of the finest community efforts you'll ever see."

"But the Wabash is just too big."

Hundreds of volunteers came to the area to fill sandbags and man bulldozers in an effort to hold back the raging river.

But officials declared the Wabash the victor Thursday, when

a series of earthen levees yielded to the swollen currents.

Griffin itself, a farming community of about 200 residents, was protected by a newer levee, National Guard Adjutant Gen. Alfred Ahner said.

Flooding of the Wabash was forecast to continue through Monday. The river, which separates Indiana and Illinois, was expected to crest near here late Sunday at 4.5 feet above flood stage.

The situation was better on the Illinois side of the Wabash, where authorities said there had been scattered flooding in low-lying areas, but no evacuations and no flooding of farmland. Mount Carmel, Ill., which is located along the river, has a fairly new levee and farmers had constructed levees of their own as well, officials said.

The flooding was the latest in a series of disasters triggered by heavy rains and violent storms that have drenched the southern part of Indiana for two weeks.

Thursday brought a reprieve for most area residents, but the National Weather Service said the wet weather was expected to return tonight or Saturday.

Weatherman Ralph Hocker attributed the abnormally heavy rains to a steady series of storms that have stagnated along the Wabash and Ohio rivers.

The flooding swept over 10,000 acres containing what some local farmers described as southern Indiana's finest crop in years and came a week after record floods from Ohio River tributaries caused an estimated \$35 million in crop damage.

As a result of last week's

flooding, Gov. Otis R. Bowen said Thursday he was asking President Carter to declare Sullivan, Vigo and Vermillion counties upstream disaster areas. On Tuesday, 10 counties were declared disaster areas.

Bowen's latest request said agricultural losses were estimated at \$7 million in Sullivan County and \$4.8 million in Vermillion.

Discouraged farmers said all they could do was look ahead to next year.

"When it floods in August, you can't replant," said Kenny Rogers, who lost two-thirds of his 968 acres of corn and soybeans to the Wabash.

"All you can do is break up the soil and try to get it ready for next year. But there will be no making up for this — not next year, not ever," he said.

## Town turns out to aid in search

BURLINGTON, Conn. (AP) — Outraged by the abduction-slaying of a 12-year-old bicyclist, more than 1,000 residents of this small town, including children and grandmothers, are braving sweltering heat to search for the missing bicycle and other clues.

Volunteers, whose ranks have been swelling since the search began Wednesday, are trudging over rough, hilly terrain searching for clues in the slaying of Katherine Ebersold. Her partly burned body was found Saturday in a wooded area less than a mile from her home.

Police said she had been bound and stabbed repeatedly

in the chest, neck and abdomen before a flammable liquid was poured over the body and ignited.

"It doesn't matter whose child it is, it's a child," said Gertrude Zurles, a gray-haired grandmother of five. "We're all a family."

She walked, stick in hand, along the shoulder of Vineyard Road looking for some trace of the Ebersold girl's killer.

Temperatures were in the upper 90s in this western Connecticut community of 5,500 as volunteers from tiny children clutching a parent's hand to the elderly fanned out across a 30-square-mile area.

Joseph F. Crowley, public information officer for the state police, said the search would continue today and Saturday. "Maybe more people will be out there. They'll still be looking."

"It's our community, we want to keep it safe," said Hugh Martin. He was holding his 3-year-old daughter, Olivia, on his knee as he rested near the state police command post at dusk Thursday.

The slender, blond-haired Miss Ebersold was last seen riding her yellow 10-speed bicycle away from the Burlington recreation center the night before her body was discovered. A knife police suspect is the

murder weapon was found earlier in the week. Laboratory tests that would confirm it as the murder weapon are not complete.

Authorities, stumped in their search for clues, asked townspeople to assist them. The local volunteer fire department, housed in a 19-century brick building on the edge of the green in the center of town, organized the search.

"The entire town is completely, 100 percent involved in assisting the police," said John McLeod, state trooper. "I've never seen anything like it and most of the investigators haven't."

### Just a connoisseur

## Collector has no use for hobby

EVANSVILLE, Ind. (AP) — Charles English is partial to vintage tractors — although he owns only two acres of land and doesn't farm for a living.

But ever since he saw his first tractor at an auction seven years ago, the Darmstadt resident has become a connoisseur. English, a telephone equipment maintenance man, wants to gain some recognition for his hobby at the Indiana State Fair later this month.

A 1914 Mogul is the machine English hopes will be judged the oldest tractor in Indiana, an honor that carries a \$200 prize.

In the meantime, English has brought a dozen of his 30 cherished tractors to the Scott-Vanderburgh County Fair here.

Among them is his 1918 Altman-Taylor, with seven-foot-high metal wheels that in earlier times plowed the Big Sky

country of Montana.

He also brought the first tractor he acquired, a 1918 Rumley that English refers to as his "killer" tractor.

The machine is so named, he says, because it is supposed to have killed a man when he tried to start it one day long ago. The giant gear that must be turned to start the tractor snapped back and crushed its driver against the iron roof — or so the story goes.

And while this week's rainshowers have some fairgoers worried, English merely looks at the sky and smiles.

Should southern Indiana's wet weather continue through the fair's antique tractor pull, he threatens to enter his secret weapon — the 1950 Arkansas rice tractor with metal spike treads and three-foot-wide wheels.

If the competition is held on wet turf, English insists he'll be tough to beat.

**Banner-Graphic**  
"It Waves For All!"  
(USPS 142-020)

Consolidation of  
The Daily Banner  
Established 1850  
The Herald  
The Daily Graphic  
Established 1883  
Telephone 653-5151

Published twice each day except Sundays  
and Holidays by Lutter Newspapers, Inc. at  
100 North Jackson St., Greencastle, Indiana,  
46135. Entered in the Post Office at Green-  
castle, Indiana, as 2nd class mail matter un-  
der Act of March 7, 1878.

Subscription Rates  
Per Week, by carrier ..... \$8.50  
Per Month, by motor route ..... \$3.70

Mail Subscription Rates

|          | R.R. in Putnam Co. | Rest of Indiana | Rest of U.S.A. |
|----------|--------------------|-----------------|----------------|
| 3 Months | \$17.50            | \$9.50          | \$11.45        |
| 6 Months | \$34.00            | \$19.00         | \$22.90        |
| 1 Year   | \$68.00            | \$37.00         | \$45.75        |

Mail subscriptions payable in advance.  
Not accepted in towns and where motor route  
service is available.

Member of the Associated Press  
The Associated Press is entitled exclusively  
to the use for republication of all the local  
news printed in this newspaper.