

Important Cost Of Living Index Explained; Here Is What It Can Mean To You:

By JAMES MARLOW

WASHINGTON — (AP) — The cost of living index, put together by the government every month, is going to mean a lot to everyone. It already means a great deal to hundreds of thousands of workers. For example:

The big auto makers and the CIO Auto Workers' union have contracts directly tied up with the living cost index.

If the index goes up, the workers get a little higher pay. If it goes down, they get a little less.

But now the living cost index, which has always been an important economic weathervane, will have an effect on everyone.

If people start to scramble around for goods that get scarce during re-arming, thus boosting prices, or if business men unnecessarily raise prices, those price increases will show up in the index.

And if they jump up too much, the government will slap on price and wage controls.

The government's Bureau of Labor Statistics puts the index together. It's done this way:

The bureau has a number of people working for it in cities around the country. They have to do their job over and over every month.

They go into stores checking on prices charged for food, clothing, furniture. They check on the rents people have to pay, and they check on services, such as doctors' fees and electric light bills.

On food prices a check is made in 54 cities. Thirty-four of these cities are checked for food plus all the other things.

These prices are sent into the bureau's Washington office where a staff goes over them.

The prices are averaged out and thus show the average cost of living in large cities. The bureau doesn't claim that the index is a complete measure of living costs. It calls the index the "consumers' price index" and says it measures the prices paid by moderate-income families in large cities.

The averaging out is not quite as simple as it sounds, for the figures aren't simply bounded together and an average struck.

"Weighted" items — and 200 items altogether are checked — have to be figured in deciding average living costs.

For example: People buy more butter than cheese. So butter has more importance in a family's living costs every month.

Therefore, butter is "weighted" in arriving at an average. The price paid for butter is more important than the price paid for cheese and allowance is made for that in assembling the index.

A question comes to mind here: In deciding whether living costs are going up or down, what does the government use as a starting point?

The so-called base period is the average cost of living in the 1935-39 period.

So if living costs are greater now than in 1935-39, they're up. If they are lower than in that period, they're away down.

The 1935-39 period is taken as 100. The last index — for July — showed living costs at 172.5. Which means: Living costs in July were 72½ percent higher than in the 1935-39 base period.

They have risen from 170.2 in June, when the Korean fighting started, to that 172.5 in July, when some panic buying started.

It was this unnecessary buying

Votes For GOP In Washington Are Surprising

SEATTLE — (AP) — Washington state political observers are studying Tuesday's primary election returns for possible November omens while leaders of both major parties voiced optimism over the results. A big question was: What is the significance of the heavy Republican vote?

Scattered overnight additions to the vote counts failed to affect any major state contest.

The major statewide results were:

W. Walter Williams, Seattle businessman, was nominated as the Republican candidate to oppose Senator Warren G. Magnuson in the general election.

Robert C. Finley, with labor support, defeated Justice George B. Simpson in the latter's attempt to win reelection to the state supreme court. The 45-year-old Seattle attorney had a 20,000-vote lead on the basis of 3,694 out of the state's 4,228 precincts. His clear majority in the two-man race assured him of election.

A run-off is in the offing for the other contested supreme court seat. Justice Frederick Hamley, a Governor Langlie appointee to the bench, will be opposed by Superior Judge Hugh Rosellini of Tacoma. Rosellini, a former legislator, showed surprising strength in leading Hamley by more than 23,000 votes in the primary.

by panicky people—together with unnecessary price increases by greedy businessmen—which kicked up the cost of living.

The government puts out its index for any given month about 20 days after the end of that month.

For example: The bureau is now working on the index which will show the cost of living in August, but the index won't be ready until about Sept. 20.

East Germany's Premier Evidently Liked By Reds

BERLIN — (AP) — East Germany's Premier Otto Grotewohl appears to have finally gotten himself in solid with his government's Communist masters.

The Red-controlled press gave Grotewohl announced Thursday his candidacy for reelection and the Red-controlled press gave him a bid a favorable nod. The way the whole affair was handled indicated that he was back in the Party's good graces—especially those of party boss Walter Ulbricht.

The former Socialist has been reported as being in and out of hot water with the Communist bosses for the past several years.

Some western political circles had believed Grotewohl would be shelved after the Oct. 15 elections

in the Soviet zone. Allied political analysts said this view probably can be discarded now. They pointed out that party leader Ulbricht never would have permitted Grotewohl to be an open candidate with press and radio backing if his reelection ever was in doubt.

In recent months, Grotewohl has been even more violent than Ulbricht in his anti-West declarations. He has been leading the propaganda fight for open resistance to the western allies and in nationalistic appeals intended to woo the Germans to the East.

Eastern sources said Grotewohl's activities on this score have allayed any doubts of his loyalty to the Kremlin.

Liquor Office Says Candidate Can See Records

PORTLAND — (AP) — The State Liquor Control commission has told Austin Flegel that because he is a candidate for governor his records are open to his inspection.

Flegel, Democratic candidate, wrote the commission on Sept. 7 saying that he wanted his private auditor, William F. Meyer, to check records of sales and purchases of bulk whiskey, operating costs, enforcement costs, and expenditures for the biennium in comparison with the budget.

The commission's letter in reply said that "as a former attorney of the liquor control commission for several years you can appreciate that good business would not permit the commission to disrupt normal operations. . . ."

"An exception can be justified only by a request from a regularly nominated candidate for governor. . . ."

the commission has approved your request and directed that members of the staff furnish every possible assistance to your auditor."

Housewife's Lot Lot Better Now

PHILADELPHIA — (AP) — The housewife's lot is not a happy one, women doctors said Thursday. The conclusion was voiced at the sixth congress of the Medical Women's International association meeting here this week at the women's medical college of Pennsylvania.

The women doctors presented the results of a questionnaire sent to 13 countries around the world at a forum on the pathology and hygiene of housework. Replies from four continents all reported such troubles as dishpan hands, aching backs, sore feet, that tired feeling and frazzled nerves.

Dr. Helen Stourzh-Anderle of Australia, declared that housework is grossly under-estimated.

"Other members of the household often do not discover that there is a housewife until the day something goes wrong," she said.

Judgment By Default Is Granted By Wimberly

A default judgment in favor of the United Petroleum Corp. has been issued by Circuit Judge Carl E. Wimberly against the Alean Lumber Co. for \$1,667.10. The money allegedly still remains to be paid for goods and merchandise delivered. The plaintiffs were also awarded court costs and attorney's fees.

State Building Activity Less

SAN FRANCISCO — (AP) — Building activity in western states rose to a new seasonal high in August, the daily Pacific Builder, western construction paper, reports.

The seven states reporting showed increases up to 216.2 percent over August of last year and all except Oregon showed increases in August over July of this year. In Oregon, building activity decreased 2.9 percent for the month.

The seven state total for August, the Builder said, was \$186,828,614, which was 68.9 percent more than August, 1949, and 5.2 percent more than the previous month.

Two states, Idaho and Utah, already have exceeded the total building volume of 1949, and the others will do so this month, the paper said.

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