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PROSPERITY IN 1956

Charles V. Stanton

What are the prospects for general national economy in 1956? Will 1956 be comparable with 1955? Will it be better or worse? Will we have a recession? These are a few of the questions asked as we approach the new year.

There are almost as many answers as there are economists. Each expert has a different opinion. The majority opinion, however, seems to be that 1956, at least until after the election in November, will be a year of high-level prosperity.

Business and industry may not take as many risks during an election year. Production may level out, to avoid surpluses. The stock market may become less speculative. But on the whole, according to a majority of economists, 1956 should be a good year. Some of the more optimistic believe prosperity will show increasing gains during the next year. Some contend the next year will be about on a level with 1955, the banner year in national economy. A few are pessimistic and insist we cannot continue at existing levels and that recession is inevitable.

We can recall how a year ago the pessimists were in full cry. Particularly vocal were the politicians endeavoring to use the scare technique for political purposes. We remember the predictions of breadlines in major Oregon cities, and the wails about anticipated unemployment. But those dire prophecies failed to materialize in 1955, which broke all previous economic records.

Politics Big Factor

Probably the controlling factor in 1956 will be the political issue. It is my belief national economy will depend more upon the actions of Congress than upon the election campaign. The fact that 1956 is presidential election year, and that both parties will be jockeying for position, is certain to lead to much uncertainty in the field of economics. But Congress undoubtedly can do much either to strengthen or weaken national economy.

If Congress gives early approval to the President's program for defense spending, endorses a highway construction bill, provides federal aid for schools, and in other ways assures continued spending, business and industry will be encouraged to take risks.

On the other hand, if Congress kicks these projects around for political purposes, as it is likely to do, industry and business may have less confidence. Production may be curtailed as a wait-and-see policy develops. Thus, in my opinion, politics in Congress can well be of more influence on national economy than the campaign between the two parties for control of the administration.

The past year has established a new prosperity record, despite the pessimistic wallings of some politicians and economic forecasters a year ago. Brakes were put on the inflationary rise. Living costs were held in line. Employment was at high point. We had a year of peace.

If the coming year can only stay even with 1955, it will truly be a happy new year.

WATER STUDIES PAY OFF

Douglas County taxpayers have some \$20,000 invested in a continuing water study. It is one of the best investments ever made in this county. It was repaid many times during the period of the past two weeks.

Because water gauging stations had been strategically installed throughout the Umpqua River basin as a means of gathering information on stream flow, the U.S. Weather Bureau was able for the first time to give accurate river forecasts.

And the weather bureau did a swell job. It predicted the water levels within inches and the crests within minutes.

Because of this accurate reporting, made possible by upstream information, many people were able to remove household goods, merchandise, machinery, etc., ahead of the flooding waters. Others were spared the necessity of moving when they learned they would not be forced out of their homes or business houses.

Hal Boyle

NEW YORK (AP)—Everybody likes an advance peek at what lies ahead.

This curiosity is a human trait, as human as having mothers-in-law or the nosebleed.

Each year the editors of the *Oddity Almanac* try to satisfy this curiosity by taking a look in their fuzzy office crystal ball and making a few pertinent forecasts for the year coming up.

Here are their picks for '56:

Politics—A drive will be launched to get both the Republican and Democratic parties to back a bipartisan presidential election ticket—but cooler heads will prevail. Both major party platforms will denounce racism and endorse nonviolence, but each will remain silent on the crying question of the hour: "shall the dandelion be made America's national flower?" It's too hot an issue for a campaign year.

Business—As usual, only more so. The nation will hit a 400 billion dollar income, and 10 of 10 Americans will ask, "wonder who got my share?"

Sex—it will go on as usual, too. No really significant developments in this important field appear on the horizon, although no slump in its present widespread popularity is expected.

International Affairs—A calm year. The cold war between Elba Maxwell and the Duchess of Windsor will continue, but no open violence will flare. Babs Hutton will abstain from either divorce or marriage.

Automation—A new push button slot machine will make its appearance in Las Vegas, so patrons can lose their cash without wearing out their arms pulling those levers.

Industry—Motor car sales, after a brief lag, will sport tremendous

ly after all firms announce they will give a year's free parking space with the purchase of each new automobile. Color television will become so common you no longer will have to run to the back porch to watch a beautiful sunset; you can gallop over to your wealthy neighbor's house and see it on his TV screen.

A washing machine will be developed into which you can dump your dirty children as well as your soiled laundry. An oil well will discover a Texan.

Sports—Britain will finally uncover a promising heavyweight boxer with a plastic instead of a glass jaw (but Rocky Marciano will break it in 1956 anyhow).

New York Yankees will lose the American League race and go on a vegetable diet. An attempt will be made to include girl watching as an Olympic sport.

Men's Fashions—Charcoal white shirts will win favor among white collar workers who complain they can't afford laundry coats in their present white shirt shirts.

Health—A man will be afraid to

Nothing Like Having One's Own Transportation



In The Day's News

(Continued From Page One)

course, that must be taken into consideration.

In holiday periods, there are more cars on the road. The more cars on the road, the greater the hazard.

It is a gruesome fact that each year more people die in traffic crashes on our highways than did the year before. But again we must take CONDITIONS into our thinking. Each year we have more miles of road. Each year there are more cars on the roads. The more cars, the greater the risk.

But still—This moral seems to be plain: The habits of caution that are necessary to cope with the growing congestion on our highways have not yet been developed. Our minds haven't become conditioned to the new dangers that face us.

That leads to this conclusion: On our modern highways, congested with fast-moving traffic, eternal vigilance is the price of safety.

It isn't a new situation. Our pioneer forefathers faced it. Back in the early days on the frontier the Indians were an ever-present menace, calling for rigid techniques of caution.

Those who learned these techniques stayed alive and kept their hair. Those who didn't learn lost their lives or their hair—or both.

The situation is getting just that grim on our highways.

The tragedy of our highways, of course, is that the reckless driver who refuses to use the necessary degree of caution and skill in his driving endangers the GOOD drivers, as well as himself and his passengers.

But—The sentry who went to sleep at his post in time of uprising on the frontier endangered the lives of everyone in the village. Vigilance on the part of the driver, was the price of reasonable safety for all.

What of the long future? Well, there is HOPE.

On my way to work, I pass a school. I'm continually impressed by the way more tots pause at intersections and look both ways before starting across. The exceptions to this rule of caution are few indeed on the part of these little ones. They have been well taught at home and at school.

It is to say—Their minds are being conditioned adequately to the hazards of modern life. When they grow up and begin to drive cars, I think they may drive more carefully.

admit he has a corn or humor for fear people will think it is a sign he is too poor to buy a car and has to walk to work. Women will go on living longer than men, and men will go on wondering why.

Three eminent doctors will say the best way to stay healthy is to avoid emotional tension, and three other equally eminent doctors will say the best way to stay healthy is to follow your top whenever you feel like it.

The Animal World—Some rich ally eat will the dead and leave it to a poor old lady who once poured it a dish of cream in its friend's mouth. A new dog whistle will be invented which coaches cats put in their tails and how to urinate the male r. It is time for him to leave the bar and walk them back home.

Labor—As little of this as possible. New labor-saving devices will give most workers more free company time in which to ask the boss for shorter hours and more pay.

Weather—Freddie gusts early in the year from Washington, D.C., followed by storm clouds over Chicago and San Francisco in the summer. Waves of hurricane force, accompanied by much thunder, will sweep all parts of the nation in September and October. After a spectacular lightning display early in November, the rest of the year will be fair and clear.

Interior Dept. To Be Asked To Enter Dispute On Cost Estimates For Three Dams

WASHINGTON (AP)—The Interior Department will be asked to enter a dispute over cost estimates for three proposed private power dams in the Hells Canyon stretch of the Snake River.

Sen. Murray (D-Mont) plans to ask officials of the department to comment on speculation by its engineers that the Idaho Power Co.'s three dams might cost much more than the company's 133-million-dollar estimate.

Murray is chairman of the Senate Interior Committee, which has pending a bill to authorize the federal Hells Canyon Dam, in the same area of the river between Idaho and Oregon.

The three smaller projects, licensed by the Federal Power Commission, would flood the proposed federal dam site. Their licensing has been appealed to the U.S. Circuit Court by advocates of the federal proposal.

Engineers of the department's Reclamation Bureau recently said the three proposed dams might cost double the 133 million estimated by Idaho Power and Morrison-Knudsen Co., which has contracted to construct them.

Their views were requested by Rep. A. L. Miller (R-Id.) They were lambasted by R. P. Parry, Idaho Power lawyer, who said they revealed such "appalling ignorance... as to affront intelligence."

The memorandum from the engineers was sent to Miller by Undersecretary Clarence A. Davis, who said they "reflect the views of individual employees and do not represent an official expression of the Department of the Interior."

Murray plans to write Secretary McKay and Reclamation Commissioner Wilbur A. Drexler, asking for official comment on views of the federal engineers and Parry's reply.

The Senate Interior Committee also will print the material for its members, as has been done by the House Interior Committee, which also has Hells Canyon bills pending.

SIGN TRADE PACT

TOKYO (AP)—Red China and the Soviet Union signed a 1956 trade pact in Moscow Tuesday, Prepping Radio said Wednesday night. Monetary value was not announced.

Peter Edson

WASHINGTON (NEA)—The ladies in politics—bless 'em!—are always adding a new touch to make this social profession respectable. The politics are sordid—that is not women.

The National Federation of Republican Women for instance, is now promoting a "Quiet Evening at Home" campaign to raise funds for the GOP. It was started by Ruth Parks of Pueblo, a sister of Colorado's Sen. Gordon Allott.

Under the Parks plan, women party workers go around selling tickets for this "Quiet Evening at Home."

IF BUYING A TICKET To stay home doesn't at first make sense to you, it's just that you don't catch on quickly.

The spiel is that whenever people stay home, they save money. Only instead of saving the money, the folks are urged to give it to the GOP.

People who save as much as \$10 by not going out and then give it all to the Republican treasury get special tickets showing that they're "Relaxed Patrons." Isn't that cute?

The Republican ladies also have a "Back to School" movement, and an "Operation Coffee Cup."

They're trick names for 4000 Republican women who are urged to buy Mrs. A. H. Herndon of Washington is trying to organize throughout the country. The object is: "To train women to be top flight sales ladies for the GOP."

Not to be outwitted by the Republicans, the Democratic women have also thought up a couple of nifties.

One is the "Read and Sew for Club." A letter from Katie Lounsbury, director of women's activities for the Democratic National Committee, says she'll be glad to send anyone full instructions on how to start such a club.

A SAMPLE PRESS RELEASE to feed to the local papers is thrown

in for free. And for good measure there's also a pattern for cutting out and sewing up toy donkeys.

The idea, says Mrs. Lounsbury, is to bring together people who like to sew and make crafts. While they are sewing, a leader will read something articles to them from the "Democratic Digest."

The donkeys are supposed to be sold. The money, of course, goes to the Democratic treasury. Neat, isn't it?

The Democratic Ladies are also sponsoring "Teas for TV." (The difference between a Republican woman and a Democratic woman is that Republicans favor "Operation Coffee Cup," the Democrats, "Teas for TV.")

Anyway, there's a theme song for singing at the T.V. words and music on request to Dem. Hy. 1000 Conn. Ave. N. W., Washington, D.C. Title: "There's Nothing Like a Democratic Dame."

Most intriguing of all the Democratic women's activities, however, are the scripts for one-act plays to be put on before "Read and Sew or T.V." clubs.

THERE'S ONE CALLED "How to Ring a Doorbell." It shows Democratic women workers how to canvass a block for votes. It has a companion act, "How to Answer a Doorbell."

The Pulitzer prizewinner for all this political folk drama, however, is one called "Fashions for Fifty Six." It takes a cast of six, with a Narrator to explain the action.

The climax comes when the Narrator, over at one side of the platform, says "Our latest Model Democrat is THE Model Democrat—she sees herself—A CRUCIAL."

It's this will stay you? It's Joan of Arc who strides forward from the wings in shining armor. The stage directions say she has a "Sword raised, eyes lifted to heaven."

Curtain. QUICK!

Aly's Visits With Yasmin Costly, Agreement Reveals

LOS ANGELES (AP)—It will cost Moslem Prince Aly Khan \$100,000 each time his daughter Yasmin, 21, leaves the United States to visit him.

His agreement with ex-wife Rita Hayworth, disclosed Tuesday also says the Aga Khan, father of Aly and spiritual leader of five million Moslems, must give written assurance that Yasmin will be returned to her actress mother.

Terms of the agreement became court record yesterday during hearings on Rita's \$150,000 damage suit against Columbia Pictures. She charges the studio failed to start filming a biblical movie on last March 8 which, she says, was the prescribed date.

The studio is counter-suing her for breach of contract, saying she walked out on the picture in April.

Prince Aly her third husband, and Yasmin entered the legal picture because Miss Hayworth, in weeping testimony, said the studio had promised to try with "utmost diligence" to have her scenes in "Joseph and his Brethren" completed by June 25 so she would be free to take Yasmin to France to visit Aly.

The \$100,000 payments are to be paid with a New York bank. The agreement provides that the money can be used to pay any expenses needed to regain the child of her father does not return her. If the money is not used for that purpose, it remains in trust for Yasmin until she is 25.

U. S. Maps Plan To Train West German Army

BONN, Germany (AP)—The United States armed forces have mapped out a big program of training assistance for the fledgling West German army, an official announcement said Wednesday.

The program will be directed by a military assistance advisory group (MAAG) attached to the U.S. embassy here. Headed by Maj. Gen. Joseph S. Bradley, the group came into official existence Wednesday after deposit in Washington of the Bonn government's ratification of the West German-United States mutual defense assistance pact.

This act cleared the way for delivery of perhaps a billion dollars worth of modern American weapons and equipment. Much of it now is stored in an arsenal on the west bank of the Rhine.

Delivery of smaller items is to begin in less than four weeks. Heavy weapons are to be handed over in April, when the first full-scale West German divisions are formed.

Pacific Power Plans Announced For Lewis River

PORTLAND (AP)—Pacific Power and Light Co. Tuesday announced plans for a \$38,700,000 Lewis River dam which would produce 300,000 kilowatts of power.

The project, to be known as Sunset Dam, would be located in Washington State about 45 miles north of here. It would be 13 1/2 miles upstream from PP&L's Yale Dam.

President Paul B. McKee said an application for construction of the 2,000-foot long arch and rock dam would be filed with the Federal Power Commission next week. The dam would be 510 feet high and 2,100 feet thick at the base.

Besides the Yale Dam, PP&L also has the Merwin Dam on the Lewis River and has applied for a construction permit for a 7,600-horsepower system on the stream's upper tributaries.

The Swift project would give PP&L a maximum capacity of 53,000 kilowatts of power on the Lewis River, McKee said.

Having President In Florida May Cost Added \$2.75

WASHINGTON (AP)—It may cost the taxpayers an extra \$2.75 to have President Eisenhower in Key West, Fla., when Congress reconvenes next Tuesday.

That's the charge for a telephone call to Key West, including federal tax, for a congressional committee to notify Eisenhower that Congress is in session and ready to receive any recommendations he may have.

By tradition, a Senate House committee notifies the President when Congress formally convenes each year. The notification usually is by telephone call from the Capitol to the White House.

Next Tuesday, the official notification committee will have its choice of phoning the President at Key West or calling his executive office here. The President may arrange for his office to notify Congress officially that he will send his State of the Union Message to Congress a week from Thursday.

Normally, the timing of that message is all he tells the notification committee.

Army Engineers Agree To Reconsider Site

WASHINGTON (AP)—Army Engineers have agreed to reconsider the selection of a site for a proposed reserve army at Milwaukee, Ore. Rep. Norblad (R-Ore.) said here.

The decision results from protests by city officials, Norblad and other members of the Oregon congressional delegation. The 8th Army had recommended the army be located on the old Kellogg Park housing site.

The protests were based on the desirability of the Kellogg Park location for industrial sites which would return tax revenues to the city.

1955 Housing Boom Headed For Record High Before Restrictions Were Imposed

By ED MORSE

NEW YORK (AP)—The housing boom of 1955 was headed for a record before tightening of credit—both official and unofficial—cut it down to size.

As it was, 1955 gave the nation its seventh straight year of more than a million new homes. The year's estimated 1,500,000 non-farm housing starts made the biggest total since the record 1,396,000 of 1950.

It was well ahead of the 1,213,000 home starts of 1954, for example, and is expected to cut housing starts to 1,200,000.

Washington observers, however, predict that the government plans to relax some of the credit curbs, including the tougher requirements ordered last July for FHA and VA home purchases.

Liberalizing the terms of government insured mortgages, however, is a permissive thing, not mandatory upon lenders. Funds for such loans became relatively scarce this year. How abundant they are in 1956 depends on interest rates in general and the government's overall money and credit policies.

The 1955 housing year took off from the springboard of the surprising construction boom of 1954.

Prophets foretold a record year for starts of new homes. There were others who warned of an impending shortage of mortgage money. The latter were right.

Not until July 31 did the FHA and VA order a tightening of terms, each agency cutting the maximum length of mortgages from 30 to 25 years and raising down payment

requirements by two per cent. The home-building rate, however, had begun to slow down as early as May. Starting in January, the government began to put into effect a whole series of credit-tightening measures on the economy in general. Interest rates were rising all along the line.

Expanding business demanded credit, competing with demand for mortgage credit. The shortage of mortgage money became acute in some areas. Some communities were reported overbuilt.

Economists, however, predict a continued housing boom. The times are prosperous. People want, and can pay for, better homes. The population is rising and mobile. The size both of home-owning families and the homes they buy are increasing. These are long-term trends.

The median income of buyers of new homes under FHA rose from \$3,880 in 1949 to \$5,159 in 1954, the latest year for which figures are available. The median property value of their homes rose from \$3,880 in 1949 to \$5,159 in 1954, the latest year for which figures are available. The median property value of their homes rose from \$3,880 to \$5,159 in this period. A moderate increase in home prices is expected next year.

The Commerce and Labor Departments estimate new construction expenditures for 1955 at a record 42 billion dollars compared with \$37,557,000,000 in 1954. A new peak of 44 billion, or five per cent better than this year, is predicted for 1956.

National Output May Top \$400 Billion, Indicating Another Prosperity Peak

By STERLING F. GREEN

WASHINGTON (AP)—The momentum of an unprecedented boom in production, pay and profits indicates that the new year may see national output topping 400 billion dollars annually—another peak of prosperity.

Administration aides who make this forecast find today's dizzy economic heights disturbing as well as exhilarating. They have ridden out a recession, redeemed a pledge of good times, but—

Suddenly unobtainable consumer demand, fed by record-breaking use of credit, is crowding industry close to the limits of plant capacity. Prices have risen a bit, inflation is an admitted hazard.

Therefore, the expected 1956 tax reduction, half-promised by President Eisenhower a year ago, may be omitted from his recommendations at the opening of the new session of Congress.

One top-ranking White House adviser predicts privately that Eisenhower will delay special tax-relief proposals for a few months, until it becomes clear whether such an addition to consumer buying power would aggravate a going inflation.

But Congress must be reckoned with. Both political parties will be eager to please the voters in an election year. So it seems certain that income tax cuts—perhaps delayed to July 1—will be another drop under prosperity in 1956.

By no means, however, do government economists consider inflation inevitable. They expect prices to inch up, perhaps, while the rising production curve flattens somewhat in the months ahead.

Physically all other administration officials and economists agree that 1954 short average out at a level of prosperity unmatched in history. Some believe the boom has almost reached its height; they look for a decline in the spring and a leveling-out in the second half. Others foresee gradually rising activity until about mid-year, then a tapering-off.

Some officials contend that political developments may influence the economy through their effect on business confidence.

Though business hesitated only briefly after President Eisenhower's Sept. 24 administration officials concluded that confidence in the Eisenhower government has contributed much to the current prosperity—and that a political reverse for the Republicans might alter the economic outlook.

Committee Plans To Probe Cuba Nickel Plant Works

WASHINGTON (AP)—A House Committee said Tuesday night it intends to explore next month financial and legal details of a big government nickel plant expansion in Cuba. The General Services Administration (GSA), handling the project, said "we have nothing to hide."

Rep. Jack Brooks (D-Tex.) said in a statement that "we are interested in checking more closely the connection between" GSA Administrator Edmund F. Mansure, 61, and Louis Wolfson and William Balmer, whom Brooks described as a "longtime political friend" of Mansure.

Brooks said a special government activities subcommittee which he heads will inquire into that matter at hearings next month. "Along with some other very important questions pertaining to the legal status of the entire operation."

The 100-million dollar plant at Nicaro, Cuba, was built by the government during World War II. Shut down in 1947, it was ordered reactivated in 1951 and is now being expanded at a cost which Brooks put at 45 million dollars.

A GSA public relations officer said the entire project has been "thoroughly investigated" by two other congressional committees. He said the record of those hearings offers "rather massive documentation on how the GSA has brought the Nicaro nickel plant, one of the largest of its kind in the world, to record-breaking production."

The GSA spokesman called the Nicaro plant a vital source of nickel for the national defense stockpile and for industry, and said it is turning out nickel at less than the world market price.

He described the expansion project as one designed to lift capacity to about 20 million pounds a year, compared with a recent production rate of 31 million pounds.

BACK TO NORMAL

AMMAN, Jordan (AP)—Foreign Minister Samir Rifai told reporters Wednesday the situation in Jordan is now back to normal and "we mean to keep it that way."

He emphasized that the main function of Jordan's caretaker government was to carry out general elections and to insure public security following last week's disorders by elements opposing Jordan's joining the Pro-Western Baghdad Pact.

Connecticut floods, on Aug. 19 and Oct. 15 took a total of 94 lives, did more than \$25,000,000 damage and paralyzed a large segment of Connecticut's economy.