

The News-Review

CHARLES V. STANTON, Editor and Manager

ADDY WRIGHT, Asst. Bus. Mgr.
GEORGE CASTILLO, Asst. Editor

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A YEAR FOR TESTING

By Charles V. Stanton

The nation's economists, busy with business forecasts for the new year, run into one factor concerning which there is much disagreement.

Nearly all foresee widespread labor unrest, particularly during the first half of the year. General wage increases are anticipated. This will add to inflation. Opinions differ as to the effect on economic conditions generally.

Union representatives advance the theory that higher wages lead to better purchasing power. Increased purchasing power, they say, boosts volume of production. More production means more jobs which, at higher wages, keep the level of prosperity high.

Employer organizations contend that labor is pricing itself beyond profitable limits. Labor is a commodity. Whenever any commodity becomes too high priced, people stop buying. So, when wages get too high, management must cut back production volume. When such condition exists, people who have jobs may make more money, but there will be an increase in the number of unemployed.

Labor's answer is to shorten the work week, thus creating more jobs per unit of production.

Profit Squeeze Seen

The constant pressure from wage demands on one hand and consumer rejection of higher prices on the other has been squeezing profits for several years. Each time prices go up the number of people who can afford to buy declines. For example, whenever the price of a new automobile goes up \$50, thousands of people feel they can't afford a new car, so manufacturers have to cut back the volume of production.

The same theory applies to all processed and manufactured goods.

Labor claims that management can afford to absorb increased wage costs without raising prices. Management, however, charges that the profit squeeze has reached the point that investment money no longer is obtainable.

All industry and business, aside from that supported by the public payroll, requires investment capital. Either an individual or a group of individuals must provide capital to buy the machines or the merchandise used by industry or business.

The country's big business is in the hands of corporations, some of them giant corporations, which depend upon sale of stock to the general public to raise the money necessary to expand operations. If people are to buy stocks, they must have assurance that the stocks will pay a reasonable return on investment.

Usually we read of corporations profits in terms of millions of dollars, and these huge sums are listed as evidence that higher wages can be paid out of profits. But profits can be measured only by the returns paid investors, for if the earnings are insufficient capital is not forthcoming.

Investment Money Short

One of the greatest complaints of big business today is the difficulty of selling stock. The rate of earnings, it is said, is too low to interest persons with money to invest.

Because private capital is not forthcoming, more and more dependence is being placed on federal loans for housing, farm subsidies, aid to small business, mortgage refinancing, etc. All of these financing operations still could be handled with private capital, as they once were, if returns to investors were adequate, economists point out.

Economists also point to the millions of dollars invested in government bonds (federal, state and municipal) in support of theories that the tightening profit squeeze is driving capital out of investment in private industry.

Still another factor pointed out by economists is that while higher wage levels will increase spending power of that segment of labor now employed in production, further inflation of prices will reduce the ability of persons on fixed income to buy units of production. People living on pensions or savings find their purchasing ability shrinking with each point rise in commodity prices. Although their spending remains constant in dollars, there is a reduction in units purchased. Unit purchases create jobs.

Thus we have widely divergent opinions as to ways and means of improving national economy. This year doubtless will see these opinions and theories given critical testing.

—Bruce Blossat—

American parents won't particularly like that Vice President Nixon has tossed a lot of the blame on them for this country's lag in education.

Of course, Nixon isn't the first to place the responsibility in that quarter, and he probably won't be the last.

Quite a few seasoned observers of American life believe that we, both as parents and as citizens, live by a kind of double standard. In our private existence we want the best, especially in a material way. Powerful, flashy automobiles, 21 or 27-inch television sets, dishwashers, deep freezers, well-appointed modern homes, plenty of everything for the kids, exciting vacation trips, and so on.

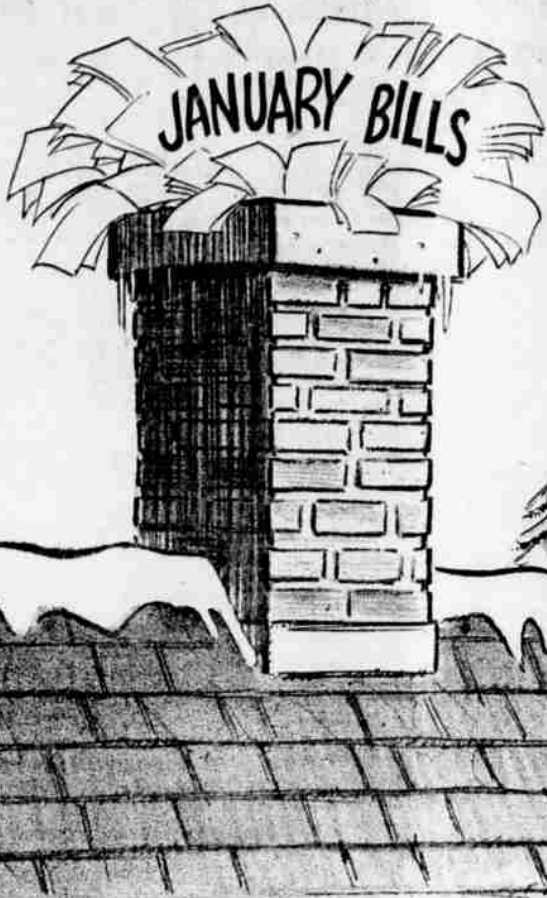
IN OUR PUBLIC AFFAIRS, it is a different story. A different argument runs through the land on the issue of federal aid to education. Yet this much should be plain. The question would hardly have arisen at all if everywhere there were enough schools, well equipped and featuring well-trained teachers.

How many Americans in the last decade or more have driven to their polling places in new cars, there to cast decisive ballots against bond issues for new schools?

How many have voted "no" on such an issue and gone on a shopping tour to pick up a shiny new stove or refrigerator?

HOSPITALS AND welfare insti-

The Other End of the Holiday Horn of Plenty



—Hal Boyle—

NEW YORK — Has the long national post war joyride come to an end?

That thought perhaps is uppermost today in the minds of millions of Americans who will pause in their holiday cheer and try to weigh the old year gone and the new year dawning.

To the average American, of course, it hasn't seemed exactly a 12-year ride on a merry-go-round. It just has looked that way to the rest of the world which, less fortunate, tends to think of all Americans as people with pockets of 24-carat gold.

The ordinary American does realize that since the end of the Second World War he has probably enjoyed the widest and deepest-reaching prosperity of any great nation in history.

But that fact doesn't seem as dramatic to him as it does to the envious citizens of less blessed lands.

What has the national prosperity meant to him? He has been aware of it in small ways.

Had Less Worry

He has had to worry less about losing his job. His pay has been going up fairly steadily. He has been able to start buying a more expensive house than he was raised in himself. He has been able to buy an extra suit now and then, make down payments on gadgets such as washing machines to please his wife, and to take the family to nicer vacations.

But money has remained a problem to the average man, as it always has and always will. His pockets may jingle with silver, but they don't clink with gold. Lately he has noticed prices have gone higher, and that worries him. He is also worried perhaps because a neighbor down the street lost his job and hasn't been able to find a new one.

Will the erosion of inflation cut deeper into his savings in 1958? Will his job be safe? The depth of his uneasiness probably depends upon whether he is middle-aged and remembers hard times, or whether he is young and doesn't.

Cheered By Economists

But he is cheered by the prediction of many economists that the American economy will make an upturn by midyear.

What about the possibility of a real peace? The endless international crises that have arisen in the last dozen years, each hailed as more threatening than the last, have finally come to numb the average American. He no longer

feels panicky about them—just puzzled and watchful. How can he feel otherwise, when each new sun seems to bring a fresh crisis?

His most typical reaction to the international situation is probably this:

"This thing may not be bigger than all of us put together—but it sure is bigger than me."

The thing that upset him most, certainly, was the fact that Russia threw two new Sputniks into the sky while his own merely fizzled on the ground—and the world laughed.

Annoyed By Laughter

That annoyed him, particularly the world laughter, but it had a good effect on him. It helped destroy a myth of his own making—that American ingenuity inevitably comes up first with the best. It woke him up to the peril of those who low-rate a potential enemy and take their own superiority for granted.

Entering 1958, the average American had no reason to feel smug—but even less reason to feel downhearted.

And he had many reasons to feel grateful. He still enjoyed the highest standard of living on the globe (even though he might have to tighten his belt a bit). He had a job, a family at peace, and he was fully awake at last to the need of doing more to preserve the national security.

He could look north, east, south and west—this average American—and see no stranger in a strange land luckier, freer, or better off than himself.

Nuclear Reactor Slated At WSC

PULLMAN — A big nuclear reactor will be built on the Washington State College campus with the help of a \$300,000 grant from the National Science Foundation.

Dr. C. Clement French, WSC president, said Monday.

Dr. French said Foundation Director Alan G. Waterman, Washington, D.C., notified him of the grant and that the first \$100,000 would be received within two weeks. Another \$100,000 will be paid next September and the remainder in May, 1959.

The nuclear reactor building now under construction will house the reactor, described by college scientists as "an atomic machine that will produce various types of radiation for research use."

Several weeks ago, the Atomic Energy Commission granted WSC \$180,000 for construction of laboratories and a smaller "teaching reactor."

Only four other colleges and universities in the United States have research reactors comparable in size to the one to be constructed here, college officials said. The other schools are Massachusetts Institute of Technology, University of Michigan, Pennsylvania State University and North Carolina State University.

State Supported Schools Got \$3 Million Grants

PORTLAND — Oregon's state-supported colleges received \$2,925,651 in grants and gifts in the last six months of 1957, the state Board of Higher Education said Tuesday.

The board said the funds exceeded by \$100,000 the grants and gifts received by the eight colleges in the entire previous year.

Most of the money is scheduled for research programs, with \$1,288,495 going to Oregon State and \$1,637,156 to the University of Oregon Medical School.

The University of Oregon received \$497,278 from the College of Education \$7,123 and Western Oregon College \$5,051.

Higher Defense Budget Probable; Hearing Scheduled

WASHINGTON — A House appropriations subcommittee will start hearings Jan. 6 on a Defense Department request for emergency funds for missiles and other special defense purposes.

Chairman Mahon (D-Tex.), indicating he approves the move, said in an interview he expects the department to ask for \$1,200,000,000 to supplement funds already provided for the present fiscal year.

Secretary of defense McElroy had announced earlier he planned to ask a billion dollars in supplemental funds.

"From what I know of the details, it makes sense to me," Mahon said. "The missile program must be expedited. I think they are ready to go into procurement of the missiles, to speed up monthly procurement."

Asked what he thought of a defense budget of about 40 billion dollars for next year, Mahon said, "It sounds like a conservative program."

A somewhat similar reaction came earlier from Sen. Hayden (D-Ariz.), chairman of the full Senate Appropriations Committee, but Sen. Chavez (D-N.M.), who heads the Defense Appropriations subcommittee, has predicted "some rough going" in Congress for a program of that size.

No official figure has been given, but there have been indications that the current year's defense spending, originally estimated at \$28 billion and since increased to \$34 billion, will be topped by one to two billions in next year's budget.

U. S. And Russia Agree On Some Exchange Phases

NEW YORK — The New York Times said today the United States and Russia have agreed "in principle" on exchange of information in many areas of science, industry and the arts.

The Times said in a Washington dispatch that the general agreement, with details not yet spelled out, has been reached as a result of Washington conferences held since October between William S. B. Lacy, U. S. State Department official in charge of East-West cultural exchange, and Soviet Ambassador Georgi N. Zarouhin.

The newspaper said: Agreements so far cover scientific exchanges in a broad field and exchange of industrial specialists in such fields as metallurgy, mining, chemicals, and electric power.

The conferees also have approved visits between the two countries of experts on construction and agriculture and leaders of various fields in the arts, education and athletics.

Letter Contains \$800 Cash But No Message

YPSILANTI, Mich. — Police Chief Emil Sustek said Monday his weekend mail included an envelope with \$800 in cash but no letter.

Enclosed with the money, he said, was a Ypsilanti press clipping about a burglary of the Ypsilanti home of Edward Miller on Dec. 22. Eight hundred dollars was taken from the Miller home.

The newspaper story mentioned the home was burglarized while Miller was en route to a hospital with his wife, who was to undergo an operation.

HIGHWAYS ICY

SALEM — Ice spots were reported on most Oregon highways Tuesday as temperature fell below the freezing mark, the Highway Commission said.

Chains should be carried at Government Camp, the only point where snowplows were operating.

Roads were icy in all mountain areas, also, at many other places.

Thinking It Over

By Robert L. Dieffenbacher, D.D.

(Written for NEA Service)

Lewd and immoral publications as well as crime-centered magazines appear to be expanding their markets. These degrading magazines would not be distributed if the public did not accept them. They would not be read if there were not an interest in a degree of depravity.

In contrast to this lowering of standards millions of people are turning to God in evangelistic campaigns and in rapidly increasing church attendance. This encouraging trend gives hope for humanity, but the trend is not great enough.

The people turning to God and those turning to Satan must be coming from the lethargic, indifferent middle group of Americans. It appears that a great vacuum is being developed between the contrasts of good and evil. A vacuum tends to be filled.

Every man and woman of faith must work to bring his fellow men up from the bottom and to erase degradation. We must witness daily for the higher way of God so that those who have turned to God may not become indifferent again.

ICC To Attempt To Stop Delayed Lumber Shipment

WASHINGTON — The Interstate Commerce Commission Tuesday said it has gone to the courts in an attempt to stop what it said are delayed lumber shipment practices of two railroads.

The ICC said it filed in Des Moines, Iowa, and St. Paul, Minn., complaints seeking injunctions against the Union Pacific and Northern Pacific railroads.

In the complaints, the ICC asked that the railroads be prevented from "intentionally delaying the movement of carload shipments of lumber on their lines while the lumber shipper or broker seeks a market for the shipment and then directs its diversion to the market location."

A number of railroads in the nation follow this procedure, said ICC chairman Owen Clarke.

Clarke said that "many of these delays exceed 20 days. Such delays result in the carriers assuming the storage costs of the lumber dealer."

In addition, he said, such a delay "creates costly operating problems, avoids the proper payment of demurrage and contributes to the creation of car shortages during peak shipping periods."

51 Persons Rescued After Plane Crashes

BUENOS AIRES — A four-engine Sunderland seaplane crashed while landing in Buenos Aires harbor Tuesday but a swift air-sea rescue saved all 51 persons aboard.

The British-made liner was carrying 44 passengers and a crew of seven on a regular flight from Buenos Aires to Asuncion, the capital of Paraguay.

The captain, a Miguel Alberio, said he was about 15 minutes out of Buenos Aires when he was hit by stormy weather and turned back.

Passengers said the plane bounced three times when it hit the water and that a pontoon apparently broke off.

The plane stayed afloat about 20 minutes.

IN THE DAY'S NEWS

By FRANK JENKINS

(Continued from Page 1)

up sitting pretty on a lump of butter.

This is the moral: If the frog had waited for somebody else to come and get it out of trouble, it would have drowned. By doing everything it could to HELP ITSELF, it came out OK.

We are entitled, of course, to some federal help.

In Klamath County, about 67 per cent of the total area is owned by the federal government. More

or less the same situation prevails in all the counties of the Klamath Basin. To a greater or less extent, it prevails throughout all of Southern Oregon and Far Northern California.

Since the time whereof the memory of man runneth not to the contrary thereof the landlord has been under obligation to take care of his own property, to defend it against damage by nature and the elements and to save his tenants whole from such damage.

If we could tax ALL of our own area, we could take care of our own account of our mouse and other abnormal damages. Unfortunately, we can't tax all our own area. Uncle Sam owns a big chunk of it, and he objects to paying local taxes.

But—We've always been a self-reliant tribe here in what we laughingly call the State of Jefferson. We've believed in looking out for ourselves.

Let's stay that way. Let's take care of our own problems TO THE FULL EXTENT OF OUR ABILITY before calling on somebody else for help.

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