

The News-Review

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CONFLICT OF LAWS

By Charles V. Stanton

Much of our present day thinking on the subject of economics is confused by the revolution that has taken place in recent times.

Until comparatively late years our national economy was based almost entirely on the law of supply and demand. During the Great Depression we began experimenting with an economy based upon controlled shortages.

We have not yet learned to manipulate the new process. The old law of supply and demand often sneaks into the operation to foul up the control machinery. Then we have trouble.

In what we mistakenly refer to as the "good ol' days" a manufacturer or producer, finding a surplus in production, cut wages, reduced costs, and lowered the price of his product, thereby stimulating sales. The economy went through high and low cycles with occasional boom and bust peaks and valleys. Fortunes were made and lost. Wages and salaries were geared to the economic level, fluctuating in proportion.

The Great Depression and the New Deal political policies combined to produce some experiments that now are being reduced to control formulas.

Government Intervenes

To combat depression, the federal government intervened with a plan to set aside the ancient and accepted law of supply and demand.

The first step was to build up demand by creating shortages. Production was controlled and limited. We plowed under surplus crops, and slaughtered little pigs.

Because there were too many people for the work force, organized labor sponsored tighter apprenticeship regulations, thus controlling the number of skilled workers added each year, stimulated passage of legislation to reduce the number of workers in the older age brackets, set up policies of unemployment compensation to produce income during periods of idleness, adopted featherbedding and make-work practices, shortened hours of work and by other means cut the proportion of working force to production demands, while decreasing the work load per man. The resulting shortage of labor force increased competition for workers, thus boosting the wage level.

A farm subsidy program was adopted to keep farm prices from being forced down by the natural law of economics. The federal government pegged prices at the cost of production level, then bought surpluses, while trying to halt overproduction by limiting acreage. The result has been that farmers, while cutting acreage on basic crops, have produced more per acre, thus building up huge surpluses to be sold to the federal government at tremendous cost to the taxpayer.

I have no proof to back up my suspicions, but I suspect that more than one labor disturbance in big industries such as steel, automobiles, etc., has resulted from collusion between leaders of management and labor to create shortages and maintain prices.

Fuel Controlled

Money is the fuel which governs the speed of the economic machinery. When we step on the economic accelerator we pour more fuel into the machine and speed production. If the machine gets to running too fast, we take our foot off the gas and step on the brake, the brake being the interest rate on money.

The job of driving and steering the economic vehicle is given the Board of Governors of the Federal Reserve System. By regulating the amount of "gas" fed the economic machine, the Federal Reserve Board hopes to control both inflation and depression. So we find that the modern concept of economic control is based on shortages in fields of labor, rate of production, and on manipulation of interest rates and money flow at the governmental level.

But we haven't learned yet to avoid completely the influence of the old law of supply and demand.

When, for example, the Federal Reserve Board tightened up on interest rates in the building field, people stopped buying items they previously had purchased to furnish new homes. As a result the whole economic machine has now been brought to a slow and creeping pace.

The Federal Reserve Board recently took its foot off the brake and tromped down on the financial accelerator. But it will take time for the old machine to gain back its original momentum. We still must travel the rocky road of supply and demand, it seems, before we can get back on the paved highway of economic inflation, which everyone loves.

We will continue to have trouble, I anticipate, until through long experimentation we have substituted the law of artificially controlled shortages for the natural law of supply and demand, or until we have reached a much better compromise than has been obtained to date.

—Bruce Biossat—

With economic levels in the United States still receding, a forecast of great business expansion sounds a welcome tune, even though it deals with the long and not the short range prospect.

Such a prophecy has been made by the Committee for Economic Development, one of the ablest and most thoughtful economic research groups in the nation. Some 150 business executives and scholars help to frame CED's recommendations.

The CED predicts that by 1975 the average income of U.S. families after taxes will come to at least \$7,100, as against \$5,300 today. The total gross national product, sum of all our goods and services, should rise to 725 billion dollars a year from the present level of 415 billion.

WHAT THIS means is that if the next 17 years American families on the average will ADD to their disposable income an amount exceeding what they spend today on two basic items—food and clothing.

It's a thoughtful, far-reaching forecast, and it points out the need for people in government, and fuller

recent study of the economy that the looked-for expansion is not an automatic thing, not an advantage we can have without lifting a finger.

Says the CED: "Only if we manage our economic affairs with intelligence can we expect such a 'good life' on the material side, shared among the entire population."

Millions of daily private decisions are the key, it adds. As all of us are required to contribute, it matters not whether our share is large or small. What does count is that we make wise and energetic effort.

WHAT DO we need to foster the immense growth foreseen by these specialists? In their view:

A higher level of business management, continuous investment to provide the financial underpinning of expanding enterprise, individual savings to support that investment, more education and development of skills to fit the nation's manpower for the greater tasks ahead, better government, and fuller

Part of the Mothball Fleet?



ELECTION YEAR

—Hal Boyle—

NEW YORK (AP)—"A lot of people have it easy in this life," said Erskine Caldwell. "They don't have to work hard."

"I do. I have to sweat." But in the last 20 years Caldwell, a tall, blue-eyed, sorrel-haired man who looks as if he had been quarried from the red earth of his native Georgia, has written 34 books. They range from the early realism of "Tobacco Road" to his recently completed "Molly Cotton-tail," a children's story.

This year will mark the film debut of "God's Little Acre," his most successful novel. More than eight million copies have been printed, and it has become the best selling work of serious fiction ever written in America.

Many Translations. It has been translated into some two-score languages. But for some reason "God's Little Acre" has never been distributed in Russia, where several of Caldwell's other works are quite popular.

"I don't suppose the Russians cared for the first word of the title," the author remarked dryly. He wrote the book 25 years ago last summer in a Maine farmhouse in three months at a period in life when he was at financial rock bottom.

"I only worked at it on the odd days," he recalled. "On the even days I had to cut wood and raise potatoes."

"Usually I rewrite a book 15 to 20 times, but not this one. As I finished each sheet, I let it fall to the floor. And when I had finished enough sheets I had the book. I have never read it myself since."

Refused Earlier Filming. For 30 years, angered at what Hollywood had done to his "Tobacco Road," Caldwell stubbornly refused all offers to make "God's Little Acre" into a film. Finally he did it himself on a partnership basis.

The movie was shot near Stockton, Calif., because no location site could be arranged in Georgia. People in his home state, Caldwell said, didn't approve of his portrait of Southern life.

But after the film was finished, he added, "the mayor of Augusta wanted us to have the premiere there, but after he had had a private showing to see what he wanted to cut out."

Caldwell, who has fought censorship all his life, made it clear the film's premiere won't be in Augusta.

Son of Minister. The writer, a lone and rugged individualist, is the son of a Presbyterian minister, and as a child moved to a new town almost every year. This kept him from making any lifelong friends in his youth.

Conant States No Radical School Changes Needed

YAKIMA, Wash. (AP)—Radical changes are not needed in the nation's general course high schools, Dr. James B. Conant, president-emeritus of Harvard and former ambassador to West Germany, said here.

Dr. Conant, who is making a survey of selected high schools in 20 states, made his comment in an interview here Monday after visiting A. C. Davis High School. The survey is being made under a program sponsored by the Carnegie Corp. of New York.

Dr. Conant said the survey is being made in schools away from the big cities, and so far he has not found any radical changes needed. He said he has found the schools generally doing a good job for the bright students and very good for all interested in mathematics.

A higher level of business management, continuous investment to provide the financial underpinning of expanding enterprise, individual savings to support that investment, more education and development of skills to fit the nation's manpower for the greater tasks ahead, better government, and fuller

public understanding of government activities. A large order, obviously. But the men in CED, like many in America, have confidence that the people of this country, by their combined wisdom and effort, can fill it and make this bright vision of 1975 come true.

Thinking It Over

By Robert L. Dieffenbacher, D.D.

(Written for NEA Service)

Commercials on radio and television often irk us because they break into the programs which we do not want to have interrupted. In spite of our annoyance we go forth and patronize the sponsors. We do appreciate the programs and likewise we appreciate the ones who make the shows possible.

The advertisers repeat their little commercials until the products and the shows become identified with each other. We develop a certain loyalty to the sponsors.

God keeps speaking to man through his conscience. His word makes its impression on us. We become annoyed sometimes with the interruption of our worldly ways, but we become more loyal to God than we realize. God stays with us whether we consciously want him or not.

Only when we give our whole lives to God do we find peace of mind and soul. We need His love constantly.

Reduction In Federal Taxes Improbable Unless Current Recession Becomes Worse

By JAMES MARLOW

Associated Press News Analyst

WASHINGTON (AP)—Are you expecting a tax cut that will put more spending in your pocket? Don't. Not yet, anyway. Not unless the recession gets a lot worse.

The Eisenhower administration takes a dim view of any tax reduction now, although President Eisenhower has indicated that he considers it "a last resort" to be used only if other antirecession measures fail. Key members of Congress talk the same way.

One main argument for a tax cut now: It would give people more money to spend, thus increasing demand for the things they want. This in turn would create more jobs for people to make the things wanted.

Two main arguments against: 1. The nation is in the somewhat ridiculous position of having a recession and inflation at the same time. Prices are not coming down even though unemployment has been increasing.

Therefore, more spending money, creating greater consumer demand, might boost living costs still further.

The government has record peacetime expenses, may have to increase them by big public works programs to create work and jobs. The government wants to meet expenses out of current revenue.

A tax cut, with expenses climbing, would throw Uncle Sam into the red.

Eisenhower Cautious

At his Feb. 5 news conference Eisenhower said a tax cut "could be" an antirecession weapon and would give the economy a shot in the arm, but he mentioned also the possibility of going too far. It added up to nothing firm.

When he met with newsmen Feb. 10, he was more cautious.

Measure To Be On Ballot For E-R Center Site

PORTLAND (AP)—A measure which would force Portland to switch the site of its Exposition-Recreation Center will appear on the May election ballot.

The measure was assured the ballot position by a margin of 181 names on petitions gathered here for several months. The name check was completed Monday.

It takes 28,807 valid signatures to get such a measure on the ballot. The sponsors of the proposal want the multi-million-dollar sports center built in the Delta Park area in North Portland—the old East Vanport site—instead of at the Broadway-Steel Bridge site, where crews have been clearing the ground for several months.

Squillante Finally Works It Out With Cellmate Col. Abel

NEW YORK (AP)—Vincent J. Squillante, a convicted extortionist, at first didn't like his cellmate at the federal house of detention here. After a while, however, a friendship bloomed.

Squillante's cellmate, in fact, began to give him French lessons. They had started on active verbs before Squillante was transferred a month ago to serve a one-year sentence at the U. S. penitentiary at Lewisburg, Pa.

The cellmate was Col. Rudolf Ivanovich Abel, a convicted Soviet spy.

Squillante saw no reason why he should have a spy as a cellmate. He asked to be transferred "into the general prison population" but was turned down.

Acting Warden Alex Krinsky related yesterday he rejected Squillante's pleas because of "a variety of threats made against his life."

Boredom is an enemy of all prisoners. Squillante had tried to burn up excess energy scrubbing and rescrubbing his cell. Abel relaxed in the cleanliness.

Squillante's boredom did not ebb, however, and he and Abel began to search for common ground. They finally settled on language lessons for Squillante.

Squillante has called himself the "godson" of Albert Anastasia, slain executioner of the old Murder, Inc., gang.

Abel taught English and French at the University of Moscow for seven years before he became an officer in the Soviet secret police.

When they settled on French lessons, Krinsky ordered the book they wanted from a publisher.

Then Squillante was transferred.

NEW YORK (AP)—Texas Republican leaders decided yesterday their national committee, Jack Porter, did no wrong when he raised \$100,000 by throwing a testimonial dinner for Rep. Joseph Martin of Massachusetts.

Porter solicited financial support for the affair by suggesting it was a good way to show appreciation of Martin's friendly attitude toward the controversial natural gas bill pending in Congress.

When this came out, the Republican National Committee announced it would have no part of the \$100,000. The White House concurred.

The Texas Republican Executive Committee discussed the furor at a two-hour secret meeting yesterday and published a resolution which said the national committee had been hasty and ill-advised. It also decided to keep the \$100,000 in Texas.

The resolution said Porter always has been moral and ethical. It said the dinner for Martin was a legitimate and well-established fund-raising approach for which no apology is needed. It said any thought the \$100,000 was intended to influence or buy support of any legislation is fantastic, ridiculous and utterly untrue.

But he appeared to regard it as something still far off. Secretary of the Treasury Anderson has taken the same position in a number of public statements.

Last week some of the most powerful voices in Congress—in the field of economics—came out for various antirecession steps before any tax cut is tried.

They were members of the Joint Economic Committee, made up of 12 Democrats and 12 Republicans from House and Senate. One member, Sen. Douglas (D-Ill.) was, however, emphatic in calling for tax reductions now.

The Council of State Chambers of Commerce and 11 Democratic state governors have called for a tax cut. But neither Eisenhower nor the Republican leaders in Congress were responsive. On the contrary.

On Feb. 18 those leaders met with Eisenhower and his key Cabinet advisers at the White House and came away brushing aside tax-cut talk at this time.

SEATTLE (AP)—American schools can produce scientists without copying Russian methods, a New York University educator told the 13th annual nationwide conference of the Assn. for Supervision and Curriculum Development here.

A. J. Foy Cross of NYU made his remarks Monday in a group discussion on "Appraising Newer Teaching Tools and Curriculum Planning." He warned that "rockets and satellites have us 'running scared.'" He added:

"When we are running scared we are not likely to make our best decisions about education or about the course we take into tomorrow."

"Our schools can produce scientists and will continue to produce more physical scientists than we know what to do with. We don't have to copy Russian methods."

But without some mighty fast and serious attention in our schools and other agencies of education, we are going to find ourselves with an unbridgeable gap between what has been and will be created by science and man's ability to use these creations for good life in America or anywhere else."

IN THE DAY'S NEWS

By FRANK JENKINS

(Continued from Page 1)

his upper 60's. Everything considered, all three countries are doing reasonably well.

On the other side of the fence, there is France, whose Gaillard is in his 30's. Everything France does seems to be wrong.

Even Russia has her troubles. One of them is vodka.

In its current week-end issue the communist government newspaper Izvestia prints a seven-column blast against vodka drinking and suggests formation of a Soviet Alcoholics Anonymous.

Boss Krushchev (who has himself known to take a drink himself) warned a little while back that those who get other people drunk in the Soviet Union will be severely punished.

In its article, Izvestia asserted that 50 per cent of all accidents in Russia are the results of drunkenness.

That's interesting. When people drink too much, they're often trying to get away from their troubles. If half we hear is true, Russians have PLENTY of troubles.

Skipping back to our own country, Nevada's Senator Maloney in Washington this morning that "if there's any city in the United States more dangerous to the United States than Washington D.C. it's New York."

He explained that the reason

New York is dangerous is that all its people are internationalists. He continued: "They build those buildings up there so high, you know, that they can see the nations of Europe and Asia easier than they can see the little states west of the Hudson river."

He said he isn't trying to drum New Yorkers out of the Union. "I'm just saying," he concluded, "don't let 'em run the United States."

A word of explanation is in order at this point. If you're to read the news intelligently and understandingly, you must learn to discount properly what is said by the politicians.

Molly Malone isn't seeking to destroy the city of New York and he has nothing in particular against New Yorkers. He's just gunning for votes in Nevada, where he comes up for re-election this fall.

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