

"Well, Thanks Anyway"



EDITORIAL PAGE

LA GRANDE OBSERVER

Monday, November 9, 1959

"Without or with friend or foe, we print your daily world as it goes"—Byron.

RILEY ALLEN, publisher

Grady Pannell, managing editor

George Challis, advertising director

Tom Humes, circulation manager

Per Centage Is Improving, Harold

When Harold Stassen was young he won three elections—all for governor of Minnesota. Since that time he hasn't won any. But not because he didn't try. Three times he tried to win the nomination for president but failing this he decided to try for something smaller and ran for governor of Pennsylvania. That didn't work, either, so he stepped down

another rung and ran for mayor of Philadelphia just recently. He lost. But is Harold discouraged? Not so you would notice it. He says he will try again, sometime.

In our humble opinion several of our city councilmen would be glad to create a vacancy for him, if he chose to run for that office in La Grande.

Steel Competition Gets Tougher

While the United Steelworkers and the steel industry wrangled over contract differences, this country continues to lose steel markets abroad and foreign steel imports cut deeper into the domestic market.

A spokesman for the American steel industry estimates that in the last few years the equivalent of 30,000 jobs have been lost in our steel industry because of the increased foreign competition.

A number of factors have contributed to the weakening of our competitive position in world steel markets, not the least of which have been the rapidly rising employment costs of American producers.

A. Holmes Fetherolf, writing in the September issue of the magazine Steelways, supplies the following figures:

Average total hourly employment costs of our steelworkers in 1957 stood at \$3.22. Comparable costs in West Germany were \$1.01, 81 cents in Italy and 46 cents in Japan. Over the life of the three-year 1956 labor agreement, employment costs here have increased 81 cents an hour.

Wage costs, Fetherolf relates, is the dominating factor in American production. A national independent survey indicated recently that after exclusion of all taxes labor gets 83.2 cents out of every dollar of income generated in the national economy. Our steelworkers are among the best paid employees in the country.

High wage costs are just one of several reasons American steel makers are losing markets. European and Japanese steel mills extend liberal credit terms and sizeable price concessions. And foreign steel is often of comparable quality

to our product.

This country is largely responsible for the growth of foreign steel industries since World War II. Through technical and financial assistance we have helped rebuild, modernize and expand war-torned or time-worn production facilities in Europe and Asia.

Not only have we donated money and skills for building mills abroad, but we have also shown our allies how to operate their new facilities. We have exported our know-how. Prior to giving up this information we could manufacture steel at competitive total costs despite higher wage rates. This edge is gone.

Consider that more of Europe's productive capacity is geared to the export market than this country and that some European governments institute more liberal tax practices than ours and you begin to see what the American steel industry faces.

Steelways quoted a steel executive as saying:

"Both wages and prices are subject to competitive limitations. . . Both labor and business can price themselves out of the market with distressing results—labor with a high rate and no job, and business with a high price and no sale. . ."

The answer to meeting foreign competition in steel production lies in the direction of improved technology and efficiency and at the same time containing costs. It is up to the steel industry and the steelworkers to put their bargaining house in order.

The alternative is losing more markets and consequently more jobs.

Price Supports Under Madison Ave. Fire

Twice in as many days recently we have received envelopes from a big New York public relations firm, each one containing an attack on the present farm support price program.

The name of the agency is carefully printed at the top of the letter. There is no hint as to the identity of the client paying for the attacks.

Now, most everyone agrees there are some serious faults in the present farm support price program. Most farmers

don't like it much better than Madison Avenue does.

But the situation is not going to be helped by any slick New York public relations effort to discredit the entire program.

And we question the sense of ethics of an outfit which fails to give the name of the person paying for the attack.

When road hog meets road hog, that's nice!

DREW PEARSON SAYS:

TV Quiz Probe Considerate Of Big Network Executives

WASHINGTON—Most important question in the dramatic revelation of rigged TV quiz programs is: Were the big networks responsible? Did they violate the trust given them by the U. S. government—clearly defined by law—that TV stations must be operated in the public interest? How much did they really know about the deceit which President Eisenhower has publicly blasted and has asked the Justice Department to investigate?

So far the Harris committee has been most considerate in the deference paid to network executives. A CBS vice president and general attorney, Thomas K. Fisher, who was called, swore that CBS knew nothing about rigged programs. Mr. Fisher has also denied my column stating that in March 1958 CBS discovered that contestant Wilton Springer had been given the winning answers on the "\$64,000 Challenge," yet did not act until September of that year.

However, Mr. Fisher admitted under cross-examination by congressmen that it was CBS technicians who rigged the machine in the "Dancing Decimals" TV show. Fisher also admitted that the machine was rigged in order to keep contestants from earning too much money.

Fisher was an urbane and contrite witness, full of apologies for the network's oversight. "Looking back," he said, "I am sure that we would and could have done more."

He did not explain the fact that the president of CBS-TV, Louis Cowan, was the originator of "\$64,000 Question" and "\$64,000 Challenge," therefore must have known a great deal about their operation.

2 A. M. Phone Call

Some light was thrown on CBS's knowledge of quiz-show rigging when Arthur Cohn, Jr., of New York, testified before the Harris committee. Cohn is the contestant who wrote 20 letters to Revlon and all sorts of other people in March 1958 when he found that Wilton Springer had been given the winning answers on the "\$64,000 Challenge."

"Did you contact any newspapers regarding this?" asked Rep. John Bennett, Michigan Republican.

"Not until Wednesday," replied Cohn. "Last Tuesday at 2 o'clock in the morning I was awakened by some gentleman from the New York Post. Did I read Drew Pearson? This at 2 o'clock in the morning. At first I was very frightened because I thought someone died or something. I said 'I not only didn't read Drew Pearson but I am going to hang up on you.' Then he said, 'Let me read you a few paragraphs' which he did. From then on the phone never stopped ringing. Drew Pearson somehow or other got hold of the letter after a year and a half."

At another point, Mr. Fisher's name entered the testimony.

"Mr. Cohn," asked committee counsel Lishman, "did anyone connected with TV CBS program ask you any questions concerning this incident?"

Cohn: "Yes. Someone—I would not be a bit surprised if the name was Fisher—called me about the time I went to the D.A."

Lishman: "About what time was that?"

Cohn: "I don't remember. It was in the spring or summer. I think it was the summer. It was the summer" (the district attorneys investigation began the summer of 1958).

Lishman: "When Mr. Fisher contacted you, what did you say?"

Cohn: "He wanted me to come to a meeting of which Mr. Springer had been invited. I said I was adverse to going to any meeting, but I would ask my lawyer. Instead, I called my lawyer, my brother-in-law, Franklin A. Goldwater, of Rochester, New York, and I asked him as a favor to me to please call Mr. Fisher directly."

Lishman: "You never attended

REMEMBER WHEN

25 years ago, Eastern Oregon election returns saw Hockett elected as state legislator from Walla Walla County, with Christian re-elected district attorney and Harmon as county commissioner.

Big plans were underway here for Armistice Day festivities. The schedule included football game by Eastern Oregon Normal, a veterans parade, dances and luncheon. The local American Legion was sponsoring many of the events.

15 years ago, Republicans scored many wins throughout Oregon despite landslide vote for FDR who was seeking unprecedented third term. Union County, however, went Democratic.

Ralph Jones, La Grande High School principal, addressed the weekly luncheon meeting of the Rotary, describing the rapid gains being made in state public school education.

In Imbler, two women won election seats on the city council. They were Mrs. Edna Jordan and Mrs. Garnet Rockman.

a meeting with Mr. Fisher?"

Cohn: "I never did."

Lishman: "In your talk with him, did he ask you any questions concerning the incident?"

Fisher Seemed to Know

Cohn: "I don't recall. If I remember correctly, and this is just a guess, he seemed to know all about the incident. I do recall clearly now, because I remember that same morning Mr. Abrams called me, would I please go to CBS and tell them my story." At the time I was unemployed, and to start making trouble and go to CBS and all, I knew it would only cause me difficulties.

Mr. Abrams is George Abrams, then vice president in charge of Revlon advertising.

Lishman: "What did Mr. Fisher say to you when you told him what happened?"

Cohn: "As I say, I don't think I told him what happened. In other words, Mr. Abrams called me first and Mr. Abrams did know the whole story as I told you."

Lishman: "Did Mr. Abrams tell you that he had already been in touch with CBS?"

Cohn: "He must have, because he almost insisted that I go to the CBS meeting, mostly, as he stated, to protect myself, to tell my story. Mr. Springer was there and was going to be there, and I imagine E.P.L. and I am guessing it will be a very cozy story."

E.P.L. referred to Entertainment Productions, Inc., the company which was then handling the "\$64,000 Question and Challenge."

Congressman Peter Mack, Illinois Democrat, then came in with a question.

Mack: "You said that you thought Mr. Fisher seemed to know all about this. You mean he knew all about what transpired in this particular case involving you?"

Cohn: "Yes, I am a little hazy on it, but it must have been so because Mr. Abrams, of course, was told the whole story and that particular morning he was begging me to please go to CBS. He must have told CBS the whole story."

Seven Persons

Killed In Wreck Of 4 Vehicles

ROCHELLE, Ill. (UPI)—Seven persons, six of them members of one family, were killed today in a fiery wreck of three trucks and an automobile.

Two of the trucks were tankers. One, loaded with soybean oil, caught fire and traffic on busy U. S. 30 was blocked more than three hours. The accident occurred four miles west of the U. S. 31 intersection, which is 11 miles south of here.

The dead, identified by a funeral director were Mr. and Mrs. Earl Martin, Prophetstown, Ill.; their son and daughter-in-law, Mr. and Mrs. Richard Martin; their daughter and son-in-law, Mr. and Mrs. Willard Hartshorn; and the driver of the burned tanker, Edward P. Hirsch, Clinton, Iowa.

The elder Martins had farmed three miles northwest of Prophetstown for years and had retired and moved to town. Their son and his wife farmed near Lyndon and the Hartshorns farmed near Rock Falls. They all were presumed en route to visit another daughter, Mrs. Frank Maher, in Chicago, about 70 miles east of the scene of the wreck.

Another truck driver was injured and taken to a hospital at Ambly, Ill. He was identified as Robert L. Tankersley, Chicago, driver for United Parcel Service.

News Briefs

BAGS FIRST WHALE

LONDON (UPI)—A Russian whaling fleet led by the world's largest mother ship "Sovetskaya Ukraina," has reached antarctic waters and bagged its first whale, Moscow Radio reported Sunday.

ASKS JEWISH PRESSURE

NEW YORK (UPI)—Label Katz, head of B'nai B'rith, called on U. S. Jews-Sunday to bring strong pressure on Russia to remove restrictions on Jewish cultural and religious activities.

Katz said no special privileges were being asked for Soviet Jews just the right to continue their age-old traditions.

ROB MARQUIS AGAIN

BIARRITZ, France (UPI)—Thieves struck at the Riviera Villa of Spain's Marquis de la Sota for the second time in eight months, getting away with \$4,000 in jewelry, police reported Sunday. The first robbery netted \$10,000 in jewels.

WINDOWS

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MILLER'S CABINET

Despite Madison Avenue's Look Of Prosperity, Business Slows

By ELMER C. WALZER
UPI Staff Writer

NEW YORK (UPI)—Things are not all hunky-dory on Madison Avenue and its environs despite the seeming prosperity of the well-pressed gray flannel suits.

As one executive puts it, advertising agency business has to run fast to stand still. And those fat expense accounts?—all that glitters is not gold.

The whole trouble seems to hinge on that new medium television which one agency head calls an "ogre." And another remarks that if he could convert his television billings to other media, annual earnings for his agency would skyrocket.

And another obstacle in the path of profits is the collateral service which must be included these days—research, marketing and merchandising counsel, public relations, and others.

Frederick R. Gamble, president of the American Association of Advertising Agencies, tells the story of "advertising agency costs and profits" in the November-December Harvard Business review.

Gamble bundles up the industry's record over the years, spots the difficulties, and lays down some adjustments to bring the industry out of its profit lag.

Profits Hit Low-Point

"Last year as national advertising volume hit an all-time peak," he says by way of introducing his theme, "the collective profit margin of AAAA agencies (representing three-fourths of total agency volume) dropped to its lowest point in 20 years."

Association members in 1958 showed a rise in their volume of business but their ratio of net earnings after taxes fell from 4.11 per cent in 1957 to 3.23 per cent. This compared with a ratio of 6.07 per cent for business service companies generally.

There has been a downturn since 1944 when margins reached 9.03 per cent, he found. In the period from 1949 to 1958, national advertising volume climbed from \$2.97 billion to \$6.33 billion.

Net profit for the agencies as a percentage of sales (billings) was a mere 0.59 per cent in 1958. In 1950 it was 1.16 per cent.

One of the big cost producers, research, these days involves not only improvement of advertising but also acceptability of products, testing consumer preferences, studying composition of markets,

and ascertaining consumer needs and desires.

Television commercials for one agency resulted in production of more film than M.G.M. uses in its feature movies.

Big Staffs, Payrolls

To do all these things for their clients the agencies have had to build up big staffs of experts, sending payrolls skyrocketing. They have had to move to larger quarters at costly rents and long-term leases.

There are many other troubles, including clients' rejection of advertising plans, raids of staffs by other agencies, slow collection of commissions, and fluctuations in volume.

"Agency managements are shooting for a degree of efficiency that will enable them to operate at reasonable profit levels even when their volume advances slowly or stands still."

It's a case of reducing costs. And also one of telling the clients their troubles, Gamble says. A client with high billings isn't necessarily automatically profitable to an agency, he says.

QUOTES IN THE NEWS

United Press International

SAN FRANCISCO — Soviet Premier Nikita S. Khrushchev, in a letter congratulating San Francisco Mayor George Christopher on his re-election:

"I am very glad that my opinion coincided with that of the citizens of San Francisco."

WASHINGTON — Dr. Alan T. Waterman, director of the National Science Foundation, accusing the press, radio and television of underrating the public's intellectual interests and needs:

"We will not create a true climate for excellence in an atmosphere in which dishpan hands, yellow teeth and unpleasant breath are regarded as disasters."

PARIS — Foreign Minister Couve de Murville, asserting that France's veto of an early East-West summit meeting proves President Charles de Gaulle is more optimistic than other Western leaders:

"To say that the first opportunity (for a summit meeting) must be grabbed is to say that the future is unsure and we are walking on eggs."

LOS ANGELES — New York Mayor Robert F. Wagner, discussing the Democratic vice-presidential nomination:

"Naturally I'd be interested in being nominated. Anyone who says he's not interested in nomination for such a high office is either kidding himself or the public."

Ike Plans Nine-Country Visit Through Europe, Middle East

WASHINGTON (UPI)—President Eisenhower today announced plans for a historic personal trip to nine countries in Europe, Asia and the Middle East next month.

The President told his news conference he will leave Dec. 4 and visit Italy, Turkey, Pakistan, Afghanistan, India, Iran, Greece, France and Morocco.

This was a far more extensive itinerary than originally indicated. The tour will take 2½ weeks.

Eisenhower said he hoped that by this trip he would build, particularly in Asia, a better understanding of the United States, and, at all points of his jet plane journey, good will for the United States.

His schedule, which will bring him back to Washington Dec. 22, will include three days in Paris, Dec. 19-21, for the Western summit meeting. On his way home from Paris, he will visit Rabat, Morocco.

In Rome, Eisenhower will meet with Pope John XXIII, in addition to conferring with leaders of the Italian government. It will make the first time an American president has visited a pope. Former President Truman, after he left office, visited the late Pope Pius XII.

Other highlights of the President's news conference:

He compared the results of the Congressional investigation into rigged television quiz shows with the 1919 baseball scandal involving the Chicago Black Sox. Eisenhower said he felt no one in the basic television industry, from net-

work executives and producers down through the actors, would be satisfied until the whole mess is cleaned up.

He expected a report from the Justice Department before the end of the year on what, if anything, the executive branch should do to prevent repetition of the TV rigged shows.

He said he favored building a second Panama Canal, but that the project was so complicated and required such study that it was not necessarily something he would ever recommend.

He said he and Gov. Nelson A. Rockefeller of New York, at their recent White House meeting, talked politics all across the board but he did not recall that they came to any conclusions. He said most of their talk, however, involved Civil Defense.

He said the United States was

puzzled by anti-American outbursts in the Caribbean. He said this country confidently hoped that not only Panama, but every other civilized government would make certain that law and order are preserved.

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