

Pension Funds Act As Buffer to Retard Sharp Stock Drops

By ARTHUR MERIMS
NEW YORK (AP)—The wide-eyed optimists in Wall Street who claim that securities markets will never again decline more than moderately often back their arguments by referring to the blossoming of pension funds. And even the most dour "bear" admits their case is strong.

"Back in '29 pension funds were few and far between," the buoyant prognosticators begin, "but today they invest billions of dollars each year. Not speculative purchases, either, but for long terms. And whenever securities dip, you can always find some managers of these monies johnny-on-the-spot buying."

"Furthermore," add these prophets of joy and boom, "with new financing on the downgrade, pension fund managers will become bigger buyers of outstanding securities than ever."

The Federal Reserve recently added fuel to the argument by reporting more than 17 billion dollars currently lodged in pension funds and more than two billions flowing into these coffers every year.

The FR warned, however, that widespread coverage of factory workers make pension funds vulnerable to downturns in employment. "During slack times, employees at or beyond the retirement age who might otherwise have remained in the labor force may be expected to retire. Others who might become unemployed may take advantage of early retirement provisions of many plans. Thus benefit payments may spurt just when the volume of contributions is falling off."

20,000 Funds
In 1950, according to the social security administration, there were only 720 pension plans covering 2,400,000 people. Today there are about 20,000 such funds covering more than 12 million people. And the U.S. Treasury reports that new plans are being formed at the rate of 200 a month.

B. Frank Patton, vice president, Guaranty Trust Co. (N.Y.), said "the right of unions to bargain on pensions had a tremendous influence on the growth of the pension idea and the provisions of plans subsequently adopted." This right was established by decision of the National Labor Relations Board involving Inland Steel Co. in 1948. It was affirmed by the Supreme Court in 1949.

A striking example of how pension funds buoy bond prices was disclosed recently by the Pennsylvania state legislature. That body voted to guarantee a 4 per cent return on investments of the 600 million dollar Pennsylvania teachers' and employees retirement funds. Incoming money had been directed toward marketable government bonds. But with yields on these bonds fast diminishing, the state authorized investment in corporate bonds at the rate of one million dollars a week.

500 Million Dollars
General Electric Co. has about 186,000 employees participating in its private pension plan and nearly 15,000 drawing benefits. Assets of the trust approach 500 million dollars, currently invested as follows: 15.8 per cent in government bonds, 71.7 per cent in other fixed income securities (mostly corporate bonds) and 12.5 per cent in common stocks.

A GE spokesman said: "The present investment program is designed so that eventually the common stock investments will amount to between 20 and 30 per cent of the total. This will be done" on what is known as the dollar averaging basis."

American Telephone & Telegraph Co. started its pension fund back in 1913, when the idea was still considered radical. Today more than 700,000 employees of AT&T and its affiliated companies are enrolled in the plan with nearly 18,000 men and 15,000 women receiving benefits.

Monies Invested
Bankers Trust Co. (N.Y.) administers the Bell System funds, which at the end of 1953 amounted to \$1,761,954,113. These monies are currently invested: 67.3 per cent in utility, railroad and industrial bonds, 15 per cent in Bell System bonds, 13 per cent in government bonds and 4.7 per cent in other obligations. Last year Bell companies contributed about 190 million dollars from 1953 income to the fund.

The Federal Reserve estimates that life insurance companies handle about 40-45 per cent of the nation's pension funds, the remaining 55-60 per cent being administered principally by bank trust departments.

A "typical" bank-supervised fund, says the FR, is invested about 55 per cent in corporate bonds, 15 per cent in government bonds, 5 per cent in preferred stocks and 25 per cent in high-grade common stocks. Most insurance companies steer clear of common stocks, relying on bonds and residential and commercial mortgages.

Willamette U. Teams to Conduct Church Services
Two deputation teams from Willamette university will conduct Sunday morning services today at Buena Vista and Monroe Methodist churches.

Speaking on "Marching into the Future" at Buena Vista will be Thomas Whitehead, of Portland. Assisting at the services will be Earl Pickett, Portland; Ruth Ann Acklin, Grants Pass; and Mary Anne Schloessler, Yachima, Wash.

David Hienz, Salem, will deliver the sermon at Monroe. Other members of the deputation squad include Shirley Witters, Cottage Grove; Ted McIlvanna, Hood River; Darrell Crossler, Gates; and Joan Currie, Bridgman, Mont.

Chamber to Visit Moore Forms Firm
An industrial visit is on tap Monday for members of Salem Chamber of Commerce.

The chamber will hold a luncheon meeting at the Southeast Salem plant of Moore Business Forms, located near Pringle Road and Hoyt Street.

Members will eat no-host luncheon at the plant lunch room, then make an inspection of the big printing operations of the concern.

Salem's plant is one of 27 Moore plants in the biggest manufacturing business form producer in the U. S.

The local operation is planning to increase its production 2 1/2 times, according to Plant Manager Claude A. Miller who will explain the business to the chamber members Monday. The local plant recently was doubled in size.

There are about 1,200 million acres classified as "land in farms" in the United States.

Experts to Steer Salmon Over Ladders

WASHINGTON (AP)—Government experts said Saturday they hope to help salmon keep their spawning dates by steering them over fish ladders in the Columbia River.

A Senate appropriations subcommittee was told that many salmon spend so much time groping for ladders which provide access over dams that they arrive at their spawning grounds too late.

William Hagen Jr., chief of the Fish and Wildlife Service's salmon propagation section, testified that steering tests are being made with color, signs, sounds and pulsating electric currents.

He said no estimate has been made of how much salmon production has been lost as a result of Columbia dams built in Washington and Oregon.

"We hope that a substantial portion of the run can pass through the fishways and get upstream to the spawning grounds and we can divert young fish safely downstream so they don't run into the turbines," he said.

Sen. Dworshak (R-Idaho) said "we should know whether we destroy the fish industry while building these dams."

Hagen said that all dams cause some loss in salmon but it is impossible from information available to say how much.

Dworshak said a number of dams have been proposed in Idaho and it has been said they would hurt or block the movement of the fish from the Pacific Ocean to spawning waters far upstream.

Hagen said the government hopes to help the salmon negotiate the fish ladders and also to build additional hatcheries in the lower Columbia River Basin.

He testified in support of the service's request for \$1,360,000 during the year starting July 1 to build hatcheries at Cascade on Eagle Creek in Oregon and at Washougal and Skamania on the Washougal River in Washington and to plan hatcheries at Spirit Lake and German Creek in Washington.

A-Board Plans Full-Scale Power Plant

WASHINGTON (AP)—The Atomic Energy Commission announced Saturday night it is negotiating an agreement with the Duquesne Light Co. of Pittsburgh for the construction and operation of the nation's first full-scale central station nuclear power plant.

"It is not expected," the announcement said, "that this first plant will produce electric power at costs competitive with power from conventional fuels. The project has been undertaken in order to gain more design and more technological experience than could be obtained otherwise, such as from a smaller plant, and to provide firm cost estimates for the future."

The AEC said the Duquesne company's proposal, one of nine submitted, was the most favorable to the government. Under it, the company would:

1. Furnish a site in the greater Pittsburgh area for the entire project and build and operate a new electric generating plant at no cost to the government.

2. Operate the reactor part of the plant and bear the labor costs thus entailed.

3. Assume five million dollars of the cost of research, development, and construction of the reactor portion of the plant.

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Youthful Creatures, From Robot to Rabbit, Populate Downtown Children's Parade



High voltage winner in Saturday's Kids parade in downtown Salem was Gordon Taylor of the Englewood district. His ingenious decor of light bulbs, radio tubes, connectors and cyclometers gave him a modern electronic appearance. (Statesman Photo.) (Story on page one.)



Waiting for the judges decision Saturday were these youngsters in the Downtown Merchants Assn. kids parade, and the pair at left got into the winner's circle with their honeymoon express. The bride pulled the bridegroom, natchery. (Statesman-Photo.)



A honey of a bunny that crossed up the judges by turning out to be a boy was Roy Talley of Salem, an easy winner in the costume division. (Statesman Photo.)

Services for Henry E. Lee Set Tuesday

Funeral services for Henry Ernest Lee, 79, world traveler, former member of the British merchant marine and for the past 40 years a sign painter in Salem, will be held at 1:30 p.m. Tuesday in the W. T. Rigdon Chapel.

A late resident of 765 N Liberty St., Lee died Saturday in a Salem hospital. He had been in ill health for several months.

Born at Portsmouth, England, Oct. 1, 1874, he was the son of a British naval officer and his mother, Mrs. Charlotte Meakin Lee, was a member of the family which manufactured Meakin's China in England.

Lee served in the merchant marine for seven years following his graduation from the British Naval Academy and sailed to points in Europe, Africa, Asia and Australia. He was on active duty at the time of the Boer War.

Following his naval service, Lee went to Australia for a time and later came to Canada. Coming to Salem from Canada, Lee set up a sign painting shop and painted scenes for many Salem theaters and state buildings. With the exception of a few years in San Francisco, he made Salem his home for the last 40 years of his life.

Lee is survived by his widow, the former Lela Tarpley whom he married in Salem in 1912; one daughter, Mrs. Patricia Hug of New York; and one grandson, Wallace Lee Hug of New York.

Services will be conducted by fellow members of the Christian Science Church with Reader Clarence Holder in charge.

Foresters Due At Conclave

More than 150 foresters are expected to attend the conference in Salem March 25 and 26, when many forest problems will be discussed, Assistant State Forester James H. Walker announced here Friday.

Members of the State Board of Forestry, along with representatives of various protective associations, also will attend.

One of the important objectives of the meeting, Walker said, is to familiarize the newer men in the department with the policies and activities of the state forestry organization and its cooperating agencies. These include protection, administration, management, research, rehabilitation and insect and disease control.

One day will be devoted to a general meeting during which matters of interest to all employees of the department will be discussed.

There will be a banquet and other social affairs.

Rose Society to Hear Mrs. Schoen

Mrs. Knapp Schoen of Vancouver, Wash., winner of many sweepstakes awards in Salem and Portland Rose Shows, will be the speaker at the Thursday night meeting of the Salem Rose Society at the YMCA. The meeting is set for 8 o'clock.

Mrs. Schoen, a director of the Pacific Northwest District Rose Society, will talk on "Renewed Interest in Old Roses."

Mrs. Hunt Heads Oregon Amaranth

PORTLAND (AP)—Mrs. Lois Hunt, Eugene, was seated Saturday night as grand royal matron of the grand court of Oregon, Order of the Amaranth.

Fred L. Helbeck, Portland, was installed as patron. Some 500 members and guests witnessed the installation which ended the court's 27th annual session held here last week.

Since the end of World War II, U. S. state and local jobholders have increased about 1 1/2 million.

Iran Police Capture Aide To Mossadegh

TEHRAN, Iran (AP)—Police Saturday captured Hossein Fatemi, the firebrand foreign minister of the old Mossadegh regime, and later announced he had been stabbed and beaten by a bystander.

Fatemi in hiding was disguised by a heavy black beard. After the attack he was taken to a hospital, a police source said, where his wounds were reported severe but not dangerous.

A fugitive since the August 1953 revolution that overthrew Premier Mohammed Mossadegh, Fatemi was caught in his hideout in a Tehran suburb early Saturday. He faced a possible death penalty because he allegedly stirred up mobs against the Shah in an effort to overthrow the monarchy before the Mossadegh regime itself was upset.

He was taken to the headquarters of the military governor of Tehran, Teimour Bakhtiar. Police said he was being transferred to a police prison when a bystander suddenly fell upon him with a knife.

No arrests were reported immediately.

Final Rites for Mrs. Osterman Set in Lakeview

Funeral services for Mrs. Myrtle M. Osterman, 45, former resident of Salem, will be held at 2 p.m. Monday in the Lakeview Presbyterian Church. She died at her home in Lakeview Thursday.

Mrs. Osterman and her husband, Everett Osterman, lived in Salem from 1931 to 1937 where they were associated with the Clough-Barrick Funeral Home. They operated a mortuary at Lakeview.

She is survived by her widower and one daughter, Carole Osterman of Lakeview; and brother-in-law, Lawrence Osterman of Salem.

Concluding services will be held at the Evergreen Memorial Park, McMinnville.

Bird Club to Meet at YW Building Tuesday

Meeting of the All Variety Bird club will take place at the new YWCA building on Tuesday, March 16, from 1 to 4 p.m. The Capital Budgeterger Breeder's Association will meet April 14 at the Bird Paradise, 3180 Livingston Ave.

Portland Man Indicted in Robbery Case

KLAMATH FALLS (AP)—Raymond J. Bodinet, 31, Portland, was indicted by a grand jury Saturday on a charge of armed robbery.

He was arrested Jan. 8 in a rooming house holdup here in which his companion, Edwin Coyle, 28, also of Portland, was fatally wounded by a Klamath Falls policeman, James O'Neil.

The shooting touched off an anti-vice crusade by District Attorney Frank Alderson. He charged at the time that a civic improvement fund had been taking payments from bawdy houses, which since have been closed.

Circuit Judge David R. Vandenberg reduced Bodinet's bail from \$15,000 to \$10,000 but he remained in jail.

Also indicted by the grand jury on a manslaughter charge was Alfred J. Carter, 59, Klamath Falls. He is accused in the fatal Christmas eve shooting in Klamath Falls of Cruze Unzueta.

BUT THEY DON'T FLY CARS

PHOENIX, Ariz. (AP)—Airplane-type safety belts have been installed in Arizona highway patrol cars as a safety precaution. Supt. Greg O. Hathaway said the belts offer better chance to survive a crash.

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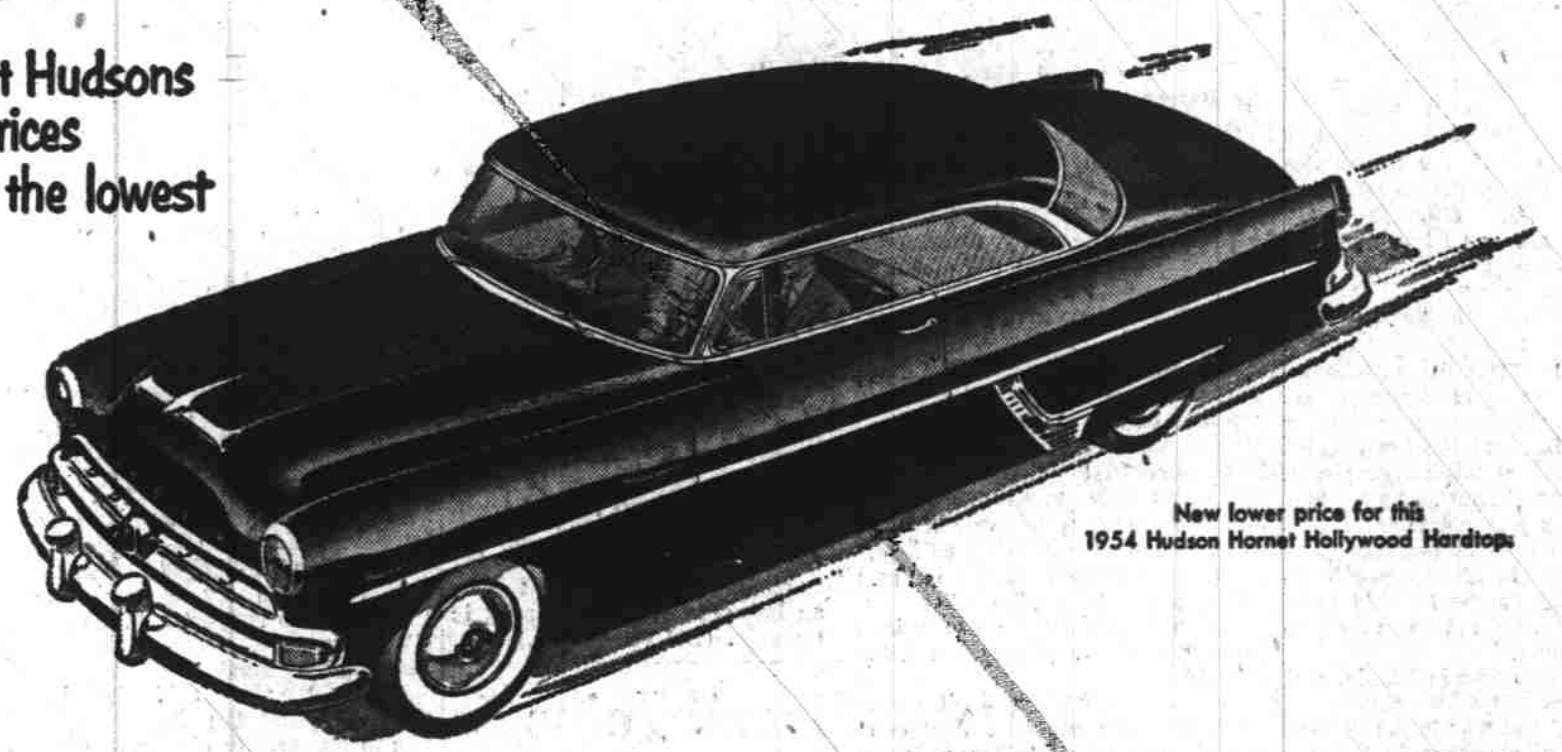
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