

Suez Invaders Counted on to Move Troops

U.S. Receives Satisfactory Word Before Starting Oil Flow to Europe

WASHINGTON (UP)—The United States today counted on an early withdrawal of British and French military forces from the Suez Canal.

Hungary Paper Predicts Long Political Chaos

Grim Picture Painted Of Life in Revolt- Torn Nation

VIENNA (UP)—Red Hungary's official newspaper said Saturday a solution to the country's political and economic chaos is a long way off. It painted a grim picture of life in the revolt-torn country.

Nepszabadsag, organ of puppet Premier Janos Kadar's reorganized Communist party, conceded: "It is painful but true that many people won't believe our promises now, but we must try to wipe away these distrust."

Budapest Radio announced that the Kadar government — put in power by a massive onslaught of Soviet tanks Nov. 4 — had begun breaking up the nation's big Russian style collective farms and returning the land to the peasants. This was one of the demands of the rebels who held power briefly before the Soviet attack ousted their Nationalist government.

Nepszabadsag made a new appeal for cooperation of the people in setting to right Hungary's tottering economy, and appealed to former Communists who quit after the Russian intervention to return to the party.

"Thousands of our people are freezing and without roofs over their heads," said the article, which was broadcast on the government radio. "Winter is approaching and we don't know whether we will have heat for our hospitals, schools and homes."

"Inflation threatens. Our factories are ready to operate (They have been mostly idle since the revolt began Oct. 23) but they don't have enough coal."

"At our borders stand aid shipments and trade materials but we can't transport them because of railroad strikes."

"Workers must walk miles to get to work because our tramways are not running."

"We must be blind if we do not realize that a solution of our present situation is still far distant. We must realize also that a solution is impossible unless all forces are devoted to it."

FISHING VILLAGE FLOODED
ROVIGO, Italy (UP)—Stormy seas smashed a dike at the mouth of the Po River Friday, flooding the fishing village of Pila.

More than 200 men, women and children were removed to safety as the sea poured five feet of water into the town. There were no reports of deaths.

Army, Navy
Finish in Tie

PHILADELPHIA (UP)—Navy, capitalizing on a fumble, came back in the final period today to tie the Army, 7-7, after the Cadets threatened to pull their second set in a row in the 57th renewal of the interservice classic.

A capacity crowd of 102,000 at Municipal Stadium saw Dick Duggan, Nany's waltzchampion full-back, plunge inches for the tying touchdown after making a first down with as brief a dive on the previous play. Ned Odlum added the extra point for the fifth tie of the historic rivalry.

Georgia Tech 33, Georgia 0
Holy Cross 7, Boston College 0

Construction Off in Salem

In the immediate Salem area, the principal industry worried that has caused some unemployment and has a few persons slumped is the curtailment of construction, particularly in the housing field.

Relations to Improve
Diplomatic sources said they expected the strained relations in the Western Alliance to begin improving immediately.

Evidence of new assurances on plans for Anglo-French troops withdrawals was seen in the sudden American decision Friday to upset its own timetable for the emergency oil program.

The United States had planned to delay action until next week pending a more "definitive" British statement on troop withdrawals.

The United States announced plans to provide the Europeans with at least 500,000 barrels of oil a day within a month. The Middle East Emergency Committee, a group of 15 major U.S. oil companies, will meet Monday in New York to get the program under way.

The emergency oil move raised the problem of financing increased oil purchases in the Western Hemisphere by Western Europe. Estimates of the cost have ranged as high as \$2 billion if the Suez Canal remains closed a year.

U.S. officials said the Europeans are expected to meet the dollar drain themselves "for some initial periods." Some nations may borrow from the U.S. Export-Import Bank.

Syria Makes
Appeal to UN

DAMASCUS, Syria (UP)—Syria appealed to the United Nations General Assembly today to curb the "aggressive anti-Syrian" intentions of Britain, France, Turkey and Israel.

A cable sent by Foreign Minister Salah Bitar said recent statements by Turkish officials, coupled with reports that Israel is massing troops on the Syrian border, "constitute a threat to peace."

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Area Businessmen Are Optimistic

Businessmen, especially, were optimistic as they looked back on a good year and forward to what they believe will be an even better one in 1957.

Industry, generally, was cautiously optimistic about the future and admitted that the past year had been at least a normal one and in some cases considerably better than normal. Few declined to be pessimistic about the outlook.

The principal exception, of course, was the logging and lumber industry, no longer the mid-valley area's major economic factor, but an important one. Lumber mills generally throughout Oregon and the Northwest are feeling the pinch of a low demand for lumber products and high prices for logs. Few are completely shut down but many are working curtailed operations.

Plywood plants, however, seem little affected by the problems faced by the dimension lumber section of the industry, and in some cases, in fact, have increased their crews or added shifts to take care of increased demand for their products.

I'll Be Back Sometime in January



Governor-elect Robert D. Holmes, at right, might have said the above to Robert Johnson, state director of finance, as he left his office Friday. Holmes reviewed state finances with Johnson in his first visit to the capital since being elected governor. Holmes said he plans several trips to Salem before being inaugurated next January. (Capital Journal Photo)

Rate on FHA Loans Boosted To 5 Per Cent

WASHINGTON (UP)—The government Saturday raised the interest rate on FHA-insured home loans to 5 per cent, effective Dec. 4.

The move was described as "a decisive step to help homebuyers to obtain mortgage financing."

The present maximum rate is 4 1/2 per cent, plus the Federal Housing Administration's one-half per cent insurance premium which remains unchanged.

Announcement of the rate hike was made jointly by Albert M. Cole, administrator of the Housing and Home Finance Agency, and Norman P. Mason, commissioner of the FHA.

The FHA loan rate increase does not affect the 4 1/2 per cent limit on GI home loans guaranteed by the Veterans Administration, which is fixed by law.

Rep. Ayers (R-Ohio) predicted in Barberton, Ohio, Thursday that Congress would change the law next year.

There have been complaints from lending agencies and builders that the old FHA rate was making it difficult to obtain loans and that home construction would fall off.

The rate on existing mortgages will not be affected by the change he said.

Poles Return
From Russia

LONDON (UP)—Warsaw Radio said Saturday more than 18,000 Poles have returned to their homeland from the Soviet Union during the past five months.

The broadcast did not announce under what conditions the Poles had been able to leave Russia, but it said the Soviet press and radio "have published information for Poles concerning the possibilities of repatriation."

Office in Portland
"We are planning to spend

Christmas with my son, Robert D. Jr., his wife and our 12-month-old granddaughter at the coast." In the meantime I have set up an office in Portland where I can meet people and work on my message to the legislature.

Holmes first visit was unobtrusive, and few in the Capitol were aware of his presence. The tired look that marked his face during the latter days of his strenuous fall campaign were gone. He looked fresh and rested.

"I am ready to get down to work," he said. "I know I have a big task before me but I shall do my utmost to justify the faith the people of Oregon have placed in me," Holmes said.

10 Killed in Ontario Survivor Found

4 Parachute From Jet Bomber

TRENTON, Ont. (UP)—A survivor from the crash of a U.S. Air Force jet bomber in the wilds of western Ontario was picked up by helicopter Saturday and moved to a hospital in Port Arthur.

Royal Canadian Air Force officials said he was identified unofficially as Maj. Robert M. Slane, 33, Trinidad, Colo., commander of the wrecked B47 Stratofort.

They quoted him as saying he saw one of the other three crewmen bail out.

In Good Condition
He was said to be in good condition.

A U. S. helicopter picked him up at Ray Lake in Nipigon district. Search plane observers reported sighting a cross-shaped fire Friday night in the Seagull Lake area 30 miles west of Nipigon after the jet went down in rugged, snow-covered terrain.

The U.S. Air Force said the bomber, described as on a routine flight, was attached to the 301st Bombardment Wing of the Strategic Air Command at Barksdale, La.

Barksdale officials identified the other crewmen as:
Lt. Richard J. Martin, 23, pilot, North Natick, Conn.; Lt. Max Workman, 29, observer, Roy, Utah; and Lt. Donald S. Petty, 23, observer, Oklahoma City.

There were reports that parachutes were seen before the plane crashed into heavy stands of timber and rocky hills.

Hundreds of bushworkers and six planes took part in the search for possible survivors.

The U.S. Air Force said the medium bomber was attached to the 301st Bombardment Wing of the Strategic Air Command at Barksdale, La., and was on a routine flight.

State Police
Search Rogue
River for Man

GRANTS PASS (UP)—State police and river men searched the fog-shrouded Rogue River Saturday for an Arcaea, Calif., man, missing and believed drowned.

A second man, seen riding with the missing man earlier, was safe. The search began yesterday after the car belonging to William Stanford Larch, 23-year-old airline employee, was hauled from the river beside the Pacific Highway near here.

William Hunter of Rogue River, Larch's brother-in-law, had reported the man missing early Thursday when he failed to meet him at a road junction.

A dog was found dead in the back seat of the car and it was through this and a telephone call to Hunter that police were able to trace Larch's movements.

Larch was en route to visit Hunter. He telephoned from Grants Pass and was looking for a veterinarian.

Meantime, while Larch was telephoning, Grants Pass police came upon his parked car. Sitting in it was Elmer J. Jordan of Silverton, who was taken to jail and booked on a charge of being drunk in an automobile. They noted the dog in the back seat.

(Continued on Page 7, Col. 7)

Sanitary District Hearing Monday

S. Salem Area Subject of Meeting

By FRED ZIMMERMAN
Capital Journal Writer

Formation of a sanitary district in an area of some 665 acres of land immediately adjoining the

Woodburn Man Installed as Jersey Leader

By CLAUDE STEUSLOFF
Capital Journal Special Writer

Herb Coleman, Woodburn breeder, was installed as new president of the Oregon Jersey Cattle club at the annual meeting of the organization held Saturday at the Senator hotel.

Coleman, who has been in the Jersey business for 30 years, runs 150 purebreds on his 200-acre farm.

He was the first Marion county distributor of all-Jersey milk.

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California Scene of Wreck

CASTLE AIR FORCE BASE, Calif. (UP)—A giant sweptwing B52, the Air Force's biggest atomic carrier, crashed in a "streak of fire" last night killing all 10 men aboard.

The eight-jet cigar-nosed airplane was taking off from this central California Strategic Air Command base when it suddenly smashed into a plowed field some four miles north of Merced and about 150 miles south of San Francisco.

The dead included Maj. Bryant G. Gay, 38, of San Francisco and Buckley, Wash. He was listed as "electronic countermeasure operator." Gay was the only Pacific Northwest man on the plane.

"We saw one huge flash about a mile away and just before it hit the ground we saw another explosion," said Sgt. Alfred B. Stockman, one of two anti-aircraft men from the base who were in a car near the crash site.

It hit the earth flat and bounced and then it went over another three-quarters of a mile, over the road, then it hit again and it really exploded," he added.

Robert G. Joiner, the other soldier, recalled exclaiming: "my God, I believe it's falling" as he and Stockman looked up when the noise of the jets sounded strange.

Both said a number of flares from the plane littered the crash field.

Glen Towers, a Merced County fireman, and one of the first on the scene, said the new man plane was completely disintegrated, that "you couldn't find a part big enough to hold a body."

He reported seeing at the site a "streak of fire for about two miles and wreckage scattered over a three mile area." Nine burned bodies were in one group, he said, while the 10th man was near the spot the plane first hit.

It was the third and worst fatal B52 crash in California this year. In February one crashed near Tracy, killing four. A September crash near Madera took five lives.

Last Month
'Unusual' Here

Salem truthfully can speak of November as an "unusual" month when it comes to talking about weather, the average temperature being 3 degrees below normal, the rainfall the least in 17 years for the month.

There were 13 days with the temperature registering below the freezing mark of 32. Average temperature was 42.4 degrees, the average maximum temperature being 51.4 degrees, the average minimum, 33.3 degrees. The high mark of the month was 60, recorded on November 3, 4 and 23; and the low mark was 23, registered on November 29 and 30.

Only 1.03 inches of rain was measured for the month. Back in 1939, only .84 of an inch was measured and since then the precipitation has totaled all the way up to 13.38 inches in a November. However, in 1952, there were only 1.73 inches for November.

There were 13 cloudy, 2 partly cloudy and 15 clear days of the month. Prevailing wind was from the south and averaged 5.2 miles per hour velocity, the high of the month being 23 miles from south, southeast.

Weather Details

Maximum yesterday, 45; minimum today, 21. Total 24-hour precipitation, 0.00; monthly, 1.03; season, 11.14. River height, -6 of a foot. (Report by E. S. Weather Bureau.)

News in Brief

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New Y Wing Dedicated Sec. 2, P. 5
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Economic Outlook Bright for Salem, Outlying Areas

By VICTOR B. FRYER
Capital Journal Writer

Optimism marks the economic picture generally this week as Salem and the midvalley area enter the Christmas season and look forward to a new year.

A Capital Journal survey of employment, business and industry in the area has indicated that few are very worried about the near future and many had trouble hiding a happy smile as they looked forward to the outlook.

Basically, unions look for near full employment for their members and some even admit they may have trouble providing the needed manpower. That is especially true, of course, during the next month for those unions which will be most affected by the holiday rush.

Area Businessmen Are Optimistic

Businessmen, especially, were optimistic as they looked back on a good year and forward to what they believe will be an even better one in 1957.

Industry, generally, was cautiously optimistic about the future and admitted that the past year had been at least a normal one and in some cases considerably better than normal. Few declined to be pessimistic about the outlook.

Federal Reserve board. With more houses on the market than there are buyers, a number of home builders have laid off men and reduced or cut construction completely until more favorable conditions exist. They are generally optimistic that things will pick up somewhat in the spring. Some men in the industry expect a change in housing construction, however. There will probably be fewer of the cheaper one- and two-bedroom homes built and more demand for better built homes of sufficient size to take care of the larger families, many of whose "war boom" babies are now teen-agers and are in need of more room.

Retail lumber businesses say they have had a pretty good year although most of it was in the first three-fourths of the year. The market has been off this fall due to weather, tight money and other factors, they say, which in turn has affected the sawmills.

Lumbermen and construction men are looking forward to 1957 with some optimism, however. The steady increase in the area's population coupled with the annual springtime urge to start looking for a new nest is expected to help the situation both from the business standpoint and the employment standpoint.

But back to the more optimistic side of the picture. Business in general has been pretty good this year in the Salem area and most folks look for the biggest Christmas season in their history. In addition, 1957 promises to be a banner year.

Retail Business Continues Climb

Retail businesses, especially the larger ones, have had a good year even though competition has been pretty tough. Some have done more business than last year although making no more money due to working on closer profit margins. Employment may have been down a little in some stores due to the increased business pressure but overall employment appears to have been normal or better.

According to the Chamber of Commerce figures, the overall business is about 12 per cent ahead of last year at this time and with the hoped-for heavy holiday season the margin is expected to increase by year end. Most merchants looking forward to 1957 are optimistic.

Unions Report Situation Favorable

Unions report that generally the employment situation is pretty favorable. In many of the skilled trades not dependent on the weather—electrical, sheet metal, plumbing, meat cutting, etc.—most of the workers are kept busy.

Carpenters have probably been hardest hit, both by the weather and the slowdown in construction. About 85 men are reported out of work. Bricklayers are also finding things a little slow. Laborers, surprisingly enough, are mostly working. Considerable road work and gas line and telephone line work in the area is keeping them busy.

The retail clerk union has all members working although there is a large waiting list of non-union members looking for work, officials said. Most of them are expected to find holiday season work, along with many students, housewives and others looking for only part-time work.

General Basis for Optimism

What is the basis of all this optimism? Well, generally, business around the nation has been good this year and looks to be the same next year, business experts say. It should be no exception in Salem.

Salem area area industries indicate they expect full employment next year and in some cases, increased employment. None indicated any expected layoff other than seasonal layoffs.

Construction Prospects Are Good

They include a new rope company plant, a seed company building, a new plant and expanding operation of an existing Salem paint company, the same for a Salem paper products firm, and the building of a plant for a regional headquarters for a major insurance company.

The construction of the above plants alone will bring a heavy demand for workers and will bring more money into the community, but it is only a part of the total construction expected.

Other construction anticipated included a million dollar addition to a downtown hotel, adding a fifth floor to the Pacific Telephone company building, construction of two new junior high schools, beginning of construction of a new water line from the Stayton reservoir to Salem, and building of a new \$19,000,000 four-lane highway from Salem to Eugene, this in addition to the already mentioned housing construction expected, street and bridge work in Salem and expansion by telephone, electric and gas companies.

Future Looks Even Better

The additional money and employment from the new construction and expansion will be in addition to the normal, steady employment of established Salem industries, expected tourist business in the summer months and the permanent employment and payroll of the state government.

Yes, sir, say businessmen, employees, industries and unions, things look pretty good in Salem and the future looks even better. They're following the advice of the song and are "whistling a happy tune," as they look forward to 1957.