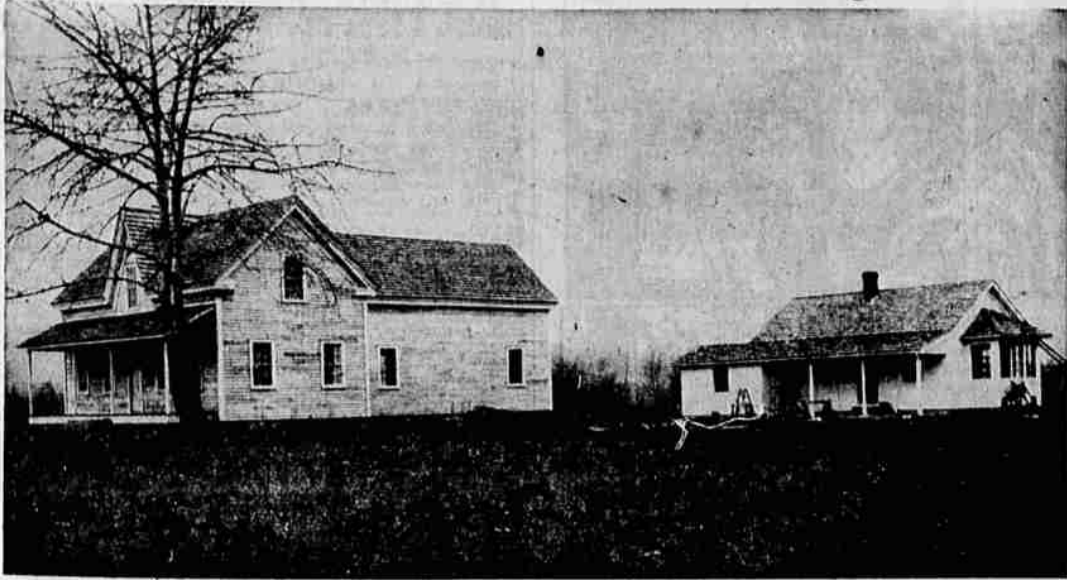


Restoration Includes Custodian Cottage



Restoration of the Robert "Doc" Newell home, a Daughters of the American Revolution project at Champeog, is now complete except for exterior and interior painting. A neat, four-room custodian's cottage, now under

construction, is a part of the project along with landscaping. Dedication date has been tentatively set for this spring. (Capital Journal Photo)

FURTHER PROGRESS

Restoring Doc Newell Home, DAR Project

By BEN MAXWELL, Capital Journal Writer

Another step in the program of the Daughters of the American Revolution for the restoration of the Robert "Doc" Newell home near Champeog state park is now under way in construction of a neat, four-room home for the site's custodian and grading and landscaping of the premises. Doc Newell, Rocky Mountain trapper who has the distinction of taking the first wagon from Ft. Hall to Walla Walla and onward into the Willamette valley in 1841, was prominent in the organization of Oregon's provisional government.

He was instrumental also in founding the Oregon Spectator, the territory's first newspaper. He was called "Doc" not because of any medical training but simply because he had a reassuring bedside manner.

Platted in 1853, Newell engaged in early transportation on the Willamette and platted Champeog Jan. 19, 1853. He built his residence above the town during the mid-1850s and Champeog Masonic Lodge No. 2 was conducted in upper rooms of his dwelling. He also opened a store at Champeog during the early 1850s.

The flood that swooshed through the Willamette valley in 1861, destroyed all of Newell's valuable enterprises in Champeog and only spared his home because it was on higher ground. Presently Newell went to Idaho and became, in the late 1860s, an Indian agent at Lapwai. He died of heart disease on Nov. 27, 1869, and is buried at Lewiston.

DAR acquired the Newell home from Henry Zorn. His original dwelling had so completely deteriorated that the old structure was razed except for remnants of fireplaces and work on restoration began with laying of the cornerstone by Grand Master Leslie M. Scott, Aug. 13, 1955.

Present for the ceremony was Secretary of the Interior Douglas McKay, Mrs. Alfred Powers, state regent of Oregon DAR; Mrs. John Y. Richardson, chairman of the Newell House restoration committee, and the public.

Cost \$30,000. Cost of the Newell house restoration, now complete except for

its federal bonds from the banks, thus converting a bank's securities into cash. Each dollar the banks get in cash means they can loan \$5 because they are only required to have a 20 per cent cash reserve.

Many banks are now "loaned out" to the limit. To get more cash, they have to borrow from the Federal Reserve—and when the federal agency thinks too much loose money is pushing prices too high, it raises interest rates as an anti-inflationary measure.

Since the banks have to pay higher interest on the money they borrow from the Federal Reserve, in turn they have to charge higher interest rates on money they loan to the public. Thus the cost of "loaned" money, as Calvin Coolidge used to call a loan, goes up. With the aim of holding down inflation, the board has raised its rates six times in the last two years.

What It Does. As a concrete example of what "tight money" means to the average U. S. consumer, we'll say you want to buy a new car. A couple of years ago, the bank or other lending agency gave you \$1,940 when you took out a \$2,000 loan for a new car. It charged you only \$60 or 3 per cent for borrowing the money.

Today you'll probably have to pay 4 per cent or \$80 on the same \$2,000 loan. It costs you an extra \$20.

Similarly, you may now have to pay 5 or 5½ per cent on a \$10,000 first mortgage loan for a new home instead of the 4 or 4½ per cent which prevailed a few years ago.

Some economists say that in the flush of prosperity we are going "too far, too fast" in borrowing, spending and expanding. Consumer debt is at an all-time high, so is business debt.

And to make matters worse, there's a rush to borrow, spend and expand now before tight money sends interest rates higher than ever.

What It Means. Broadly speaking, tight money means there is a dearth of cheap easy-to-get money or credit.

What causes tight money? Experts cite four main factors: 1. Industrial expansion, spurred by the mushrooming population, multi-billion-dollar road building programs, new schools, etc. All these make a huge demand on the available money supply.

2. Heavy consumer buying on credit. 3. Federal (and state) money requirement. Government bonds become due, so the Treasury pays off the old bonds and reborrow. That takes money off the market which otherwise might be used to finance the buying of new homes, cars, TV sets.

4. Failure of personal savings to rise fast enough to keep the normal "available money" pipelines filled. How It's Controlled. Economists say the Federal Reserve Board can ease or tighten the supply of money almost on a push-button basis.

All the board has to do to relax the money pinch is to buy back

Extra Day on Flight Puzzles

DENVER (AP)—When time hangs heavy and you want to enliven a group discussion, try this one: If a man flies around the world in 45 hours and 19 minutes, yet watches the sun rise and set three times in that period, is he two or three days older?

Maj. Gen. Archie J. Old Jr., Air Force commander, confessed that's got him a little puzzled. And he has reason to mull it over because he led the three Air Force B52 jet bombers making a nonstop flight around the globe last month.

He was here to tell Air Force Academy cadets about the flight yesterday.

The oldest civil engineering project which is still being used in the Shmiram aqueduct in Turkey. It was built in the 8th century, B. C.

Billion Postal Deficit Faced

WASHINGTON (AP)—The Post Office Department is asking Congress to require a 5-cent stamp on letter mail to avoid a deficit it said could reach a billion dollars a year.

That estimate came from Maurice H. Stans, deputy postmaster general, in testimony which the House Appropriations Committee made public yesterday.

Stans said the Eisenhower administration will ask a 5-cent letter rate. He said "we cannot face up to" the deficit problem otherwise.

The House last year approved a 1-cent increase in first-class rates, but the Senate took no action. President Eisenhower said in his budget message last month that he would ask for 654 million dollars in annual postal rate boosts.

Philippine Budget Up

MANILA (AP)—President Ramon Magsaysay sent to the Philippine Congress today a record 1957-58 budget of \$666,282,700, an increase of more than 45 million over last year.

Congress is expected to be asked to increase air mail rates from 6 to 8 cents an ounce, and to boost rates on second-class (news-paper and magazine) matter, and on third-class (advertising) mail.

In his testimony last month, Stans said at present rates a deficit next year of 651 million dollars is indicated. That could rise to 754 millions if railroads are allowed to boost mail hauling charges, he said.

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TIGHT MONEY: WHAT FUSS IS ABOUT

Major Battle Shaping Up in Congress Over Federal Reserve Board's Monetary Policy

By ROGER GREENE
WASHINGTON (AP)—A major battle over two little words—"tight money"—is shaping up in Congress and its reverberations will be heard across the land.

What is tight money? Why is money scarce in boom times? What are its possible effects on the nation's economy? Is tight money necessary? Why? Chairman William McChesney

Martin of the Federal Reserve Board—the independent federal agency sometimes described as an "automatic pilot" which regulates the flow of credit and money—says the board's hard-money poli-

cies are vital to check inflation. Sen. Fulbright (D-Ark), chairman of the Senate Banking Committee, agrees that the Reserve Board's hold-the-line tactics are "probably the best way" to prevent "another boom-and-bust era."

But Rep. Patman (D-Tex), chairman of a House banking subcommittee which will conduct a broad probe of the government's monetary system, says tight money "may wreck the economy." He wants the federal board to take its foot off the brakes.

And Sen. McNamara (D-Mich) contends that the Eisenhower administration's curbs on credit have "hit the economy like a hydrogen bomb."

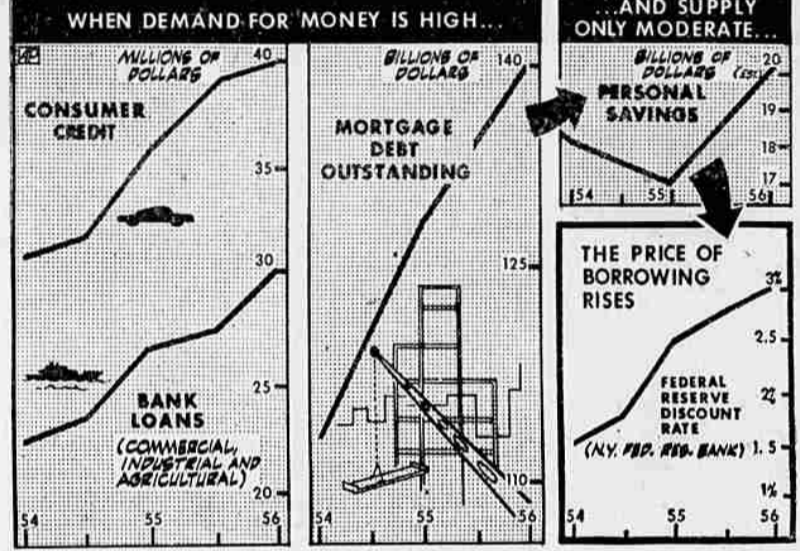
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4. Failure of personal savings to rise fast enough to keep the normal "available money" pipelines filled. How It's Controlled. Economists say the Federal Reserve Board can ease or tighten the supply of money almost on a push-button basis.

All the board has to do to relax the money pinch is to buy back



Truman to Expound Mid-East Views in Florida Talk Tuesday

ISLAMORADA, Fla. (AP)—Former President Harry Truman, visiting this Florida Keys hamlet for a working vacation, is expected to give his views of the touchy Middle East situation in a speech tomorrow night. But he is keeping mum at the moment.

Truman will be the principal speaker at a combined Jewish Appeal fund-raising dinner at Miami Beach, first of four addresses he is scheduled to make during his three-week visit in this area.

The former President declined to discuss the Middle East situation with reporters when he arrived in Miami by train yesterday. Earlier he said "no price is too high for peace" in answer to a query about President Eisenhower's record peacetime defense budget.

"It is a lot cheaper than the price of a third world war," he said.

He also indicated approval of the Eisenhower Doctrine for military and economic aid to the Middle East should it be necessary to halt Communist aggression there.

At a stopover in Jacksonville, reporters asked him if he thought Southern members of Congress were justified in their attitude toward civil rights. He retorted: "They certainly are not justified. I, for one, have never been opposed to civil rights. Those Southern congressmen know it too."

The Trumans were given a police escort from Miami to Islamorada, a 70-mile drive down the Overseas Highway. Truman's "Little White House" was at the Key West naval base during his presidential days.

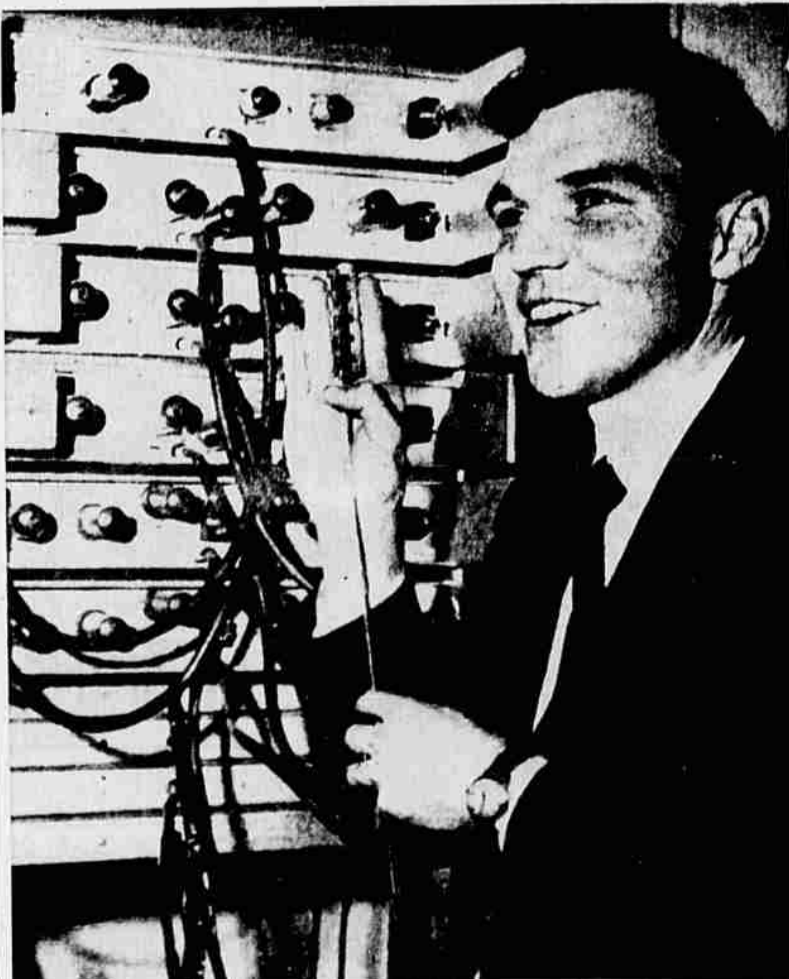
Truman is scheduled for speeches in Key West Feb. 23 and in Miami Beach Feb. 25 to raise funds for the Truman Memorial Library, now under construction in Independence, Mo., his home.

Saturday night he is to address an Israel bond rally dinner, which will launch a 75-million-dollar bond campaign.

How It's Controlled. Economists say the Federal Reserve Board can ease or tighten the supply of money almost on a push-button basis.

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Cryotrons Replace Tubes and Transistors



CAMBRIDGE, Mass.—The use of incredibly tiny "Cryotrons" in place of tubes and transistors, in computer research was announced by Massachusetts Institute of Technology, as a major contribution in electronics. Research engineer Dudley A. Buck, 29, who worked on the project for

three years, holds the equivalent of the forty odd tubes shown in the background, in the palm of his hand. Buck said today's computers fill whole rooms, but now a large-scale digital computer can be condensed to a cubic foot. (AP Wirephoto)

Lasso Snares Balky Cycle

SAN FRANCISCO (AP)—Patrolman Jack Miller's motorcycle cranked up with an explosion and then started burning.

As Miller jumped off, the blazing machine toppled under an automobile.

Up rode patrolman Ed Lawson, whose mount is a horse called Chief, to take quick charge of a hot situation. With a lariat, Lawson lassoed the burning motorcycle and pulled it from beneath the car.

When the firemen he called had smothered the fire, Lawson remarked to Miller, with some satisfaction: "This should teach you not to sell horses short."

Durante Turns 64
MIAMI BEACH, Fla. (AP)—Comedian Jimmy Durante received a four-foot-high 64th birthday cake yesterday, from 1,100 citizens of Lakeland and Cypress Gardens, Fla.



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