

'Blimey!'



### Continued inflation of house prices appears to be coming to abrupt end

Caution is the word in the housing credit field. The end of the post-World War II inflation is a principal factor in the growing number of home foreclosures. Another is the virtual disappearance of the postwar housing shortage.

For the nation as a whole, according to a recent special report of the National Association of Home Builders, the foreclosures rate "has not reached the danger level." Nevertheless, in some areas the rate is too high in relation to the national foreclosure rate. And the business letter Impact, commenting on the NAHB report, observes: "The warning signals are now hoisted."

Until about six years ago, fewer than 2 mortgages were foreclosed out of every 1000 mortgaged homes. In 1958 the rate per thousand broke the 2.0 barrier for the first time in a decade. Of late it has been rising with a rush. The overall rate per thousand in 1963 was about 4. If the trend keeps up, the rate for this year will be approximately 4.3 foreclosures per thousand.

On government-guaranteed mortgage loans the figures are more alarming. The Federal Housing Administration foreclosure rate last year reached 9 per thousand; the Veterans Administration rate, 6 per thousand.

Local conditions help to explain the concentration of foreclosures in a relatively few states. Some areas have been subject to sharp economic fluctuations (Detroit, Fort Worth, Philadelphia). Some have been affected by reductions in defense and military employment or by deactivation of military bases (Del Rio, Killeen, and Laredo in Texas and Wichita, Kan.). Some expanding areas (Orlando, St. Petersburg, and Miami in Florida) have experienced slow-downs in the rate of growth. Some areas suffer chronic unemployment (textile cities in New England and

coal regions in Pennsylvania and West Virginia).

In the early days after World War II, home buyers who could qualify for conventional financing chose FHA and VA loans to enjoy lower interest rates. Thus the soundest borrowers were the first to take advantage of government financing, and foreclosures were low, as might have been expected. But of late more fringe buyers turn up in the government programs.

FHA experience shows that most foreclosures occur between the second and third years of purchase. If the house is held for more than four years, chances of foreclosure are considerably reduced. Low down payments allow a purchaser to abandon a property in the early months without much loss.

Rising real estate taxes and housing expenditures affect foreclosures. The owner of a \$20,000 house in Montgomery County, Md., had to pay a real estate tax of \$530 in 1962.

According to the NAHB, so does the growing mobility of the nation's population. And some persons with very little equity in a house will give up the equity rather than pay the 6 per cent sale commission.

The boom in building of apartment houses is the most striking feature of the housing industry today. Multi-family units started in 1962 numbered 462,000 or 32 per cent of all non-farm private housing starts in the year — a spectacular 92 per cent jump in only two years.

Some 6 out of every 10 families now own their own homes. Some stagnation of the housing and mortgage markets would appear inevitable. What seems certain is that the "fool-proof" post-World War II housing market, in which even shoddy housing was protected by price inflation, has been erased.

These would have been necessary, or so the state director said, to administer the cooperative funds available to counties through federal grants. Without the three additional persons, the state will not be able to handle the paperwork involved in the county programs.

The Emergency Board's action, then, would seem once again to spell death to the Deschutes county program. The latter has, however, proved surprisingly vigorous. Don't be amazed if it doesn't remain a Phoenix, and arise again from the ashes of the latest funeral pyre.

### Quotable quotes

They all look like Winston Churchill. — The Rev. John Schahill, asked for a description of Patrick Bouvier Kennedy, newest addition to the first family.

I hate squealers. Hit this guy. — Mobster Albert Anastasia, quoted when he ordered the killing of Arnold Schuster, the man who had turned in Willie Sutton.

## Capital Report

### Russian-United States duel beneath sea no less significant than space probes

By A. Robert Smith  
Bulletin Correspondent  
Editor's Note — The United States and Russia are engaged in an intense rivalry to get to the bottom of the world's oceans and find a treasure chest of oceanographic knowledge which will have a host of practical applications. Overshadowed by the more dramatic race to the moon, the duel beneath the seas is no less significant either in terms of cold war strategy or the resources it holds for man in a peaceful world. This is the first in a series of articles by our Washington correspondent on this subject.

WASHINGTON — When the atomic submarine Thresher perished this spring in the North Atlantic, some Navy officials speculated that it might have crashed into an unknown underwater sea mount, just as aircraft occasionally collide with mountains. The theory was later dropped — but it betrays the Navy's anxiety about one of the little known perils facing the latest, most advanced war vessels of the United States as they operate amid the ancient mysteries of the ocean depths. That peril is that submarine navigators don't have complete road maps of the ocean floors. The sea mount theory was considered only because the Navy just doesn't know where all the underwater mountains and valleys are located.

This points up a critical military problem, but it stems fundamentally from man's abysmal ignorance of the sea around him. As Interior Secretary Stewart Udall put it recently: "The ocean is the newest and the last frontier of the world. I would hazard a guess that we know more about the stars and the space above us than we do about the water — and the land beneath it — covering more than two-thirds of this planet."

The problem caused by this basic ignorance has suddenly become critical because the cold war has been extended to the ocean depths. The Soviet Union is concentrating virtually all of its sea power in a mighty submarine force of some 600 vessels; and the United States is turning out nuclear submarines "like pan-cakes," as one congressman put it. Consequently, both nations have become intensely concerned about solving the mysteries of the

deep. In a word, the United States and Russia are locked in a race to get to the bottom of the ocean, in the broadest sense.

For this reason the Kennedy administration without fanfare has expanded significantly the government's oceanography program and laid out a decade-long effort to conquer the unknown.

A decade ago the federal budget for oceanography was about \$10 to \$15 million a year. Last year it was \$124 million; and this year President Kennedy has asked Congress for \$156 million. During the coming decade from 1963 to 1972 the government plans to spend over \$2 billion in oceanography, making it a major thrust of the U.S.A.

About 95 per cent of the impetus for this expanded effort is military, according to a key government official. Nevertheless, some 20 different federal agencies are involved in oceanographic research, civilian as well as military. They are measuring ocean temperatures, salinity, currents and waves, surveying the undulations of the bottom, exploring the mineral potential of the sea, looking for ways of increasing and utilizing the vast fish population, observing movement of icebergs, determining the influence of the ocean on weather, and ascertaining the affect of man's various activities such as disposal of atomic and industrial wastes on the oceans.

Research in some of these areas would be underway by both federal and private research institutions even if there were no threat from a foreign power, but the extent of the American effort today is attributable to the Russian submarine threat.

As a matter of fact, the U.S. has shown almost a knee-jerk reaction to foreign submarines. The history of oceanographic studies shows that the U.S. government over the years has been vitally concerned only in direct proportion to the rise of foreign threats to the nation's security on the high seas or beneath them.

It started in the first World War when the German U-boat proved a new menace. The Navy reacted by developing the crude hydrophones with which to detect the slow, noisy undersea craft. After the war, further attempts to venture into the unknown of the sea lagged.

### Washington Merry-go-round

#### Tax outlay to pharmacies a conflict of interests?

By Jack Anderson  
WASHINGTON — The Public Health Service, with a furtive backward glance at the taxpayers, has just slipped \$100,000 to the American Pharmaceutical Association to study how pharmacies can serve as community health centers.

The association's executive director, William Apple, will also help the University of Pittsburgh spend another \$221,057 of the taxpayers' money to study drug costs and uses.

By a curious coincidence, the Public Health Service's pharmacy chief, Dr. George Archambault, happened to be doubling in brass as president of the American Pharmaceutical Association while both grants were being processed.

He acknowledged to this column that, as APhA president, he had set up the committee which requested the \$100,000 handout. Wearing his other hat, as PHS pharmacy chief, he had been consulted informally about the grant. But he insisted that he had nothing to do with the final decision to award the money.

Dr. Archambault defended the decision, however, as "wonderful for the public." The money would be spent, he said, to make public health information available to people at their neighborhood pharmacies.

Wasting no time, APhA has already put its communications director, George Griffenhagen, on the taxpayers' payroll at \$12,000 a year to get the program started.

Critics have questioned whether APhA is interested in benefiting the public or the pharmacies. Turning pharmacies into public health centers, they point out, will also lure customers into the drug stores.

On an earlier occasion, APhA suppressed news of counterfeit drugs in order to protect the pharmacies from losing business.

Director Apple brought pressure upon the Armstrong Cork Company to cancel a TV show, exposing how counterfeit pills and powders were being peddled to the public.

Note — The Public Health Service has kept strangely silent about APhA grant. A PHS spokesman claimed that the APhA application was a "privileged communication" though it dealt with public money. This column learned, however, that the grant was applied for in March, two months before Dr. Archambault retired as APhA president.

Pressure on Italians  
The Justice Department has brought pressure upon a grudging Italian embassy to help prepare a deportation case against New Orleans racketeer Carlos Marcello.

The Italians aren't all enthusiastic about accepting the terror of the New Orleans underworld. He wasn't even born in Italy, but in Tunisia. It was his Italian parentage, the Justice Department avers, that makes him deportable now.

Earlier, the Immigration Service tried to get rid of him by hustling him off unceremoniously to Guatemala. But Marcello grew tired of the drowsy, dolce vita in the banana republic and smuggled himself back into the United States. He has used every stratagem in the law books to stay here.

Now the Justice Department is going to try again to declare him an undesirable alien. In this effort, Attorney General Robert Kennedy has obtained the reluctant cooperation of the Italian embassy, which sent to Italy for papers proving Marcello's parentage.

The Italian authorities are privately irked over the American habit of casting the derelicts from the American underworld upon their shores. They learned their nefarious skills, the Italians argue, in the United States.

With the advent of World War II, German submarines threatened once more. This time they were improved boats which could go down to 400 feet. The Navy reacted to the crisis by recruiting scientists for a new thrust into the neglected field of oceanography. This time they developed sonar, an electronic device for detecting undersea objects by sending out sound impulses and receiving the echo when it bounces off the object.

Both the hydrophone and sonar were based on certain principles learned by oceanographic research, chiefly the peculiar characteristics of sound waves as they travel through water. There are many variables which make the art of detection and communication underwater extremely difficult and uncertain — and this still baffles scientists to a degree.

Today's standard sonar can detect another vessel at a distance of 4000 to 5000 yards, or say three miles at most. American engineers are working on advanced design sonar which they expect will extend the reliable detection range out to 30 miles.

US. scientists are also working on ways of bouncing sound waves off the bottom of the ocean for longer range communication and detection. While generally sound travels faster through water than through air, the scientists must contend with such curious phenomena as the bending of sound waves as they pass through the sea, and the influence of water temperatures and depth on the velocity of sound waves.

These unique and troublesome characteristics of the ocean, plus the unknown contours of the ocean floor, suggest the military necessity for the expanded oceanographic program. The problem of the unmapped ocean floor is more recent than the one of sound wave movement. For it wasn't until after World War II that oceanographers discovered they were mistaken in assuming that the deep sea was not simply a vast and comparatively level plain.

They had known for a century of such major topographic features as the Atlantic Ridge, a 10,000-mile long range of peaks whose highest summit, emerging as the Azores, is 27,000 feet above the ocean bed. And they had known about deep depressions such as the Mindanao Trench, an awesome pit over six miles deep east of the Philippines.

But until the 1940s they didn't know that there are about 160 flat-topped sea mounts between Hawaii and the Marianas. How many others may rise from the floor of the world's vast ocean stretches remains to be discovered.

The reason it is imperative to find out such facts is that advancing submarine engineering is producing vessels which are capable of traveling at greater speeds and withstanding the pressures of increasingly greater depths. As one Navy spokesman put it: "The task of navigating a submarine at high speed and deep submergence without bottom information that is accurate and adequate can be compared with driving a 10-ton truck on a freeway blindfolded."

Inasmuch as America's most prized submarines are equipped with nuclear Polaris missiles, a deterrent power in which the United States has a clear advantage over the Soviets, the nation's military strategists are anxious to remove the blindfold from cur submarine skippers.

That is a prime task of oceanography in America today.

(Next — What the Soviets are up to.)

### Shipping law change sought

WASHINGTON (UPI) — Rep. Jack Westland, R-Wash., joined today in an effort to win permission for West Coast lumber shippers to use foreign flag vessel between U.S. ports.

Westland said he had introduced legislation to allow such use of foreign vessels now prohibited by U.S. shipping laws. Similar bills already have been introduced by other Pacific Northwest members of congress.

### Barbs

A lot of family vacations are over and Mom is over-tired.

An Ohio woman found a fifty-dollar bill she had hidden eight years ago. Unfortunately dresser drawers don't pay interest.



Some folks are already saving for next summer's vacation and some for the bills of the one they just returned from.

## My Nickel's Worth

The Bulletin welcomes contributions to this column from its readers. Letters must contain the correct name and address of the sender, which may be withheld at the newspaper's discretion. Letters may be edited to conform to the directives of taste and style.

### Plea for expansion of hospital voiced

To the Editor:  
A decision as to whether to vote "yes" or "no" August 15th on the Expansion Program for the Central Oregon District Hospital must be made by responsible citizens of the area.

May I suggest the following points are pertinent in your consideration as to how to vote — if you feel that we in Central Oregon should expect reasonably priced, efficient, and medically approved hospital care.

The proposed expansion program is designed to eliminate present inconveniences, inadequacies, and medically unsound practices.

Originally the bed space appeared adequate (in fact, some people believed it would be half empty); however, many times during the past five years patients have been placed in halls due to overcrowding of sections.

The one room delegated to pediatrics is ludicrously inadequate in view of the number of children who must be admitted, as former patients can attest who have had to spend nights listening to crying children.

A mentally disturbed patient cannot be restrained nor placed in a room that is easily supervised; the new plans provide such a room with a window adjacent to the nurses station. Temporarily admitting a disturbed patient now means that the other bed in his room must be vacated and the space wasted.

Obstetrical patients, in labor and delivered, should be in a wing with the nursery in order that they may be secluded from other sections and the staff serving them kept out of contact with others. At the present time labor rooms and delivery are divided by a public hall from the convalescents and nursery, which poses a problem of sterile practice as well as privacy.

Patients recovering from surgery must now be placed with medical patients requiring a nurse in attendance for the one patient. A recovery room would allow one nurse to watch over several post-operative cases. This would also eliminate the need for medical patients to be disturbed by patients recovering from anesthetics.

Physical therapy patients must travel to other cities for treatment, at a high cost in expense and time, whereas the expansion will provide a therapy room with a physical therapist in attendance so many days a week.

Minor surgery is now done in the emergency surgery room; a minor surgery room would eliminate this doubling up and make available added facilities in the case of accidents, which are frequent in this area.

In the present 58 bed hospital, there are no separate bathing facilities for men and women. There is one bathtub and it is not a stepdown type for weak or infirm patients. Two of the four showers are in isolation, a third is at the end of the men's ward, and the fourth is in maternity. The proposed plan would provide for a bathing section, divided for men and women, with dressing space, showers, and a recessed tub (in order that weak patients can easily enter and leave the tub).

A conference room is provided in the plans so that instructions and teaching of the staff will be possible in a group.

The proposed expansion program is designed to take care of all these problems with the addition of 13,500 square feet and with some remodeling. Some critics have advised improvement by stages; a patch-quilt job, adding on here and there from time to time would give more space but would not efficiently solve the major problems. Hospital planning is highly technical and cannot be

solved by merely adding one room at a time.

Generally speaking, the rates at the Central Oregon District Hospital are well within the lower bracket of state-wide fees. The availability of specialists attached to the staff has greatly lowered the medical expense of our families who heretofore have had to go out of the area to receive specialized services. The original hospital was not built to care for the expanded population nor the expanded medical services now available. No small increase in tax millage could ever equal the amounts formerly spent in out-of-the-area care. But to take advantage of this broader scope of medical care, the hospital should expand its plant.

As a former member of the Hospital Board of Directors, as a member of this year's Budget Board, and as a member of the planning committee for expansion, I urge you to provide our community with first class hospital care in a broader range of medical service than is now possible. The staff is excellent; we should provide the physical plant for their efficient operation.

Yours truly,  
Charles A. Dudley  
Redmond, Oregon,  
August 6, 1963

### 'Caveat Emptor' not answer to insurance

To the Editor:  
I have on my desk, a trade publication story concerning the receivership hearings of an Arizona life insurance company, which disclosed that they have 33 million dollars of annuities on the books, and only \$10,000 in cash assets. A purchaser of life insurance might properly ask how such a situation as this could be permitted to develop.

The regulation of life insurance companies has long been held to be the province of the states. However, both the laws of the various states, as well as their administration differ quite widely; and so, while this company was denied a license by one state, it was permitted to operate in others with the resultant losses to their policyholders.

Therefore the concerns of the Central Oregon Life Underwriters Association indicated in your editorial, are very real and are motivated by more than selfish, economic considerations. The recent school health insurance fraud demonstrated again, the folly of dealing with an unknown firm outside the local community where service is neither available nor responsible.

During a recent trip to the east coast, I discussed with responsible leaders of the life insurance industry, the possibility of Federal Regulation entering the picture. I found them to be virtually resigned to its inevitability. An Attorney General with presidential aspirations, is not very apt to sit idly by when weak state legislation has proven inadequate.

Responsible leaders of the Oregon State Life Underwriters Assoc. proposed a number of legislative measures which would have greatly strengthened the laws of the State of Oregon. However, both a lack of awareness of the problem on the part of the public, and of the legislators themselves, resulted in most of this sound legislation being lost in committee. Obviously, the doctrine of "Caveat Emptor" is not the answer in an industry as complicated as the life insurance business is. A strengthening of Oregon's laws regarding the regulation of the operation of companies domiciled outside this state will help considerably. But there is no substitute for dealing with responsible, local life insurance agents who will be here next month and next year to answer the questions and provide the service that an adequate life insurance program requires.

Sincerely yours,  
Glenn Ratcliff, C.L.U.  
Bend, Oregon,  
Aug. 7, 1963

Answer to Previous Puzzles

State Flowers

ACROSS	9 Sash
1 "Nutmeg State" flower	10 Depravity
7 Vermont flower	11 Spirit
13 Anger	12 Split
14 Admit	17 Anguish
15 "Empire State" flower	21 Tallahassee
16 Beauty	22 Actually
18 Fugelian Indian	23 Fake
19 Nothing	24 Roman robe
20 Finis	25 Wolfhound
21 Male name	26 Dorsal bones
22 Step	28 Fold (var.)
23 Germ-free	29 Hall (Sp.)
24 Sailer	30 Greenland
25 Having wings	31 Eskimos
26 In return	32 Hypocrite
27 "Granite State" flower	33 Makes into law
28 Controlled	34
29 Thous	35
40 Poe	36
42 Confederates	37
45 Past	38
46 Varnish	39
49 Flower of Hawaii	40
52 Game	41
53 Charm	42
54 Sailer	43
56 Appellations	44
57 Gasoline type	45
DOWN	46
1 Dodecanese island	47
2 Soap	48
3 Constellation	49
4 Scottish sailyard	50
5 For example	51
6 Tilt	52
7 Hindu disciples	53
8 Household god	54
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