

Hoover Commission Recommends Abolishing Government Lending Agencies

Should Be Forced To Support Selves By Free Enterprise

Washington — (U.P.) — The Hoover Commission recommended today that many of the government's 104 lending and insuring agencies be abolished or forced to support themselves under the free enterprise system.

These and other proposed actions, the commission said, would result eventually in return to the Treasury of capital funds totaling \$6,217,743,000. And, it added, they would forestall possible future Treasury investments totaling \$1,114,000,000.

In addition to such "reductions in the national debt," its overall recommendations ultimately, the commission saving of some \$200,000,000.

The 12-man commission, headed by former President Herbert Hoover, made its recommendation in another of a series of reports to Congress on government reorganization. This one covered all federal agencies making or guaranteeing loans.

Controversy Looms
It said lending or guaranteeing loans "is a function which the government should undertake only when private enterprise cannot or will not perform the function, and then only in furtherance of a justifiable governmental purpose."

Five members of the commission dissented from certain parts of the report, which appeared certain to stir up much controversy. Many of the majority's recommendations would affect directly government programs involving housing, farmers, veterans, and small business.

The report said the number of government lending, insuring, and guaranteeing agencies had grown in 42 years from none to 104.

It said federal loans, guarantees, and commitments such as mortgage and bank deposit insurance totaled \$244,272,515,000 last June 30, not counting hidden subsidies which the commission said should be disclosed.

Lists Federal Aids
The commission broke its \$244,272,515,000 figure down this way:

1. Aids to housing, \$55,786,358,000.
2. Aids to agriculture, \$8,643,092,000.
3. Aids to business, \$2,875,710,000.
4. Aids to foreign governments, \$26,360,443,000.
5. Veterans life insurance, \$44,097,912,000.
6. Insurance of bank deposits, \$106,509,000,000.

Rep. Chet Holifield (D-Calif.) a commission member, said the majority proposals "point in the direction of a slowing down of housing construction, restrictions on the rural electrification program, and limitations on other direct or indirect aids provided by the federal government."

No Longer Needed
The commission specifically recommended liquidation of programs involving 12 production credit corporations, the agricultural marketing act revolving fund, the Federal Farm Mortgage Corp., and loans for college housing.

It said these agencies have served their purpose and are no longer needed.

It recommended self-supporting status for the Federal Housing Administration, federal intermediate credit banks, banks for cooperatives, Federal National Mortgage Association, and the Rural Electrification Administration.

It said these agencies should be reorganized to assure better management and merge them into the private enterprise system.

Higher Interest Rates
In the interest of administrative efficiency and economy, the commission urged that the REA, the Small Business Administration, Veterans Life Insurance, and the Housing and Home Finance Agency be brought under the government corporation control act.

It also recommended that the Export-Import bank be restricted to making long-term export loans for the development of foreign resources and that changes be made in the farm price support program to cut down the cost to the government.

The report said federal savings of \$200,000,000 a year would result ultimately from requiring agencies to pay their administrative expenses by increasing interest rates to borrowers. It said the Treasury would recover another \$297,751,000 from the liquidation of certain agencies.

Canada's Province of Ontario is larger than France and Spain together. Its north-south reach of more than a thousand miles spans climates favorable to both polar bears and peaches. East and west it shares an international border from New York State to Minnesota.



BATTLES ASSASSIN—India's Prime Minister Jawaharlal Nehru, 65, personally fought off a would-be assassin at Nagpur, India. He wrenched a knife from his attacker's hand in struggle on running board of an open auto. Police arrested the knife wielder, a rickshaw puller.

Winchell, NY Paper Settle Lawsuit Over Statement

New York — (U.P.) — The New York Daily Mirror published a statement today announcing settlement of \$1,525,000 in libel suits filed by the New York Post and its editor, James A. Wechsler.

The statement, authorized by Walter Winchell, said the columnist never said nor meant to say that the New York Post, its publisher or editor are Communists or are sympathetic to Communism.

False Impression Charged
The New York Post had sued for \$750,000 damages and Wechsler \$775,000 on charges that Winchell had sought to create the false impression they were disloyal to the United States.

The lengthy controversy had been on file since Dec. 17, 1952. The stipulation reached by attorneys for both sides called for a statement to be published in today's New York Daily Mirror editions and for an announcement on Winchell's radio and television shows last night.

The suits were discontinued with the publication of the statement and payment of \$30,000 in counsel fees and costs to the Post and Wechsler.

Publishing Agreed
The agreement provided that the statement should be published in other Hearst newspapers also and that either Hearst or King Features, which distributes the Winchell column, request other newspapers publishing the column to carry the statement.

Winchell also disclosed last night that he is leaving the ABC network because of a dispute over an insurance policy covering him for libel.

The columnist, who will leave the network Dec. 25 after 25 years, said he was paid \$10,000 weekly 52 weeks a year under the contract signed with ABC seven years ago.

Nehru's Attitude Worry To Officials

New Delhi, India — (U.P.) — Security officials worried today over Jawaharlal Nehru's tendency to minimize a possible assassination attempt and took steps to increase protection over the Prime Minister.

Their alarm was heightened when they discovered the knife-wielding rickshaw man who rushed at Nehru Saturday in Nagpur came from the same district as the assassin of Mahatma K. Gandhi.

The officials recalled that Gandhi also disregarded an attempt on his life a few days before an assassin shot him to death.

Nagpur police announced they will charge the rickshawman, Babu Rao, 26, with attempted murder despite his plea that he did not want to harm the prime minister.

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Unsound Speculative Psychology Seen in Market

Federal Reserve Chairman Cautions On Preoccupation

Washington — (U.P.) — Federal Reserve Chairman Williams McChesney Martin Jr. cautioned today against the public becoming "unduly preoccupied with stock markets" because it may lead to "unsound speculative psychology."

He also said margin requirements for stock purchases—amounts of cash needed for stock purchases—are not "cure-alls for stock market excesses or abuses."

Martin made the comments in testimony prepared for a hearing in the Senate Banking Committee's "friendly" investigation of the stock market boom during the last 18 months.

Big Market Drop
He testified only a few hours after one committee member—Sen. Homer E. Capehart (R-Ind.)—had told reporters he is "afraid" the inquiry caused a \$7,000,000,000 drop in stock values last week, the worst in the New York Stock Exchange in 15 years.

Chairman J. William Fulbright (D-Ark.) had said previously that if stock prices fell because of the inquiry then the market must be very weak.

Martin, who was called to testify largely on credit, said "regulation can restrain the use of credit for stock market purposes, but it cannot serve as a guarantee against all speculative abuses."

Avoids Margin Question
The Federal Reserve Board chairman did not comment directly on suggestions by other witnesses last week that the present margin requirement of 60 per cent be increased, perhaps to 75 or 100 per cent. The latter would mean that the buyer would have to put up all the money in cash when he buys stocks.

Martin said, "It is difficult to define what constitutes 'excessive use of credit' in stock markets."

However, he said, "So far as stock markets are concerned, it seems to me that there are certain signs or symptoms of unhealthy tendencies when businessmen or the public generally become unduly preoccupied with stock markets and stock prices."

"An unsound speculative psychology may then develop that can have adverse effects throughout the economy," he added.

Picnic Lunch on Raft Nearly Becomes Voyage

New York — (U.P.) — Four teen-aged boys decided to eat their picnic lunch aboard an old, abandoned raft they found tied to a Manhattan beach pier in Brooklyn Sunday, but the picnic nearly turned into an ocean voyage.

The rope broke and winds blew the raft more than a half-mile off shore before a police helicopter spotted the frantically-waving lads.

Portland Manufacturing Plant Leveled by Fire

Portland — (U.P.) — Fire destroyed the Reedway Manufacturing company plant here last night with loss estimated at \$20,000.

The plant, owned by John P. Domme of Portland, manufactured wooden plugs for paper rolls and bungs for barrels.



FIRE LADDIES TO THE RESCUE—Virginia Deaten finds that chivalry isn't dead yet as she is carried through floodwater on a Cincinnati street by fireman Jim Morganroth to rescue boat manned by fireman Gene Downing. At the time the Ohio River reached above 60 feet at Cincinnati.

Blimp Being Built To Hunt Submarines

Akron, O. — (U.P.) — A new-type blimp, to be used by the U.S. Navy for hunting submarines, is being built here.

The Goodyear Aircraft Corp. is not very talkative about the slimmer-than-conventional lighter-than-air craft that has been seen floating around here, but it does admit that it contains a lot of unique equipment.

One feature that can't be hidden is its three tails instead of the conventional four.

The firm, which built that World War II sub-hunting stowaway, the K-ship, did say the new ZG-1, as it's designated, is "equipped with latest developments adaptable to such aircraft

to enable it to detect, locate and attack enemy submarines in the event of war . . . (and to) refuel in flight from surface craft and can reballast by a water pickup system."

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Del Monte Corn and Peppers	12-oz. can, 2 for 39¢; 6 cans \$1.00
Del Monte Creamed Golden Corn	8-oz. can, 2 for 25¢; 9 cans \$1.00
Del Monte Creamed Golden Corn	No. 303 can, 2 for 35¢; 7 cans \$1.00
Del Monte White Corn	8-oz. can, 7 cans \$1.00; No. 303 can, 4 cans \$1.00
Summertime Whole Kernel Corn	No. 303 can, 2 for 25¢; 9 cans \$1.00
Diamond A Whole Kernel Corn	8-oz. can, 2 for 25¢; 9 cans \$1.00
Diamond A Whole Kernel Corn	12-oz. can, 2 for 29¢; 7 cans \$1.00
Diamond A Whole Kernel	No. 303 can, 2 for 35¢; 6 cans \$1.00
Green Giant Creamed Corn	No. 303 can, 2 for 35¢; 6 cans \$1.00
Kounty Kist Creamed Corn	No. 303 can, 2 for 29¢; 8 cans \$1.00
Three Sisters Whole Kernel Corn	No. 303 can, 2 for 29¢; 8 cans \$1.00

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