

Babson Sees Intensification Of Cold War

Roger W. Babson, business and financial adviser, believes that Russia does not want World War III and will go to great lengths to prevent it. He also predicts money will continue "tight" for new borrowers and sees a downward trend in the stock market during the next year. Following was Babson's predictions for the coming year:

Next to the Russian situation, President Eisenhower's condition will be of supreme importance. What its influence upon Russia will be, nobody knows. It probably will not affect general business. I believe that for some time our President has not been making important policies—and, much to his disappointment, his recommendations have been largely ignored. The major effect of the president's condition will be political. Those close to the president, for both friendship and political reasons, are hoping for his recovery both in health and in memory. Others in charge of the Republican party, anxious about his possible incapacitation or death, would like to see him resign and drop out of the picture in order to give Vice President Nixon a good buildup in the hope of reelecting the Republican party again in 1960.

For evident reasons, the Democrats are hoping that Vice President Nixon will not have an opportunity to function as President before the coming election. Therefore, President Eisenhower's condition could greatly influence the political situation during the next few years. This would cause uncertainty and retard large corporate expansion programs as well as consumer buying.

I cannot believe that Russia wants World War III; in fact, I am confident that Russia will go to some lengths to avoid World War III. In case of any retaliation by us, Russia would suffer great losses. Moreover, if Russia has any hope of conquering our country, she certainly wishes to preserve our cities, industries, and other valuable assets. Russia has land enough now; it is our industries which Russia wants. This also applies to England and Western Europe as well as the United States. Therefore my forecasts for 1958 are as follows:

Cold War Will Be Intensified

1. The present cold war will be intensified during 1958. This will increase fear of war, which could greatly affect retail sales.

2. Russian policy will be aimed at securing control of the United States, the countries of Western Europe, and the Middle East by infiltration.

3. The cold war costs the United States billions of dollars annually. This can be paid for only through increased taxes or inflation, or by the adoption of the Hoover Commission's recommendations for radical economy.

4. Profits will be further squeezed during 1958, as a result of higher costs and pressure for lower prices.

5. Competition at all levels will increase during 1958.

6. Only more advertising by both manufacturers and retailers will enable them to keep up their present gross volume during 1958.

7. Failures will increase in 1958. These will apply mostly to small concerns, but some one of the big companies in the Dow Jones Averages may collapse.

8. Predicting a lower total volume of business for 1958, compared with 1957, I forecast a moderately lower trend, on average, for wholesale commodity prices. Except a gradual decrease in the cost-of-living during 1958.

9. Wise labor leaders will hesitate to fight for higher wages, but will try for shorter hours, pensions, and other "fringes."

10. European countries will have less to spend for American goods, and foreign trade will decline in 1958 compared with 1957.

11. Money will continue to be "tight" during 1958 for new borrowers who have not established a satisfactory line of credit.

12. Owing to declining demands for funds, interest rates will decline in 1958.

13. Concerns with large numbers of employees will receive first consideration both by banks and by the government.

14. For fear of World War III, and due to declining business, many plans for expansion of plants will be postponed.

15. Money rates may be "fixed" during 1958 by an economic dictator.

16. Lower money rates will make it easier to sell long-term bonds during 1958.

17. The supply of non-taxable state, municipal, turnpike, and other "Authority" bonds will increase during 1958.

18. I forecast higher prices for many corporation bonds.

19. Investors will continue, during 1958, to switch from stocks to attractive bond issues; fear of war will rule all markets.

20. Bankers will fear that the government—as a part of the cold war—will appoint a dictator to direct the policies of all national banks, the leading stock exchanges, and investment dealers.

21. There will be a general fear that the government—as a part of the cold war—will fix wages in many industries and prevent further increases during 1958.

22. The revelations brought about by the investigation of the Teamsters Union may lead to important new labor legislation.

23. The Taft-Hartley Law will not be repealed in 1958, and may be made more severe. Much, however, will depend upon President Eisenhower's physical and mental condition.

24. Congressional attempts will be made to eliminate the present exemption of labor unions from anti-monopoly laws.

25. 1958 will be a sad year for labor leaders. I forecast that there will be an increase of unemployment during 1958.

26. I forecast that with the possible exception of the auto industry, there will be no national strikes during 1958.

27. I forecast that automation will slowly increase during 1958.

28. If wages should be fixed as a part of the cold-war program, retail prices will also be fixed.

29. All workers, especially office workers, will be more efficient in 1958. It will be more difficult for the next group of college graduates to get good positions at high wages.

30. For the past few years labor has been sitting in the driver's seat. Many industrialists and political leaders have feared that the country is headed for a socialist or labor government. A cheerful sign now is that such fears may, temporarily at least, be forgotten. The American working man is himself becoming disgusted with too powerful labor leaders. This should be good news to all honest employers.

31. Land adjoining cities and towns will increase in value during 1958. This especially applies to small farms.

32. Large commercial farms will continue to prosper during 1958, but the small farmer will continue to suffer if dependent on farming.

33. Under an economic dictator, farmers would receive no increased price supports. If farm prices are fixed, they will be at lower levels.

34. Large cities may continue to lose population. Large city real estate will sell for less, for fear of Russian missiles.

35. The growth of suburbs will continue, although many houses now occupied by well-paid executives will be forced on the market as their owners lose their present high-salaried positions.

36. Construction activity in many communities will decline. Older houses will come on the market.

37. In many sections of the country there will be a greater demand for cooperative modern apartments than for single houses, although old apartment houses will sell for less. More young people and old people will insist upon every modern convenience and upon locations not absolutely dependent on automobiles.

(Continued on Page 3)

HIGHLIGHTS OF 1957

A roundup of local news stories which made headlines in 1957 appears on page 6 of today's Mail Tribune.

18 PAGES

Ike Replies To Soviet Message Seeking Peace

Heads of State Exchange Greetings

Gettysburg, Pa.—President Eisenhower today sent a message to the leadership of the Soviet Union pledging the United States to "every effort" toward world peace.

Eisenhower, on an early and frosty New Year's morning at his farm home here, sent a cable to leaders of the Soviet Union in reply to a New Year's message of greeting.

"I earnestly trust that the new year will bring a firmer and better understanding between the citizens of the Soviet Union, the American people and those of other nations," Eisenhower cabled to the Russian leaders.

"You may be assured that the government of the United States will extend every effort to that end," the President said to the Russians.

Message From Russia

The occasion of Eisenhower's message was a cable he received Thursday night through normal commercial channels from Chairman Vorshilov of the Supreme Soviet Presidium; Soviet Prime Minister Nicolai Bulganin and Nikita Khrushchev, the real boss of Soviet Russia and currently the secretary of the Communist party.

The Russian message, sent from the Kremlin on the night of Dec. 30 and received here at the temporary White House on New Year's Eve, said:

Year of Strengthening

"On the eve of the New Year we ask you, Mr. President, to accept personally and to transmit to the people of the United States of America our best wishes for the peoples of the Soviet Union and from us personally.

"We express the hope that the forthcoming year will be a year of strengthening of friendship and cooperation between the peoples of the Soviet Union and of the United States of America; a year when the great principles of peaceful coexistence receiving ever greater international recognition will become the basis of mutual relations between our states."

Holiday Traffic Toll Starts Climb

By UNITED PRESS

Americans greeted the New Year with festive night club celebrations, quiet home parties, church watch services, and death-dealing accidents on snow-slicked highways.

It was a safe and sane holiday observance for most celebrants, but a snow storm made driving hazardous throughout the nation's mid-section and the traffic death count was running slightly ahead of the National Safety Council's predictions.

A United Press count at 7:30 a. m. (PST) showed at least 44 persons had been killed on the nation's highways since 6 p. m. Tuesday. New York reported five traffic fatalities, Illinois and Ohio four each, and California and Kentucky three each.

The National Safety Council had predicted 130 traffic deaths for the New Year holiday period which began at 6 p. m. yesterday and ends at midnight tonight.

Two Babies Born At Sacred Heart Are First in '58

Two babies, both at Sacred Heart hospital four minutes apart, were the first new arrivals in the valley for 1958.

Born at 8:41 a. m. was a boy to Mr. and Mrs. Michael Fazio, 2802 Crater Lake highway, Medford, a fourth child for the couple. Fazio is a partner in "Builder's Service" in Medford.

A girl was born at 8:45 a. m. to Mr. and Mrs. Edward Pentkowski, 416 Bridge st., Ashland, to be the second arrival in the New Year. The baby is the second child for the Pentkowskis. The father is a lineman for Pacific Telephone and Telegraph company.

Both babies, according to hospital officials, weighed 6 pounds, 15 ounces, each and measured 21 inches in length.

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Tito Calls for East-West Parley



Sig Unander To Be Candidate in Governor Race

Portland—State Treasurer Sig Unander announced Tuesday that he will seek the Republican nomination for governor in the May 16 primary election.

Unander, state treasurer since 1953, said his decision to run came "after long and careful study."

He added that "there were many considerations, including my family."

Since he polled 416,410 votes in the 1956 general election, Unander has been prominently mentioned as a gubernatorial candidate.

Sprague To Be Chairman

Unander announced that former Gov. Charles A. Sprague, publisher of the Oregon Statesman at Salem, would be his campaign chairman. Mrs. Paul Patterson, widow of the late governor, will be vice chairman.

In the Democratic primary will be Gov. Robert D. Holmes and Portland insurance man Lew Wallace.

Unander, 44, said he would visit every section of the state before May, stating "issues, not personalities, will be emphasized in my campaign."

Closer to People

A campaign stressing "orderly development of our resources and payrolls, the strengthening of the State Board of Control and realistic spending of tax dollars" was promised by Unander.

"It is my sincere belief that the governor should be close to all local problems and needs," Unander said, adding that he would "bring Oregon government closer to our people."

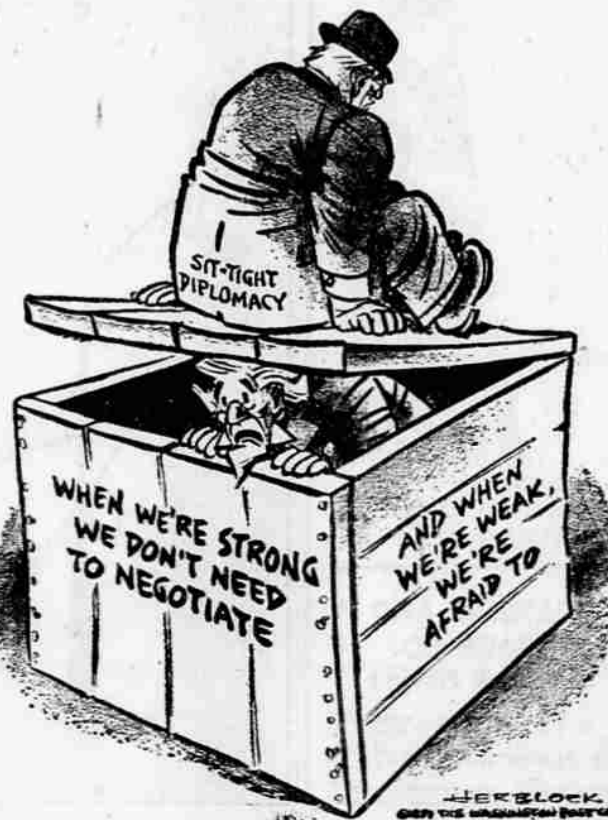
The GOP candidate was executive assistant to Gov. Sprague from 1939 to 1941 and was first elected state treasurer in 1952. He was re-elected in 1956.

'Year of Promise' Predicted by Quarles

Washington—Deputy defense chief Donald A. Quarles said today that 1958 is "a year of promise" for the United States despite the challenge of Soviet military might.

Quarles stressed the nation must not lose sight of the fact that meeting Russia's mounting military challenge "calls for our best efforts."

"How Did I Get In This Box?"



Tax Forms Mailed; April 15

They are addressed and packaged. Many Americans this year will receive the reminder from the Internal Revenue Service that last year's taxes are still with us.

The service cheerfully announced that its usual New Year greetings—56 million income tax forms—are speeding your way.

A few lucky citizens already have received their 1957 forms. But if yours doesn't come right away, don't worry.

April 15 Important

The Internal Revenue Service said some taxpayers may not receive their forms before Jan. 10. The important day anyway is April 15, the deadline when they are to be filed.

Frank Thatcher, Internal Revenue publications chief, said the mailing, largest in the service's history, began the day after Christmas.

"We like to give the Post Office Department a chance to get its Christmas mail out of the way," he said, peering from his desk over a pile of returned forms whose recipients are dead, moved or interestingly missing.

He also suggested the average citizen does not look upon a tax form as an appropriate Christmas card.

Actually no income tax forms are mailed from the capital. They are all mailed from central distributing centers at Ogden, Kansas City, and Lawrence, Mass.

135 Carloads of Paper

"The Government Printing Office starts turning them out here in October," Thatcher said. "Takes 135 carloads of paper and thousands of pounds of ink."

"Then we ship them out to the distributing centers where they are addressed and packaged."

Thatcher said the new forms are just about the same as last year from an artistic point of view.

However, he said a flashy new form printed in maroon is being tried out on an experimental basis in Philadelphia and Camden, N.J.

"One of our experts thinks it might be easier to check a form printed in maroon," he said.

British Plane Vanishes Over Eastern Europe

London—A freight-carrying British DC4 Sky-master disappeared over Eastern Europe Tuesday after radioing it was being intercepted by jet fighters.

Today, the British Foreign Office said it had been informed Communist fighters forced the plane down in Albania for "violating Albanian air space."

London—The British Foreign Office reported today that a British freight plane vanished over Eastern Europe Tuesday after reporting it was being intercepted by jet fighters.

A Foreign Office statement hinted that authorities believed the plane might have gone down in Albania.

The DC4, with six crewmen aboard, failed to arrive at Damascus on a flight from Dusseldorf, Germany, to Singapore.

Athens Check Missed

The Foreign Office said the freighter, belonging to Independent Air Travel, Limited, radioed to the Italian Airways radio that it was being intercepted by jet fighters.

After that, the plane failed to check in over Athens, its next checkpoint on the flight across the Iron Curtain.

This was the first apparent incident involving a western commercial plane since Bulgarian fighters shot down an Israel Constellation in July, 1955. In that disaster all 58 persons aboard were killed.

British diplomats immediately went to work seeking news of the missing DC4.

President Said To Be 'Feeling Fine'

Gettysburg, Pa.—President Eisenhower was reported to be "feeling fine" today as he began a new year that was certain to bring new and heavy pressures on his physical and emotional stamina.

Eisenhower still has another medical examination to undergo before he is given a clean bill of health for the mild stroke he suffered Nov. 25.

The President made what appeared to be a speedy recovery and has maintained a steady, but at times abbreviated work schedule since early December.

The "feeling fine" report came from Press Secretary James C. Hagerty who was at New Year's Eve dinner guest at the Eisenhower's farm home last night.

Motorist Takes Shots At Miami Pedestrians

Miami—An unidentified motorist, apparently drunk, drove through the streets of downtown Miami early today, taking potshots at pedestrians with a pistol or rifle. At least two persons were injured.

Terrified witnesses told the Miami homicide bureau the gunman picked his targets at random as he drove slowly through the darkened streets filled with New Year's revelers.

A citywide manhunt was ordered.

Eugene—A 28-year-old plywood worker, Lemuel M. Davidson, Eugene, died of injuries suffered when a stack of green plywood fell on him Tuesday afternoon at the Multi-Use Panel corporation plant just north of here.



PLACING CROWN on head of Trudy Wood, 17, John Biggers Jr., president of Pasadena Tournament of Roses, inaugurates her reign as queen of spectacle. (International)

Three Mothers Start Trip To Red China To Visit With Sons

New York—Three middle-aged mothers carrying handknit wool socks and pictures of the family took off today for Communist China to visit their three imprisoned American sons.

"I feel wonderful," said Mrs. Hugh F. Redmond of Yonkers, N. Y. "It will be a happy New Year for me."

Mrs. Redmond, Mrs. Mary V. Downey, of New Britain, Conn., her son, William Downey, and Mrs. Philip G. Fecteau of Lynn, Mass., were scheduled to leave Idlewild Airport aboard an American Airlines plane for Los Angeles. They will board a Pan American World Airways flight for Honolulu and Hong Kong, arriving in the Chinese border port on Monday, Hong Kong time, to begin a two-week visit.

Sentenced To Life

Mrs. Redmond has not seen her only son, Hugh F. Redmond Jr., 38, since 1946 when, a decorated veteran of World War II, he went to China to work for an export-import firm. He was sentenced to life imprisonment in 1954 as an American spy and is now under house arrest, with two Roman Catholic priests, also Americans, in Shanghai.

Mrs. Redmond said her son was married in Shanghai to an American girl in 1949.

15-Year-Old Boy Arrested by Police

Medford police arrested a 15-year-old Medford boy on charges of petty larceny Tuesday afternoon after the youth admitted in a signed statement of taking two transistor radios from Medford firms.

Police said the youth told them he first took a radio from the Western Thrift drug store, 30 North Central ave. He took another radio from Purucker's Piano house, 111 North Central ave., when he did not like the first one.

The youth is being held in the Jackson county juvenile detention home pending action by juvenile authorities, according to police.

WEATHER

Forecast: Considerable cloudiness this afternoon, tonight and Thursday with occasional light rain this afternoon and tonight and a few showers Thursday. Occasional gusty southerly winds. High today 45-50, low tonight 28, high Thursday 48 degrees. Temp. High Yesterday 44. Lowest this Morning 32.

Our Skies Tonight

Sunrise 7:41 a. m. Sunset 4:49 p. m. Moonset Thursday 4:28 a. m. Full Moon Sunday

Highlight of the phenomena in the skies above this year will be the continually growing brilliance of the planet Mars. It is now nearly 215 million miles from the Earth; in November it will be less than 46 million miles away.

Tendons Torn

Kenny was taken to Sacred Heart hospital in Eugene with torn tendons in his right leg. The Shinn boy was in Douglas community hospital here recovering from leg lacerations which required 22 stitches.

Nation-To-Nation Level Suggested For Peace Talks

NATO Conference Draws Criticism

Belgrade, Yugoslavia—Marshal Tito called today for an East-West summit meeting in this "eleventh hour of history" to save mankind from extermination by "atomic, hydrogen and other up-to-date instruments of war."

He said the talks should take place on a nation-to-nation level to end the "division of the world into blocs contrary to the idea of coexistence." He made the suggestion in a New Year's statement to his people.

"Good will and conversations" between the East and the West must be the aim now, he said, with the eventual aim of "peaceable competition between social systems."

Raps NATO Conference

Tito criticized the recent NATO summit conference and said the Western leaders were seeking "positions of strength" before bargaining with Russia.

However, he praised President Eisenhower's speech at the Paris meeting for its "constructive words" on aid to underdeveloped countries.

The Yugoslav leader said the world needed and international settlement by the East and West if it is to survive.

"The new, atomic era and the first intimations of man's penetration into outer space, instead of filling man with immeasurable pride and joy in this triumph over nature, cause peoples to fear these achievements of the human genius," he said.

Instruments of War

He declared the fact that "it is intended to use them as a means of intimidation and as instruments of war, which can result in the most terrific catastrophe and turn the world into ruin."

He said the "positive proposals" by Indian Prime Minister Jawaharlal Nehru and Soviet Prime Minister Nikolai A. Bulganin were "countered with a meeting of the Atlantic Pact at that highest level at which discussions were held about distributing atomic weapons, building bases for guided missiles and so forth."

"This is by no means the way toward relaxing and finding points of agreement in the world today," he said.

Explosion Heard In City Tuesday

Medford police reported today they were unable to locate the cause or location of an explosion in Medford about 6:20 p. m. Tuesday.

The blast, heard in several sections of the city, resulted in several telephone calls to police asking the cause. Police said the explosion apparently was dynamite and was detonated above ground.

The location of the blast was near Fourth and Front sts., judging from directions called in by a number of people, police said. They reported no damage was found when inspecting the area last night or this morning in daylight.

Home-Made Rocket Blast Hurts Two Roseburg Boys

Roseburg—Two teenage Roseburg area boys were recovering in hospitals today after being treated for leg injuries when their home-made rocket exploded after being dropped on a concrete garage floor.

Garry R. Kenny, 15, Roseburg, and Gary Shinn, also 15, Winchester, suffered the hurts when Shinn accidentally dropped the rocket on the floor of the carport at his parent's home Monday afternoon.

The missile was made from a foot-long piece of galvanized pipe.

Controlled Conditions

Garry's parents, Mr. and Mrs. Robert Kenny, said the boys worked on the rockets under "controlled conditions."

Garry said he was eager to get to work on a six-foot rocket of his own design that he hoped would go 2000 feet into the air, and fall to earth by parachute. The Shinn boy said as far as he was concerned his career in rockets was ended.

The boys, sophomores at Roseburg High school, and both good students in science" would not comment on the type of fuel used in the rocket, but the Kenny youth said it was "pretty sensitive."

Tendons Torn

Kenny was taken to Sacred Heart hospital in Eugene with torn tendons in his right leg. The Shinn boy was in Douglas community hospital here recovering from leg lacerations which required 22 stitches.