

Red China Report

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The promises come fantastic. At the director's office in Sian, the director would assured me that next year increase fivefold. At the present figure in the past conferences of workers of few months ago, the Shanghai year's production had risen from an amount of \$11 million original in value. At the to \$42 million works, where nearby were produced 1,400 workers had succumbed to turn out first meeting 4,200, then 5,600 2,800 in 1958.

These exhilarating bear any relation to at all, nobody yet. Fatigue and bottle still take their toll, and today workers in idle as can be found lying in a dazed sleep at their desks, or even openly whiling away the time by playing cards. Yet on the one occasion was able to check incontrovertibly with a fully-informed anti-Communist expert a claim that production had been tripled in one important plant I was told. "It is perfectly true, and it could only have been done in China."

ence is considerably shaken. After learning how workers had decided arbitrarily to double, treble, even quadruple original figures for current production which had been, after all, soberly worked out by their own experts in the first place, I could only reflect how appropriate it was that the most famous dish in China, home of culinary excellence, should be called "Canard de Pekin."

Nevertheless, in the Chinese provinces I saw what was meant by "small and medium local industry." There were simply constructed furnaces producing anything from two to 20 tons of pig iron or carbon steel a day, and local forges and casting shops where this metal was converted into farm tools, boilers, even cast iron rails for local communication.

This scheme may indeed enable China to overtake Britain, at least in sheer solid weight of output if not in quality. It will, moreover, immeasurably accelerate China's plans for building up into the greatest producing state in the world with an unprecedented impact on the West.

Fire Danger in Oregon Forests Declared High

By United Press International
Forest fire danger mounted in Oregon today. One new blaze was reported in southwest Oregon and foresters kept a close watch on the situation with the deer hunting season scheduled to open Saturday.

"Unless it gets real bad there is no question that the season will open," Tom Wright, press secretary to Gov. Robert D. Holmes said.

Use of Sidewinders Said Grave Matter

Moscow - (UPI) - The Soviet press said Tuesday that Nationalist Chinese use of American Sidewinder air to air missiles was an "exceptionally grave" matter that would bring "counter-blows."

A Tass news agency report from Peiping distributed today reported the Nationalists had made 142 sorties in American-supplied planes using the deadly missiles for the first time in action.

"The Chinese People's Liberation Army will deliver a counter-blow against Chiang Kai-shek's air force in connection with this criminal action," the Tass dispatch said, quoting the Chinese Communist Defense Ministry.

Pear Bureau Picks Merchandising Man

Portland - (UPI) - The Oregon-Washington - California Pear bureau announced Tuesday that M. L. McMahon has been named merchandising director of the organization, with offices in Portland.

Richard A. Patterson, bureau general manager, said McMahon would direct field representatives supervising all winter pears merchandising programs. The post is a new one, Patterson said.

McMahon formerly was sales promotion manager of Calavo Growers of California.

DRASTIC SOLUTION

Cleveland - (UPI) - Four-year-old Edward Sokolowsky had a few bad moments Tuesday when police and firemen, unable to remove a pair of handcuffs he had snapped to his ankles, took him to a fire station for a bigger hacksaw. "He thought they were going to cut off his legs," said his mother, Mrs. Arlene Sokolowsky.

Mutual Funds, Insurance Tied In Program of Estate Planning

By ELMER C. WALZER
UPI Financial Editor
New York - (UPI) - Wall Street experts are making much these days of linking up mutual funds with insurance planning in estate planning.

Today 60 investment companies and mutual funds are sponsoring distribution of Arthur Wiesenberger's "Investment Companies" book to 15,000 public libraries, college and university libraries and armed forces libraries in the United States.

Wiesenberger devotes a chapter of his book to insurance with the intention "to show the fallacies in certain types of reasoning about life insurance." These misconceptions, he holds, have discouraged people from investing at least part of their savings in common stocks, which "in the past have helped minimize the effects of inflation."

Walter Holbrook, a New York estate planner, has worked out a combination of life insurance and mutual funds.

"A man paying \$500 or more a year in premiums for permanent life insurance (anything except term or group) can usually get twice as much life insurance and at the same time start building capital through a mutual fund without any increase in outlay," Holbrook says.

The Plan
Under Holbrook's plan one borrows most of the cash value of the insurance each year to pay the premiums on additional insurance and, in many cases, to invest in the mutual fund as well.

He warns that interest must be paid on the money borrowed on the policies, and that the face amount of the insurance is reduced by the amount of the loan.

He says the interest can be paid, death benefit increased and retirement capital built up by buying a growth stock mutual fund.

He recommends an annual purchase of enough mutual fund shares so that the regular dividends on those shares will normally pay the interest on the insurance loan, and suggests that, if necessary, one take them in cash for this purpose.

Special, or capital gains, dividends on the mutual fund shares are reinvested, and with their increase in value and that of regular purchases

one should build funds for retirement much faster than through an old-style annuity, he says.

The Result
Holbrook says that if inflation speeds up, the growth of common stock mutual fund shares should speed up faster. If inflation curve levels off, the mutual fund shares won't grow as fast but the insurance dollars will buy more.

And if deflation should come again some day, one can always sell off his mutual fund shares, retire the loan, and convert life insurance policies into annuities.

This all sounds pretty complicated, but Holbrook is busy selling the plans and working

out the details. He calls it a type of variable annuity. Insurance companies, incidentally, are working on plans to sell variable annuities and one will be hearing a lot about this type of investment soon.

Wiesenberger in his discussion of investing also notes the inflation angle and speaking of the project of investment companies to "convert" large numbers of new investors through education, he says:

"A well-informed public will naturally turn to the investment company idea in even greater numbers in the future."

OLD SKELETONS FOUND
Manila - (UPI) - Skeletal remains of Filipinos who presumably lived ages before Ferdinand Magellan came to the Philippines have been discovered on Cebu Island, it was reported today.

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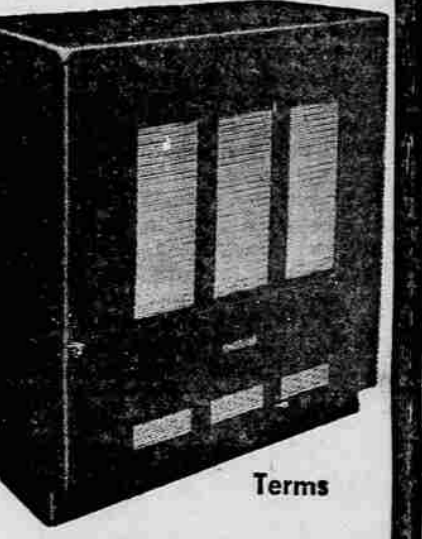
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