

Nation Faces Financial Crisis, Government Experts Maintain

By ELMER C. WALTZER
UPI Financial Editor

New York—UPI—The experts say the United States government is facing a financial crisis.

We are supposed to be at the bottom of the barrel, no more money. And no more money in sight unless we start the printing presses.

And any one who has read any financial history knows what printing press money means, it means the end of the dollar.

That may seem to be our biggest problem. But there's a much bigger one and that is explaining our troubles to the people in a way the will understand them.

The Wall Street Journal editorially notes this problem. Ahead of it the Journal says: "It cannot be an easy decision for the President to make public acknowledgment that the government of the United States is in financial straits."

Very Real Fear
And finally, the Journal says, "There is the very real fear that dramatic gestures might carry such a tone of desperation as to make matters worse."

Just what is the matter? Aren't we running at a record production rate in the best year in our history, marred only by strikes? Aren't employment, payrolls, corporate profits, dividend and consumer demands for goods, at new record highs?

They are. And that's why it's so difficult to tell people we are in trouble as a nation. Here is how the Wall Street Journal describes the situation:

"Time has caught up with a prodigious country. For more than a decade this country has spent money like the proverbial drunken sailor.

"We have poured out billions to make life more pleasant for farmers, to pay hand-some rewards to veterans, to give ourselves a luxury of houses and roads and any sort of 'welfare' that came happily to mind.

"We've poured many billions of hard-earned money all over the globe. "And we've done all this with a blatant disregard of the deficit the billions accrued in our accounts."

Some Cheered Action
"We've spent our heads off and people high in government and some economists cheered the action.

Now, it is noted the men who manage the money see that the bottom is not far away, the editorial warns. "The 'technical' problem that grabs the headlines, the rising interest rates for borrowed money, is merely a warning sign of what lies beneath.

"It says that the barrel is running dry not only for the treasury of the United States but for everybody.

"But a warning is also an opportunity. Here the opportunity is time to choose between two paths.

"One is to choose inflation; not the modest inflation we have heard so much about the inflation in mammoth doses.

"The other is to choose to put our house in order."

Still Have Time
The Journal believes we still have time, but we've got to pay the price, cut back, pay high rates of interest for the money we borrow, and stop our prodigious spending.

Just now because Congress refuses to recognize that the U.S. must pay the going rate for interest, the treasury is ham-strung in its attempts to raise money on other than short term borrowing, a method that is almost akin to printing dollar bills.

Foreigners hold about \$18 billion of dollars in government securities. If they re-

triated these holdings and turned them over to their governments for their own currencies, the governments could drain every ounce of gold we have.

Also we are going into the hole each year to the tune of around \$5 billion in our foreign operations.

The treasury must raise \$7 billion or so in new money soon. Also in a year or so it must refund \$78 billion in government bonds. And at the same time business wants billions to expand.

There just isn't enough money to go around unless we make some more and if we make some more without proper backing, kiss the dollar goodbye, say the experts.

Adenauer Marks 10th Anniversary

Bonn — UPI — Konrad Adenauer celebrated his 10th anniversary as West German chancellor today by watching the inauguration of Heinrich Lübke—his personal choice—as the nation's second president.

Lübke was sworn in at a joint session of Parliament attended by foreign diplomats and distinguished visitors to the West German capital. He actually had been president since Saturday midnight, but the formal inauguration was postponed to coincide with Adenauer's anniversary in office.

Speakers at the ceremony included Lübke, outgoing President Theodor Heuss and the heads of the two houses of Parliament.

Adenauer dropped plans to speak when the Socialist opposition demanded equal time.

FORMER ACTRESS DIES

New York — UPI — Maurice Matthews, about 40, former actress and fashion model, died Monday of cancer.

Heart Attack Fatal To Actor

San Francisco — UPI — Actor Wayne Morris died of a heart attack Monday aboard an aircraft carrier in the Pacific, where—unknown to most of his fans—he played his greatest role during World War II.

Morris, 45, collapsed while watching air operations from the bridge of the carrier USS Bon Homme Richard, which was conducting exercises off Monterey, Calif., about 100 miles south of here.

As a carrier pilot during the war, the veteran actor was awarded four Distinguished Flying Crosses and two air medals. He shot down seven Japanese planes and was credited with sinking an enemy gunboat and a destroyer.

Morris is survived by his wife, Patricia, and two daughters, Melinda and Patricia. He also leaves a son by a previous marriage to Bubbles Schinas.

The husky actor was the fifth Hollywood personality to die in the past nine days. The others were Paul Douglas, Edmund Gwinn, Kay Kendall, and dress designer Gilbert Adrian, husband of Janet Gaynor.

Wall Street Chatter

New York — UPI — Inflation is here to stay in spite of tight money, says Mitchell of Canada.

"Theoretically it (tight money) is a good idea, and we are opposed to inflation just as we are opposed to drunkenness, juvenile delinquency, forgery, mayhem and other forms of sin," Mitchell says in his market letter.

He believes it is "psychologically impossible to halt inflation until the mass of people are much more economically sophisticated than they are now."

Inflation is here to stay, he adds, as in the long run it has always been with us. "That plus the population increase is why our faith is always with stocks over the long haul."

J. W. Sparks & Co. adds Westinghouse Electric to its list of split candidates, and advises keeping an eye on Ampex, Lukens, Motorola and Harris Intertype for near-term trading opportunities.

Sparks says new rights offerings are expected in Boston Edison and Union Electric.

Steadard & Poor's list Pittsburgh Plate Glass as its stock of the month, because of its stature in glass and paint and its growing role in the chemical industry.

Daughter Born To Bing Crosby's

Los Angeles — UPI — Crooner Bing Crosby, father of five sons, let out a joyful "whoo!" Monday night at Queen of Angels hospital when his wife, actress Kathy Grant, gave birth to their first daughter.

"You could hear him the length of the corridor," said an attendant. "And the corridor is about two blocks long."

The 55-year-old singer took his 24-year-old wife to the hospital at 5:34 p.m. Monday. Two hours later she gave birth to a 6-pound, 15-ounce girl.

The couple named the child Mary Frances. They have one other child, Harry Lillis Crosby III, born at the same hospital Aug. 8, 1958. Crosby's four grown sons were by his marriage to his first wife, the late Dixie Lee.

Labor Council Protests Literature

Portland — UPI — A protest was made Monday night at a Central Labor Council meeting here to literature circulated in behalf of the candidacy of Jess Bell for the post of executive secretary of the Oregon AFL-CIO.

The protest, by Chester Pyle and Charles Langley of the Typographical Union, was made on grounds the envelopes on which the material was contained did not bear the label of the Allied Printing Trades.

Bell said he had the envelopes printed at what he believed to be a union shop and that the campaign letter was sent out by the Office Employees Union. Langley said the shop where the envelopes were made was not union.

PRINCESS PREGNANT
Tokyo — UPI — Princess Michiko, wife of Crown Prince Akihito, is pregnant, the imperial palace announced today. The 24-year-old commoner-born princess and Akihito were married last April 10. The announcement said an examination last Thursday disclosed she was four months pregnant.

Small Consumers Said Feeling Pinch Of Steel Dispute

Cleveland — UPI — The steel strike, now entering its tenth week, is making its impact felt on small consumers.

Steel magazine said Monday that small consumers are feeling the pinch and that unless there's a sudden settlement, thousands of hands will soon be reaching for panic buttons.

The metalworking weekly said signs are increasing that the steel bargainers are at last on the track of a settlement, but warned that it'll take time to get steel to users even after the strike ends.

Supplies Barely Adequate
Inventories have fallen from an all-time high of 26 million tons to a barely adequate 17 million. The magazine said that although stocks are still about 3 million tons above the minimum working level, they're getting out of balance.

The weekly said that smaller companies are running into trouble because their financial resources and storage facilities weren't large enough to permit heavy stockpiling.

Major consumers, however, have no immediate problems. Auto producers reported they can keep operating through October. Chrysler Corp. is in the best position, while General Motors Corp. is in the worst.

Ford Motor Co., with a steel plant of its own that can supply 50 per cent of company re-

quirements, is in the middle. The magazine warned that some of automob's parts plants may be on short rations by the end of September, while assembly plants will be able to operate through October.

Squeeze Seen on Plants
Steel said by November lack of steel will start putting the squeeze on at least two-thirds of the industry's 49 assembly plants.

Losses incurred by the strike as of Monday night totaled \$3.2 billion—through lost wages (\$634,800,000), lost sales (\$1,848,000,000), other losses (\$353,000,000), and tax losses to government (\$405,000,000).

The magazine said that it doesn't look as if there is any chance for an early settlement in the widespread strikes affecting copper, lead and zinc. Metal executives were quoted as expressing the opinion that the dispute could last through October and possibly into November.

Meanwhile, steelmaking operations continued at 12 per cent of capacity last week with the output totaling 340,000 ingot tons. District rates ranged from an increase of six points in Cleveland to a drop of 1.5 points at both St. Louis and Birmingham.

The price composite on No. 1 heavy melting steel scrap climbed \$1 to \$40 a gross ton despite absence of active buying.

The Family Council

Editor's note: The Family Council consists of a judge, a psychiatrist, three clergymen, a newspaper editor, a women's editor and two writers. Each article is a summary of an actual report. The Family Council does not give advice; it merely reports on problems that have been dealt with by responsible agencies and counselors.

Henry J. — My daughter should go to her grandparents. Eloise J.—I promised to rear her. I won't concede defeat.

Henry J.—I was a widower with three children when I met and married my present wife, Eloise.

Eloise had no children and had not been married before. She took over the job like a real trouper and has been successful with the two younger boys. But no matter how hard she tries, there is trouble with my daughter, Helen, 14.

I feel Helen is quite spoiled. My first wife was an invalid for many years, and her family catered to all the children, especially Helen. Now Helen wants to go back to live with her grandparents or her aunt. I feel that it may be best all around. Eloise is just a young woman and shouldn't have these big problems foisted on her. It's wearing her down and we are expecting a child of our own soon.

Eloise J. — When I married Henry I told him that I would love and rear his children as my own and I don't intend to go back on that promise. Henry calls me stubborn and I suppose I am. I have always stuck to anything I set out to do. I am disappointed.

Court Records

DISTRICT COURT
William F. Lucas, improper lights, \$10.
Willis J. Shanks, failure to stop, \$10.

William A. Cobbs Jr., no operator's license, \$10.
Alice N. Cheadle, no operator's license, \$10.
Charles H. Huggins, improper lights, \$10.

Richard G. Chambers, violation of basic rule, \$15.
Donald L. Peak, violation of basic rule, \$15.

Frank E. Nolan, no operator's license, \$10.
Arthur S. Kocher, failure to stop, \$10.

Roderick E. Parkman, failure to display PUC license, \$10.
Dale Harris, exceeding declared weight, \$15.

Clyde L. Bever, switched license plates, \$30.
Lester L. Price, driving while license suspended, \$100.

Samuel C. Chamberlain, borrowing operator's license, \$15.
Lillian E. Hood, no operator's license, \$10.

Shirley W. Davis, no operator's license, \$10.
Earl L. Stephenson, overweight, \$15.

Arnold Ray Peterson, no motor vehicle license, \$10 (\$5 suspended).
Leland R. Chambers, improper lane change, \$10.

CIRCUIT COURT
Orval L. Jones vs. Lucy A. Jones, divorce complaint.
Lena Symens vs. Gerald L. Symens, divorce complaint.

Gwen Winters vs. Alan Winters, divorce complaint.
Betty A. Ensey vs. John A. Ensey, divorce complaint.

Vernon Caldwell vs. Clarice Grace Caldwell, divorce complaint.
MARRIAGE LICENSE APPLICATIONS

Charles Cruz, San Fernando, Calif., and Marjorie Lee Duncan, Burgess, San Fernando, Calif.
John Stephen Forbes, Florence, Ore., and Catherine Ann Carroll, route 1, box 668, Eagle Point.

Ronald DeWayne Daugherty, route 3, box 236D, Medford, and Elizabeth Louise Rupp, 1046 Lozier lane, Medford.

David Emerson Easley, box 155, Shady Cove, and Dale Bradford, route 1, box 452, Eagle Point.



SITTING disconsolately after his capture in Baker, Ore., Thayne H. Archibald, 20-year-old ex-convict, told police he executed Larry Waters of Livermore, Calif., near Truckee, Nev., Aug. 26.

Surgery Planned For Siamese Twins

Portland — UPI — Doctors said Monday that surgery to separate the Stubblefield Siamese twins of Parma, Idaho, is scheduled for the first part of October.

The twin girls, Denett Linn and Jeanett Kim, were born at Nyssa, Ore., June 29. They now have a combined weight of 17½ pounds, doctors at the University of Oregon medical schools said.

August Lumber Production Figured

Portland — UPI — The weekly average of West Coast lumber production during August was 159,691,000 board feet, the West Coast Lumbermen's Association has reported. The average was 95 per cent of the 1954-58 average. Cumulative production for the first eight months, 5,571,130,000 board feet was about 400,000 board feet more than the corresponding period of 1958, the association said.

MAIL TRIBUNE, Medford, Or.
Tuesday, Sept. 15, 1959 5

Portlander Files For Democrat Post

Salem — UPI — Allen Hoffard, Portland, today filed his candidacy for delegate at large to next summer's Democratic national convention and announced his support for Sen. Hubert Humphrey for president and Sen. Wayne Morse for vice president. Hoffard, now a Portland television announcer, once was press secretary to Morse.

Edmund E. Hass
Vice-President

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Mr. and Mrs. Roy D. Watson . . . Talent
Mr. and Mrs. Roy Burnette . . . Talent
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