

Surplus Too Good To Be True, Democrats Claim

MEDFORD MAIL TRIBUNE

Regional Edition Page 2

Stocks in Upturn After Interruption

New York —UPI— Stocks resumed the uptrend today following the interruption which brought sharp declines in the last two sessions.

Brokers said the absence of any Federal Reserve move toward boosting the discount rate put traders in a buying frame of mind.

Electronics paced the upturn with gains of more than 2 in Ampex, Texas Instruments and Zenith. General Time and Litton added more than a point each. Motors, looking for their best production week in three years, showed gains of around a half or more in Ford and General Motors. American, which jumped nearly 4 Thursday, was unchanged. Chrysler eased.

Steels were dull. Rails and aircrafts were up a bit, oils sagged, while

DOW-JONES AVERAGES
New York —UPI— Dow-Jones final stock averages: 30 industrials 877.66, off 4.96; 20 railroads 158.49, off 0.42; 15 utilities 87.80, off 0.06, and 65 stocks 220.40, off 1.15. Sales Thursday were about 3,310,000 shares compared with 3,730,000 shares Wednesday.

Thursday's prices on selected stocks:

Allied Chemical	114
Alum. Co. Am.	105 1/4
American Can	43
American Motors	90 3/4
AT&T	81 1/4
Anaconda Copper	67 1/2
Armco Steel	72 1/2
Bendix Aviation	71 3/4
Bethlehem Steel	54 1/2
Boeing Air	31 1/2
Caterpillar Corp.	22
Chrysler Corp.	46 1/2
Continental Can	33 1/2
Crown Zellerbach	53 1/2
Curtis Wright	30 1/2
Dow Chemical	98 1/2
Du Pont	26 1/2
Eastman Kodak	105 3/4
Firestone	138 1/2
General Electric	97 1/2
General Foods	103 3/4
General Motors	35 1/4
Georgia Pacific	20 1/2
Graham Paige	25
Greyhound	21 1/2
Gulf Oil	35 1/2
Homestake Mining	42
Idaho Power	47 1/2
I. B. M.	44
Int. Paper	13 1/2
Johns Manville	47 3/4
Katy	6 1/4
Kennecott Copper	90 3/4
Lockheed Aircraft	21 1/2
Montgomery Ward	51 1/2
Natl. Biscuit	50 1/2
New York Central	50 1/2
Pac. Gas & Elec.	62 1/2
Penn. J. C.	12 1/2
Radio Corporation	67 1/2
Richfield Oil	27 1/2
Safeway	50 1/2
Sears	32
Shell Oil	41 1/2
Socony Mobil Oil	38 1/2
Southern Co.	28 1/2
Southern Pacific	23 1/2
Standard California	48
Standard Indiana	44
Standard N.J.	6 1/2
Sun Mines	8 1/2
Texas Co.	83 1/2
Texas Gulf Sulphur	19 1/2
Tex. Pac. Land Trust	19 1/2
Transamerica	27 1/2
Trans World Air	38 1/2
Tri-Continental	28 1/2
Union Carbide	147
Union Pacific	30 1/2
United Aircraft	39 1/2
United Air Lines	35 1/2
U. S. Rubber	100 1/2
U. S. Steel	62
Youngstown S & T	135 1/2

Political Fires Blaze Following Steel Settlement

Washington —UPI— A series of political brush fires touched off by the steel settlement blazed today hot as any blast furnace.

It all boils down to who did what, who promised what to whom and who's backing whom.

The furor started when the eight-month steel dispute was settled Monday, with part of the credit going to Vice President Richard M. Nixon and Labor Secretary James P. Mitchell. Nixon's presidential stock soared.

But Democratic National Chairman Paul M. Butler charged Thursday Nixon won a secret agreement from the steel companies to hold off any price hikes until after the 1960 election.

'Sky's the Limit'
If Republican Nixon is elected president, Butler said, "the sky's the limit" on any price increases. He predicted that Nixon would not win the presidency.

Steelworkers President
David J. McDonald is the man who really jumped out of the frying pan of the labor dispute into the fire of politics.

Columnist Drew Pearson said Thursday that McDonald had told friends he would forsake his normal Democratic allegiance and aid Nixon's presidential campaign because of the "very generous" steel settlement.

McDonald promptly denied that he's committed to support Nixon or anybody else.

Accepts Invitation
Pennsylvania Gov. David L. Lawrence then gave the union chief a chance to prove he's still a good Democrat.

Lawrence invited McDonald to be a Pennsylvania delegate-at-large at the Democratic convention in July.

"I will accept with pleasure, of course," McDonald replied.

Pressure Seen To Boost Spending To Attract Votes

Washington —UPI— Congressional Democrats said today the \$4,200,000,000 budget surplus forecast by President Eisenhower is too good to be true.

True or not, the President's forecast for the fiscal year starting next July 1 contains the seeds of its own destruction.

Increased Pressure Seen
Lawmakers generally agreed that the surprisingly big budget surplus predicted by the President would put the election-year Congress under increased pressure to step up spending on welfare programs with broad voter appeal and to grant some kind of tax relief.

Democrats contended, and some Republicans agreed, that the President could predict a \$4,200,000,000 surplus only by making some very improbable assumptions, including congressional approval of a post-al rate increase.

Predicts Surplus
Nevertheless, liberal Democrats figured that Eisenhower had given a shot in the arm to prospects for passage of some administration-opposed programs, such as their two-year \$11 billion school construction proposal.

Eisenhower's prediction of the huge surplus for the next fiscal year was made in his State of the Union Message to a joint session of Congress Thursday.

He said his budget message, which goes to Congress on Jan. 18, would estimate spending at \$19,800,000,000. He said this would produce a \$4,200,000,000 surplus which he wanted used to reduce the national debt rather than for a tax slash.

Speaker Sam Rayburn (D-Tex.) moved quickly to short circuit any tax cut drive. He said he still thought it would be "unwise" to reduce federal revenues. There appeared to be little, if any, chance Congress would vote a tax cut in the face of Rayburn's opposition.

Questions Surplus
Rayburn was among those who questioned just "how real the surplus is." He said: "Some of our people tell me it doesn't add up that way. I don't believe it will touch off any big drive to cut taxes. It might increase pressure for extra spending."

Another high-ranking Democrat said privately that Eisenhower had jolted his hopes that the Democratic leadership could hold firm to a policy of moderation it followed in the last session.

Two-Way Drive
"It's going to touch off a two-way drive—to spend more and to cut taxes," he complained. "How are we going to resist now the pressure to spend more on school construction? And how are we going to stand firm against businessmen and others who feel that tax rates are too high? The American people never have been inclined to take that kind of a surplus and apply it to debt reduction."

Chairman Harry F. Byrd (D-Va.) of the State Finance Committee, charged that the President made a "mistake" in predicting such a big surplus because it is impossible to make an accurate long-range forecast of federal revenue.

Massive Search Continues for 10-Year-Old California Girl

National City, Calif. —UPI— A massive search by 450 policemen and volunteers continued today without finding a trace of Mary Lou Olson, 10, missing since Sunday.

Her father, Lawrence, said he was "convinced something has happened to her." She was always punctual and had no reason to run away, he said.

The National City branch of the U.S. National bank offered a \$500 reward for information about the pretty girl's whereabouts.

A house to house search of this San Diego suburb of 36,000 persons was expected to be completed late today. Other searchers fanned out through San Diego county seeking Mary Lou. Airplanes and horses were used.

A number of sex perverts and other persons have been questioned but so far, according to acting Police Chief J. E. Owen, no hint has been discovered of what happened five days ago when Mary Lou left her home to go shopping three blocks away.

Employment in industry in Germany has risen by more than one-third since 1950.

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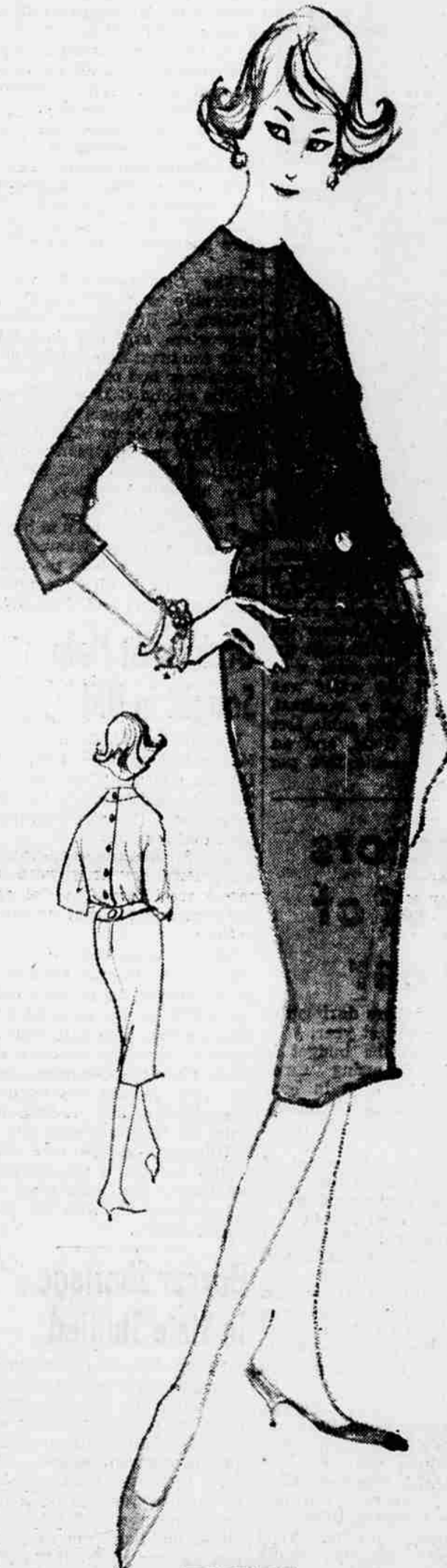
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IN THE MEDFORD SHOPPING CENTER

Van Dyke to Speak At Club Meeting

Frank Van Dyke, Medford lawyer, will address the Jackson County Young Republican club at a meeting at 8 p.m. Monday, Jan. 11, at the home of Paul H. Sparso, 341 Cerritos ave., Medford.

Van Dyke, a former speaker of the state house of representatives, is United States commissioner here, serves on the Western Interstate Commission on Higher Education, and is district finance chairman of the Republican State Central committee.

New projects relative to the election year will be discussed at the meeting.

Humphrey Schedules Seven Days in Oregon

Portland —UPI— Sen. Hubert Humphrey will be in Oregon for three days in February and four days in March to campaign for the Democratic presidential nomination, his Portland office announced.

The Minnesota senator will be in Oregon Feb. 7, 8 and 9, and March 6-10.



KIDNAP STORY HOAX—Tearful Terry Cromer, 10, leaves Santa Monica, Calif., Emergency Hospital with her mother, Mrs. John Cromer, after it was discovered she really hadn't been kidnaped but had instead been playing hooky with a girl friend. Missing for more than 24 hours and the object of a house to house search, Terry was found in an apparently dazed condition lying in an alley behind her home Thursday. Rushed to the hospital after telling her story of being kidnaped, her little hoax suddenly burst when a hospital physician suggested a shot might be in order. Mrs. Cromer told police she had spanked the girl for refusing to do her homework the night before she disappeared. (UPI Telephoto)

22 Words by Ike Boost Prospects of School Aid Measure

Washington —UPI— A 22-word sentence that President Eisenhower inserted in his State of the Union message has boosted prospects that Congress will go farther than he asked on a school aid bill.

Eisenhower didn't intend it that way.

In his printed message, distributed to members of Congress, the President urged action on the 25-year installment plan for school aid that he recommended last year.

It called for a federal outlay of about \$2,500,000,000 over a long period to help needy school districts pay off bonds for constructing new classrooms.

Seize on Statement
But Eisenhower, in reading his address, tossed in the extra sentence stating that his budget for the next fiscal year would show a \$4,200,000,000 surplus "to be applied against our national debt."

Liberal House Democrats seized this statement as justification for their pay-now program of bigger federal grants within the next few years for building schools.

Rep. Frank Thompson Jr. (D-N.J.), said Eisenhower's anticipated surplus "might better be used for our greatest natural resource — our children."

Willing to Compromise
Thompson, who supported a larger program last year, said he was "willing to compromise and spend just as much as the President recommended in 1957." He recalled the President then recommended \$325 million annually for four years.

Rep. Cleveland M. Bailey (D-W. Va.), chairman of the House education subcommittee, said Eisenhower's message "opened the door a little" on school construction. But Bailey described as "so much political hooey" the President's forecast of the large surplus.

Rep. Carroll D. Kearns (Pa.), top Republican on the House Education and Labor committee, viewed Eisenhower's message as showing a willingness to compromise.

Kearns said he was "willing to work hard" to reach a compromise.

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