

# Burden Of Public Debt Payments Only Moderate

WASHINGTON (AP) — The government said Tuesday that although the public has increased its installment debt by 5 billion dollars in the past year the burden of debt payments has grown only moderately.

An article in the Federal Reserve Board's monthly bulletin made no direct comment on the economic significance in the recent growth of consumer credit.

On the whole the article appeared to indicate no alarm.

The demand for consumer credit, in company with sharp demand for other types of credit, was said to have tightened credit availability so that lenders are becoming more selective and are tightening the terms under which they lend.

"The trend toward further easing of down payments and maturities appears to have slowed," the article stated.

Extension of credit for automobiles accounted for about half the growth in new installment credit in the year from October 1954 through October 1955, the reserve bulletin said.

In the first quarter of this year about 60 per cent of all new cars were sold on credit. By the third quarter about 75 per cent of new cars were being sold on credit. Meanwhile, the average installment note on automobiles had grown approximately \$200 to an average of \$2,200.

The bulletin said that by mid-summer of this year 30-month installment notes on new automobiles were typical, although 24-month contracts had been typical a year earlier. It added that 36-month notes "have become fairly common."

Commercial banks and sales financing companies together provide about 70 per cent of all installment credit outstanding, the Reserve Board bulletin said.

# Mansfield Hits Red Budget Cuts

By G. MILTON KELLY

WASHINGTON (AP) — Sen. Mansfield (D-Mont.) said today "we shouldn't be taken in" by Russia's announced plans to cut its military budget by 10 per cent next year. "We must keep our defenses up," he cautioned.

Mansfield, a member of the Senate Foreign Relations Committee, suggested the development could mean a Soviet switch to heavier reliance on atomic striking power.

Several other senators of both political parties also were openly skeptical of the Soviet Union's intentions.

Sen. McClellan (D-Ark.) said he is "very skeptical that there is any truth in the statement that Russia is reducing her military expenditures by 10 per cent."

Sen. Dworshak (R-Idaho) said, "When I have proof, I'll believe it."

Sen. Potter (R-Mich.) said he takes the Russian announcement "with a large grain of salt."

McClellan, Dworshak and Potter serve on the Senate Appropriations Committee.

The Soviet Parliament, meeting in Moscow, has been asked to approve a 1956 budget which provides for defense appropriations totaling 102 1/2 billion rubles. This is nearly 10 per cent below the 1955 estimate of 112,122,000,000 rubles. Approval is a foregone conclusion.

Although the Russians peg the ruble at 25 cents, its purchasing power is considerably less.

The actual Russian military outlay is not fully reflected in its defense appropriations figure because many directly related items are hidden under other budget headings.

U. S. defense spending currently is at annual rate of 34 1/2 billion dollars.

Mansfield said, "We not only have cut all we can afford to in our military spending, we have made some cuts we shouldn't afford."

He said the Eisenhower administration's proposals to ask Congress for a billion-dollar increase in the defense budget for the bookkeeping year starting July 1 "will not provide any more muscle" but would go to meet higher costs of defense items.

Potter said the Russians' "public announcements and their actions are far different things," adding:

"Our intelligence agencies tell us of a large buildup in their air force and their submarines, which doesn't seem to fit in well with a 10 per cent cut in their budget."



THIS BIG CANADIAN GOOSE was shot by Edward May, 13 year-old son of Mr. and Mrs. Mike May, 432 North Fifth Street, near Lost River recently. Edward shot the goose with a 16 gauge shotgun using number six shot.

# Two Northern California Counties Regain Touch

EUREKA, Calif. (UP) — Residents of Humboldt and Del Norte counties, isolated for a week by swirling flood waters, were at last joined to the outside world today.

Telegraph and telephone communications were restored yesterday for the first time since last Thursday. Press association teletypes brought the news of the world to newspapers and radio stations.

Highways crews repaired the Klamath River bridge and opened U.S. Highway 101 north of Eureka for the first time in a week.

However, travel to the south was limited to 30 miles. Emergency vehicles were being conveyed to Garberville, 75 miles south of Eureka.

The only way to get to San Francisco from Eureka was by way of a 400-mile detour through Grants Pass, Ore.

Mail service was also restored and the Pacific Gas and Electric Company succeeded in restoring power to the flood stricken cities and towns of the two counties.

More than 2000 persons were living in emergency shelters. A preliminary count showed 400 homes wiped out and 1500 others damaged.

In San Francisco, Safeway Stores announced it has chartered five air flights a day to ship perishable foods into Arcata, Eureka and Fortuna. Each flight will carry 14,000 pounds of fresh fruits and vegetables, frozen foods, meat, butter and eggs.

Prices will not be raised despite fresh foods, Safeway officials said.

Armour and Company chartered a Flying Tiger freight plane to fly 14,000 pounds of meat to Eureka yesterday and another 14,000 pounds today.

## EARTH TREMOR

DAMASCUS, Syria. (AP) — A six-second earth tremor shook Damascus and was felt all over Syria early Tuesday. No damage or casualties were reported.

# Raging Rivers' Damage Listed

EUREKA (UP) — The rampaging Eel and Klamath rivers destroyed more than 400 homes in Humboldt and Del Norte Counties, officials estimated today.

In addition, 1500 other houses were still unusable because of water damage.

Some evacuees were returning to their homes, but Civil Defense and the Red Cross were still caring for more than 1000.

The death toll in the two-county area stood at 11.

R. F. Denbo, Chamber of Commerce manager of Humboldt County, estimated the loss in the area at 50 million dollars, with about 15 million dollars to highways and bridges alone.

The towns of Salyer, Hoops, Orleans, Phillipsville and Miranda were still without electricity.

The Pacific Telephone and Telegraph Company accepted only emergency calls to Eureka. Recurring slides tore out lines as fast as maintenance crews could get them up.

Highway 101 was still cut between Eureka and the Klamath River to the north and between Eureka and Scotia to the south.

# Paper Estimates Red Naval Power

TOKYO (AP) — The Soviet Union has doubled its naval power in the Far East, recently with the addition of more than 30 ships—including two cruisers—the newspaper Asahi said Tuesday.

Asahi quoted the Japan Self-Defense Board.

The report said the additions, led by a 13,000-ton cruiser of the Sverdlov type, docked at Vladivostok in September. They included more than 10 destroyers and large submarines, Asahi said.

The newspaper said the Soviet navy in the Far East before the increase included two cruisers of the 12,000-ton Kaganovich class, 40 destroyers and 100 submarines.

Reports from Taipei recently said the Chinese Communists were leasing naval facilities to the Soviet fleet off the China Coast.

CATHOLIC REPORTS

HONG KONG (AP) — Reports received by Catholic sources here Wednesday says Msgr. Kung Pin-Mei, Roman Catholic bishop of Shanghai, will go on trial soon for alleged "counter-revolutionary" activities. The reports say Communist authorities will demand the death sentence for the bishop and some 300 priests and laymen arrested with him last September.

# Owens Plans Riddance Of Unwanted Lion

DALLAS (AP) — J. C. Owens, who found a 4-months old lioness with a holly wreath around her neck tied to his front porch, is going to be just as generous as the unknown practical joker who gave the pet to him.

Owens announced today he will give the Christmas gift to a high school boy in the neighborhood who has had more experience in caring for pets than Owens has.

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EVERYTHING FROM soup to nuts was on the menu when city employes and officials had a Christmas dinner in the city hall. Pictured at the festive board are (seated, left to right) Bernice Matteson, City Engineer E. A. (Taxi) Thomas, and Judge Frank Blackmer. Standing, left to right, Mary Bruner, Jackie Hannon and Mayor Paul Landry. The mayor demonstrated his ability as a waiter.

# Air Force Requests Okay To Construct New Tower

Three United States Air Force officers, stationed at the Klamath Falls Jet Interceptor Base, appeared before the city council Monday night to clear the way for a new control tower at the municipal airport.

The officers, Lieut. Col. Robert H. Larson, Major O. D. Whitten and Capt. Ray Royce explained it was the desire of the Air Force to construct the new control tower on a site owned by the city. They said plans for reconstructing the present tower had been abandoned.

The officers explained that the present structure was not adequate. When the city approves the

# Potter Expects Labor Vote

WASHINGTON (AP) — Sen. Potter (R-Mich.) predicted today his party will draw a bigger vote from organized labor's ranks in 1956 because "there is a tendency for people to vote their pocketbooks."

He said he hopes and expects President Eisenhower will seek reelection, but that if he doesn't, any GOP standard bearer pledged to continue the Eisenhower program will win.

"It would be folly of the first order for the Republican party to nominate someone who would go contrary the program the public has accepted, which is the Eisenhower program," Potter told reporters.

He said a newspaper survey in industrial Detroit recently indicated that about 20 per cent of voters who cast their ballots for Democratic candidate Adlai E. Stevenson for president in 1952 would vote for Eisenhower in 1956 if he and Stevenson are the nominees.

Potter termed that evidence that "the bugaboo of a Republican depression has been exploded. . . . The fear factor that has influenced many of the laboring men to vote the Democratic ticket has been exploded."

"There is a tendency for people to vote their pocketbook," he said, "and the laboring man today has a fuller pocketbook than he ever had in history. He can look forward to further improvements in his economic well being."

# Iranian Asks Death Penalty

TEHRAN, Iran (AP) — Gen. Hussein Azemeh, chief army prosecutor Tuesday demanded the death penalty for Naval Safavi, leader of the fanatical Fedayan Islam (Crusaders for Islam) and seven others accused of plotting to overthrow the Iranian government.

Among these is Mussafar Ali Zulchadr, a member of the society who attempted to kill Premier Hussein Ala last month in a Tehran mosque. The bullet only grazed Ala's neck and Zulchadr was arrested on the spot.

Safavi was arrested later and charged with instructing Zulchadr to assassinate Ala. The six other men were rounded up at the same Ala's neck and Zulchadr was arrested on the spot.

Safavi was arrested later and charged with instructing Zulchadr to assassinate Ala. The six other men were rounded up at the same time.

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