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In The Day's News

By FRANK JENKINS

Business note:
The merger fever has gripped the railroad industry. Missouri-Pacific Railroad has announced that it is studying the possibility of a merger with the Texas and Pacific Railroad.

Last week the New York Central (two of the country's biggest rail systems) said they were looking into merger possibilities.

Why the merger fever?

The answer is rather simple.

In business generally, costs have been rising faster than income. That promotes the search for ways to SLOW DOWN the cost rise. The hope back of these merger proposals is that ONE OVERHEAD will serve two businesses, thus tending to slow the rise of costs.

Are these mergers good?

Or are they bad?

In general, we regard them with misgivings. They stir our fears of too much bigness — and we're AFRAID of too much bigness. Our federal government is getting so big that it scares us. We're beginning to wonder if it is getting out of control.

But —
We can't have our cake and eat it too. If profits disappear, ability to pay good wages will disappear. If profits disappear, the American free enterprise system will disappear.

That poses a serious question: If the free enterprise system should disappear, what would take its place?

Well, there are examples all over the world — of which Russia is the most outstanding. Personally, I don't want to live under the Russian system.

More about railroad business:
President George A. Lert of the New Haven Railroad told the Massachusetts public utilities commission the other day that something will have to be done without delay to reduce the road's passenger service deficits of \$15,000,000 annually.

He told the Massachusetts commission that the New Haven last year used approximately 85 per cent of ITS EARNINGS FROM FREIGHT BUSINESS to meet the DEFICIT arising out of its passenger service.

Question:
Who pays the bill?

The answer is simple:

The bill for the New Haven Railroad's losses on its passenger service is paid by those who pay the FREIGHT bills. Freight rates have to be kept high enough to meet not only the costs of the freight service but the losses on the passenger service also.

Freight rates — which have been rising rapidly in recent years — enter into the cost (and therefore into the price) of nearly everything we all buy.

BLAST OFF

ST. LOUIS (UP) — Raymond Pitts really wasn't trying to make like a satellite when he launched himself from a ramp and went sailing into space. Pitts drove up a ramp to cross the Mississippi River, noted too late that it wasn't a bridge he was on but the uncompleted Mark Twain Express way. He was treated for minor injuries after his car dropped 18 feet to the ground.

New Orders Spur Plans For Rocket

WASHINGTON, Nov. 10 (AP) — Army missilemen put their Jupiter-C project on a virtual crash basis Saturday to be ready for sending up an earth satellite — if and when the Defense Department actually orders this done.

It became clear that the instructions given the Army by Secretary of Defense Neil McElroy last night was something less than a command to start launching satellites as soon as the Jupiter-C rocket vehicles could be employed at Cape Canaveral, Fla.

The text of McElroy's memorandum to Secretary of the Army Brucker Friday night was kept secret. But the wording was understood to be similar to that of the public announcement — directing the army to "proceed with preparations" for launching.

Both Defense Department and Army sources said this meant that a second, specific command would be required before the Army would have the same mandate as the Navy. The Navy, until last night, had been the only military service assigned the satellite launching job. The White House has said the schedule of the Navy project calls for small test spheres to be sent up in December and bigger ones, with scientific instruments starting in March.

Gen. John B. Medaris, commander of the Army's ballistic missile agency, Dr. Werner von Braun, chief civilian scientist of the agency; Dr. William Pickering, physicist connected with the ballistic missile agency, and other officials held a hurried meeting Friday night at the Redstone Arsenal near Huntsville, Ala.

They had had no inkling of the Defense Department directive until it was issued at the Pentagon and distributed to newsmen. Acting within the scope of the directive to begin preparations for launching, the first expected moves were to start assembling the components of the three-stage Jupiter-C vehicles for subsequent shipment to Cape Canaveral.

The Army has been ready since 1955 to go into the satellite program — if permitted by the Defense Department. But the Pentagon, adhering to an originally stated policy that the satellite project must be kept simple, without use of military devices, had confined the effort to the Navy's Project Vanguard.

Wool Growers Request Law

PORTLAND, Nov. 10 (AP) — The Oregon Wool Growers Assn. Saturday urged Congress to create "an import quota law to protect the domestic sheep and textile industries."

The association said in a resolution that it is "strongly opposed to any efforts to reduce or remove prevailing tariffs on raw wools or sheep products."

In another resolution as its annual meeting ended, the association said Congress should eliminate wool futures because they "have been too thin and have tended to adversely affect wool prices."

Guy Arbogast of Condon was elected president of the association. He succeeded Julian Arrien of Vale. Jack Shumway of Powell Butte was elected vice president.



ARMISTICE DAY has become Veterans Day, but originally it marked exclusively the end of World War I. Shown here at the Memorial Shaft at the Klamath County Courthouse lawn are five members of the recently formed Barracks 925 of World War I vets. From left to right, Lewis Malandrinos, Gus Norby, J. O. Svegard, quartermaster; Robert Canoy, first vice commander, and Orville Howe. Not pictured, but officers of the group are Lester Scarbrough, commander, and Peter Rowe, adjutant. WWI Barracks 925 meets every fourth Thursday at the VFW Hall.

Red Chinese Hurt By Ban

LONDON, Nov. 10 (AP) — A British government leader who returned this week from a tour of Red China's industrial centers said Saturday that country unquestionably is being hurt by Western trade restrictions.

"It was a subject which came up everywhere I went, each time I talked with government or industrial leaders," said F. J. Erroll, whose four-week tour marked the first visit to China by a British minister since the Communists took control, said he found a mixture of defiance and resentment toward the Allied ban on strategic materials.

"On one hand the Chinese said the restrictions had been good for the country because they had forced China to become more self sufficient," Erroll said in an interview. "But on the other hand they would demand: 'Why are you here to talk about trade when there is so much you will not trade?'"

During a tour which included all major Chinese industrial cities, Erroll said he saw much evidence that the nation's industrial expansion had been held back by the lack of Western trade, particularly in petroleum, ships and precision machinery.

Erroll went to China on what he described as a ground paying mission aimed at expanding British-Chinese trade in nonstrategic materials. Britain eased her restrictions on such trade last May despite U. S. objections, but still prohibits goods which might contribute to China's war potential.

Veterans Day

Veterans Day will not be commemorated by a parade on Monday, November 11. No special ceremony is planned for the Memorial Shaft on the courthouse lawn. City hall, the county courthouse, bank and schools will be closed for the day. Both the VFW Club and the American Legion Post will be holding open house for members and guests all day.



SHOOTING HOURS

OREGON	
November 11	
OPEN 6:18	CLOSE 4:55
CALIFORNIA	
November 11	
OPEN 6:18	CLOSE 4:51

Weather

FORECAST—Klamath Falls and vicinity: Generally fair Sunday with some patchy morning fog. High Sunday near 50. High Saturday 46. Low at midnight 38.

New Bomber Theory Aired

WASHINGTON, Nov. 10 (AP) — Soviet science Saturday was reported pointed toward a "weapon more terrible than the 'ultimate' intercontinental ballistic missile — a manned, hypersonic bomber that could glide at fantastic speeds through space and bomb and spy on any place on earth."

The United States was also described as interested in such a weapon, but far behind Russia in missiles work that could lead to this and other developments.

This information came from nongovernment sources who are nevertheless in a position to know much about missile progress. They asked not to be identified. At least some of what they told newsmen is expected to be presented before a congressional investigating committee soon.

The Russians were described as interested after World War II in getting all they could from German scientists on V2 rockets, an antiaircraft missile system and a Saenger hypersonic bomber proposed by a scientist of that name. Having gone far on rockets and developed a good antiaircraft system, it was predicted the Reds will concentrate next on a hypersonic bomber.

A hypersonic bomber was described as a manned vehicle which could reach the same range as an ICBM with less initial velocity, or could go farther if it was given the same push. Its rocket system would shoot it into space where it would glide 10,000 or 12,000 miles at speeds at 13,000 to 14,000 m.p.h.

Plane With 44 Missing, Carrier Joins Searchers

HONOLULU, Nov. 10 (AP) — A sea and air search spreading over 100,000 square miles of the Pacific developed Saturday night — still without a trace of the Pan American Stratocruiser which vanished Friday night with 44 aboard.

The Coast Guard reported several sightings of debris in various parts of the search area east of Hawaii but said it was unlikely the objects were from the four-engine clipper, Romance of the Skies. However, surface vessels were checking each report.

Joining the massive search to-

day will be the carrier Philippine Sea which left Long Beach Saturday night with its far-ranging radar-equipped antisubmarine planes and helicopters. The Navy said the carrier's aircraft would reach the search area late Sunday.

Two destroyers, the John R. Craig and the Oreck, will head toward the area from San Diego. They were to rendezvous with the carrier.

Throughout Saturday more than 29 planes and 14 vessels crisscrossed a checkerboard search area. Aside from the spotting of various objects in the water — many of them unrelated debris — nothing turned up to shed any light on the big plane's abrupt and mysterious disappearance.

Carrying 36 passengers and a crew of eight, the plane radioed a routine position report at 5:04 p.m. Friday. At that time it was 1,028 miles east of Honolulu — beyond the point of no return to its San Francisco starting base. There was no hint of trouble.

Veteran pilot Gordon H. Brown of Los Altos, Calif., did not make the customary position report at 6 p.m.

For awhile Saturday sightings of objects raised some hopes. There were two cylindrical objects which were regarded as possible parts of life rafts — but this was discounted later; they were described as probably the jetisoned fuel tanks of a jet plane.

Later, Air Force Lt. Roy Lee Curry, Springdale, Ark., reported seeing "six to eight orange and yellow objects" 30 miles southwest of Ocean Station November. He said they looked like some kind of survival equipment but he saw no sign of life and no oil slick.

The Coast Guard pressed ahead

U.S.-Britain Said Ready For Alliance

LONDON, Nov. 10 (AP) — The United States and Britain Saturday night were reported shaping up plans for banding together about 30 nations in a worldwide campaign to block the spread of space-age communism.

Senior diplomats here said this proposed new global diplomatic strategy would be charted on a long range assumption — on the possibility that the Soviet Union could prolong the cold war until the next century.

The United States and Britain evidently hope to align like-minded countries under the umbrella of their nuclear power, the informants said, and to win pledges from them that they will cooperate in political, economic and military efforts to beat Russia's Sputnik-paced challenge.

In the world girdling hookup, at least four regional defensive alliances would be joined. They are the 15-nation Atlantic Pact, the 5-nation Baghdad Pact, the 8-member Southeast Asian Treaty Organization and the 21-state Pan American Alliance.

But the diplomats insisted there is no intention to set up any formal new, 50-member treaty spelling out the commitments of the powers. Even the idea of a conference of the 50-odd countries with which the United States has treaties has been rejected.

That is because Washington and London want to avoid any suggestion that they are trying to build up a rival to the U.N., the informants said.

The idea instead is to draw all the West's regional groupings together, to create continuing liaison machinery between them and to pull in other friendly states which do not belong to any formal alliance.

Reds Silent About Laika

MOSCOW, Nov. 10 (AP) — Soviet science remained silent again Saturday on the Russian space dog Laika in Sputnik II. There has been no official mention of the dog since Thursday.

The Soviet news agency Tass said scientists have been able to clarify the movement of Russia's two satellites and that "scientific measurements are continuing in accordance with the planned program."

At Bonn University in West Germany, scientists reported they picked up impulses from Sputnik II that could be Laika's heartbeat. They said that although Sputnik II's radio transmissions were irregular they detected impulses lasting about seven seconds each when they were audible. In each second, there was 4.15 impulses, indicating 125 heartbeats per minute, which is normal for a small dog. They said there were two impulses for one heartbeat.

with its plans for a nightlong search. Most surface vessels remained in the area. So did four planes carrying flares.

A full-scale search was resumed at daybreak.

What might have caused the plane's abrupt radio silence and its disappearance? Pan American officials declined to speculate.

"You will hear rumors of an explosion, or sabotage or whatever, but the plain fact is: We have no idea what might have occurred," said a spokesman.

Armament Share Idea Under Study

WASHINGTON, Nov. 10 (AP) — The Eisenhower administration is looking into the possibility of making an early start on deliveries of missiles to Allied forces in the European area.

The purpose of the speedup would be to dramatize American progress in missile development and demonstrate this country's readiness to share modern weapons with its Allies to the extent that the law and the nation's resources permit.

At the same time the administration is planning to seek agreement, primarily among the North Atlantic Treaty countries, for establishment of missile bases on their territory within striking range of Soviet targets.

Officials said Saturday that these are two aspects of the broad scale planning now under way in preparation for the NATO summit conference to be held in Paris in December. President Eisenhower will attend the meeting.

The work will be intensified next week when Secretary of State Dulles returns here from a working weekend at his island retreat in Lake Ontario. He flew there Thursday and is expected back Monday afternoon. He said on leaving that he wanted to get away from Washington and his operational responsibilities in order to concentrate on many proposals which have been made to increase Allied cooperation.

Among these proposals is one for speeding up missile deliveries.

What may be possible in this field, however, is limited to the availability of missiles for delivery and this suggests that either or both of two steps might be taken.

One move would be to send to Britain in the near future experimental models of the Army Jupiter and Air Force Thor, both of which are in the intermediate range ballistic missile category. These weapons are not yet in production in this country but experimental models might be made available.

Another possibility, informants said, would be to provide the shorter range Army Redstone missiles to Allied forces on the European continent. These rockets have an operational range of about 200 miles but may be given additional thrust to raise the maximum to around 600 miles.

Ike To Undergo Routine Checkup

WASHINGTON, Nov. 10 (AP) — The White House said Saturday that President Eisenhower will undergo a complete, routine annual physical examination starting today.

He will enter Walter Reed Army Hospital this afternoon or evening and stay there overnight for the checkup.

Mrs. Anne Whitson, associate secretary, said Eisenhower will return to the White House Monday. It will be his first overnight stay at the hospital since Oct. 27-28, 1956, when he had his last complete checkup.



BANKING TOWN AND COUNTRY STYLE was highlighted by the opening Saturday morning of the branch of the U. S. National Bank on South Sixth Street in the Town and Country Shopping Center. Scenes at the open house celebration Saturday included, left, County Judge Charlie Mack cutting the ribbon to officially open the branch bank for business. Witnessing the ribbon cutting event were, left



to right, Lester C. Offield, manager of the downtown branch; Bob Veatch, president of the Chamber of Commerce; Elton W. Smith, manager of the new bank; Mayor Lawrence Slater, Eve Cook, county treasurer; Judge Mack and E. C. Sammons, president of the U. S. National Bank. In the center picture, Offield is awarding Shirley Sortwell, Chilquity Elementary School student, a passbook showing



that she has a savings deposit of \$25 in the new bank. Shirley drew the ceramic Thunderbird which highlights the entrance to the new bank. Extreme right, Eva Cook, Klamath County treasurer, becomes the first commercial depositor at the new bank as she makes a deposit of Klamath County funds. Assisting her in the deposit is bank official Lowell Brisbin. Looking on are Judge Mack on Eva's

left, and Elton Smith, manager of the new branch bank on her right. The new bank will not be a separate branch, but will be completely co-ordinated with the downtown branch. Central accounting records and a single accounting center makes it possible for a person to do banking business either at the downtown or the Town and Country branch.

—Photos by Ellis