

The News-Review

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WHO IS BEING SOAKED?

By CHARLES V. STANTON

Application by the Pacific Telephone and Telegraph Co. for a third increase in rates furnishes a good example of the workings of socialist government. Because the people of this country have been led into endorsement of "soak the rich" policies of taxation, and discouragement of "big business," our general economic structure has become seriously weakened.

Under the long-practiced system of free enterprise, large corporations and utilities have financed expansion with money raised by sale of stocks and bonds to the general public. Before a concern can sell its stocks and bonds it must have a record of profits sufficiently high to attract the small investor looking for securities yielding income. Until recently, telephone company stocks and bonds have had high market value. They were eagerly sought by investors because they paid a good rate of income. But telephone company profits have been steadily declining until last year they were lower than even in the most severe depression years, according to company reports.

Because of the low rate of profits, it is asserted, the telephone company stocks and bonds, needed to finance new construction, have not been attractive to investors. Offerings have gone begging on the stock market. Consequently the company is seeking higher rates so it can interest more people in its securities. Unless it can sell its stocks and bonds, the company asserts, it cannot finance the tremendous construction program now in progress.

Claims Are Disputed

Naturally, differences of opinion exist concerning the company's financial needs. The state public utilities commissioner, in a statement carried by news wires, contends earnings in Oregon are "fair." Labor representatives point to millions in dollar profits. The public, however, should consider the "rate" of profit rather than "volume." The telephone company claims earnings amounted to slightly more than 2 percent, although the state commissioner says earnings in Oregon during the last six months of 1949 exceeded 5 percent.

We are not attempting to justify the telephone company's position, nor are we critical of its request. It will take considerable study to determine the facts.

It is evident that the telephone industry, nationally and locally, is spending many millions of dollars. Additional facilities are being installed all over the country to carry radio and television circuits. Long distance communications service is being improved. Here in Western Oregon the rapid population growth has necessitated heavy capital outlay. In the Roseburg area the company is preparing to switch to dial system. It also is endeavoring to revamp exchanges in neighboring communities, extend dial service into suburban and rural areas within a radius of about 20 miles from Roseburg, and make other improvements. All this requires money. To raise the money the company must sell stocks and bonds. To sell stocks and bonds it must show the investor a fair rate of return. But so much income goes out in taxes, labor costs, materials, etc., that earnings are at an all-time low, the company claims.

Who Suffers Most?

Were it not for the "soak the rich" policies of taxation, the heavy tax rate against corporations, the discouragement of profits, and other policies of socialistic government, the telephone company probably would have earnings attractive to investors without a rate increase. Perhaps the company is exaggerating its need. We don't know. But the principle is quite evident. The trend of government to tax away profits and break big business into fractions is well established.

How do these policies work out in practice?

If the telephone company succeeds in getting another rate increase, who pays the bill? The customer, of course. Not only does he pay more for his telephone service, but the government also collects 15 percent of the amount of increase in additional excise taxes.

Who, then, is being soaked? Is it the telephone company, which simply passes on the cost to its customers?

Isn't it about time we began to get wise to the fact that these socialistic theories of soaking the rich, throttling big business and taxing away profits are only adding to the financial troubles of John Q. Public?

Community Grange Meets At Sutherlin Hall

Sutherlin Community Grange met at the grange hall west of town Wednesday evening, April 12, for a regular session. Worthy Master Charles Wahl presided during the meeting with 28 members present. The first and second degree obligations were given to John and Lenor Horn and Teresa and Russel Seymour.

Agriculture Chairman O. V. Lile French reported on truck garden crops. Home Economics Chairman Mrs. Phreda Wahl reported that the public penny supper will be Saturday, April 22, at 6:30 p. m. There will be a program and social hour.

Camp Fire Girls Want Directors

Applications for positions as counselors at Camp Tyee, Douglas county Camp Fire Girls' camp, will be accepted at the Camp Fire office in Miller's Mercantile store, according to Miss Barbara Lou Kitt, executive director.

Of the 13 positions open four are on a salaried basis. Needed are a registered nurse, first and second cook, and a water front director who must hold a water safety instructor card. Also needed are a nature craft counselor and assistant; a camp craft instructor and assistant; handcraft instructor and assistant; sports and games instructor and assistant; and a dramatics counselor. These are on a volunteer basis with board and room furnished. Camp Tyee summer sessions begin July 9 for four weeks and counselors will go to camp three days early for pre-camp training. Miss Kitt said those interested are asked to apply for four weeks but

Too Much Paint On The Brush . . .



In the Day's News

(Continued from Page One)

announced in the past half year the deaths of 15 Russian generals and admirals—some of them, Ryan adds, "rather young."

Mr. Ryan wonders if the Kremlin may be carrying on another "purge."

WHAT is a purge?

"Well, they've been fairly common in Russia. The last big one was in the mid-thirties, when a large number of generals and admirals were whisked off to firing squads. By this pleasant little device, Stalin managed to forestall AN ATTEMPT TO SEIZE POWER FROM HIM.

Purges and dictatorships, you will probably recall, go together like ham and eggs. Hitler sprung several of them—always with the idea of getting rid of people, who, he thought, might be trying with the idea of GETTING RID OF HITLER.

The idea of the ruling dictator is always to PURGE FIRST.

YOU will note, naturally, the similarity between these purges and what used to happen in Chicago in the days when the municipal authorities had more or less abdicated and turned the town over to the gangsters.

When the top gangster began to suspect that some of the underlings were mulling the idea of purging, with the thrifty thought of getting his share of the swag, he started purging.

These purgings were often done with machine guns in the open streets.

THE usual rule is for the ruling dictator to purge first. There was a notable exception in Louisiana. Down there, a few years back, Huey Long was a dictator of sorts. He had armed bodyguards and all the rest of the trimmings.

In his case, his OPPONENTS purged first.

Huey's body lies in a grave in the grounds of the state capitol at Baton Rouge. When I last saw it, some years ago, it was targeted spectacularly by a huge spotlight place high up on the tower of Louisiana's skyscraper capitol building. Huey's planting there was then comparatively recent, and the blazing finger of light that poured down on his tomb illuminated strikingly the flowers that his followers (or his henchmen, if you prefer that term) brought every day to his bier.

It was an imposing sight.

WE have a comforting saying in this country that DICTATORSHIPS CAN'T HAPPEN HERE. I think that is true. Still, the fact remains that Huey Long did happen to Louisiana.

BLOCK-PRINTING CLASS

The YMCA craft class is now working on linoleum block-printing. Any adult interested in this craft is invited to come and take part on Tuesday at 7:30 p. m. in the Methodist church social rooms, according to Rev. Walter A. MacArthur, director of the program.

Two-week applications will also be accepted.

Scrapes from the MENDING BASKET

By Vianett S. Martin

"Almost everyone interested in preserving the American system is agreed that the schools hold the key to the economic course the country will follow." I quote by permission from Electrical West, a McGraw-Hill publication, Los Angeles.

"Obviously one of the best ways of teaching youngsters something about business is to let them get into business and face some of the problems that confront businessmen. Some high school kids in an Eastern city did that very thing . . . Having trouble they went to a business executive for help . . . Out of that simple case grew the JUNIOR ACHIEVEMENT movement which now involves thousands of companies throughout the East and Middle West.

"A group of high school youngsters with some practical ideas form a company . . . estimate capital requirements . . . sell stock at maximum price of 50 cents per share. Set up corporate organization and elect officers.

"If they require machinery they invest some of their capital stock in machinery and tools . . . some also for working funds. In all this they receive counsel and guidance from a top business executive.

LETTERS to the Editor

Foresees No Benefit From Commercial Airport

ROSEBURG — Inasmuch as we are faced with an election in the near future on a proposed bond issue for a municipal airport I would like to take this occasion to discuss the issue.

We have been told we need an airport adequate to handle commercial planes. I would like to ask why?

For one like to see where there will be some return for monies invested and I fail to see any return for a large majority of taxpayers in buying an airport that will accommodate commercial planes.

It is easy to see where local businessmen desire the convenience of air travel but to the workers in the lower income brackets I can see no advantage. We cannot afford the luxury of air travel even if we can afford to go some place.

Civic progress is greatly to be desired but we should be sure we can afford to pay the bill before going all out.

There has been much said recently about the school situation and I believe everyone realizing that we are faced with a growing problem in financing an adequate educational program for our children. We could use many times the amount of the proposed airport bond issue for schools and still leave much to be desired.

Also while Roseburg is growing fast much of the population is in newly annexed areas. These areas need, and I assume want, sanitary facilities and are faced with taxation to get them.

I believe we should consider securing adequate educational and sanitary facilities before assuming a debt for an airport.

Roseburg has long needed a public rest room. This should come before airports.

It is easy to say of each issue that it will only be a small additional tax but put all together they add up considerably.

the currently popular song and have "the dollar down easy monthly payment blues."

I would also like to take issue with a recent editorial of yours where you said the public should subsidize air travel the same as railroads and buses are subsidized. The original land grant for railroads called for the selling to home builders of this land for \$2.50 per acre. But how much was sold at this price? It became such a steal that the government sued to reclaim the land.

On paying for highways, it is done through gasoline tax and almost all families have cars and get the use of the highways.

I for one want to see the best educational program possible and also a sewage system for our part of town, but as a "working stiff" I cannot see my income and property value covering an airport from which I will receive no benefit.

RAY LEA

Roseburg, Oregon

News Display Of Churches Draws Appreciation

ROSEBURG—We, of the Church of the Nazarene, wish to take this means of thanking the editor, management, and staff for the beautiful display of the Roseburg churches on Saturday, April 8. We feel this was done in the spirit of the Easter season and with a sincere desire to show a friendly attitude toward the several churches.

ROSEBURG CHURCH OF THE NAZARENE

Forrest Hill, Pastor

Delusion Vanishes In Factual Observations

OAKLAND—After reading your recent editorial concerning deception, I must confess that I, for one, have been living under a delusion these many years. Since childhood I have been taught to symbolize the booze industry as being horned and having a forked tail; and now to be so definitely told that instead it merits the robes of a Sir Galahad. And who am I but a simple farmer, and not even the son of a prophet, to question the edict as given out by one with the background of religious experience and leadership such as our editorialist enjoyed; to question the asserted

Interest Cut On Home Mortgages To Spur Housing

WASHINGTON, April 21.—(P)—The government is setting out to make home mortgage credit cheaper, as well as more plentiful. Effective with applications filed Monday, the top interest rate on new Federal Housing Administration mortgages will be 4½ percent, or ¼ of one percent less than heretofore.

The rate reduction was announced last night after President Truman signed a bill providing for an expansion of nearly \$4,000,000 in the federal housing program.

Chairman Maybank (D-SC) of the senate banking committee said the move (1) will save new home owners at least \$5,000 a year and (2) "should reduce pressure for increased rents."

Moving the top rate on FHA-insured mortgages from 4½ percent to 4¼ cut out half the premium such mortgages get above the 4 percent rate on mortgages guaranteed by the Veterans Administration. But the VA said it will stand pat on its 4 percent figure.

Persons getting FHA insurance on mortgages will continue to be charged an additional ½ of one percent as an insurance premium, so the overall rate they pay will be ¾ percent a year—against 5 in the past.

Nevertheless, they will be saving 25 cents a year on each \$100 of their mortgages—equivalent to \$12.50 a year in all on a \$5,000 mortgage, for example.

FHA Commissioner Franklin D. Richards, in announcing the rate reduction showed confidence that lenders will continue putting up money for FHA mortgages, despite the cut in the interest return to them.

The FHA neither builds houses nor makes loans on them itself. In insuring housing loans made by banks and other private lenders, it sets a ceiling on mortgage interest rates and insists on certain standards of construction.

The law signed by President Truman added \$2,500,000,000 to authority of the FHA to insure home mortgages. The objective: to make homes easier to buy and rental quarters easier to find.

Among other things, the law also provided \$250,000,000 more to the Federal National Mortgage Association to buy mortgages from private lenders so the latter, in turn, can re-lend the money to new applicants.

ROTARY ELECTS

At the last meeting of the board of directors, the following were elected officers of the Roseburg Rotary club: Walt Mallory, president, Arlo Jacklin, vice-president, Story Iles, re-elected secretary, and Vic Micelli, re-elected treasurer. Term of office is one year.

philanthropy of our saloonkeepers and to besmirch their noble profession?

In fact, I very much agree that this benefactor of humanity, because of its athletic sponsorship, should receive its just appreciation and just reward in advertising and publicity of every kind. Especially those sponsors, unsung heroes who, after a few hours of pep talks in the local tavern, go home and beat up their wives and children. Also those teen-agers who under its encouragement rise above all moral and spiritual restraints. And those weaving motorists who make highway travel such an interesting speculation.

Heroes all—and may God have mercy on us all!

HERMAN R. LARSON

Oakland, Ore.

PHONE 100

between 6:15 and 7 p. m., if you have not received your News-Review. Ask for Harold Mabley

Now you Know!

The answers to everyday insurance problems

By KEN BAILEY



QUESTION: Some friends of ours had an accident with their car but their insurance company refused to pay their claim on the ground that the application for the policy did not correctly state how the car was to be used. Our friends never actually signed any application so how could the company refuse to pay?

ANSWER: It isn't necessary for the insured to actually sign the application to become responsible for the statements made therein. His acceptance of the policy when it is issued shows his endorsement of statements made in the application.

*If you'll address your own insurance questions to this office, we'll try to give you the correct answers and there will be no charge or obligation of any kind.

KEN BAILEY
INSURANCE AGENCY
315 Pacific Bldg. Phone 398

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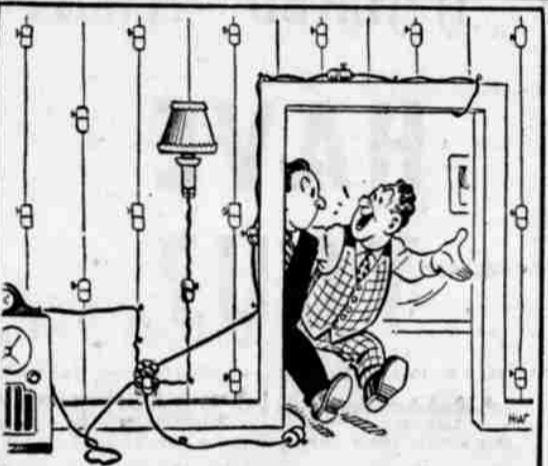
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