

The News-Review

Published Daily Except Sunday by the
News-Review Company, Inc.
Entered as second class matter May 7, 1920, at the post office at
Roseburg, Oregon, under act of March 3, 1879.
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Member of the Associated Press, Oregon Newspaper Publishers
Association, the Audit Bureau of Circulations
Represented by WEST-HOLLIDAY CO., INC., offices in New York, Chicago,
San Francisco, Los Angeles, Seattle, Portland, Denver
SUBSCRIPTION RATES—In Oregon—By Mail—Per Year, \$12.00; six months, \$6.50;
three months, \$3.50. Outside Oregon—By Mail—Per Year, \$13.00; six months, \$7.00;
three months, \$4.00.
By News-Review Carrier—Per Year, \$12.00 (in advance), less than one year,
per month, \$1.25.

WHO PAYS FOR POWER?

Charles V. Stanton

The editor of the Albany Democrat-Herald is in a hassle with Senator Wayne Morse concerning taxes on power projects.

The Albany editor pointed out editorially that Green Peter-White Bridge power projects, if handled as federal plants, would be tax free, while under the proposed partnership plan with Pacific Power & Light Co., the county would receive around \$130,000 annually in taxes.

Senator Morse, in a letter to the Albany newspaper, claims that the bill authorizing these projects provides that they shall remain the property of the United States, and that the newspaper erred in claiming tax loss.

The editor, however, replies, in effect, that while the plants themselves might be tax free, under the government ownership clause, there still would be tax charges on the private operation and distribution, and cities company officials, the state tax commissioner and county assessor in support of his contention.

Senator Morse said in his letter:

Even assuming such taxes would be forthcoming, who would pay the taxes? The answer is: The electric consumers of Linn County. Not only would they pay the private utility's taxes, but they would pay a mark-up on the taxes as well. This would happen because the private utilities include tax payments in their rate base as an operating cost. The electric consumers pay a mark-up for "reasonable return" on the private utility's expenditures.

Tax Collecting Agencies

The private utilities are tax-collecting agencies not taxpayers. Your editorial is another instance of the misleading arguments being used to propagate partnerships.

In reply to the senator's assertions, the editor points out that while taxes imposed on utilities have risen as rapidly as have taxes on individuals, power rates have not increased in proportion.

He added:

As to Senator Morse's remark that "Your editorial is another instance of the misleading arguments being used to propagate partnership," he has burned the brand into his own skin by stating: "The private utilities are tax-collecting agencies, not taxpayers."

Who is there, let us ask Senator Morse, who pays taxes he does not collect for someone else? If utilities are not taxpayers, then neither are merchants, farmers, lawyers, industrialists, doctors or laborers. Only counterfeiter could pay taxes without collecting them from customers.

Senator Morse seems to have disregarded the fact that when taxpayers, such as we have in the United States, cease to exist so will elective legislators and officials. We don't believe the American people want that kind of an economy but is just that which people get when government takes over the instruments of production.

The Albany editor, in my opinion, has touched on a subject which all too few people connect with the public versus partnership power issue.

The Taxpayer Pays

No matter whether power is furnished by the federal government or by a private utility it is the taxpayer who pays.

The federal government does not conjure hydroelectric plants out of thin air. Those multi-million dollar projects are paid for with dollars from the pockets of taxpayers.

Private utilities, it is true, are tax collectors. So is the common laborer. The merchant includes his tax costs in the selling price of his merchandise. The utility includes its taxes in its rate structure. The laborer includes his taxes as part of the wages he demands for his services.

When the federal government collects taxes to build power plants, it spends far more lavishly on initial construction than does the private utility. It diverts much of its tax collections into an extravagant and wasteful bureaucracy. The taxpayer receives little direct benefit in return for his tax dollar, aside from a slightly lower monthly bill for his purchase of power. It is questionable whether the saving on his electric bill is less than his tax cost.

The public utility collects taxes through its sales of power. But its taxes, aside from those paid to the federal government, to be used partially in building public power competition, goes into state, county, school district, fire district, water district and other local governmental services from which the taxpayer receives direct benefit.

It seems to me that in this question of public versus partnership power, Senator Morse is using the phrase of "misleading arguments," and the charge of propagandizing, rather loosely.

Hal Boyle

By ED CREAUGH

For Hal Boyle

GETTYSBURG, Pa. (AP) — One thing this proud but friendly battlefield town means to do: It is doing its best to take in stride its eminent part-time resident, Dwight D. Eisenhower.

You'll hear this determination stated by many of the town's 7,200 people who have found themselves neighbors to the President. Most of them put it something like this:

"We're glad to have him living here — delighted, in fact. We're proud he picked Gettysburg, out of the whole country, as the place to buy a farm. And, if you come right down to it, it looks as if he's going to be good for the tourist business."

"But don't forget that Gettysburg was on the map long before any of this happened. We had a battle here — remember? And, much as we like him, he is not the first President to honor us with his presence."

And of course he isn't, although others haven't spent as much time here. Gettysburg — and the country — will not forget the November day in 1863 when the lean, melancholy figure of Abraham Lincoln descended from a train (at the gray-painted station still standing here) and delivered a few words:

"Four score and seven years ago..."

Other presidents have come to Gettysburg — every one since McKinley, in fact.

But Eisenhower is the first chief executive to take up residence here. He lives — all this week and most summer weekends — in the roomy, air-conditioned house he rebuilt a little south of the town, a stone's throw from where Pickett's charge carried the confederacy to its high water mark.

What does a town do when it finds a President in its midst? Gettysburg has done the tactful, dignified thing. It found out what the President wanted, then tried to give it to him.

It made him welcome at the Presbyterian Church, where Lincoln worshiped that memorable day in 1863. The Gettysburg County Club opened to him, and most good days when he's here see the President happily careening over the golf course in one of the colorfully painted electric go-carts which the club just happened to buy after it found out he liked them. It fixed up a private locker

"Jones Here Has a Secret Weapon"



Langlie Won't Commit Himself On Candidacy

By RUSSEL LANE

CHICAGO (AP) — Gov. Arthur B. Langlie of Washington said Tuesday there are "too many intangibles" to permit a decision now as to whether he may run for the Senate.

In any case, Langlie said "I don't intend to neglect my job in Washington to enhance my own political status." He said "a lot of things" in his home state still require attention.

Gov. Langlie, who is attending the 47th annual governors' conference, told a news conference he believes Eisenhower will seek a second term, and would have no trouble winning re-election.

He said he had no second choice for the Republican nomination, but in response to a question, said Milton Eisenhower, the President's brother, and Vice President Nixon would have "a good chance" for election were he the candidate.

Gov. Langlie termed the "high head" dam proposal for Hell's Canyon, "probably the phoniest dam to be talked about anywhere in the country."

Our reports indicate that the high head dam costing 500 million dollars will furnish no additional electric energy over the three low head dams that will cost 150 million," Langlie said.

Thornton Rules Dealers Engaging In Insurance

SALEM (AP) — Automobile dealers who agree to make installment payments for car purchasers if they become unemployed are illegally engaging in the insurance business, Atty. Gen. Robert Y. Thornton ruled Tuesday.

Robert B. Taylor, state insurance commissioner, asked for the opinion after he received a complaint that some dealers are advertising unemployment benefits to all persons who buy cars on installment contracts.

Third Generator Starts At Albion Falls Dam

SEATTLE (AP) — The Corps of Army Engineers said Monday that the third generator at Albion Falls Dam in northern Idaho went on the line Aug. 5, four weeks ahead of schedule.

The three generators now in production at Albion Falls each have a top-rated power production capacity of 14,200 kilowatts.

Albion Falls Dam is located on the Pend Oreille River between Priest River, Idaho, and Newport, Wash.

room for him.

Eisenhower enjoys having Mamie Eisenhower drop in for a round of shopping at the five-and-dime. It understands her husband's visits don't leave much time for such events as Lion's Club luncheons or corn-and-winner roasts.

So Gettysburg's attitude is, for the most part, to give the President a smile and a wave and then to forget about him. The town knows he likes it, too. The town knows he likes it, too.

Some folks here have worked up a rather over a report, published recently in a magazine, that the porches of houses overlooking the golf course are in demand as balcony seats when the President is playing.

Reporters and photographers playing behind the President checked on that one last weekend. The verdict: Not a peeper on any porch.

The President's total gallery on the last green consisted of three women and one little girl who wandered down from the swimming pool in bathing suits.

Another example of how Gettysburg takes Eisenhower in stride: One weekend the President was playing with the club pro, Dick Schleicher. A newcomer approached Melinda Hauser, the pretty little lifeguard at the club pool, and asked which of the golfers was the President.

"Oh," said Melinda casually, without looking up, "he's the fellow that's playing with Dick."

Bruce Biosat

Nobody seems willing to deny the nation's great need for more highways. But apparently you can find plenty of people, especially in Congress, who won't commit themselves on how we should pay for them.

So now the country faces another dismal period of waiting, perhaps for as long as two years, before an adequate, properly financed highway program may come into being.

It was not unexpected that the House killed President Eisenhower's road program, key portions of which were to be financed by federal revenue bonds not to be counted as part of the national debt. The lawmakers, particularly the majority Democrats, disapproved this feature.

The House did cause a surprise, however, when it overturned the Democrats' substitute plan by a margin of roughly two and a half to one.

The Democratic proposal called for spending \$3 billion for roads over a 13-year period. Of this, \$12,423,000,000 was to be provided by new taxes on gasoline, diesel fuel, truck tires and tubes, and other highway-user items.

According to some astonished and disappointed Democratic leaders, the taxes were the sticking point. Few House members were willing to impose them.

Top Democrats openly laid a good part of the opposition to the trucking lobby. Many legislators privately admitted that the heat was terrific from those who would feel the tax bite most sharply.

Speaker Rayburn viewed the outcome so gloomily that he doubted Congress would get together on a highway program before 1957.

If that prediction should prove accurate, the country's road network likely will be in far worse condition than it is today. Thousands of additional miles of highway will deteriorate in that interval, without adequate maintenance or repair. Millions more cars and trucks will crowd the traffic lanes. New highways now under construction will be loaded with vehicles from the moment they are opened.

The nation's staggering annual total of fatalities on the streets and highways will continue to shock us all.

In the face of the great need, in the face of this worsening prospect, the lawmakers have done nothing. And by their negative performance they have confessed moral bankruptcy, utter irresponsibility and lack of courage.

When the mess gets worse, as it surely will, the average American citizen may be minded to fix blame. He can look first to those who voted this year to do nothing, and then to the men, who ever they are, whom the lawmakers say pressured them into shirking their duty.

Highway Traffic Slowed By Work

SALEM (AP) — The Oregon Highway Commission Tuesday listed the following construction projects under way which are slowing movement of traffic:

The Dalles-California Highway — Between 26 and 40 miles south of junction with Willamette Highway, minor delays.

Pacific Highway — Rice Hill to five miles south of Yoncalla, possible minor delays; for five miles north of Myrtle Creek, possible minor delays.

Coast Highway — Depoe Bay to Otter Rock, minor delays; Clear Lake to Eel Lake, minor delays; between 2 and 14 miles south of Port Orford, possible minor delays; Gleneden to Lincoln Beach, minor delays.

McKenzie Highway — Springfield to Waller, slight delay.

Umpqua Highway — For 4 1/2 miles east of Reedsport, reduced speed, rough; Kopeke Slough to milepost 17, possible slight delay.

Cascade Highway — Portland to Clackamas, possible minor delays.

Paulina Highway — For 15 miles east of Ochoco junction, minor delays.

Danes Cracking Down Pornographic Matter

COPENHAGEN, Denmark (AP) — Danish authorities, who see nothing wrong with nude pinups of Danish girls, are cracking down on pornographic literature from abroad.

The public prosecutor announced he is filing a complaint against the importers of 20 books — novels and collections of short stories in English and French — shipped here from Paris.

At the same time it was disclosed a half dozen countries, including the United States, have lodged complaints against the export of Danish pinups. Provided they are not obscene, pictures of nude girls can be traded in freely in Denmark.

Eastern Railroads Charged With Taking Advantage Of Western Railroad Boxcars

By A. ROBERT SMITH

News-Review Correspondent

WASHINGTON (AP) — In the battle of words and statistics between the railroads and shippers over which is to blame for the freight car shortage, eastern railroads were charged with a practice of taking advantage of both western railroads and their shipping customers who have been crying for boxcars.

In the hearings held by the Senate Interstate Commerce Committee, E. L. Peterson of the Minneapolis Traffic Assn. presented an array of tables and figures which indicated that eastern roads pretty consistently have more boxcars than they themselves own on their systems at all times. They do this by taking the cars of other railroads, mostly those coming in from the west, and using them on their own systems.

Peterson charged that his studies showed that some eastern roads were doing this instead of repairing their own cars and building new ones at the normal or desirable rate. He charged that one railroad, which he didn't identify, at one point had 18 per cent of its

own cars out of service due to damage but was making up this loss of cars by overusing cars from other lines.

When one railroad uses the cars of another, it pays \$2.40 per diem rental for its use — a rate set by the Interstate Commerce Commission. Peterson claimed that these railroads have found it more expedient financially to use new cars. That way they have the cars they need when they want them, but are not stuck with a surplus of cars of their own if the economy takes a dip and carloadings decline as they did last year.

In a word, while pointing the finger at all railroads generally for not building and repairing enough cars to meet shipping demands of today, Peterson said some eastern lines were especially to blame for letting their western brethren take the brunt of the risks inherent in investing in new rolling stock.

Here is what the statistics showed:

Southern Pacific, on which western Oregon lumber and feed shippers are dependent, owned 28,779 boxcars as of Feb. 1, 1955, but on that date it had only 66.8 per cent of that number of cars on its system. On June 15 it had 87.4 per cent on its system.

Union Pacific, on the other hand, owned 24,434 and had 107.1 per cent of that number on its line June 15 — the only western line in that position. The others were: Northern Pacific 19,519, 82.8 per cent; Great Northern 20,773, 82.8 per cent; Milwaukee St. Paul 2,638, 91 per cent; Atchafalaya 60,066, 110.6 per cent; Baltimore and Ohio 25,300, 101.6 per cent.

Taking all roads together in the eastern district, Peterson's figures showed that they owned 131,647 cars but on June 15 had 103.8 per cent of that number on their systems. Railroads in the Allegheny district owned 99,682 but had 112.4 per cent on their lines.

Railroads in the Northwest district owned 109,193 but had 95.8 per cent of that number on their lines June 15. Those in the central-western district, which includes SP and UP, owned 139,382 but had only 94.7 per cent of that number.

Peterson's point in presenting this statistical picture was to encourage the Senate committee to recommend that the ICC increase the \$2.40 per diem rate so that it won't be more profitable to rent cars than to build new ones. He said railroads are currently trying to get the ICC to reduce the rate instead.

PHILETIAN LODGE No. 8 Meets Every Thurs., 8 p.m. Visiting Brothers Welcome Noble Grand, Clyde Kester Secretary, T. B. Busenbark

Go To Grants Pass — Don Hagedorn, District No. 6 vice president of the Junior Chamber of Commerce, went to Grants Pass today to attend a meeting there this evening.

Back From Portland — Mr. and Mrs. R. W. Meissner and Mrs. Belle Sanders have returned to their homes in Roseburg following a trip to Portland to attend to business and enjoy the Rams - Steelers football game.

Former Residents Here — Mr. and Mrs. Alfred Anderson of Couer d'Alene, Idaho, formerly of Roseburg, visited here Tuesday with Major and Mrs. Fred A. Dorian at the Salvation Army headquarters on Winchester Street.

In Iron Lung — According to word received here, Evaline Woodruff of Castle Rock, Wash., a former Roseburg resident who attended school here and daughter of Mr. and Mrs. E. R. Munay of 1623 Rosemond Ave., Roseburg is in an iron lung in Pierce County Hospital, Room 211, Tacoma. She has been completely paralyzed since July 24. She would like to hear from her friends in Roseburg. A sister, Mrs. R. L. Burroughs, of Santa Rosa, Calif., also a former resident of Roseburg until 2 1/2 years ago, is in Tacoma at the present time with her.

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Physical Exams Needed For First, Ninth Graders

Physical examinations, required for all first and ninth graders, are scheduled Thursday, Aug. 25, at the annex building in Canyonville, according to Virginia Proctor News-Review correspondent.

Children from Galesville and Anchor precincts and those who have not had a previous physical exam will come at that time also, she said.

First graders will be examined at 9 a.m. and the ninth graders at 1 p.m. Two doctors from the Forest Glen Hospital will conduct the examinations.

At the same time the first graders are examined they will be registered. Supt. O. J. Monger requested that they bring birth certificates with them for that purpose. This is the only pre-school registration planned, Monger said.

School will open Sept. 1 and the school buses will make their regular runs at that time.

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