

The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"
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War Debts—Past and Future

A recent news bulletin from Washington State college remarks:

"Only once in the last twenty years have exports of wheat, including flour, dropped to the low point reached during September, 1932, when the total wheat and flour shipped to foreign countries was only 4,226,000 bushels. Total exports so far this season, July 1 to September 30, amounted to 14,918,000 bushels, as compared with 47,101,000 bushels during the corresponding period of 1931 or a decrease of 64 per cent. Sales to all the principal European markets as well as to the Orient, have been greatly curtailed which accounts for most of the decrease."

That may account for the decrease, but not explain it when wheat is now selling at the lowest levels since the days of Queen Elizabeth. Wheat declined another cent yesterday, doubtless due to further recession of demand from abroad for American wheat. What has happened?

Not only is there an over-supply of wheat, but Europe cannot buy our wheat because of depreciated currencies for one thing, which goes back to this, our country tries to function as an export surplus nation in which it would ship to foreign countries more goods than they ship us; and at the same time to remain a creditor nation, that is to demand payment in gold the balance due us for interest on our loans and installments on the principal. This is a physical impossibility. There is not enough gold in the debtor countries to maintain these payments. Goods and services must be paid for by goods and services.

This projects into view the current question of war debts. This country is demanding of European nations that they pay us some \$250,000,000 due on the debts. Looking at the past, this country's right in demanding payment. The debts are owed and should be paid.

But if we insist on payment of the debts we cannot expect to sell merchandise and commodities to these countries. The mechanics of transfers from one currency into another forbids. The result is that we cannot sell Europe our wheat; which means that Eastern Oregon is absolutely paralyzed, its banks are closed for liquidation or in moratorium, its mortgages going into default, its taxes going unpaid, teachers going without cash wages. The result is also that Willamette valley products cannot be exported freely as satisfactory prices to European customers: our prunes, fruits, etc.

In the debacle of debts and embargo tariffs currencies break down which further elevates the plateau of prices in this country. Some say: raise the tariff to compensate for the depreciated currencies. Idle thought, for that merely works to further depreciate foreign currencies. The English pound sterling dropped four cents yesterday.

This paper has been reluctant to approve waiving payments due on the debts; but if we look at the present situation and study the immediate future the logic of the situation is driven home. If we want to restore domestic prosperity we must restore the normal flow of goods both in domestic and foreign trade. This means some readjustment of these war debts, perhaps a scaling down of the private foreign debt, much of which is now in default anyway; it means taking a realistic view of the tariff situation as it affects our own country and not merely our pointing accusing fingers at the barricades of petty foreign countries among themselves.

The prime essential for world recovery is the restoration of the gold standard, and that will come only when we get our debts, etc. on a basis where exchanges will balance. We see no way of accomplishing this without a thorough-going reexamination of the war debts due this country; not necessarily their cancellation, but perhaps their further postponement and reduction. Most of the men at Washington know it; but political fear prevents them from telling the American people the truth.

We take this view, not from any desire to be lenient to debtors; but solely with the objective of the early rebuilding of world trade and commerce, which will once more bring prosperity to this and other countries.

The foreign countries owe us about eleven billion dollars. But our national income has fallen off twenty-eight billion dollars per annum during this depression. This is ONE HUNDRED times the amount of the annual payments due us on the debt account. It is more than twice the total principal of the debts. Our exports to Europe have declined a billion dollars since 1929, which is four times the annual payment which we are now insisting on. We lose \$300,000,000 a year in lost customs duties on imports.

In other words, if deferring these payments until economic recovery has been attained will enable us to restore the normal process and volume of trade, we will be far better off individually and collectively.

A wholesale house dealing with a good retailer who has been caught in a depression often writes off or scales down his old debt but backs him anew because of the confidence that as a good customer he is far more valuable to the house than as a busted debtor. The United States is in much the same position. Europe is more valuable to us as a customer than as a debtor. If we handle the situation aright Europe can not only become a good customer again, but she will also then be able to pay a fair portion perhaps of these debts. Otherwise, we all lose.

More Utility Financing

THE Portland General Electric company has a note issue of \$7,500,000 falling due January 1st next. This was the note issue the proceeds of which went to the holding companies heading up in Central Public Service company. The Statesman first published the milking of the operating company by the overhead organizations on this particular deal, and called for an inquiry into CPS and Portland General Electric financing, which led to the recent public hearings conducted by the commissioner of public utilities.

Now it is announced that the operating company has received permission to issue general mortgage bonds to refund this note issue. No statement is made that the refunding bonds have been sold, but at the price permitted, 7%, they may be, even in these parlous times for refinancing. But now we see how this unnecessary debt is being grafted into the debt structure of Portland General Electric company.

First it was a note issue, unsecured and unguaranteed, sold with a 4% coupon, maturing in 18 months. But the money went to the daddy and granddaddy companies; and when the Portland General Electric company asked for something to show for the loan, these concerns swept the bottom of



Editorial Comment

From Other Papers

GETTING THE OYSTER

Years ago a cartoon appeared in the English humorous weekly, "Punch," picturing the situation that ordinarily develops when controversies occur that are taken to the courts for settlement. The cartoon showed the plaintiff on one side and the defendant on the other each holding half an oyster shell while the succulent and juicy oyster was being devoured by the attorneys standing between them. The oyster, of course, represented the values at issue which too often are consumed in the trial thereby leaving nothing but an empty shell for the litigants.

We recall the cartoon as we read the remarks in some of our exchanges regarding what they call the "controversy" over the comparative merits of the Deschutes netted gem and the Klamath spud. It is delightful to observe the unanimity of opinion expressed in these editorials. Recently we reprinted on this page one of them from the Salem Statesman. Therein, it will be remembered, was disclosed the calm, judicial mind of our friend Charlie Sprague. He reported the receipt of a gift of some Klamath spuds sent him by an official of the Klamath chamber of commerce. In what could have been nothing less than an attempt to influence the decision as to the process of making as to the kind of potato to be stored in the Sprague bins this winter.

This editor's reaction, our readers will recall, was that he would have to have some Deschutes netted gems before he could consider the problem wisely. And now comes the grave and learned Bill Tugman, of the Eugene Register-Guard, also proposing that those who are to do the judging be fed potatoes. Bill goes Charlie one better, however, by suggesting that thick T-bone steaks be furnished, also. His editorial is on this page today.

You begin to see, we imagine, what we had in mind when we said that we recalled the oyster cartoon. These potato judges of ours want this argument to continue and, as it goes on, to absorb the evidence in the controversy. There is this difference, of course, in that they may eat the potato, skin and all, and leave nothing in the hands of the contending parties. That is one of the beauties of the Deschutes gem. You can eat the whole works with pleasure and profit. And, too, there are plenty more to go. There remains but one thing to be said. Charlie and Bill are by way of getting their potatoes. We are not so sure of that T-bone steak.—Bend Bulletin.

Daily Thought

"Death is, and it is inevitable. The flowers die, and the trees, the days and the seasons. Man may conquer everything but himself and death."—Dr. Dan A. Folsing.

their bins and shipped out securities of dubious value in distant companies. Now the due date for notes draws near. There is no money in the treasury to pay them off with; the assortment of junk which the operating company has received in return is unsaleable. Apparently the only way to avoid default is to sell a mortgage bond, and that with a short term maturity (Aug. 1, 1935) and at a very costly rate (7%).

Engrafting this unnecessary and probably unwanted obligation on the debt structure of Portland General Electric company impairs its ability to render service in its own field and to pay proper dividends on the stocks which represent actual investment in its properties, unless the cats and dogs taken in exchange come back to life.

BITS for BREAKFAST

By R. J. HENDRICKS

First Congregational church: First schools in city of Salem:

(Continuing from Sunday:) The school of "Daddy Butts" was taught in a house that stood on the northwest corner of Marion and Commercial streets, where the home of Mrs. F. W. Stoussiff now stands. Mr. Butts was a single man then, and, with his living rooms and his school he occupied the whole house. It was in 1865 that young Charlie Parmenter attended the Butts school. The writer has found no one who remembers what Butts did in after years, or whether he went. The reader will recall the mention of Butts by Governor Geer, in this series.

The next school, Charlie Parmenter attended was the one taught by E. J. Dawne and wife, southwest corner of High and Marion streets. That school house was opposite the site of the present high school building, erected on the site of the "Central" school houses, heretofore mentioned—built by the school district.

That was the second private school of E. J. Dawne and wife. They taught first in the residence that was afterward occupied by the McNary family, still standing. That home then took up all of the space reaching to the southwest corner of D and Commercial streets. The building now occupied by the Damon grocery store was later built, on the north, out to the corner of the block. The school of the Dawnes, together with their living quarters, occupied the whole of the house, first and second stories.

The McNary family consisted of mother, daughters and sons, including the then youthful Chas. L. and John H. McNary, U. S. judge and U. S. senator.

Mrs. E. J. Dawne had been Jane E. Miller, daughter of "Scotch" Miller, the family prominent and well known in old time Salem, and the daughter accomplished and popular. E. J. Dawne became minister of the Methodist church south. He played a prominent part in the life of Salem, up to the late eighties; and then he left, "between two days," for reasons not creditable to his honesty, and the deserted wife did not long survive the shock.

Wonder how many old timers recall some of the stories told concerning E. J. Dawne? Especially the one explaining how he came to be called "Thookydeeds." Dawne? Perhaps the best version of that story was heard by the old cronies who used to sit around in the back room of the drug store of George E. Good. Mr. Good had been a printer—worked on The Statesman, and afterward owned a newspaper or two; the writer believes one of them was at Dallas; perhaps the old "Itemizer." The 1873 Salem Directory lists him: "Good, Geo., printer, boards Chemeketa House." (The present Marion hotel.)

In the early seventies, the first regular church building in Salem, erected by the First Methodist church; erected in the early fifties, was moved across the street to make way for the new structure that stands on the old site, southeast corner State and Church. The old building was located in that period back of the present Wm. Brown home, and private schools were carried on in it by various teachers. That old church building was later removed to the east side of Liberty, south of the corner of State street, and it ended its career, after several successive transformations, by becoming the most prominent laundry in the city.

Times have changed. There has been great progress since the Thookydeeds days. The old school building was torn down and

"THE BLACK SWAN" By Rafael Sabatini

SYNOPSIS
In 1690, following the death of Sir John Hayward, Captain-General of the Levant Isles, his beautiful daughter, Priscilla, leaves for England aboard the "Centaur," accompanied by the pompous, middle-aged Major Sands, her father's aide, who seeks Priscilla's hand and fortune. The Major resents Priscilla's interest in their fellow-passenger, Charles de Bernis, fascinating and mysterious Frenchman, and seeks in vain to belittle him. De Bernis wanted to disembark at Guadaloupe, but Captain Bransome refuses to go to that pirate-infested port and offers to drop him at Sainte Croix instead. Learning that the handsome Frenchman once killed the notorious pirate Henry Morgan, the notorious buccaner, now Governor of Jamaica, Major Sands calls De Bernis a cut-throat, adding that Morgan and his cut-throats were just blood-thirsty, thieving scoundrels. Bransome, however, had given up employment on ships to enter his King's employ and rid the sea of pirates. In spite of Morgan's endeavors, a few still plied their trade, and the authorities suggested he might be playing a double game and receiving tribute from those still at large. Morgan has offered a large reward for the capture of Tom Leach, a brutal, remorseless scoundrel, who sails the Caribbean in a powerful ship... "The Black Swan" ... wreaking havoc. The morning following Major's uprising of Morgan and De Bernis, "The Black Swan" crosses the "Centaur's" path. De Bernis suggests that they continue their course with the hope of out-sailing the pirate ship.

CHAPTER TEN
Bransome, however, was rendered obstinate by panic, and another hope had come to vitiate his reasoning. "Towards Dominica we're likeliest to meet other ships." With a snarl, he stepped to the poop-rail and bawled an order to the quartermaster at the whip-staff to put down the helm. And now it was de Bernis who departed from his calm. He rapped out an oath in his vexation at this folly, and began an argument which Bransome cut short with the reminder that it was he who commanded aboard the Centaur. He would listen to advice; but he would take no orders. With a lurching plunge the Centaur luffed alee, then came even on her keel and raced south before the wind. The seamen in the waist, who had fallen agape at this abrupt manoeuvre, were ordered aloft again to unfurl the topsails, which they had just come down from furling, but also the topallants. Even as they sprang to the ratlines, in obedience, the great black ship, now left astern on the larboard quarter, was seen to alter her course and swing in pursuit, thus dispelling any possible doubt that might have lingered on the score of her intentions. At once it became clear aboard the Centaur that they were running before an enemy. Unaccountably, as it seemed, realization spread through the ship. The hands came tumbling from the forecastle in alarm, and stood about the hatch-coaming in the waist, staring and muttering. Bransome, now on the quarter-deck, whether de Bernis had followed him, remained a long while with the telescope to his eye. When at last he lowered it, he displayed a face of consternation, from which most of the habitual ruddy colour had departed. "You was right," he confessed. "She's overhauling us fast. We'll do better, though, when the topsails are spread. But even so we'll never make Dominica before that your ship, our lives—upon a lucky shot or two between wind and water. Handle your ship so as to give me every chance of it you can. You will have to take great risks. But take them boldly. Audacity, then, Captain! All the audacity you can command." Bransome nodded. His face was set, his air resolute. "Aye, aye," he answered. Monsieur de Bernis' bold dark eyes pondered him a moment, and approved him. A glance aloft, where every stitch of canvas now wooed the breeze, a glance astern, over the larboard quarter where the pursuing ship came plunging after them, and de Bernis went down the companion and crossed the waist, to lower himself through an open scuttle to the deck below. He dropped from the brilliant bloom of a cloudless day into a gloom that was shot at regular intervals by narrow wedges of sunlight from the larboard gunports. Under the direction of Purvey, the guns were being run out and made fast. Stopping almost double in that confined space, with the reek of spun yarn in his nostrils, de Bernis busied himself in taking stock of the material with which he was to endeavor to command the fortunes of the day. In the great cabin, Miss Priscilla and Major Sands broke their fast, happily ignorant of what was coming. They marvelled a little at the absence of the Captain, and they marvelled a little more at the absence of their fellow passenger. But rendered sharp-set by the sea air, and dreading what a reasonable courtsey to satisfy the demands of courtesy, they yielded to Sam's soft invitation to table, and with the Negro to wait upon them fell to with an appetite. They saw the soft-footed Pierre enter and pass into his master's cabin, bearing a bundle. To the question Miss Priscilla addressed to him, he answered after his usual laconic fashion that Monsieur de Bernis was on deck and would breakfast there. He collected from Sam some food and wine, and went off, to bear it to his master on the gun-deck. They thought it odd, but lacked curiosity to investigate. After breakfast, Miss Priscilla went to sit on the cushioned stern-locker under the open ports. Monsieur de Bernis' guitar still lay there, where it might be had left. She took it up, and ran her fingers carelessly across the strings, producing a jangle of sound. She swung sideways upon the locker, and turned her gaze seaward. "A ship!" she cried, in pleased excitement, and by the cry brought Major Sands to stand beside her and to stare with her at the great black ship driving forward in their wake. The Major commented upon the beauty of the vessel with the sun astern across her yards, lending a cloud effect to the billowing canvas under which she moved; and for some time they remained there, watching her, little suspecting the doom which which her black flanks were pregnant. Neither of them observed the altered course of the Centaur, obvious though it was rendered by the position of the sun. Nor at first did they give heed to the sounds of unusual bustle that beat upon the deck overhead, the patter of feet, the dragging of tackles, or again to the moister movements in the ward-room immediately beneath them, where the two brass culverins that acted as stern-chasers were being run out under the orders of Monsieur de Bernis.

(To Be Continued)

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Daily Health Talks

By ROYAL S. COPELAND, M. D.

By ROYAL S. COPELAND, M. D. United States Senator from New York. Former Commissioner of Health, New York City.

EVERYBODY should have a hobby. One of my friends has an odd one—collecting old books about sailing vessels. In glancing over some of these, I was impressed by the many references to what used to be a dreaded disease, scurvy. It was most common in the days of long sea voyages. With a shortage of fresh vegetables and fruits, scurvy was sure to afflict the sailors.

But today such a voyage can be taken without fear of scurvy. Modern methods of refrigeration and our present knowledge concerning vitamins and nutrition have done away with the danger of this disease. Scurvy still exists but it takes a mild form. It is rarely seen in the old-fashioned acute form.

A "Deficiency Disease" Scurvy is called by the doctors a "deficiency disease." That is, there is something missing in the diet. It is the lack of vitamin C that results in the symptoms of this ailment. Vitamin C is found in fresh fruits, especially the citrus fruits, such as oranges, lemons and grapefruit. It is also found in fresh vegetables, like lettuce, cabbage and tomatoes. Because these foods will prevent scurvy, they are called "anti-scurvy" foods. It isn't necessary to take a lot of the given food. It has been shown that the juice of one orange or one tomato, taken daily, will prevent scurvy in an adult. But this vitamin aids in promoting

health in other ways. It increases our resistance to infections. When there is a lack of vitamin C, there probably will not be an acute attack of scurvy, as I have said, but the lack of vitamin C is a constant, continued deficiency of vitamin C causes pains in the joints. These symptoms may be mistaken for rheumatism or arthritis.

General Fatigue In a severe case of scurvy, the skin assumes a peculiar pallor. The gums are swollen and the teeth become sensitive and loose. There is mental and physical fatigue. The appetite is lacking. There is a general "run down" condition. Most of us are familiar with the value of fresh fruits and vegetables. Yet how many of us neglect to include these important food substances in the daily diet. The fresh produce of garden and orchard are within the reach of everyone. It is a mistake not to eat them. The citrus fruits are among the most valuable of the anti-scurvy foods. They should be given to infants, as well as to older children and adults. Strained orange juice may be given to an infant as early as the third month. Scurvy is a preventable disease. Since certain foods protect you against this disease, include them in your daily diet.

If your children do not progress in school as they should, if they fail to cut good teeth and to possess the normal energy, you may suspect what we call "hidden scurvy." Correct the diet and all will be well.

Answers to Health Queries Q.—What could be the cause of swelling in the abdomen just after a meal? A.—Your trouble may be due to hyperacidity or indigestion. For full particulars restate your question and send a stamped self-addressed envelope. (Copyright, 1932, E. F. E. Inc.)

Fog Causes Seven To Take Wild Ride But None Injured TURNER, Nov. 28.—While the Fowler car with seven passengers, party guests, was returning home to Turner late Friday night, the driver became confused in the fog and drove off the four-foot embankment west of the T. T. Palmer house. A wide ditch was crossed with a car escape from a guardrail, a fence post and wire fence went down before the car was brought to a halt in a pasture. The car was undamaged, but a quantity of method was scattered

purely wrapped about the front wheels. Two passing cars bumped as they were stopping to view the wreckage. The driver, who was a