

The Oregon Statesman

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Government Paternalism

THE tendency of paternalism is to expand and enlarge until the government is overwhelmed by its undertakings. Charity first, disdained, then accepted with reluctance, is finally demanded as a right. The federal government under Pres. Hoover was very slow to start the system of direct grants of relief knowing full well the difficulty of ever putting on any brakes. The "new deal" has been more lavish with other people's money, spending not only the income of this generation but mortgaging the incomes of future generations.

The newest wrinkle in paternalism is loans direct to industrial plants, with a total of nearly half a billion authorized. The federal treasury thus becomes the wet-nurse for business concerns. If it opens the vault doors to banks, railroads, farmers, etc. naturally it cannot stop when business men show up tincup in hand.

Yet the Nation (New York liberal weekly) which has clapped hands on most of the new deal spending, condemns this program of making the government the loan agent to succor industrial plants. It says: "Nothing could provide a better example of the wrong way to get the government into business than the bill recently passed by an overwhelming vote in the House providing for direct loans to small industries by the Federal Reserve banks and the RFC. The reserve banks are authorized to lend to small industries for periods of not more than five years a total amount equal to their surplus as of July 1, 1934; this should come to about \$140,000,000. The RFC itself is authorized to make similar loans up to a total of \$300,000,000. The effect of this measure must be merely to risk public funds in loans that are for the most part too questionable to tempt private capital. Under the terms of the bill the government will have the privilege of providing capital for firms whose policies it cannot control; and it is to provide it apparently regardless of whether or not the particular firm or industry being financed serves any genuine social need. Even if we make the dubious assumption that the distribution of the funds will be entirely free of political pressure, the principles behind the measure are thoroughly bad. Five-year loans, no matter how sound, are, to begin with, not properly banking loans at all, and the Federal Reserve banks should in no case be called upon to make them. They are capital loans, and ought to be provided through the capital market. If such loans are not now being provided in sufficient amount, it is certainly not through lack of surplus banking funds or potential private long-term capital. Even if we grant that commercial banks and private capital are not doing their share, the history of previous depressions and panics shows that as soon as signs of a genuine and prolonged revival become clear new capital and increased loans do not lag very far behind. The new bill shows how a principle, unsound to begin with, may be more and more dangerously extended. There was an excuse for the RFC as an emergency institution to make loans on sound collateral to help solvent commercial banks to keep liquid. It should never have had any function beyond that."

Van Loon on Tahiti

HENDRIK VAN LOON who draws fantastically to illustrate the books he writes, is back from a cruise to the South Sea islands. He has lost none of his capacity to satirize on the journey as is proven by the statement that the Bronx is a more romantic spot than Tahiti. Said Van Loon: "The Bronx is neat and clean and, above all, a train for Manhattan is just around the corner. There you can preserve your illusions of romance. But Tahiti—nothing but small towners with a watch ticking in one vest pocket and a New England conscience ticking in the other. And here they sit making love to the brown-skinned maidens their New England consciences have made them marry and wondering what to do with their children that are neither one thing nor the other. Is it any wonder that they die of dry rot?"

People who live in the wide open spaces commiserate the denizens of city tenements. The truth is these people for the most part are happier there than they would be out where the west begins, or ends. In the matter of residence, one man's meat...

The Bend Bulletin comments that there are bad rumors afloat regarding foundations for the Bonneville dam, and intimates that political zeal prevents proper investigation of the geological conditions at the site. Recalling San Fernando in California, we would not think any engineers would construct a dam without being positive as to its solidity. The Bulletin says "it would be high journalistic enterprise on the part of one of the great Portland newspapers to bring out the facts." It would indeed—before the dam is built, rather than after some major catastrophe.

The soviet government is not the least bit squeamish when it comes to wiping out those who get in its way. Traitors are made subject to death by a firing squad and their families to deportation to Siberia. The newspaper Prayda says "Protection of the fatherland is the highest law of life. Those who betray the nation must be destroyed." Orthodox Marxism is supposed to be truly international and to denounce patriotism. Yet the Russians are as nationalistic as the so-called capitalist powers.

Sen. McNary made a good speech the other night, outlining the duties of the republican party in saving the country from the baneful effects of misguided experimentation now going on. As minority leader McNary is in position to speak with considerable authority; and he spoke out in much more positive terms than he customarily does. Evidently he sees the cracking up of the new deal in important quarters.

"A nudist visited the national capital the other day. Probably just a taxpayer hunting for his clothes," says a paragraph in the Statesman this morning. We wonder if the paragrapher thinks he was the only one who listened to Richfield news flashes last night?—Sips in Capital Journal. Dunno; the \$-er referred to doesn't listen to Richfield. And the item was written in the afternoon.

Grants Pass had a variant of "the boy stood on the burning deck." The boy was asleep in a woodshed which caught fire, but he escaped without inspiring any poetry.

The grange over in Washington adopted resolutions favoring public ownership of all natural resources. Let's see, that would start with land, wouldn't it?

Just one word for all who go on the picnic today. Don't become so engrossed in the beautiful scenery you forget to watch the road. Some of those turns are sharp.

AURORA, June 9.—Mrs. G. J. Church, who has been chosen principal for a third term of the Aurora grade school, with Mrs. Church and son Billie, left Tuesday by auto for a two month's visit to relatives in Nebraska and Iowa.

Wm. Michell, who has been a patient in a Portland hospital, and Wm. Mendelhall, injured on a highway in Aurora, and taken to

"But my dear chap, such wild western ways—!"



Bits for Breakfast

By R. J. HENDRICKS

Judge Matthew P. Deady: Colorful old time Oregon career; broke new ground, marked new trails in law. (Continuing from yesterday.) The first and organizing meeting of the Oregon Pioneer association was held at Butteville, in 1873, the second in the famous Aurora park in 1874, and the third at the state fair grounds, Salem.

After a concise though complete historic sketch of the old Oregon country's discovery, exploration and first corners of the white race, Judge Deady said: "The actual occupation of Oregon for the purpose of claiming and holding the country... did not commence until after 1840. Very naturally the movement began in the west, and had its greatest strength in Missouri, Illinois and Iowa. The panic of 1837 and the subsequent stagnation of business had produced a feeling of despondency in the west. Especially in the state named, there was no market for stock or produce, and money had almost ceased to be a circulating medium. Taxes could scarcely be paid, and many persons feared that the land must ultimately be sold to pay the public debts and expenses. This state of things helped very much to turn the public attention to Oregon, as a safe refuge from panics, bank failures, high taxes, and all the other ills, real or imaginary, under which the extreme western states were then groaning, as they never have since." (The reader, perhaps, will reflect regretfully that there is not another such land as the Oregon country now, for a refuge from such conditions and fears.)

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. HEMOPHILIA IS a strange and unusual disease. It is fortunate it is not a common affliction. Victims of this ailment are often spoken of as "bleeders." They are called this because they are subject to severe bleedings and hemorrhages. Contrary to a popular belief, hemophilia is not a new disease. It has been known for generations. Reference to it is found in ancient historical writings. Some of the greatest notables of the world have been sufferers from it. I am often asked whether hemophilia is a hereditary disease. Of this there is no doubt. Strange as it may seem, the disease occurs only in males of the white race. It is transmitted through the maternal side of the family. By this I mean that even though it is not found in the daughters of a family suffering from this affliction, these daughters may pass it on to their male offspring. For example, a daughter may have hemophilia but show no ill effects or signs of the disease. She is not a "bleeder," but if she marries and has children, her male offspring will be "bleeders."

Answers to Health Queries Mrs. C. D. Q.—What can be done for cancer sores? A.—Cancer sores are usually due to hyperacidity. Correct the diet and keep the system clear. For further particulars send a self-addressed, stamped envelope and repeat your question. (Copyright, 1934, K. F. S., Inc.)

"MA CINDERELLA" By HAROLD BELL WRIGHT

CHAPTER XXVIII. Ann and Nance were at a window, looking down on the busy street below and away over the wilderness of buildings. "Hit's plum' awful, ain't hit?" muttered Nance. "Not a tree, not a bush nor a hill nor nothin'—just folks an' automobiles an' cars an' buildings, fer as a body can look. How in Gawd-a-mighty's world do you reckon they all make out to live? Hit sure beats me." "Shucks!" returned Ann. "Hit's all in the way a body looks at hit. Me, I'm a-honin' to git right down that amongst 'em an' rustle 'round with the best. Hit's Gawd's truth, Nance, I'm a-feelin' thirty year younger a'ready. I reckon if hit wasn't for Herb I'd be plum' foolish—a-steppin' high, like's not, an' a-gettin' into all sorts of trouble—interestin' trouble, mean. Who-ee! Ain't this hyeah's sure a long way from the Pine Knob neighborhood—hit sure is!" "Hit's all right fer sich as you an' Herb, mebbe," returned Nance, dolefully. "But I've seemed to be right now to know I can't never stand hit. I'll jest curl up an' die sure."

Issue Honor Roll for Independence INDEPENDENCE, June 9.—The last honor roll of the year was issued at the Independence high school Friday morning. The honor roll was for the last semester's work. Those receiving straight A's were Clara Syverson, Doris McGowan, Evelyn Yugen, Robert Ragdale. Those receiving three ones and one two were Philip Spurling, Mary Barbara Godfrey, Mildred White, Zora Berry. Those receiving nothing lower than a two were Joyce Johnson, Charles Carey, Ray Dunc-

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