

# The Oregon Statesman

"No Favor Sway Us; No Fear Shall Awe"  
From First Statesman, March 28, 1851

CHARLES A. SPRAGUE - Editor and Publisher

THE STATESMAN PUBLISHING CO.

Charles A. Sprague, Pres. Sheldon F. Sackett, Secy.  
Member of the Associated Press  
The Associated Press is exclusively entitled to the use for publication of all news dispatches credited to it or otherwise credited in this paper.

## Flynn on the Business Setback

Two days ago The Statesman reviewed the theories of David Cushman Coyle, who would use taxation as tool to level off wealth and the national budget as gyroscope to boost the national income to 100 billion dollars. Today we present the theories of John T. Flynn, whose writings on business and economic subjects have had wide reading. Flynn is no apologist for the ancient regime in Wall street. In fact some of his articles, like his case history of the Van Sweringen, have been devastating. But his recommendations, which appear in an article "This Setback in Business" in January Harpers, are radically different from those of Coyle.

Flynn says that the recovery has been sustained by government spending. Private financing has not come in to take up the slack when government spending tapered off. For the future he foresees: "If private financing should not revive and the government should withdraw from the field, then the whole system would sink down in a comprehensive disaster of the first magnitude." Flynn has one score for his credit as a prophet; he predicted a business reverse of magnitude some months ago.

The real difficulty, as Flynn sees it, is the attempt to sustain the price structure even at the cost of inflation through continued deficits. He is hostile to the practice of trade agreements, "fair trade" bills, price fixing, subsidizing scarcity and artificial boosting of farm prices. The issue now, in his opinion, is whether we shall try to maintain the price structure, which means inflation and continued deficits even larger than before; or "we must decide to move down to a lower price level." If we evade the decision, "time's decision will be deflation."

Flynn would have the government reverse its course; repeal the Robinson-Patman act, the Miller-Tydings act; abolish the commodity surplus corporation and its price-pegging; discontinue marketing agreements; make war on all violators of the anti-trust laws and on price and production controls; investigate the structure of monopoly controls in the building industry in labor and contractors and material men; destroy every vestige of NRA theory of trade control; overhaul the tax system to take the burden off "active purchasing power"; modify the undistributed profits tax and "the unbelievably dishonest and stupid and paralyzing social security tax to create a vast reserve." He would restrain speculation in securities to prevent market disturbances; confine government inflationary activity to low-cost housing upon some sane and realizable basis. He would terminate lending to railroads and bankrupt corporations, letting them go through the wringer and then be revived on a realistic basis. He concludes:

"And behind all and over all there should be an end of the half-mad cult of abundance. The day of the promoters—the destroyers of poverty and the makers of abundance, republican and democrat—ought to be closed. Perhaps one day we shall know how to achieve this miracle within the framework of the capitalist system. It is a very real and sober world of facts that we must now face."

Flynn recognizes this as a supreme test of statesmanship: "My guess is that the statesman who seeks the approval of his contemporaries at this juncture is a fool. There is but one verdict now worth having—the verdict of history."

What a contrast between the buoyant, optimistic Coyle, who would tax ourselves rich; and the skeptical Flynn who sees the country skidding into the gulch. There's no doubt which would get the votes in the elections. But in our judgment Flynn keeps closer to the realities of economics.

Flynn's program of price deflation, if orderly would not mean disaster, but the reverse. We can maintain prosperity on any price plateau if the relations are in balance. The immediate essential is the release of the flood of private capital for investment. That will come when investors get a little daylight. Indispensable is more encouragement from Washington as to the security of legitimate investment; and probably less political astigmatism in New York. If confidence is restored and return made to the system of freer competition in industry and agriculture and labor relations then price readjustments would be natural and business health would be good.

That program seems very far from attainment. People are still eager to get a free ride on government; and think by passing laws and curtailing production and taxing someone else they can ride a magic carpet into the abundant life. A beautiful dream; but we urge people to inspect the carpet for yawning holes before they take passage.

## Portland Newspaper Strike

Printers on the three Portland newspapers rejected an offer of \$9.00 days and \$9.50 nights for a seven-and-a-half hour shift, also an offer for arbitration and called a strike which has shut down the Portland papers. This adds to Portland's labor turmoil, and will grievously affect the normal life of the city.

Most people, workers as well as employers, would question the wisdom of walking out on steady jobs with a \$9.00 pay check for each day's work, in times like the present. Union leaders wanted to bring Portland up to the Seattle level of \$9 for a seven-hour day.

Through our industrial history labor has obtained from time to time increases in pay rates and reduction in hours of work per day, interrupted occasionally by depressions; but otherwise steadily upward. This has been made possible through technological improvements and mass production. Just now government is stepping in to take larger shares of the income of a business. This lowers the ceiling for wage increases.

Union leaders have felt impelled to produce wage gains at regular intervals for fear the members would lose loyalty to the union. As industry matures and prosperity holds at low levels these increases cannot be expected, and the members should not expect their leaders to produce them. If they are forced, the weaker shops are put out of business to the injury of their workers.

The Portland strike is of the old-fashioned pattern. It is not embroidered with Wagner act or national labor relations board design nor with AFL-CIO cross-stitch. It is simply a case where the workers wanted more than the employers were willing to pay; and both sides prefer to quit rather than to try to work. It becomes now a test of endurance.

In selecting Stanley Reed as associate justice of the supreme court the president has picked a man of education, of high character and ripe intelligence. His competency has been proven in the public service as solicitor general (the attorney who really knows the law and prepares the important cases in the attorney general's department). He should prove a worthy colleague of the able leaders on the bench; is more of the Hughes type than the Black type. The president has profited from his Black blunder.

After a joint prayer meeting the dock workers at Seattle have gone back to moving cargo. The boss for the employers said the meeting did a lot of good in creating a better understanding over the contract between workers and bosses. Maybe they took time to read the fine print.

Butlers and maids scorned the "big apple" in their annual ball in New York city. Servitors are usually more reactionary in their views than the principals they work for. The cats set work for would do the hog-roll if some one told them it was smart.

The WCTU suggests establishment of "milk bars" in cities to compete with liquor bars. We already have the "dairy lunch" which features coffee.

## Bits for Breakfast

By R. J. HENDRICKS

Jefferson has a 1-16-38 natural history and natural advantages that make certain a great future:

(Continuing from yesterday.) The streets (of Santiam City) running east and west were named First to Fifth; the north and south streets M. L. J. K. I. The plan shows the north ferry landing on K street, and the ford on I street. It is the impression of the Bits man that the ford was established, or at least made well known, by the California brigades, spring and fall, of the Hudson's Bay company, prior to covered wagon immigration days.

Santiam City in the late '40s and early '50s of the last century was a lively town, having at one time perhaps over 100 population; it "had everything" excepting a school or a church. It was patriotic; celebrated July 4th each year, with all the trimmings. It was ambitious; expected to become a metropolis.

Samuel S. Miller, who owned and platted the Santiam City townsite, owned and operated the hotel. Every pioneer town had, first, a hotel; if you are first, a hotel; next a saloon, blacksmith shop, harness shop, gun shop.

Let's turn back to 1809, when James M. Bates first saw the light of day, and sketch, very briefly, his adventurous life. His people were prosperous and prominent in Washington, D. C. He was studious and steady until 15, when, being a great reader, a book of adventures in travel fell into his hands.

After absorbing the tall tales of that book, there was no attraction for the restless boy in the quiet capital city on the calm Potomac. His people becoming alarmed over his wild fancies, he was sent to Philadelphia, to work in the book store of an older brother.

But Philadelphia's quiet Quaker streets were more abhorrent to the ambitious youth than had been those of Washington. So he soon ran away, and, furtively watching his chance to get passage on a vessel—a vessel that was going far from Washington or Philadelphia—he finally was accommodated.

He remained a sailor for about 20 years, visiting many lands bordering the seven seas. While in Washington he had learned the printing trades and, besides, had become a good blacksmith and tinsmith. As he followed the seafaring life he acquired a thorough knowledge of carpentry in all its branches; learned how to set a broken bone or sew up a severed artery and to administer the known remedies in the medicine chest of a ship to ailing members of the crew.

There is a tradition, I believe, that Bates was on the offshore seas of the North Pacific, if not in the fresh waters of our inland spaces, as early as 1824.

Be that as it may, he came with the sailing ship Rudder in 1829, and on that vessel entered the Columbia river. The voyage, trading with the Indians, extended to the mouth of the Willamette, and on up to the junction of the Clackamas river with that stream. The Rudder is said to have been the first vessel of size that ever sailed that far up the Willamette. She became stuck in the Clackamas rapids, and was threatened by local Indians. But for the warnings and help of Dr. John McLoughlin, the Rudder would have been stripped, and perhaps scuttled, and its crew slaughtered.

She worked down next to the site of Scappoose and remained there, getting a new main mast, undergoing repairs and trading with the Indians until the spring of 1830. The Rudder's crew planted a garden where Scappoose stands, in the early months of 1830. It has been said that Bates planted there and then the first spuds ever put out in Oregon soil. That is not quite true, for the Astors made gardens as early as 1811. But the Scappoose plantings were among the first.

The Rudder went up the coast as far as Alaska early in 1830, thence retraced her way and again entered the Columbia as far as Baker's bay, after which she went to California ports, bought Spanish horses and took them to the Sandwich Islands, and, toward the close of that year, entered the Columbia a third time.

Bates then wished to end his seafaring career, as he had seen and enjoyed the climate of the Willamette valley and had visioned a great future for this section. But no American settlers were here then, and it was not until 1827 that he had his chance to train his sea legs for land locomotion.

(Continued on Tuesday)

## Club to Meet

The Ankeny community club, formerly Fairview, will hold its monthly meeting Friday at 8 p. m. Entertainment and refreshments will be enjoyed.

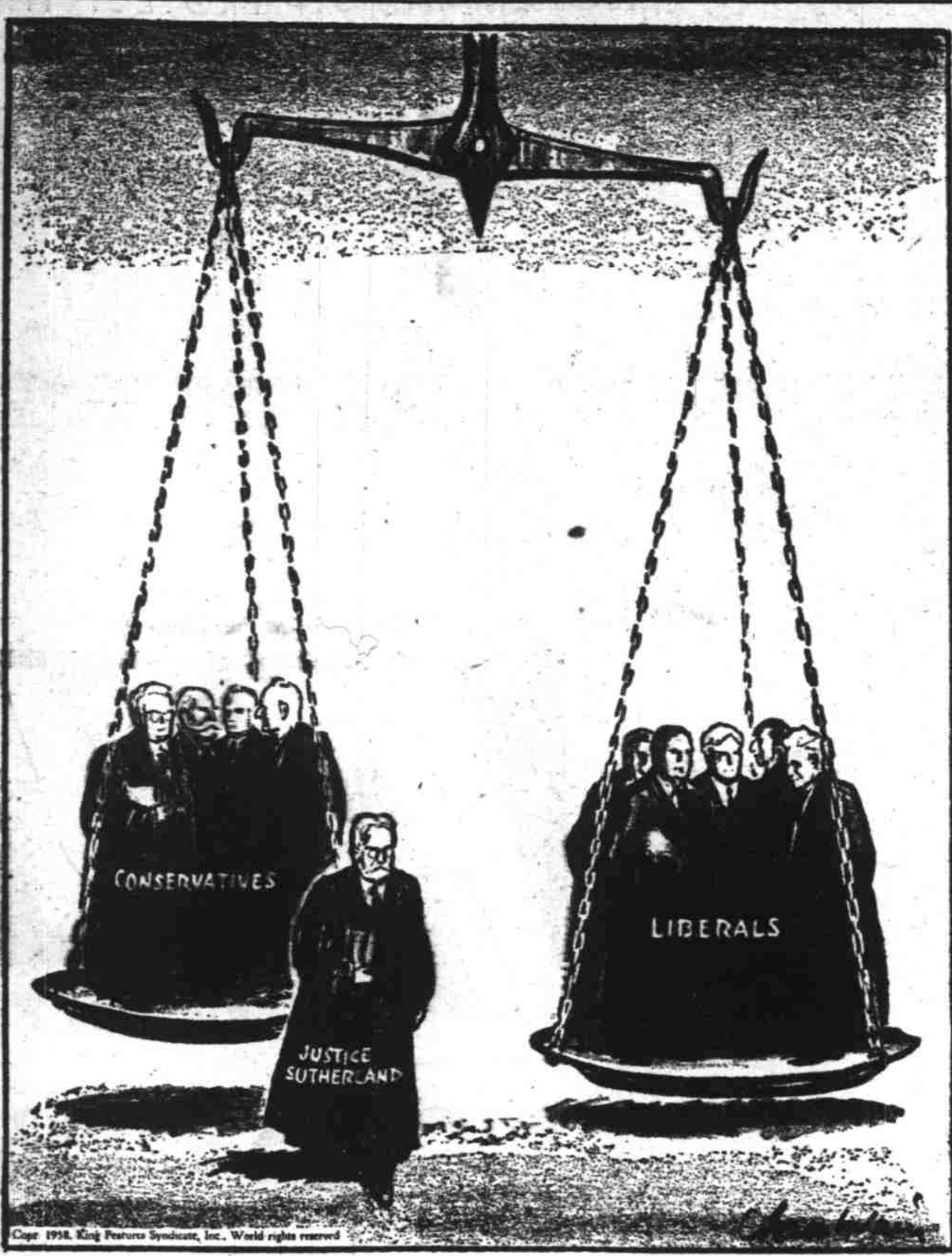
## Ten Years Ago

January 16, 1928  
Leon Gleason, proprietor of Gleason Glove factory, gave a few facts about the industry as a feature of chamber of commerce meeting yesterday.

Seven bridges will be built in Salem during year over \$50,000 construction program; South Commercial street bridge is now under construction.

Dean Roy Hewitt of the Willamette university law school will speak at Founding of Kiwanis at Kiwanis luncheon today celebrating 13th anniversary of founding of organization.

## Shifting the Balance



Copyright 1938 King Features Syndicate, Inc. World rights reserved

## Radio Programs

- KELM-SUNDAY-1370 Kc.**
  - 8:30-News.
  - 9:00-The Voice of Prophecy, MBS.
  - 9:30-American wildlife, MBS.
  - 9:45-Charlotte Gombert organist, MBS.
  - 10:00-Sands of time, MBS.
  - 10:15-Romance of the highway, MBS.
  - 10:30-Gotham string quartet, MBS.
  - 10:45-American Lutheran church.
  - 11:00-Balton melodies.
  - 11:15-On a Sunday afternoon, MBS.
  - 11:30-Ray Keating's orch., MBS.
  - 1:00-Popular salute.
  - 1:15-The Lutheran hour, MBS.
  - 2:00-Summer Frindle, pianist, MBS.
  - 2:30-Sabbath Magazine, MBS.
  - 2:45-The Shadow, MBS.
  - 3:00-Thirty minutes in Hollywood, MBS.
  - 3:30-Reunion of the states, MBS.
  - 4:00-WBR organ, MBS.
  - 4:15-Hollywood doings, MBS.
  - 4:30-Epic of America, MBS.
  - 4:45-Sammy Kay's orch., MBS.
  - 5:00-Coral Contrasts, MBS.
  - 5:30-News letters, MBS.
  - 7:00-Louisiana Hayride, MBS.
  - 7:30-Old fashioned revival, MBS.
  - 8:00-The Frank ensemble, MBS.
  - 8:30-Newspaper of the air, MBS.
  - 9:15-Jack Estlin's orch., MBS.
  - 9:30-Sunday Morning church.
  - 10:15-Johnny Johnson's orch., MBS.
  - 10:30-Ray Keating's orch., MBS.
  - 11:00-Louis Armstrong's orch., MBS.
- KEX-SUNDAY-1180 Kc.**
  - 8:00-News.
  - 8:30-Felix Knight, tenor.
  - 8:45-Bill Stern sport scraps.
  - 9:00-Galloping Gallions.
  - 9:30-Radio City music hall.
  - 10:30-Gale Page, Jerry Crittendon.
  - 11:00-Last of the Lockwoods.
  - 12:30-Harmonica in Hats.
  - 1:00-Galloping Gallions.
  - 1:00-Family altar hour.
  - 1:30-The World is Yours.
  - 2:00-Carefree for KOB.
  - 2:30-Songs of yesterday.
  - 2:55-Neal Spaulding's music.
  - 3:00-News.
  - 3:00-Midwestern Stars.
  - 3:30-Willamette university program.
  - 4:15-Catholic Truth hour.
  - 4:30-Little concert.
  - 4:45-Frank Scott's orch., MBS.
  - 5:00-Radio news.
  - 5:05-Edison hotel orch.
  - 5:30-Cheer Parade orch.
  - 5:45-News.
  - 6:00-Bodyline sing.
  - 6:00-Souvenir.
  - 6:15-Commercial jubilee.
  - 6:30-Catvay Bunyan organist.
  - 12:00-Weather and police reports.
- KGW-SUNDAY-620 Kc.**
  - 8:00-Press Radio news.
  - 8:15-Silver flute.
  - 8:30-Religious service.
  - 9:00-Ray Towers, troubadour.
  - 9:15-Treasure Island.
  - 9:30-Chicago round table.
  - 10:00-Stars of today.
  - 10:30-Paul Carson, organist.
  - 12:00-Eddie Swarovski's music.
  - 12:30-Sunday drivers.
  - 1:00-Romance comments.
  - 1:15-Radio comments.
  - 1:30-Stars of tomorrow.
  - 2:00-Religious service.
  - 2:30-Mickey Mouse theatre.
  - 3:00-Play playlets.
  - 3:15-News.
  - 3:30-Argentine trio.
  - 4:45-Southern Harmony Fox.
  - 4:00-Professor Parlezvous.
  - 4:30-Sunday special.
  - 5:00-Coffee hour.
  - 6:00-California Merry-Go-Round.
  - 6:30-American album familiar music.
  - 7:00-Weather forecasts.
  - 7:30-Hollywood playhouses.
  - 8:00-Walter Winchell.
  - 9:15-Treasure Island.
  - 9:30-One Man's Family.
  - 9:00-News flashes.
  - 10:15-Bridge to Dreamland.
  - 11:00-Weather reports.
  - 11:30-Rio Del Mar club orch.
  - 12:00-Weather reports.
- KON-SUNDAY-940 Kc.**
  - 8:00-Religious service.
  - 8:30-Skiing conditions, Sports Craft, Inc.
  - 8:45-Breakfast club.
  - 9:00-Major Bowes Capitol Theatre Family.
- KOAC-MONDAY-530 Kc.**
  - 9:00-Today's program.
  - 9:05-Hilltop House.
  - 9:08-"Time Out," C. W. Reynolds.
  - 9:15-News.
  - 10:15-Story hour for adults.
  - 11:00-School of the air.
  - 11:30-Music of the masters.
  - 12:00-News.
  - 12:15-Farm hour.
  - 1:15-Variety.
  - 2:00-Home visits with the extension staff, Mrs. Assles Sager, state home demonstration leader.
  - 2:45-Travel's radio review.
  - 3:15-Tour health.
  - 3:45-The Monitor views the news.
  - 4:00-The symphonic half hour.
  - 4:30-Stories for boys and girls.
  - 4:45-Just Plain Bill.
  - 5:45-Vesper, Rev. D. Vincent Gray.
  - 6:15-News.
  - 6:30-Play hour.
  - 7:30-All club meeting.
  - 8:15-The business hour.
- KGW-MONDAY-620 Kc.**
  - 7:00-Crosscut.
  - 7:05-Financial service.
  - 7:45-News.
  - 8:00-Margot of Castlewood.
  - 8:15-Cabin Crocodiles.
  - 8:30-Stars of today.
  - 8:45-Gospel singer.
  - 9:00-Ray Towers, troubadour.
  - 9:15-O'Neill.
  - 9:30-Commodore Perry hotel orch.
  - 10:13-Mrs. Wiggs of Cabbage Patch.
  - 10:30-John's Other Wife.
  - 10:45-Just Plain Bill.
  - 11:00-Grace and Eddie.
  - 11:05-Musical interlude.
  - 11:15-Refreshment time.
  - 11:30-Stars of today.
  - 11:35-How to be happy.
  - 11:45-Songs by Bonnie Stewart.
  - 12:00-Pepper Young's Family.
  - 12:15-Ma Perkins.
  - 12:30-Vic and Sade.
  - 12:45-The Guiding Light.
  - 1:00-Refreshment time.
  - 1:15-Just Plain Bill.
  - 1:30-Gloria Gale.
  - 1:45-Monday Blues Chorus.
  - 2:00-Wife vs. Secretary.
- 6:15-Caribans quiz.**
- 6:30-Harry Kagen orch.**
- 6:45-Top Hatters.**
- 7:00-Woman's magazine of the air.**
- 7:30-Lady of Millions.**
- 4:15-Melody matinee.**
- 4:30-News.**
- 4:45-Rhythmaires.**
- 4:55-Cocktail hour.**
- 5:00-Stars of today.**
- 5:30-Grand hotel.**
- 6:00-The World Goes By.**
- 6:15-Paul Martin's music.**
- 6:30-Hour of charm.**
- 7:00-Contented bear.**
- 7:30-Burns and Allen.**
- 8:00-Amos 'n' Andy.**
- 8:15-Lacle Rara's radio station.**
- 8:30-Fibber McGee and Molly.**
- 9:30-Vox pop.**
- 10:00-News flashes.**
- 10:15-Glen Sibley, organist.**
- 10:30-Makin's minutes.**
- 11:00-Ambassador hotel orch.**
- 11:30-Yogis ballroom orch.**
- 12:00-Weather reports.**

## On the Record

By DOROTHY THOMPSON

### BASES OF THE LACK OF CONFIDENCE

The persistent attempt on the part of the Government to present the opposition to today's tendencies as emanating from a handful of greedy rich men representing entrenched privilege will fail. The President's speech on Saturday is a rather successful attempt. Again, the "Head of the Nation" asserts his intention "to work with all his might and main to restore and uphold the integrity of the morals of democracy" against a small minority group who seek to reassert their power. In passing, this column cannot resist pointing out that under the American system, there is no such thing as the "Head of the Nation." The President of the United States is not the "Head of the Nation." The Constitution does not provide for a prismatic government. On the contrary, sovereignty and authority are carefully divided between the state and the Federal government, and between the various branches of the Federal government itself, and the very conception of what Jefferson denounced when he said: "An elective despotism is not what we fought for."

If the issue in this country were really what the President says it is: The People vs. a minority of recalcitrant Economic Royalists, there would be no serious opposition whatever to the New Deal—and certainly not in this column. There would not be that serious lack of confidence which the President takes so lightly, forgetting apparently that confidence is a prime necessity of democracy, and that the Union was founded—again to quote The Federalist—"as the proper antidote for the disease of faction" and for "that repose and confidence in the minds of the people, which are among the chief blessings of civil society."

The lack of confidence arises out of observations, which, with all the good will in the world, it is impossible to avoid making. Granting that the evils that men do live after them, and that the Administration has inherited the egregious mistakes, follies, wastefulness, greed, planlessness, exploitation of natural resources, erection of top-heavy corporate institutions—erected, incidentally, by means of the collaboration of a capitalist-dominated state—granted all these things, do we see now? We see that the attempt of the last few years, while it has provided many palliatives, has brought about no fundamental betterment, but in a steady, has brought new evils into existence.

Far from even starting the elimination of the proletariat, which must be the object of genuine democracy, it is nationalizing and institutionalizing their distress and meeting the unemployment problem by the withdrawal of millions of our people from productive enterprise, segregating them into what threatens to become a permanent sub-standard class, politically manipulated.

Far from bringing about the decentralization of wealth which all through this is the latest rallying cry of the Administration—its only program for achieving this desirable end is to centralize everything under the control of the Federal government with the promise to decentralize it later. This hope has been held out time and again in history, but the promise has never been kept, and will never be kept as long as man is a power-loving animal.

Far from meeting the problems of technological unemployment in a constructive fashion, it has put into operation taxation policies which definitely accelerate the process.

Far from encouraging and releasing fresh energies and new enterprise, through which alone the national income can radically be augmented, it has adopted policies which have already tended to freeze production at past levels and now to shrink it, to hold ownership where it has been, to bur-

den the whole wealth-creation process with a huge load of public debt, and a large non-productive class of inspector-bureaucrats, so that the burden of maintaining and increasing the goods and services which, produced and consumed, are the national income, fall on fewer and fewer shoulders.

The enormous growth of a class parasitic on the government, plus vested job-holders having a vested interest in the perpetuation of the policies by which they live, create a pressure group of unprecedented power, which government manipulates but cannot control.

The attempt to create a balance between agriculture and industry by a minute control of agricultural production, acre by acre, leads to quota systems which become value-determining factors, stifling enterprise and passing the control from responsible ownership to irresponsible government, bureaucrats, opening the gates for the law evasions which we knew under prohibition, and to nation-wide political corruption permeating the grass roots.

The possibility of extended minute control over industry, placing the destiny of multitudinous and ever-dynamic activities in the hands of inexperienced, inefficient and irresponsible people, who suffer no personal losses by their mistakes and win no personal gains by their success, will again divorce control from responsibility for consequences.

The centralization of government, the receding of power and responsibility from local units toward remote Federal agencies, further deprive the citizen of direct participation in his public affairs, and diminishes his power of control over those who govern him.

In a country founded "to secure the blessings of liberty to ourselves and to our posterity," where the idea of a government of limited powers and the antipathy to extensive interference in private affairs, is ingrained in the whole tradition inherited from Anglo-Saxon history and law; where there is no mysticism of the state; where our educational system has traditionally stressed the development of the individual to the point where he can stand on his own feet—these tendencies of the New Deal encounter profound psychological resistances, and these are the bases of the lack of confidence.

And if the conflict is exacerbated, between a dependent and un-free population longing for security to the benevolent state, and a still free and aggressive population jealous of liberty, we shall have a fateful struggle in this country.

And the knowledge of this is the basis of the lack of confidence. For the experience of all history would seem to indicate that the outcome of all such struggles is Despotism.

This does not mean that those of us who find ourselves in the opposition—and there are millions of us who have no financial interests at stake—deny the realities of the times in which we live, or the demands for a better social order. We simply do not see the better social order emerging through this system.

And we believe that the struggle, which has been artificially augmented, can only be resolved by more harmonious work with our native temper, tradition and goal.

We do not believe that it can be resolved along the lines of European social democracies—out of which the present European despotism has a logically grown—and which were, and are, permeated by a Hegelian conception of the state.

And these are the bases of the lack of confidence.

—Copyright, 1938, New York Tribune, Inc.

**Mrs. Gilbert Hostess**  
SHAW-The Women's Community club met on Thursday afternoon at the home of Mrs. Fred Gilbert. The afternoon was spent in social conversation. Refreshments were served by the hostess assisted by Mrs. Ed Gilbert. Invited guest for the afternoon was Mrs. Andrew Fieber.

## What Every Man Wants

### Security for His Family

Why prolong the four main worries in your life? We pay you while sick or hurt... we pay funeral benefits and give free medical service to your entire family... we send the wives and children of our departed members to Moosehart, Ill., where they are taken care of with loving arms and are taught trades until they graduate with at least a high school education. A home for the aged and needy Moose is maintained in Sunny Moosehart, Florida, where our members and their wives may spend their declining years together.

### All This for Less Than Four Cents a Day

The pleasures and privileges are yours. Take advantage of the reduced fee and become a charter member now before it's too late. This offer is made to a limited number of men of high character standing. Act Now. A membership in the Moose Lodge is a paying investment. You need this protection.

## LOYAL ORDER OF MOOSE

**PHIL CHAEFER**  
Deputy State Director  
Headquarters, Marion Hotel

## Lutheran Executive

### To Speak at Trinity

SILVERTON—Rev. Roy E. Olson, executive secretary of the Lutheran Brotherhood of Minneapolis will be guest speaker at Trinity church, Sunday night, at 8 o'clock. Trinity vesper services, under the direction of Mrs. Tom Anderson, will be held at 4:00 o'clock Sunday afternoon. The senior and junior choir will both give selections. There will also be numbers by the men's quartet, composed of John Goplerud, Jr., Oscar Satern, Hans Jensen and Clifford Alquist.