

The Oregon Statesman

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

THE STATESMAN PUBLISHING CO. CHARLES A. SPRAGUE, Editor and Publisher

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Dr. Raver's Reply

We publish on this page a letter from Dr. Paul J. Raver, Administrator of Bonneville power project, in which he takes exception to an editorial which appeared in The Statesman on Feb. 4th. To his exceptions we offer comment as follows:

1. Dr. Raver denies that he telephoned Commissioner Bean and expressed opposition to the proposed reduction of rates of Portland General Electric.

Here are the true facts: When the writer was serving as governor he received reports from Commissioner Bean from time to time on matters relating to the public utilities department. The rate reduction which had been promised by PGE was a matter of frequent discussion. The writer was hopeful it could be achieved before he left office and so advised Commissioner Bean and President Polhemus of PGE. Failure of PGE to obtain firm contract for Bonneville power was given as a reason for deferment, but finally PGE made a conditional offer to make the reduction under discussion. Commissioner Bean conferred with this writer. It was his opinion, and our own, that such a conditional filing would not be acceptable. Whereupon Mr. Bean rejected the company offer and announced he would enter his own order to enforce the reduction.

Mr. Bean reported Dr. Raver's telephone call, and stated that he protested the rate reduction and that he wanted the earnings to go to reduce company liabilities so he could acquire it at lower cost. After retiring from office the writer felt at liberty to use that information, and did so. Subsequent to the publication Mr. Bean confirmed the accuracy of the report. Now Dr. Raver denies the accuracy of the report. This sentence in his letter is revealing: "I have since talked to Mr. Bean and he assured me that there is no misunderstanding about my views on rate reductions now, even though there may have been previously." There need have been no misunderstanding. Dr. Raver could have made it clear in simple language. Commissioner Bean was favorable to the reduction, the writer hoped for it; both were surprised when Dr. Raver appeared to take a different view. Perhaps the Statesman editorial clarified his expression.

Oddly enough, while this matter was under consideration, the writer was visited by a person unconnected with PGE or Bonneville but who was very deeply interested in the subject—and opposed to the proposed rate cut—and he stated plainly that Dr. Raver was opposed to it. It is evident that Commissioner Bean was not the only one who got what Dr. Raver now says was a "misunderstanding about my views on rate reduction."

2. Dr. Raver asserts that PGE never actually made the \$485,000 rate reduction for commercial customers which it publicized in early 1941. The company did put into effect the rate reduction it promised. We have only to look at our own power bills for proof. They are as follows: January, 1941, \$187.18; January, 1942, \$142.41. February, 1941, \$182.50; February, 1942, \$135.88.

The reduction is real to us, and presumably to the company.

As to the issuance of the formal order by Commissioner Bean to obtain new rate reduction we find on inquiry that the company has demanded a hearing, as provided by law, and such hearing will be held promptly.

Dr. Raver states that our editorial comment respecting power contract negotiations between Bonneville and PGE misrepresented the facts. The particulars he fails to disclose, but says he will make his position clear before the SEC hearing, so we will have to await his testimony.

Dr. Raver denies that he has a determination to destroy private ownership, and that he believes thoroughly in the free enterprise system. Our editorial clearly referred only to his opposition to private enterprise in the electric utility field in the Portland area. Surely the various Columbia power authority bills offered in congress, spawned by the Bonneville staff and supported by it, all of which contain powers for arbitrary acquisition of private utility systems, along with other activities of the Bonneville administration, are proof of its purpose and desire to destroy private ownership of electric utilities in the whole Bonneville service area.

Dr. Raver and his staff have been interested and active in development of great industries utilizing electric energy and building up the economy of the northwest. We commend them for these efforts and stand ready to cooperate in every reasonable manner. That cooperation will come more readily if Bonneville will leave to local decision such matters as public or private ownership of electric utilities and control of existing municipally owned utilities.

Butcher Business

Perhaps the best line of business to go into now would be the butcher business. We conclude so because coming down Commercial street Monday morning we saw a butcher shop with the sign "Open Thursday a.m." So if you're in the butcher business you are out of the butcher business about half the time. When you're in, you're out; and when you're out, you're in just as much as the butcher is who's out when he's in. And when you're open your frequent response to the customer is, "We're out of that"; so once again you're out when you're in. Really though there's no need to go into the butcher business, because when you're out you're out just as much as the butcher who is in but he's out, and you might as well stay out as be out when you're in. Take it away, Henry.

When a girl meets a sailor in his natty blue uniform, it's "anchors away."

Brave, New World

The social engineers are busy blue-printing the post-war world. It is a worthy occupation. One dare not be too optimistic about it, but he shouldn't be too cynical either. For the next round table discussion group we will submit this riddle:

An English lord was riding in his carriage, coachman in the driver's box, footman at the rear. A heavy storm came on, a regular blizzard. The coach got stuck in a snowdrift. So the footman got off to push; but still the coach was stuck. The lord was then greatly alarmed for fear he might freeze to death. So he got out and pushed. With horses pulling and footman and lord pushing, the coach got out of the drift, back on the main road. Then the lord got back in the carriage, and the footman back in his outside seat, and the coach rolled on.

When this war is over, where will lord and footman ride? Or will there be any lord or footman?

The Arkies are being imported to serve as dairy hands in the northwest. They will take the places of sons who are "doing better in the shipyards."

Some of these prices are ceiling prices all right—for the third floor.

News Behind The News

By PAUL MALLON (Distribution by King Features Syndicate, Inc. Reproduction in whole or in part strictly prohibited.)

WASHINGTON, Feb. 15.—The Byrnes order was a move to cure specific manpower shortages by a button from Washington, decreeing an over-all 48-hour week. Primarily, it was supposed to increase production. What it will really accomplish is not clear even yet in the inner discussions that have been going on, or in the hedging announcements which Manpower McNutt has subsequently made.

The most vital war industries already are working 24 hours a day. All war plants that have been getting materials, such as autos, ships and aircraft, will hence get no increased production whatever out of the new order. Their manpower problem is due mainly to wide variations in pay rates.

The average wage rate in aircraft, for instance, is somewhere around 81 cents an hour, and in shipyards, \$1.20 an hour. Consequently, the turnover of employees in aircraft has been very high, many of them going into shipyards.

In autos, the average rate is even higher. Job freezing was supposed to meet this problem, but did not.

The vital steel industry has been working full-blast on the 40-hour week basis, with three 8-hour shifts and a swing shift of 48 hours. What the 48-hour decree will do to it, aside from muddling up the shifts and increasing the labor cost of war production, no one seems able to explain. Certainly it will not increase steel production or solve any manpower problem there.

How the Byrnes scheme was intended to work can be readily understood if you consider a single business firm and its employees. One such firm of wholly white collar workers here has figured the annual cost of the 48-hour week will be \$50,000 in its payroll. By switching from the 40 to the 48 hour week, it will have to pay them time and a half for the additional eight hours, increasing its cost about 30 per cent for each employe (an 8 per cent increase in the average hourly rate).

To make up this \$50,000 loss, it will have to fire a number of employees. These employees are not suited to fill any of the most crucial manpower deficiencies—on the farms, for instance, or the copper mines. They will be mostly women clerks with the least experience and efficiency.

They could only do precision work in factories after vocational training, but there are so many individual elements involved, such as personal physical fitness, adaptability, distance of the job from home, the ability of the individual to support himself or herself and family in the transition-apprenticeship, due to the differences in salaries, that even these most hopeful aspects of the move seem limited.

Certainly, the laying off of such a great group of workers in the 32 decreed centers, or later on a national scale, will not meet the specific manpower requirements in certain specific lines, even in a general way.

The order also is of doubtful personal value to those employees who remain in their jobs, since they will be required to do all of the work of their departed workers for the 30 per cent increase in pay.

Thus what sounded and seemed like a move to put this nation into a greater effort on a 48-hour week and increase our war production yet must prove its value in practice.

The effect on inflation can hardly be measured. Salary increases for those employees who are not laid off will swell the national income and tend to increase inflation pressure.

This will be offset by whatever decree the income of those who are laid off is diminished in whatever new jobs they find. The effect on inflation, therefore, depends on that incalculable point. The trouble with the Byrnes system is the same old one of centralized government control. Here again is the typical economist and college professor approach. They never believe in curing any situation by direct remedy.

They would not think of fixing the shortage some soldiers with farm experience and putting them to plow the farm, for instance, by directly taking them to a plow they know how to run. They have to devise cunning, national economic devices which may be run on a button from Washington.

Generally, they upset ten times more things and create ten times more problems than the one they are trying to cure.

The hedging restrictions which Mr. McNutt began to issue within 36 hours after delivery of the plan may eventually whittle its effect down to nothing by limiting the number of industries and areas affected. That may yet prove to be the best result possible.

But, if the prescribed formula does any of the jobs it set out to do, it will be a miracle, and Mr. Byrnes will indeed be a miracle man.



'Giddyap, Napoleon!'

Radio Programs

KSLM—TUESDAY—1390 Kc.

- 7:00—News. 7:05—Rise 'n' Shine. 7:30—News. 7:45—Your Gospel Program. 8:00—Bert Hirsch Novelty Band. 8:30—News Briefings. 8:50—Tango Time. 9:00—Pastor's Call. 9:15—Dickson's Melody Mustangs. 9:30—Horn Home Program. 9:45—Uncle Sam. 10:00—World in Review. 10:15—News To and A Dance. 10:30—Victor Arden's Orchestra. 10:45—KSLM Presents. 11:00—Willamette Chapel. 12:30—Organalities. 12:45—News. 12:50—Hillbilly Serenade. 12:55—Willamette Valley Opinions. 1:00—News. 1:15—Johnny Long's Oreh. 1:30—We Love and Learn. 1:45—Kendy's Headlines. 2:00—Isle of Paradise. 2:15—Announcer's Choice. 2:30—News. 2:45—Broadway Band Wagon. 3:00—KSLM Concert Hour. 3:15—Roy Owen's Orch. 4:15—News. 4:30—Teatime Tunes. 4:45—American Folk Singers. 5:15—Let's Reminiscence. 5:30—Golden Melodies. 5:45—News Headlines. 6:15—War News Commentary. 6:30—Evening Serenade. 6:45—News. 7:00—News. 7:15—Fried Field's Orchestra. 7:30—Willamette Valley Opinions. 7:45—Ladies Roundup. 8:00—War Fronts in Review. 8:15—Sincerely Yours. 8:30—The Sisters & Skitch Henderson. 9:00—News. 9:15—Ben Allen and His Orch. 9:30—Guest Night. 10:00—Let's Dance. 10:30—News.

KOIN—CBS—TUESDAY—970 Kc.

- 6:00—Northwest Farm Reporter. 6:15—Erexit News. 6:30—Texas Rangers. 6:45—KOIN Klock. 7:00—Wakel's News. 7:15—Dick Joy, News. 7:30—Consumer News. 8:00—Consumer News. 8:15—Valiant Lady. 8:30—Stories America Loves. 8:45—Aunt Jennie. 9:00—Kate Smith Speaks. 9:15—Ben Allen. 9:30—Bonanza of Helen Trent. 9:45—Our Gal Sunday. 10:00—The Goldfish. 10:15—Ma Perkins. 10:30—Vic and Sade. 10:45—The School of the Air. 11:00—Young Dr. Malone. 11:15—Joyce Jordan. 11:30—We Love and Learn. 11:45—News. 12:00—Columbia Ensemble. 12:15—Bob Arden, News. 12:30—William Winter, News. 12:45—Bachelor's Children. 1:00—News. 1:15—Uncle Sam. 1:30—The School of the Air. 2:00—Newspaper of the Air. 2:30—Are You a Genius? 2:45—Ben Allen. 3:00—Concise Melodies. 3:15—Edwin C. Hill, News. 3:30—Frank's News. 3:45—News. 4:00—Milton Charles, Organist. 4:15—Sam Hayes. 4:30—American Legend Hour. 4:45—Wilton Batsley. 5:00—News. 5:15—Harry Flannery. 5:30—Cecil Brown. 5:45—Burns and Allen. 6:00—Suspense. 6:15—Frazier Hunt. 6:30—Amos and Andy. 6:45—Harry Hill and Orchestra. 7:00—Lights Out. 7:15—Al Green. 7:30—News. 7:45—Leon F. Drews, Organist. 7:55—Voice of Travel. 8:10—Five Star Final. 8:15—Warline Women. 8:20—National Farm and Home. 8:30—The World Today. 8:45—Tommy Dorsey Orchestra. 8:55—Patricia Arden, News. 9:00—Manney Strand Orchestra. 9:15—Judy Conlay Orchestra. 9:30—News. 9:45—6 a. m.—Music and News.

KEK—BN—TUESDAY—1190 Kc.

- 6:00—Moments of Melody. 6:15—Victory Gardens. 6:30—National Farm and Home. 6:45—Western Agriculture. 7:00—Freedom on the Land. 7:15—Gene and Glenn. 7:30—Keep Fit Club with Patty Jean. 7:45—Meet Your Neighbor. 8:00—Woman's World. 8:15—Breakfast at Sara's. 8:30—Bunkhouse Talking. 8:45—The Great Melody. 8:55—Hank Lawson's Knights. 9:10—Science of Travel. 9:20—Coke Glee Club. 9:30—Keep Fit Club with Patty Jean. 9:45—Levee Klock Reporter. 10:00—The Three R's. 10:15—National Bookends. 10:30—News. 10:45—The Victory Hour. 11:00—Club Melton. 11:15—News. 11:30—The Baby Institute. 11:45—Clancy Calling. 12:00—Little Jack Little. 12:15—Music of Lou Brigg. 12:30—News with the News. 12:45—Pat's Melody. 1:00—The Latest Word. 1:15—Concert Orchestra. 1:30—Horror, Inc. 1:45—Singing Strings. 2:00—Terry and the Pirates. 2:15—The Sea Sound. 2:30—Armed and Dangerous. 2:45—Captain Midnight. 3:00—Roy Harrigan.

These schedules are supplied by the respective stations. Any variations noted by listeners are due to changes made by the stations without notice to this newspaper. All radio stations may be cut from the air at any time in the interests of national defense.

KGW—NBC—TUESDAY—620 Kc.

- 4:00—Dawn Patrol. 4:30—News. 4:45—Little Known Facts. 5:00—Raymond Gram Swing. 7:15—Gracie Fields. 7:30—Red Ryder. 7:45—Earl Godwin, News. 8:15—Lum and Abner. 8:30—Information Please. 8:45—Duffy's. 9:30—News. 9:45—Down Memory Lane. 10:15—Mary Bullock, Pianist. 10:30—This Nation at War. 11:00—This Moving World. 11:15—Bal Tabarin Cafe Orch. 11:30—War News Roundup.

KLW—NBC—TUESDAY—620 Kc.

- 4:00—Dawn Patrol. 4:30—News. 4:45—Little Known Facts. 5:00—Raymond Gram Swing. 7:15—Gracie Fields. 7:30—Red Ryder. 7:45—Earl Godwin, News. 8:15—Lum and Abner. 8:30—Information Please. 8:45—Duffy's. 9:30—News. 9:45—Down Memory Lane. 10:15—Mary Bullock, Pianist. 10:30—This Nation at War. 11:00—This Moving World. 11:15—Bal Tabarin Cafe Orch. 11:30—War News Roundup.

KALE—NBC—TUESDAY—1330 Kc.

- 6:45—Good Morning Club. 7:00—Mandy Sam. 7:15—Uncle Sam. 7:30—Memory Timekeeper. 8:00—Laven of Rest. 8:30—News. 8:45—Old Song. 9:00—Booker Carter. 9:15—The Woman's Side of the News. 9:30—Buyer's Parade. 9:45—US Marine Band. 10:00—News. 10:15—Stars of Today. 10:30—This and That. 11:00—Cadric Foster. 11:15—Bill Hay Reads the Bible. 11:30—Concert Gems. 12:25—On the Farm Front. 12:30—News. 12:45—Steady Valley Folks. 1:00—News. 1:15—Music. 1:30—President's Press Conference. 1:45—Sheelah Carter. 2:15—Texas Rangers. 2:45—News. 3:00—Phillip Kayne-Gordon. 3:15—Wartime Women. 3:30—Bella Agnis. 3:45—Remember When. 4:00—Fulton Lewis, Jr. 4:15—Johnson Family. 4:30—News. 4:45—Pat Arden, News. 5:15—Superman. 5:30—Norman Keshitt. 5:45—Singing Sam. 6:00—The Treasury Star Parade. 6:30—Murder Clinic. 7:00—John B. Hughes. 7:15—Art Kessell, Pianist. 7:30—Dick Kahn Orchestra. 8:00—Jack McLain Orchestra. 8:30—News in Review. 9:00—News. 9:15—Ernie Heckscher Orchestra. 9:30—Fulton Lewis. 10:00—Jan Garber Orchestra. 10:15—Treasury Star Parade. 10:30—News. 10:45—George Stoney Orchestra. 11:00—Johnny Richards Orchestra. 11:30—Snub Mosley Orchestra. 11:45—Jan Garber Orchestra.

KOAC—TUESDAY—550 Kc.

- 6:00—Music. 6:30—News. 6:45—The Homeowner's Hour. 7:00—News of the Air. 7:15—Music of the Masters. 7:30—Music of the Masters. 7:45—News. 7:55—News Farm Hour. 8:25—Neighborhood Leader Questionbox. 8:30—Today's War Commentary. 8:45—Victory Time. 9:00—Victory Front. 9:15—AAUW Hour. 9:30—Memory Book of Music. 9:45—News.

Your Federal Income Tax

No. 35 DEDUCTIONS FOR BAD DEBTS (PART 1) If a debt has become worthless during the year, the amount may, with certain exceptions, be taken as a deduction in arriving at net income for federal income tax purposes. Bad debts occurring in course of trade or profession are shown in Schedule H to arrive at net profit (or loss) from business or profession; other bad debts are shown in item 16 of the return, Form 1040, and must be supported in all cases with a statement (in Schedule C) showing the circumstances. Losses from corporate securities with interest coupons or in registered form, which become worthless during the year, and which are capital assets, are shown in Schedule F. In all cases of a deduction for bad debt, the explanation must show (a) what the debt consisted, (b) name and family relationship, if any, of the debtor, (c) when the debt was created, (d) when it became due, (e) what efforts have been made to collect the debt, and (f) how it was determined to be worthless. A precise statement is required because of the many different transactions out of which the relationship of debtor and creditor may arise and the consequent many definitions of the word "debt." In order to be an allowable deduction, a debt must become worthless within the year for which the return is made. The determination of worthlessness is an important provision in establishing the allowability of the deduction. The taxpayer must take reasonable steps to determine that there is no probability of payment or collection, and must have prima facie evidence to prove that the debt has no value. If, in the exercise of sound business judgement a taxpayer concludes, after making every reasonable effort to determine whether there is likelihood of recovery, that the debt is of no value, a deduction for such debt may be allowable. Court action, such as a legal judgment or adjudication in bankruptcy is not necessary as proof that the debt is worthless, as it need it frequently happens that a debt may be worthless before the debtor has been adjudged bankrupt. A second important provision regarding deductibility for bad debts is that the deductions must be taken in the taxable year in which the debt becomes worthless. The fact that a debt is still held open on the books of the taxpayer does not mean that it has value, and the law does not permit a taxpayer to defer claiming a deductible allowance on that account, beyond the year in which it becomes worthless. A further requirement regarding deductibility for bad debts is that a debt must have existed in fact and in law. If a debtor was not legally liable to the taxpayer, then there was no debt to become worthless. Advances to relatives to tide them over financial straits, made out of moral considerations and without understandings regarding repayment, are frequently held to be in the nature of a gift rather than a loan, and consequently no deduction would be allowable for nonpayment. However, when a loan is made to a relative in a bona fide business transaction a deduction may be allowed because of uncollectibility.

'Curiosity Killed a Cat'

By ANNE ROWE

Chapter 18 (Continued) I was lucky too. Allan was in the office shack and not, as I feared, somewhere on the extensive strip of coast that was to become a navy yard. And luckier still, Dad was not with him.

The result was a talk that was both long and satisfactory, and full of plots of how to snare an hour together in the evening. For a short drive perhaps, if it didn't rain again.

"Your father thinks he wants to work after dinner," Allan informed me. "But I have the sneaking feeling he'd call it off, if you could induce the beautiful Gala to come down—for chess."

The allusion to Gala made me gasp. I had totally forgotten her over the occurrences of the day and, with her, the puzzling find of the gilt hairpin.

"All right, I'll do that little thing I'll ask her for dinner, this very minute," I told Allan before hanging up.

But I didn't have the chance to carry out my intentions. Just as I was starting to dial Gala's number—we lived under the same roof—Nettie knocked and announced another visitor.

"Mrs. Avery calling, Miss Kay," she said with a wry face. "Stella Avery had been shown into the formal reception room beside the front door—a sure sign that Nettie considered the call an intrusion and took for granted it would be short."

Aunt Millie was with her when I came down, sitting stiffly erect under a bombardment of sibilant whispers, carrying much further than an ordinary voice, but meant to convey the impression of secret confidences and dire warnings.

The moment I entered, these doubtful attentions were transferred to me. Practically flinging herself upon me, Stella Avery flooded me with assurances of her "sympathy" in my "dreadful ordeal," and hints of valuable disclosures she could make.

"Tell me, tell me, both of you!" she urged, including Aunt Millie in her plea. "What really happened? What did you see in that dreadful house?"

"A dead man," I said calmly. 3:15—Adventures in Research. 3:30—The Concert Hall. 4:00—Nightwood Call. 4:15—Echoes of Walkie. 4:30—Stories for Boys and Girls. 4:45—Private Eye Presents. 5:15—On the Campus. 5:30—Evening Vespers. 5:45—News. 6:15—News. 6:30—Evening Farm Hour. 6:45—Learn to Speak Spanish. 7:00—Neighborhood News. 7:15—World in Review. 7:30—School Musical. 7:45—Higher Education in Wartime. 8:00—News. 8:15—Uncle Sam. 8:30—Norman Keshitt. 8:45—Favorite Melodies. 9:00—Favorite Melodies. 11:00—Favorite Melodies.

"That was all. There were no lights, you know?" "Oh, yes, yes!" But someone told me you heard—a stream. And I thought—" She stopped, her voice suspended in an expectant pitch.

"At first I couldn't imagine who had told her. Then I concluded it must have been Conley Forrestall, via his wife or daughter."

"You'll have to excuse me, Mrs. Avery," I said briefly and rudely. "But—no dice. Finding the body doesn't make me a guidebook for murder detection."

She glared at me venomously, and I was preparing myself for an answering insult, topping mine. But it didn't come.

The venom gave way to sly cunning. "What a fool you are, to shield her!" she said pityingly. "Why will you not learn from my experience? Why do you wait until she's done you a harm?"

"I don't know of whom you are speaking," I assured her curtly. "Oh, yes, you do!" Her head jerked ceilingward significantly. "Who had a better chance? I bet she has a key to every door of that house and has been using it for her unpeepable purposes all along. Meeting men. Her kind won't even let a cork leg interfere with that. And poor Professor Stoddard may not have known about the leg. But mark my words: if a man like him tried to break into a safe, it wasn't for himself. She made him do it. For her. She was scared young Burton might come back, and wanted to safeguard herself by stealing what she could. Heaven knows why she murdered him, but—I'm sure she did. Perhaps he didn't want to do it after all. Perhaps—"

I had had enough. And so had Aunt Millie. We exchanged a look and got up, in unison.

"I wish you wouldn't make my aunt and me the recipients of all your suspicions, Mrs. Avery," I cut into her ugly tirade icily. "It really puts too much responsibility on us. The proper person to confide in is Inspector Pettengill. Will you come with me to his office, please?"

She got to her feet reluctantly. "Inspector Pettengill's office? But—I have no desire of going downtown, to headquarters—"

"You needn't. The inspector's office is here, in the house. This way, please."

I firmly grasped her arm and steered her diagonally across the hall, with Aunt Millie, grimfaced but enjoying herself, following close behind, to prevent a possibly contemplated escape.

"But—I don't want to—I have only been telling you what I thought," Stella Avery protested in a sickly voice.

I merely smiled at her in answer, kept a firm grip on her arm and knocked on the drawing-room door. (To be continued)

The Safety Valve

Letters from Statesman Readers

To the Editor:

An editorial entitled "Bonneville and Power Rates" appearing in the Oregon Statesman of February 4 has just come to my attention. Much of its content is grossly in error. It is quite true I have made statements publicly that I feel Portland General Electric company is reaping excessive war profits from the use of low-priced federal power.

It is also true I have stated that Portland General Electric company has been announcing so-called "newspaper rate reductions" for purposes of strategy and that I feel it is time some concrete steps are taken to place such rate reductions in operation.

On February 8, 1941, the company publicized a \$485,000 rate reduction for commercial customers but never actually made that reduction. On January 6, 1943, the Oregon utilities commissioner and the company publicized a \$700,000 rate reduction order but to my knowledge no formal order has been issued and certainly the reduced rates have not been placed in effect. I feel that actual rate reductions—not newspaper rate reductions—Portland General Electric company are long overdue, and that until they are made the company is reaping excessive war profits.

With respect to the statements in your editorial of February 4 concerning my telephone conversation with Mr. Bean, I must deny categorically that I made any statement or by implication indicated that I objected to a rate reduction.

Here are the true facts. My telephone call to Mr. Bean was made on December 8 in the presence of several members of my staff. I phoned Mr. Bean to ascertain whether he proposed to order the company to make a rate reduction and if so whether the order would be conditioned upon the company obtaining a Bonneville power contract. Mr. Bean said positively that he was going to order the rate reduction without regard to our power contract negotiations; that the rate reduction was overdue, particularly since the company had not made the rate reduction it had promised over a year ago; and that our power contract negotiations would have no bearing whatever upon his rate reduction order. I agreed with Mr. Bean and also expressed the view that rate reductions by the company are long overdue and

that the company is making excessive war profits on Bonneville power, instead of giving ultimate consumers the benefits.

This was the substance of my conversation with Mr. Bean. If you were given any different report, and were advised that I protested a rate reduction, your informant mis understood my views. I have since talked to Mr. Bean and he assures me that there is no misunderstanding about my views on rate reductions now, even though there may have been previously.

In the future I trust that should you, or someone in your position, receive any reports or rumors concerning the Bonneville administrator which are so obviously in conflict with his duties under the Bonneville act, you will feel free to talk to me directly about the matter.

With respect to the statements in your editorial concerning Bonneville's power contract negotiations with Portland General Electric company, they too misrepresent the facts. I expect to make my position clear on this matter in the hearings before the Securities Exchange commission on the reorganization plan of Portland Electric Power company which begin February 15.

Finally, I must deny categorically that I have a "determination to destroy private ownership." I believe thoroughly in the free enterprise system. Bonneville power, which is one of the northwest's greatest natural resources, is opening up vast new industries under private ownership. As to the private utility companies, our efforts to negotiate contracts with them which would permit them to distribute government power and at the same time protect the public interest have not been very successful thus far.

The Columbia river power development program by the federal government is of such great importance to the people of Oregon, both during the war and in post-war reconstruction, that the leaders of Oregon should unite on a program to bring to Oregon the full fruits of low-cost hydro-electric power.

I sincerely hope that you will take the necessary steps to correct the impression left by a reading of the editorial. A copy of this letter is being sent to Mr. Bean.

PAUL J. RAVER, Administrator.