

The Oregon Statesman

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

THE STATESMAN PUBLISHING COMPANY

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Churchill's Bow to Franco

In the common full-dress debate of last week Prime Minister Churchill spanked Turkey but he threw his mantle over General Franco of Spain when he said: "I have no sympathy with those who think it is clever and even funny to insult and abuse the government of Spain."

This remark has put the political gossips of London on edge. They fail to see why the nation at the east end of the Mediterranean which has kept neutral in the war should have its seat pulled out from under it while the proaxis "neutral" at the other end of the sea should come in for special defense. For Franco has been openly sympathetic with Hitler and Mussolini, has supplied Hitler with essential materials, furnished a division to help fight the Russians, permitted German spies to observe movements of allied shipping at Gibraltar, and ceased none of these unfriendly acts until the tide of battle turned and "safety first" impelled him to do some scrambling.

Without British and American recognition the Franco government would probably fall very quickly. It is unpopular. The old leftist element (those who were not slaughtered) are still hostile, and even his own falangist partisans are not happy over his rule. His failures in promoting the internal reconstruction of Spain show that he is without capacity to do the job which needs to be done. Some day, the beaten Spanish people will stage another revolution and perhaps get a government that will bring in the political and economic reforms that are needed.

London attributes Churchill's statement to the influence of Sir Samuel Hoare, ambassador at Madrid. Hoare, it is recalled, was the foreign minister who with Laval of France made the deal to let Mussolini conquer Ethiopia, which was one of the curtain-raisers to the present war. The public reaction in England forced Hoare out of office, but he roasts in a spot now where his anti-democratic sympathies can do further damage. American policy toward Spain has likewise been one of sorry appeasement. With armies and navies we endeavor to crush Nazi Germany; with pious pretense we tolerate the same infection in Spain when if we and Great Britain would withdraw the piety and the pretense the Spanish regime would topple soon of its own weight.

Money for Social Security

Chairman Arthur J. Altmeyer, testifying before the house appropriations committee the other day that the present income under the social security (old age annuity) law is \$1,400,000,000 a year. This is on the basis of two per cent on payrolls, one per cent on employer and one per cent on employee. He said the fund will pay out \$186,000,000 this year, but as the plan goes along the payout will increase. He wants the rates stepped up according to the original law which was due to reach a maximum of six per cent by this time but has been frozen by special congressional action. Altmeyer supported his argument by saying that if he was called on to pay off the claims of the 40,000,000 persons in the fund immediately there would be a deficit of \$10,000,000.

What scare was he trying to pull? Isn't it true that the annuity does not apply until one reaches the age of 65 and retires from employment, and that the age distribution spreads clear down to the lowest age brackets that are eligible? So how could there be an immediate call for all of the social security accounts? On that kind of accounting every insurance company would be broke, because no insurance company has assets to equal the aggregate of its liabilities if all its policy-holders died at one time. Such scare propaganda destroys Altmeyer's argument.

The fact is on his report of income and liability it will be a long time before it is necessary to lift the assessment to the rates prescribed. Before anything is done a study should be made by competent, independent actuaries. The law has been in effect long enough now

Interpreting The War News

By KIRKE L. SIMPSON

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Even without a Berlin admission that the battle for Rome is near its crisis, there is much to suggest that the hour for Russian and allied attacks on other fronts, keyed in with that first major blow of the summer campaign in Europe, is about to strike.

Moscow has reported a limited German offensive in the Iasi region of Romania which dented the Russian front. Iasi is a probable main jump-off spot for the impending red army offensive aimed at the Galati gap gateway to the Danube valley, at Bucharest and at Ploesti. The Nazi attack apparently is a German attempt to disrupt the expected Russian drive and sap its force.

Nazi anticipation of the Russian move seems well warranted. Russian planes and allied heavy bombers from Italy have renewed the attacks on Ploesti in overlapping relays. Another oil refinery there was smashed.

Russian army chiefs, however, probably are more concerned at the moment with the Ploesti rail yards than the oil installations. For Ploesti is the primary communications hub upon which Nazi forces guarding the Galati gap must depend for supply or for escape if they fail to halt the Russian armies when they strike.

In Italy there are indications that the allied march on Rome is nearing the point set in Russian-allied councils for the start of greater assaults from the east and the west. Renewed fighting in the Iasi sector between the Siret and the Prut sound like preliminary skirmishes of the expected battle of Galati gap.

Most military observers, however, believe the main Russian contribution to the summer campaign will not fall in Romania but in Poland. It is there, north of the Carpathians and south of the marshes of the Pripiat, that probably the heaviest concentration of Russian power is nearing completion. That is the eventual Russian road to Berlin.

to establish an experience which can be used as a basis for determining future needs. Secretary Morgenthau wants the levy made so he can get more cash money to use for running expenses; and Altmeyer just seems to want more money after the usual bureaucratic fashion. Employers and employees who put up the money would like some estimates made by independent auditors and actuaries before they get their rates jumped.

Oil Wildcatting

Last year the oil interests put up an awful squawk trying to boost the price of oil. While the reports of the oil companies showed excellent profits the claim was made that no wildcatting was going on which is needed to bring in new fields. OPA held its ground however, but the predicted failure to do new drilling did not materialize. In fact the number of new wells drilled increased, and wildcatting is now going forward on a big scale. The Phillips well down in Coos county was a dry hole, but oil has been struck in other parts of the country—in Mississippi for instance. The Wall Street Journal says that the record sum of \$300 million will be spent this year in efforts to locate new oil fields. This will provide for about 5000 wells, which is about all that can be handled under present conditions. Informed men in the petroleum industry don't think America is "through" as an oil producer, even if Secretary Ickes wants to get grease on his fingers half a continent away.

News Behind The News

By PAUL MALLON

WASHINGTON, May 30 — Everyone seems inclined to worry about postwar jobs.

A guiding line of national thought has been established in that direction. The president is talking and congress is acting as if there may be widespread unemployment, unless great steps are taken. Stock marketeers anticipate some kind of depression.

Some large investors have gotten out of the market in anticipation. The CIO is making politics out of the situation, "educating" the public to believe there will be no jobs for returning soldiers unless their man gets into every office.

In some degree, all the front page news of speeches and statements reflect this outlook—an outlook which is strained and fanciful when measured against the provable, but not widely recognized facts.

The truth is bank deposits have been rising lately at the rate of \$200,000,000 a week—cash in the hands of the people is being stored at that amazing rate. The total of bank deposits now is above \$110,000,000,000. In addition there is \$20,000,000,000 (yes, billions) of cash held outside the banks.

The amount of cash thus stored by the people already in this war is above \$130,000,000,000—good spendable long green money with no strings on it, a stack higher than the people ever held before, nearly two and a half times as much as they had in the boom year of 1929.

The dean of government economists, E. A. Dolan, of federal reserve, said in a speech to the Illinois bankers last week the "unprecedented rise in bank deposits" would reach between \$125,000,000,000 and \$150,000,000,000 by the end of this year. He estimated war expenditures to date at \$120,000,000,000.

Now, in addition, the people hold war bonds already amounting to more than \$70,000,000,000, bonds which can be cashed for postwar spending. Thus the amount of spendable money and bonds in private hands today amounts to more than \$200,000,000,000, practically the same amount the government has spent on the war.

It may be unbelievable but it is true—the private purse today already has swollen to the unprecedented fatness of the government war cost so far, and this trend will continue. It will be \$250,000,000,000 by the end of the war.

As everyone knows, furthermore, the people are short every item of living. Together this vast hoard of the people's cash and the equally vast backlog of the people's needs constitute, an irresistible force for amazing business. Indeed this force is so great, the problem is the opposite of unemployment and depression.

The job ahead is to keep prices down, scarce materials allocated equitably, and buying orderly so as to avoid a runaway inflation. In short, instead of a government spending program, there must be a people's spending program, not designed to get them to spend, but to restrain them to orderly spending.

Instead of there being anything in the CIO claim that there will be no jobs for the soldiers unless their man is elected, the truth is there is a danger of business bidding for labor no matter who is elected to any office.

I know one of the government economists has told congress there will be 19,000,000 unemployed. Another is saying the first 18 post war months will see 8,000,000 let out of the armed forces and probably 11,000,000 more lose their jobs in war plants by the cessation of work.

But they are counting the trees without even seeing the woods, or the long green leaves thereon, which practically reach up to the sky. What they only really see is a problem of a shift in employment, a technical problem of readjustment under an irresistible dynamic economic force which belies their worries.

There will be many women, aged and other workers who will want to retire from the industrial field, and many soldiers who will not desire their old jobs back, but will want new ones (fully half will seek new employment in my opinion). The farm boy who has become a flier will not want to go back to the plow, or the machine gunner to the shoe store. The labor problem therefore will be specific, not general, not "unemployment" but shortages here, surpluses there.

Dr. Goldenweiser in an article in the current federal reserve bulletin entitled "Jobs After the War," concludes that if our current expenditure rate of \$200,000,000,000 a year dips no lower than \$160,000,000,000 for the postwar period, the existing economic system can survive; if it falls below \$120,000,000,000, it would go "beyond permissible contraction."



Another "Underground" That Worries Hitler

Today's Radio Programs

KSLM-MBS-THURSDAY-1200 Kc.

6:30-It's the Truth.
6:45-News.
7:00-Crossed Wires.
7:15-Rise and Shine.
7:30-Shady Valley.
7:45-Today's Top Trades.
8:00-Good Ship Grace.
8:30-News.
8:45-Boake Carter.
9:00-Boake Carter.
9:15-Pastor's Call.
9:30-Midland USA.
9:45-Amazing Jennifer Logan.
10:00-Hardy News.
10:15-Jack Baruch.
10:30-Let's Be Charming.
10:45-American Woman's Jury.
11:00-Cedric Foster.
11:15-US Navy.
11:30-Shirley Serenade.
11:45-Andrew Town.
12:00-Organizations.
12:15-News.
12:30-Hillbilly Serenade.
12:45-Nashville Varieties.
1:00-Spotlight on Rhythm.
1:15-News.
1:30-Spotlight on Rhythm.
1:45-Lum & Abner.
2:00-National Conference for Christians and Jews.
2:15-News.
2:30-Broadway Band Wagon.
2:45-Don Lee Newsreel.
3:00-Lucky Tour.
3:15-Concert Hour.
3:30-Johnson Family.
3:45-Johnson Family.
4:00-Johnson Family.
4:15-Care & Feeding of a Husband.
4:30-Lullaby in Rhythm.
4:45-Top Gun Revellers.
5:00-News.
5:15-Superman.
5:30-News.
5:45-Gordon Burke.
6:00-Gabriel Heatter.
6:15-News.
6:30-Garden Talk.
6:45-Sports.
7:00-Commentary.
7:15-Lowell Thomas.
7:30-Kid Klad.
7:45-News.
8:00-Pick & Pat.
8:15-Orchestra.
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9:00-Dreama Time.
9:15-Heathman Melodies.
9:30-Crossed Wires.
9:45-Five Star Mat.
10:00-Wartime Women.
10:15-Gardening with Boquet.
10:30-Orchestra.
11:00-Orchestra.
11:30-Air to the Air.
11:45-Orchestra.
12:00-Orchestra.
12:30-Serenade.
12:45-News.

12:30-4:30 a.m.—Music and News.

KEX-EN-THURSDAY-1100 Kc.

6:30-Musical Clock.
6:45-National Farm & Home.
7:00-Western Agriculture.
7:15-Home Harmonies.
7:30-Top of the Morning.
7:45-News.
8:00-James Abbe Observes.
8:15-The Listening Post.
8:30-Breakfast Club.
8:45-Voice of Experience.
9:00-Breakfast at Sardi's.
9:15-News.
9:30-Sweet River.
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The Safety Valve

Letters from Statesman Readers

DEFENDS LABOR IN WAR

To the Editor:

In Sunday's Statesman Mrs. J. Brown deprecates the action of woods industry workers and others in ceasing work until adjustments are made for inadequate wages. This is not a personal attack upon Mrs. Brown or the Bible she so freely uses as a club to help the war time opportunists who are profiting so richly. However, there is another, a very human side to Mrs. Brown's one-sided presentation. In this greed-inspired war, organized labor has made more than its share of sacrifice. We have sent our boys and girls. We have forgone double-time and excessive wage demands. There has been no appeal for war funds that we have not met doubly and trebly.

Mrs. Brown fails to recall that capital and industry went on a vital and cowardly strike after Pearl Harbor. They halted production until assured that war profits would not be restricted. Right now, before congress is a list of more than 300 chieftains of industry vaulting into the million and billion dollar class through war profits.

The writer remembers that while he was in France 23 years ago that military force was used to keep men in the woods and mills at low wages so that a few could cash in. As a newspaper man I have watched the dissipation and exploitation of that ill gotten wealth. I have followed the fortunes of those driven woods workers and their families. It is not a pretty picture.

Never will the writer and his union labor associates forget Ludlow, Colo. Mrs. Brown may or may not have forgotten that 28 year-old bloody stain upon capital's not too bright escutcheon. Then a controlled, thoughtless militia fired into the hillside tents of striking miners. There scores of women and children were killed or wounded. Nor will he forget that minister of the gospel who told his minister flock that this was punishment for "joining the union."

It is true that mine owner John D. Rockefeller, Jr., condemned the Ludlow massacre. The writer and another Salem resident, then a Western Miners' Union official were present when Rockefeller graciously but belatedly granted wage increases and organization rights (also "full indemnity" to those families hit by the tragedy). As if there was ever a dirty dollar coined that could make this payment.

When Ham Fish and others of a certain class of Americans ordained that \$20.00 per month was sufficient for these boys in the service it was organized labor and veteran's organizations backing President Roosevelt's insistence that these boys be better reimbursed during and after the war.

Better than the disputed "Caesar" reference is the more authentic translation: "Render unto Labor the things which are Labor's and unto God the things that are God's."

Wards Won't Obey Order

WASHINGTON, May 31—(AP) Montgomery Ward & Company made clear today that it would not recognize the validity of any order extending an expired labor contract pending the negotiation of a new one with a CIO union at its Chicago plant.

A war labor board member said after a hearing that the board probably will decide in about a week whether to issue such an order.

The union asserted, and the company denied, that union members were suffering discrimination. W. B. Powell, Ward attorney, acknowledged the union contention that the company would not permit anyone but company executives to arbitrate grievances.

The question is raised, said Powell, "Suppose the president of Ward's makes a bad decision. We say, suppose an outside arbitrator makes a bad decision."

But, said Labor Member John Brophy, "the outside arbitrator is supposed to be impartial."

Nazis Remove 2 US Citizens From Vessel

PHILADELPHIA, May 31—(AP) Fully-lighted refugee ship carrying 385 passengers was halted off Bermuda by a German submarine last Friday, the navy disclosed today, the U-boat abandoned preparations to torpedo the ship only after wireless orders from Berlin.

The Germans seized two American citizens, the navy said, and in the dead of night—set all the other passengers adrift in lifeboats for 5 1/2 to 9 hours. Three persons, including a 16-month-old baby, lost their lives in the transfer to the boats.

The ship was the Portuguese Serpe Pinta, which docked here secretly last night.

Those who died were Beatrice Trapunski, infant daughter of a Polish couple; Antonio Ferreira Machado, ship's doctor, who fell into the sea from a Jacob's ladder; and the cook, Hermanno Antonio, struck in the head by a swinging block of lifeboat tackle.

The American citizens captured by the Germans were Manuel Pinto, 22, Waterbury, Conn., and Virgilio Magina, 22, New Bedford, Mass.

A British subject, Camilo Grande Perez, 24, native of Canada, also was taken aboard the submarine but was released.

The incident occurred 600 miles east and slightly north of Bermuda, the navy said.

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We will replace any Stevens Diamond lost from its setting without charge.

LOWELL THOMAS KSLM

DON LEE-MUT