

The Oregon Statesman

"No Favor Sways Us, No Fear Shall Awe"
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THE STATESMAN PUBLISHING COMPANY

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Rates on Bonneville Power

When the stir arose a few weeks ago over reported demands for higher power rates by Bonneville administration, The Statesman remarked that it was not clear who was behind it—whether it was the private utilities putting a squeeze on Bonneville, as was alleged, or whether Bonneville was doing a "wolf, wolf" act.

The Bend Bulletin, whose editor is in close touch with movements affecting reclamation and power development as president of the National Reclamation Association, puts the finger on Bonneville, and says that the hidden issue is over the question of the repayment of construction costs to the federal treasury. To quote:

The fundamental issue is the matter of the opinion given the secretary of the interior on Sept. 29, 1933 (should be 1944-ed) by the department's solicitor, Fowler Harper. Widely known in reclamation circles and in the interior department itself as the "solicitor's opinion," without further identification, its soundness or its force, its validity are the true questions. Should congress approve or reject the opinion?

Congressional approval is what Paul Raver wants. . . Those who believe that congress should reject the opinion do so on grounds other than the effect, if any, the rejection would have on Bonneville rates.

The solicitor's opinion is an interpretation of section nine of the reclamation project act of 1939. It has to do with rate structures for the sale of power produced at reclamation project dams. Those who wrote that 1939 law intended to provide for the repayment of the power investment with interest in 50 years. They intended that rates should be set at a figure that would insure that result. The solicitor's opinion developed a new rule which, if followed, would mean that power rates need be no higher than will produce a three per cent annual return plus annual maintenance expense. In other words the rates need not be high enough to amortize the investment in the normal fashion. If the opinion were followed, whenever the time came that the annual three per cent charge equaled the total power investment the investment would be considered paid. The interest, that is, would be considered as having paid off the principal.

To overcome the solicitor's opinion and restore the law to the original intent of its author's a bill was introduced at the last session of congress to require amortization plus interest. The bill did not pass but undoubtedly will be reintroduced this session.

We are aware of this controversy between sponsors of reclamation and the department of the interior. It may be that Dr. Raver would like to see the Harper opinion stand. The fact remains, however, that he is not taking advantage of that in the accounting for Grand Coulee project which alone under his administration is affected by that opinion.

The Bonneville report dated Feb. 1, 1946 states in its introduction and summary, p. 1:

The construction costs of the Bonneville-Grand Coulee and of the Bonneville dam project (allocated to power) are returned within 50 years with interest at 2.5 per cent, the approximate average cost of money on long-term United States treasury bonds during the eleven years ending June 30, 1943. This is in accord with the findings and order of the federal power commission.

In addition to repaying the construction costs of the Columbia basin project allocated to power within 50 years, provision is made for three per cent interest annually on the unamortized balance of such costs and for repayment of that portion of the construction costs of the irrigation works which exceeds the repayment ability of the landowners.

In no case are the construction costs not repaid, and in every case provision is made for interest annually on balances of power construction costs remaining to be repaid.

With specific reference to Grand Coulee, the report accepts the Harper opinion as valid as Bonneville administration as a division of the department of the interior, should, but states that its accounting goes beyond the requirements under that opinion. To quote from p. 5:

The reclamation project act of 1939 does not require that the power revenues cover interest on the power investment over and above full repayment. The act does require that power revenues return the construction costs allocated to power, and in addition, with the consent of the construction costs allocated to other reimbursable purposes as exceeds the ability of the water users to repay. In the present instance, the amounts paid from power revenues for return of construction costs allocated to purposes other than power is far more more than the amount that would be required to repay any reasonable rate of interest from year to year on the unamortized power investment. Nevertheless, in addition to making payments as required by law, additional revenues are being set aside equivalent to three per cent annually on the unamortized power construction costs. (Heavy type ours—ed)

In the face of this declared policy, if the earnings are adequate to meet all obligations and an independent audit indicates they are, there seems to be no reason why Dr. Raver should be pulling wires to get the solicitor's opinion upheld; and certainly no reason as the Bulletin itself states to justify higher rates for Bonneville power.

Opposition to the low rate of Bonneville may spring from other sections of the country which are jealous of the industrial development of the northwest on the basis of low-cost power made possible by these federal, tax-free projects. Such certainly was indicated in the remarks of Congressman Jensen of Iowa who has been quoted as saying no more appropriations would be forthcoming for Bonneville unless it raised its rates. Our battle then may be a sectional one; and if that is true the northwest should stand together—Bonneville Administration and the people, including reclamation, industrial and commercial interests.

Leaves State Service

Lee C. Stoll has resigned after heading for many years the employment service for the state and during the war for the federal government in Oregon, with a later title of director of the manpower commission's work in this state. Stoll was a leader in getting men into employment in the latter years of the depression and in obtaining war industries for Oregon. His study on manpower for shipbuilding had great influence with the Kaiser interests and led to their engaging in ship construction in the Portland-Vancouver area.

One thing which Stoll emphasized was cooperation of labor and management. He set up representative groups of labor and industry and encouraged them to work together. His success in this field has brought him the offer of a permanent position as executive for the Portland labor-management committee.

Stoll was one of the "uncommissioned officers" who really helped to win the war. He has earned retirement, but to the extent of his physical strength he will continue working in his new assignment to provide jobs for men and men for jobs.

Quite tardily but none the less pointedly, the Portland daily papers have criticized the Portland police department, bluntly repeating the charges of payoffs which have been common gossip for years. No visible result has followed the publication, however, though there is little doubt they were read by all those in authority. Could it be that important influences behind the scenes—landlords, politicians, contributors to campaign funds—protect the system? Portland's trouble may not be due so much to its underworld as its upperworld.

Oregon payrolls were up \$8 million in December, 1946, over the December preceding. That doesn't look very much like depression. But in the news also is the report of 24,000 jobless in Portland, an increase of 4,500. While the increase is seasonal we do not have an enduring prosperity with people going off wage rolls even if the aggregate paid out increases.

Paul Mallon's

BEHIND THE NEWS

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WASHINGTON, Jan. 19.—The most startling advice which Mr. Truman gave congress in his annual message was that "we are rapidly becoming a 'have not' nation as a result of our minerals." He did not explain what is running short, but just said we should do something about it. A rather abstract picture was thrust forward for the commentators to oh-and-ah about in generalities, as a nonobjectionable picture that we are losing our world superiority for any coming international trade conquests, and we had better darnedright get busy also for national defense.

What this picture will turn out to be when the president finishes a detailed recommendation for buying foreign minerals, and lowering or abolishing the tariffs on them to import them in greater quantities, thus to save ourselves from mineral poverty. Indeed the state department is known already to have a list of no less than 1300 products upon which it proposes to hold hearings shortly to see if it cannot do exactly that—cut the tariff and encourage buying.

The new Republican senators are squirming in chairs not yet warm, and some of them privately are already murmuring the administration is working up a hidden ball trick on them.

Short of Minerals
Actually this nation is short in its known ground of only two important minerals, according to a mining engineer of long and excellent standing, because of higher quantities in a Republic. These two are tin and nickel. The tin we have never been able to get in commercial quantities, relying for our supplies mostly upon the Orient. But nickel is being furnished in large quantities by Canada, an adjoining nation, upon which we could rely in time of great stress.

The actual have not situation is something like this:
Many oil engineers agree this nation could never run out of fuel for its automobiles. An engineer for one oil concern says we have oil in the ground in this nation for 1000 years. Another says the undeveloped shale in the Rocky Mountain states like Colorado, Utah and Nevada (which has not been touched because of higher commercial hazards than those now tapped) is more than we have consumed to date. Possibly no expert could estimate completely the amount of oil in the ground, but it is certain the administration will get a big argument in any attempt to prove shortage of this primarily necessary natural resource.

Likened to Tungsten
By and large, the condition of important minerals is somewhat like that of tungsten. We did not begin losing it until the war, but when we needed it (if Japan had cut our supplies from China she might have come closer to winning the war), we built up a domestic supply of 45 per cent of our total production, importing only 55 per cent.

Now tungsten is protected by a 50 cents tariff. Mr. Truman could rapidly make us a have not nation on tungsten by lowering or abolishing that tariff, and his administration may be doing so now by the rather harsh disdain of his secretary's extension of commission for mining ventures.

In general, interior secretaries Krug and formerly Ickes, have built up the notion that we are miserably becoming have not nations through Ickes once wrote an open letter claiming we were all Croesus or better because of our wealth share in our mineral deposits). They somewhat perplexingly how to both sides of the question, but lean most heavily toward the "have not" side. They claim that the "have not" side is to be established by foreign sources rather than trying to build up or protect domestic activity. Perhaps free trade might be a wise ultimate goal, and perhaps the economically backward nations do need our purchases, but certainly domestic mining should be maintained first, lines where it can be encouraged.

May Appoint Nevada Man
The first Republican answer to all this is likely to be the appointment of a new Nevada senator George Malone, a promoter of a Rocky Mountain improvement organization called "The Industrial West" as chairman of a public lands subcommittee to look into the matter. Malone favors such things as renewal of the old forgotten flexible tariff provision by which the president today could call the cotton tariff and require it to establish the difference in the cost of production of tungsten between China and the United States, and establish that differential as the tariff rate. He also wants the SEC to take a straight-outlook on mining ventures, treating mining as speculative business rather than an investment enterprise, requiring the exact truth on stock statements and undeviating adherence by the mining industry, but also a cessation of disdainful regulations which would if done, he claims—loosen up venture capital.

At any rate if we are becoming a have not nation, it is not because of raw material resources we have in the ground. Furthermore our reserves in ores above ground are said to be higher than ever before. The shadow boxing so far on this merely covers a tariff tussle which is coming up from underneath—a tussle which will certainly become a major scrap.

GRIN AND BEAR IT

By Lichty



IT SEEMS TO ME

(Continued from Page 1)

ly for permission to locate ship headquarters on the Willamette river bank near the Salem boat-house.

Public Welfare Administrative Positions Open

The state civil service commission Saturday announced examination for the positions of county welfare administrator I and II and caseworker II, to be held throughout Oregon late in February. These examinations are being given to fill vacancies in the offices of the state public welfare commission throughout the state.

The beginning salary for county welfare administrator I is \$170 and \$215 for county welfare administrator II. The salary for caseworker II is \$165 a month. Applicants must have a college degree in the field of social sciences and social work experience reference.

Applications for the examination must be filed before midnight February 15. Blanks are obtainable at the civil service offices in Salem and at any state employment service or county public welfare office.

MUNICIPAL COURT

Rupert F. Schulz, 2160 N. 5th st., failure to stop at intersection, posted \$250 bail.
Kenneth B. Miller, Eugene, violation of basic rule, posted \$750 bail.

CITIZEN COURT

George W. Stafford and Eda Stafford vs Dolly V. Brown, et al; Judgment finds plaintiffs sole owners of real estate in question.
Jack Welker and Bertha Welker vs M. J. Bressie, et al; Judgment finds plaintiffs sole owners of real estate in question.

Probate Court

Mary Halford estate: Appraiser appointed.
Fred, Earl, Lavalle and Darline Crites, guardianship estate: Appraisers changed, request for removal of Pioneer Trust company as guardian of Fred Crites, now as guardian of Earl Crites, deceased, filed; final account filed.

MARRIAGE LICENSE APPLICATIONS

Harry E. Ashford, legal age, Astoria, telephone installer, and Enid Nelson, legal age, Salem, teacher.
Jack Allaway, jr., 24, Corvallis student, and Betty Van Osdol, 21, secretary, Salem.

JUSTICE COURT

Morris Linn, route 7, Salem, charged with driving with inadequate brakes, pleaded innocent and trial was set for Monday, January 21.
L. P. McCracken, Salem, pleaded guilty to obtaining money and property under false pretenses, held in answer to grand jury; pleaded innocent to defrauding an innkeeper, trial set for Monday, January 21.

Sea Scout Ship To Purchase Boat

The Salem sea scout ship Willamette plans purchase of a navy rescue or landing craft to supplement its present 36-foot sailing whaleboat, Martin Mockford, assistant scout executive, said Friday.

Acquisition of the Diesel-powered craft would be one of many recent expansions of the sea scouts, Mockford stated. Mate N. A. Sholseth and the sponsoring Veterans of Foreign Wars post applied to the city council recent-

Hop Meetings Scheduled in Valley Area

Eleven meetings of district hop growers will be held in the Willamette valley during the next three weeks under the sponsorship of the United States Hop Growers association, the growers' industry-wide service organization, of which Senator Dean H. Walker of Independence and C. W. Paulus of Salem are Oregon directors.

Recent developments on the program of premiums for quality and the hop import tariff situation will be reported upon and discussed, along with a graphic review of the present situation in hop supplies and usage.

At each of these meetings a district member of the Oregon growers advisory committee will be elected.

Paul T. Rowell, in charge of the Salem office of U. S. Hop Growers association, will take part in the meetings, spending the week of January 27 in Washington where similar meetings will be held.

Oregon's schedule includes:
Donald, Donald hall, January 23, 2 p.m.
Silverton, chamber of commerce, January 22, 7:30 p.m.
Mt. Angel, city hall, January 23, 7:30.

Independence, Campbell's hall, February 3, 7:30.
Albany, city hall, February 5, 7:30.
St. Paul, city hall, February 6, 7:30 p.m.
Salem, chamber of commerce, February 7, 7:30 p.m.

Bryan to Head Service Group

Irvin Bryan, commander of Navy Beaver post, Veterans of Foreign Wars, and field man for the vocational rehabilitation division of the state department of education, was elected president of the Marion county service committee at the group's Friday luncheon meeting in the Spa restaurant. He succeeds H. C. Saalfeld. Susan Faherty was re-elected secretary.

Beneficiaries of deceased veterans should learn details of benefits due them under a 1946 amendment to the social security act from Richard C. Stillwell, manager of the social security board office in the Salem post office, Saalfeld, county service officer, told the group.

Hearing Tests To Continue

The Marion county health department will continue hearing examinations of school children this week, aided by an audiometer and its operator from the state department.

Dr. W. J. Stone, county health officer, announced the following activity schedule for the week:
Monday — Audiometer clinic, Washington school, 9 a.m.
Tuesday — Audiometer clinic, Bush school, 9 a.m.; explanation of hearing test results to parents, McKinley school, 1:45 p.m.
Wednesday — Audiometer clinic, and the school immunization clinic, Grant school, 1 p.m.; general school clinic, St. Joseph's school, 9:30 a.m.; fluoroscope clinic, Salem Deaconess hospital, 1-2 p.m.
Thursday — Audiometer clinic, Greenwood school, 9:30 a.m.; well baby clinic, county health office in Masonic building, 9:30-11:30 a.m.
Friday — Audiometer clinic, Englewood school, 9 a.m.; child guidance clinic, 5 p.m.; hearing office, Englewood school, 9 a.m. to noon.
Saturday — Adult clinic, health office, 9 a.m. to noon.

Ranch Ramblings

Overhearing two wool men talk the other day, I got the idea that they thought the Oregon Wool Growers who meet in convention at Eugene January 22, 23 and 24 is a sales and marketing organization. This is correct, in fact. Its purposes are very similar to those of the Western Oregon Livestock association—those of studying the economic phases of wool marketing, production, importing, manufacture, handling, and also legislation which may benefit wool growers all over Oregon. Ben Newell, Marion county assistant county agent, as well as secretary of the Marion county Livestock association, is urging sheepmen from Marion to attend. He is planning to attend.

Fred D. Kaser of Silverton, district member of the Oregon Hop Growers Advisory committee, has made arrangements for the district meeting to be held at the Silverton chamber of commerce rooms Wednesday, 7:30 p.m. Election will be held at this time, says Fred.

Jens Svith, one-time of Salem, but now of Grants Pass, writes that Dr. Clifford E. Maser, head of division of business and industry, Oregon State college, will

Hear Reverend Dudley Strain in "Fighting Faith" Campaign

Subject: "I Choose Christ"
Monday—January 20th 7:30
THE SALVATION ARMY HALL
241 State Street

be the speaker at the Oregon Jersey Cattle club annual banquet on January 25. The business session will start at 10:30, followed by the banquet. In the afternoon over 100 special certificates will be awarded to Oregon Jersey breeders for meritorious work.

Holstein breeders of Oregon will gather Thursday at the Salem chamber of commerce to discuss matters of special interest to them. Iver Youngquist of Mt. Vernon, Wash., director of The Holstein-Friesian association of America, and R. E. Everly of Everly Live-



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stock Exporters, Inc., have been invited to attend, as have the officers of the Washington Holstein association.

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Dr. C. E. Nichol

The Church of Christ, Cottage and Shipping streets, presents Dr. C. E. Nichol throughout the next 9 days in a series of revival services. Dr. Nichol is a world traveler and outstanding evangelist, lecturer, educator, and author of many books, some of which have been translated into foreign languages. The citizens of Salem are invited to hear him in a lecture covering his trip to the Holy Land, which will be delivered Sunday afternoon at 2:30. Dr. Nichol spent considerable time studying in the Bible Lands and will be glad to tell anyone who is present about any section or place in Palestine in which they may be interested.
You are invited to hear Dr. Nichol in the sermons each evening through the week at 7:30.

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