

# The Oregon Statesman

"No Power Sways Us, No Fear Shall Awe"  
From First Statesman, March 23, 1851

THE STATESMAN PUBLISHING COMPANY  
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## Trade Czechs and Balances

American hopgrowers are urging President Truman to hold up the reciprocal trade treaty with Czechoslovakia which cuts the duty on hops from 24 cents a pound to 12 cents. That country has been a principal source of supply for imported hops. The argument is now presented that Czechoslovakia has become a soviet satellite and in trading with it we would strengthen the economy of the soviet bloc. The Oregonian ends its discussion of the matter with a question: "Can we do business with the communists on any terms?"

The question should not be left unanswered, and The Statesman ventures to reply that we can and should. To answer otherwise means we erect an iron curtain of our own. It would imply that we virtually regard war as inevitable, which is both false and dangerous. In fact trading may prove to be the best diplomacy, preserving a tie which later may be strengthened. In the past it was the necessity and desirability of exchange of goods which prompted establishment of peaceful relations among tribes and nations. It may be that commerce will prove the real binder between east and west.

It is of high importance that the west continue to do business with the east. Highly industrialized western Europe long found a market for its products in the peasant countries of central and eastern Europe, resulting in payment raw materials and foodstuffs. Thus the economy of the continent was balanced. Unless that interchange can be restored western Europe will suffer seriously or else become a permanent pensioner of the United States. So this country has a stake in preserving and increasing the trade between the west and east.

Quite a stir has been raised over export of planes and machinery to Russia. Actually the volume is small in comparison with our own production and with Russia's vast need. And we must remember that we are busily importing strategic metals from Russia: platinum, manganese, tungsten, which help to build our own war machine.

We do not mean that our country should be played for a sucker, but we should not lose our reason in this war of nerves. It is quite late in the day for the hopgrowers to wage a successful fight for holding the present tariff. They will probably be hurt considerably by the proposed tariff cut; but we can't see that bolshevik hops will hurt them any more than Czech hops. In short the change of government in Czechoslovakia does not in our opinion justify a change in our trade policy with that country.

## McKay a Proven Leader

Two things are required of a governor: the rare quality of leadership and dependability. He needs to be a man who can develop ideas, advance them before the legislature and the people to gain the necessary support for making them effective. He must be dependable, standing for good administration in government and earnest in protecting the public welfare. Such a man is available in the person of Douglas McKay of Salem.

From the time he was in his teens Doug McKay has been carrying responsibilities and assuming leadership. Thrown early on his own resources he put himself through college, yet had time to participate in college affairs, serving as president of the student body at OSC. He has since combined success in business with leadership in civic affairs. Community chores have just gravitated to him and he has responded generously with his time, his talents and his money. Uniformly his energies have been directed toward advancing the prosperity, the good health and wholesome living for the people of his community and state. His leadership in the Willamette valley project has been positive and continuous.

As governor he will give to the state this same positive leadership. He will not wait to consult the political oracles; his own judgment is well matured. He will supply direction and drive for Oregon in the coming years. They will be needed for Oregon is changing from a slow-moving economy to one with a swifter pace.

There is the other necessary quality of dependability. Doug McKay's character is well known. His attitude on questions of public health and morals is revealed not only in his manner of living but in his voting record in the legislature. No person of course is free of fault, but the criticisms that refer to McKay are minor when put in the scale with his qualifications. He fully merits not only the votes of Oregon republicans but the hearty and active support of those who know him and of those who are interested in making sure the government of the state will be in clean and competent hands.

## Revolution in Bogota

"The show must go on." That seems to be the attitude of the delegates to the Pan-American conference whose sessions were rudely interrupted by a local revolution last Friday. But the session will hardly be the same again. It will taper off rather speedily and the delegations will return to their homes. Latin America, disappointed because Uncle Sam didn't unbutton his purse more widely than half a billion (in loans), is unhappy.

That the revolution was a communist-inspired time-bomb under the conference is doubtful, though what reds there are in Bogota probably did their best to increase the tumult. Our southern neighbors are prone to staging revolts against the government. Costa Rica had one last month. Venezuela had an abortive putsch a few months ago. Bolivia hung a president to a lamppost not many years back. This one in Colombia was different in two respects. It didn't succeed and there were more killing and looting than usual.

What was usual was that the attitude of the army was decisive. This time the army stayed loyal to the government. It soon recaptured the seized radio station, shot down the rebels and restored order. The damage to public and private buildings was heavy, which suggests that the revolt was not purely political but must have attracted hoodlums who acted like a mob rather than revolutionists.

The accusations of communist activity are not surprising. They are convenient bogeymen now. However there are communists in South America—quite a good many of them in Brazil. If they ever did pull a coup and obtain control of the government of a country Russia would have a political comrade right on our flank.

## Joe Martin: Easy Does It

The Sunday papers reported that Speaker Joe Martin took a hand in the coal fuss, got John L. Lewis and Ezra Van Horn representing the operators together in his office, proposed Sen. Styles Bridges as a third member of the board to administer the welfare fund, and in 13 minutes had the coal strike on the way to a settlement which was announced Monday (Lewis winning most of his points, as usual). Martin's participation came as something of a surprise, and even more astonishing is the ease with which the settlement came.

In fact it was so easy as to be a bit transparent. Immediately the suspicion is raised that the preliminaries had been rehearsed rather carefully, and that Martin was not the "deus ex machina" of the episode but the vehicle for a settlement. Joe Martin, it must be remembered, is not standing out of the way of the lightning when its effects may be favorable.

As for John L., he can tell it to Judge Goldsborough on Wednesday.

# IT SEEMS TO ME

(Continued from page 1)

the agitation of 15 years ago, in depression days. Then it was proclaimed from high places that America was "overbuilt," that ours was a mature economy, that with the closing of the frontier opportunities had dried up. It was argued we should provide a dole for the poor and pensions for the old and go all out for "social security" oblivious of the fact that the only security lies in production of goods, that people may consume.

There lingers in the public mind the fear of risking capital. Memories of 1929 (which was a speculative binge) retard investment in stocks. According to figures of the SEC of the \$4.5 billion of new money raised last year through capital markets only \$1.5 billion was invested in stocks and of this only \$750 million in common stocks. Hence corporations are compelled, like the conservative farmer, to use their own profits to finance expansion. It is estimated that in 1947 the profits of American corporations were \$17.4 billion; but of this huge sum only \$6.8 billion or 39 per cent was distributed to stockholders in dividends. The remaining \$10.6 billion was retained to increase inventory investment, add to plant or reserved in company treasuries.

The tax system gets considerable blame for this drying up of investment capital. The steeply graduated income and estate tax rates, the double taxation of corporate earnings and dividends prevent the wealthy classes from large-scale investment. However praiseworthy this may be from a social standpoint it is crippling to the economy. The April bulletin of the Guaranty Trust Co. of New York concludes its discussion of "the shortages of venture capital" thus:

"In the long run, an inadequate supply of equity capital must inhibit industrial expansion, limit employment opportunities, and weaken the financial position of business concerns and their ability to weather the varying economic climate that the passage of time will inevitably bring. If free enterprise in America is to expand and progress in the future as it has done in the past, our laws and regulations must be so revised as to restore to risk-takers the means and the incentives to resume their essential role in our economy."

This is quite true. If the farmer had not first earned profits and secondly been able to retain some of his profits and thirdly been willing to take the risk of investing his profits he wouldn't have bought the tractor. The role of government with respect to business is to keep the channels clear so that commodities may flow in commerce and capital may flow in orderly manner back into enterprise. This not only provides employment and market but ultimately increases the volume of goods for mass consumption and thus raises the standard of living of the people.

## The Safety Valve

LETTERS FROM STATESMAN READERS

### Objects To Withholding Tax

Editor The Statesman: A short time ago we noted in the column "It Seems To Me", a strong approval of "Salem's Candidate for Governor," although this candidate did not vote for (HB460) sales tax, he did vote for (HB413) which, as passed there, will not be an allowance for dependents; just a flat one per cent, with regard to low or high wages. Its main purpose was to bring votes for the sales tax, imposes costly burden on employers and collects large sums from thousands whose incomes are less than \$500. Then it entitled to any repayment, they will have to wait two years or longer.

Mrs. F. W. Allen  
Portland, Oregon

### Defends Franco As Anti-Communist

To the Editor: On April 2 there appeared in The Statesman an editorial entitled "House Passes Recovery Plan." From it I quote the following: "The inclusion of Spain met prompt protest and the conference committee has stricken it from the bill. To include Franco made people wonder if in taking Franco to our bosom we hadn't forgotten our late enmity toward fascism and nazism. . . . By raising the banner of anti-communism Franco hopes to get economic aid for his impoverished land, but we hope the current worship of Expediency doesn't drive us that far."

The clumsy, oversized hook, line and sinker of communistic propaganda which was swallowed by America in 1936 must still lie heavily on its political stomach. Yet even in those days it was pretty well known just who advocated the raising of funds to help Spain's "Republicans," and who agitated for the formation of the Lincoln brigade.

Some of the brave lads who led the "republican" militia on their march of torture, murder and rape against helpless priests and nuns, and in the sacking and burning of churches and schools, are now being rewarded for their loyalty to atheist Stalin. Yes, Joe's boys are doing quite well today. Here are the names of some of them who are making the headlines again, the same as they did in Spain.

First is one Dimitroff, who, in reward for his loyalty, is now the head of the Bulgarian government. Then comes Klement Gottwald, the great "purging" democrat, who with his commu-

## GRIN AND BEAR IT By Lichty



"You don't have enough discipline for a teacher, Miss Finch—perhaps you were meant to be a mother!"

## MATTER OF FACT

### Reds Apparently Miscalculated in Drawing Wallace into Campaign

By Joseph and Stewart Alsop  
WASHINGTON, April 12—The measure of the president's political plight is very simple.

The very labor leaders who were Franklin Roosevelt's praetorian guard the leaders of the CIO—have made up their minds not to support Harry S. Truman if he is renominated. The recently adopted CIO strategy, which will be the nail in the presidential coffin, may be summarized as follows:

The CIO will make a tremendous effort, in conjunction with the AF of L to defeat all senators and representatives who voted for the Taft-Hartley act, and to elect pro-labor lawmakers in their places. It will continue bitterly to oppose the candidacy of Henry A. Wallace. But if Truman heads the democratic ticket, the CIO will simply ignore the whole presidential contest.

This remarkable strategy of the CIO leadership is traceable, in turn, to another vitally important phenomenon. The communist decision to launch a third party movement precipitated the present bitter struggle between the CIO's communist minority and the anti-communist majority. The anti-communists, as a result, have come to see the national political picture entirely in terms of their own internal struggle. In this struggle, Truman is the greatest handicap to the anti-communists. Rank and file indifference or hostility to Truman is now so rife in the labor movement that the CIO leaders like Philip Murray could not back him, even if they wished to.

Choose Eisenhower. This, of course, is the origin of the remarkable plan of the CIO leaders to support the candidacy of Gen. Dwight D. Eisenhower, which was formulated at the same time as the strategy of not backing Truman. Eisenhower was chosen as the CIO's standard bearer in the face of pretty good information that he would have voted for a moderate version of the Taft-Hartley act which the CIO calls the "slave labor law."

Yet the CIO leaders are actively promoting the Eisenhower movement. Walter Reuther, for example, conferred at length with Franklin Delano Roosevelt, jr., before young Roosevelt issued his pro-Eisenhower statement. And Philip Murray would also have come out publicly for Eisenhower by now if he had not feared to force the general's hand.

The CIO chiefs want Eisenhower to be one in every country in the world.

J. L. Prange  
Salem, Oregon  
(Editor's Note — Mr. Prange diverts the argument from the Spain to those of the communists. The Statesman condemns both).

36-HOUR HOP FOR B-36  
FORT WORTH, Tex., April 10 (AP)—A B-36 bomber landed here Friday after more than 30 hours in flight—the longest flight a ship of the mammoth series has made—but officials said it could have stayed up longer.

The population of the Union of South Africa is now more than 11,000,000—but when the British came there 150 years ago it was only 50,000.

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Yes, there floats an anti-communist banner in Spain, and there

## Politics on Parade . . .

### Who's Running for What in the May Primaries!

(Editor's note: Comments in this series are made by or for the candidates without restriction, and may or may not reflect the policy of this newspaper.)

Today's subject: Sam J. Butler (r) for County Treasurer

A native Oregonian, born in Wheeler county, 60 years ago, Sam J. Butler came to Salem in 1908 to attend business school and has maintained his residence in this county since that time, save for intervals on the ranch in eastern Oregon. In 1914 he married Iris Hanna. He has owned his own home in Salem nearly 30 years. He holds membership in the Elks lodge and the three local republican organizations.

With the exception of the time spent in farming and five years in the Salem Lohj-Phez plant, he has been engaged in clerical or cashier's work—14 years as deputy in the Marion county sheriff's office, working in the legal division and as cashier in the tax division under Sheriffs W. I. Needham, O. D. Bower and A. C. Burk.

For the past seven years, he has served as county treasurer of Marion county. During that per-

## Insurance to Cover Hobby Show Exhibits

Exhibits on display at the Salem Rotary club's hobby show at the armory April 23, 24 and 25 will be fully protected by insurance, Robert R. Boardman, show director, announces Saturday.

Boardman said that the building committee of Howard Maple, Harry Levy and Harley Bosler have arranged for \$20,000 of insurance to protect all property on display from fire and wind damage. Guards will be on duty during the entire exhibit and a night watchman will be hired for night protection.

William Phillips, chairman of the prize committee, announced that at least 60 prizes will be given for outstanding exhibits. Other members of the committee are Robert L. Eilstrom, George Arbuckle, Ralph H. Cooley, Arthur A. Keene and Fred B. Moxley.

Coburn Grabenhorst, awards and judging committee chairman, said that three awards and numerous honorable mentions will be given in all divisions. Divisions named to date are natural history, collections, creative art, handicrafts, mechanical and technical, models, camera craft, commercial and miscellaneous.

Members of the awards and judging committee are Harlan G. Brock, Grant W. Day, C. A. Downs, J. L. Franzen, L. W. Gleason, Robert Hutcheon, A. Jones, Robert Lesher, O. H. Lipps, Henry J. Millie, Neils Rogers, Paul T. Rowell and Neis Tanning.

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## Men Drained from Chinese Province

SHANGHAI, Saturday, April 10 (AP)—Not an able-bodied man remains in all western Shantung province as a result of government and communist drafts in two years of civil war, the newspaper Ta Kung Pao said today.

The newspaper, basing its report on a dispatch from the area, said all those between the ages of 14 and 50 who are able to fight had been taken away by one side or the other.

### Regarding The Statesman's Political Parade

The time being too short to take care of all political aspirants in the page 1 series, The Statesman at times will publish additional articles under the same heading on inside pages. There will be no discrimination, however—all candidates for the same office will be included so far as time permits. A news article on Dorothea Johnston, candidate for Polk school superintendent, already has appeared. A similar one will be published on Josiah Wills, incumbent. The Political Parade already has invited participation from Polk's opposed candidates for the republican nomination as state representative and sheriff, and their stories will appear later. Time will not permit inclusion of candidates for every office nor those who are unopposed for nomination.

### ELESTROM ART GALLERIES

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