

The Oregon Statesman

"No Favor Sways Us, No Fear Shall Awe"
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Grey Market

The differences between the wartime black market and today's flourishing grey market may not be visible to a layman's naked eye or stripped bankroll, but differences there are and Fortune magazine makes an effort in its current issue to explain them. Both shades of market are undesirable because they stifle free enterprise.

The grey market essentially is a two-price system which looks, from the consumer's side, much like a black market operation. True, the moral attitudes of the black market have carried over, Fortune notes, but there is a fundamental difference: any price is legal today, whereas during OPA's reign that was not the case.

Most consumers are familiar with the two-price system in such goods as cars and farm machinery. The industrial commodities that make up the bulk of grey market activity are steel, especially sheet and strip steel and tubular products like pipe; chemicals, especially caustic soda, certain coal-tar derivations, urea, dyestuffs and pigments; building materials like nails, gypsum lath and plywood; newsprint and rayon yarn. As a whole the grey market totals considerably over a billion dollars in annual volume, Fortune estimates.

In the Pacific northwest, phenol, used in making plywood, is a "hot item," and in New England nails listed at \$8 a keg bring \$25. Grey market materials originate from resale by customers who have allocations from basic producers. For instance, many newspapers are buying newsprint at \$200 to \$280 a ton from comic book publishers whose sales have skidded. Another source is importers who bring paper from Sweden and Norway, pig iron from Poland, urea from the Saar region, rayon yarn from Italy and Holland, and tin plate from Britain at 10 cents more per pound than the U. S. list price. Most items are handled by brokers, some honest and some sharp operators taking a quick and profitable turn in a risky business with small marginal fractions of demand.

The grey market was created by "big business"—the large producers of the nation's scarcest postwar commodities. They decided to operate independently of the open market and set up private price-control and allocation systems, with rather lax policing of allocations.

There is more than a little irony in the fact that the apologists for private enterprise who fought "the encroachment of government" and opposed the OPA's price and priority system as the very plague, have now themselves imposed restrictions which jeopardize the free market in this country.

This has happened because the grey market can exist only within a system of imperfect competition. And imperfect competition is the result of the private allocation schemes which permit private companies to decide what other private companies may go into business, or how large and prosperous they may become.

Nationals Defeat Smuts

The last of the great leaders of the period of the first world war, and the hardest, has been overthrown. Gen. Jan Smuts, the colorful figure whose career spans the period from the Boer war through the establishment of the dominion of South Africa and two world wars, has been defeated and his party beaten for control of the parliament. Born in 1870, educated as a lawyer, he was one of the brilliant military leaders who served under Oom Paul Kruger in the Boer war of 1899-1902. He accepted the war's verdict and participated in the government instituted by the British. In the first world war he led the South African army which occupied German colonies in Africa and then represented his country in the imperial war cabinet and at the Paris peace conference. Of the principal figures in this conference he and Orlando of Italy alone survive.

Jan Smuts has been one of the real statesmen of our time. His influence on the political and social movements of the age has been incalculable. His comments on peace settlements in 1920 and now have been weighty and his opinions on the development and the role of the British Commonwealth long have been influential.

The nationalist party which has defeated Smuts and his party who have held power most of the time since 1919 is composed largely of descendants of the old Dutch immigration which still is unreconciled to British rule. It is intensely nationalistic and pro-white. South Africa has been criticized severely for its discrimination against the Kaffirs or native blacks, and against the Indian immigrants too. The nationalist party insists on stern policies of race segregation. The party also calls for severance of its ties with the British commonwealth and was definitely opposed to joining up with Great Britain in the fight of the last war.

At 78 Smuts has not much longer to live anyhow, but the causes which he championed of British federation and world cooperation will suffer greatly in his defeat. Social reaction and nationalist isolationism have regrettably won a victory in South Africa.

Report from France

A. J. Herman, French consul in Portland, who was here to speak at the Red Cross dinner Thursday night, told us that France is making excellent progress now to overcome the effects of the war. Last year conditions were bad owing to the long, hard winter, and the drought in summer. Crops were very poor; the people didn't have enough to eat.

This year it is different. The winter was mild and not so much coal was required for heating. The crop prospect is excellent. This gives promise of more food supplies. With other assistance from the United States France will be able to get back on its feet.

Mr. Herman's report is confirmed in the statistics furnished by the United States News. French production, compared with that of 1938, shows increases as follows: electric power 38 per cent; cement 30 per cent; steel 17 per cent; coal 11 per cent; autos and tractors 4.7 per cent. The News comments:

In the long run France's chances for real recovery are good. The country has a well-balanced combination of industry and agriculture. It raises more of its own food than do most other European countries. Normally, France is nearly self-supporting in food and has little trouble exporting enough manufactured goods to pay for the small quantities of food it has to import. As general recovery in Europe progresses, commerce between France and its neighbors should pick up again, making it possible for the country again to balance its trade.

The word from western Europe strikes a note of optimism this year. The people are still vital and once they have a feeling of security they will set to with a will to help themselves and to rebuild their countries.

General MacArthur is smart in deferring a trip to the homeland until after the republican national convention. After what happened in Wisconsin and Nebraska a visit before the convention would be dampened by charges of "politics." Later he can return and receive the conquering hero's triumph, which as a military leader he has earned.

Now the milk bottle has acquired a new look. It may be square instead of round and of paper instead of glass. But it's the contents which are important.

IT SEEMS TO ME

(Continued from page 1)

winning and his secret interest in seeing a flood beat a former record?

After all isn't our system of record-keeping one merely of setting up targets to be overshoot in the future? A businessman is interested in his net profits but he is also a slave to gross volume. He likes to see constant increase in the amount of business he does, hoping the net will follow along; is most unhappy if his gross falls even though net stays constant. Sales managers are continually upping quotas for their salesmen and prodding them to beat their quotas. It's all part of the drive which is characteristic of human beings.

For those whose property now is lapped by rising waters the worry is immediate and serious. They are not concerned with records but with danger of damage. After the waters subside they may be curious about how the flood's height compares with former years, but their keenest memory will be for the loss they may have sustained. It is those on the upland whose eyes range out over the spreading waters and those who sit in comfortable homes and get the story in type and in pictures that have the yearning for a record-breaker. If they stop to think of course they want the excess to be harmless; but now their appetites whetted by the news accounts, they will not be quite satisfied if the 1948 flood falls short of the one in 1894.

And there's nothing one can do about that mental quirk.

Chest X-Ray Count Passes Previous Year

A total of 9,033 chest x-rays—109 more than the three weeks Marion county survey ending May 13, it was revealed Friday.

Fifty-one of the free x-rays taken showed pathology other than tuberculosis, such as heart disease or tumors, as compared with 71 of this type last year, Mrs. Ruby Bunnell, executive secretary of the Marion County Tuberculosis and Health association said.

About 290 "doubtfuls" will require further study, she said. Last year 152 fell into this class. A total of 48 of the films proved unsatisfactory for reasons of film distortion or faulty procedure. The state board of health, with the Oregon State Tuberculosis and Health association and local health groups, staged the survey. It was estimated that about 376 x-rays per day were snapped in this county.

The remainder of those who are being called back for larger retakes will be x-rayed next Wednesday at the First Methodist church, Church and State streets.

Miss Bowen Cites County Welfare Budget's Growth

The annual budget of the Marion county welfare commission has risen from \$50,000 in 1931 to \$1,287,000 in 1948, Marion Bowen, commission administrator, said Friday.

Speaking to the Salem Optimist club in the Salem hotel at noon, Miss Bowen outlined the rapid growth of her department. She said the commission's general assistance, old age benefit and aid to dependent children.

Foster homes for dependent children are badly needed in Marion county, she declared. In this connection she praised the farm operated by J. H. Turnidge near Jefferson where 13 boys are given a home.

The foster homes are not only needed on a long-time basis, she declared, but are also needed so that children can be placed on short notice.

Board of Control to Consider Nurses Home in Pendleton

The state board of control next Tuesday probably will consider a proposal to construct an addition to the nurses' home at the Eastern Oregon state hospital at Pendleton to cost an estimated \$200,000, Roy Mills, board secretary, said Friday.

First step would involve employment of an architect to prepare plans and specifications. Money required for the improvement would be taken from the state building fund which now comprises approximately \$400,000.

Officials said the addition was badly needed because of the housing situation in the Pendleton area.

Schools to Vote On Consolidation

An election to vote on consolidation of five school districts near Monitor has been set for June 16, Mrs. Agnes Booth, Marion county superintendent of schools, said Friday.

The five districts involved include Monitor, Harmony and Grassy Pond in Marion county and Oak Lawn and Monte Cristo in Clackamas county.

Balloting will take place at each district's school house beginning at 8 p.m. Districts which fail to approve the consolidation will not be included in the merger while those that ratify the move may consolidate, Mrs. Booth said.

GRIN AND BEAR IT



"I stand on my constitutional rights as an American citizen and refuse to answer that question!"

Public Records

MUNICIPAL COURT

Charles Greenleaf, 1326 Baker st., illegal possession of liquor, pleaded innocent, trial set for June 16 and held in lieu of \$25 bail.

Everett Woodson, Bellview hotel, furnishing intoxicating liquor to an Indian, fined \$50.

Clayton N. Neer, Turner, violation of noise ordinance, posted \$5 bail.

Donald E. Bailey, Salem, illegal turn from alley, posted \$2.50 bail.

Hal M. Clary, 385 Taylor st., violation of red light, fined \$2.50.

Glen Newman, 365 E. Washington st., selling pistol without permit from police chief, pleaded innocent, posted \$200 bail and trial set for June 18 at 1:30 p.m.

MARRIAGE LICENSE APPLICATIONS

Kenneth E. Barber, 25, restaurant operator, Turner, and Ruth Irene Boatwright, 19, domestic, Portland.

Kenneth D. Patterson, 28, oil company employee, 1364 Marion st., and Phyllis Panowicz, 21, clerk, 531 N. High st., both of Salem.

William Merk Hall, jr., 30, meat cutter, 1511 N. Church st., and Francis Elizabeth Roberts, 23, secretary, 730 N. Liberty st., both of Salem.

Lynn A. Barker, 18, farmer, and Helen M. Shelton, 19, domestic, both of Salem route 8, box 1481.

Harry E. Reeder, 19, clerk, Albany route 3, and Mary Anna Jones, 19, domestic, Hubbard.

PROBATE COURT

Emma M. Warren estate: Order sets time for hearing on final account for July 3.

Mary Davis estate: Order authorizes sale of real property.

Helen H. Hayden estate: Estate appraised at \$12,285.

Jacob H. Dunlap estate: Sidney D. Jones appointed executor.

Lewis Bradford estate: Carrie B. Ross appointed administratrix and Lee Haskins, Ora E. Johnston and Lillian Davis appointed appraisers.

CIRCUIT COURT

Walter R. Ellison vs Oregon Dairy & Poultry Products Co. and J. J. Runyon: Suit dismissed without costs on motion of parties.

Zelma Neville vs John W. Neville: Decree of divorce awards plaintiff custody of a minor child, \$60 per month support money, \$30 per month alimony for 12 months only and ownership of household goods.

Everett Clark vs Pacific Greyhound Lines: Plaintiff files demurrer to complaint.

F. R. Manegre vs Robert D. Lamkin and others: Order sets aside previous order of default.

Ruby E. Cannon vs James F. Cannon: Decree of divorce awards custody of two minor children to plaintiff plus \$30 per month support money for each.

Dean Ray Kaminski vs Denise

Kaminski: Decree of divorce approves property settlement agreement.

D. A. Heinz, doing business as North Salem Turkey Hatchery vs Consolidated Air Transit, Inc.: Judgment order allows plaintiff \$2,000.

DISTRICT COURT

Clem Colvin, SP extra gang, charged with assault and battery, trial set for July 27, following plea of innocent; held-in lieu of \$50 bail.

Earl John Tresko, Portland, truck speeding, fined \$15 and costs.

Frank Paul Gabler, 260 S. Lancaster dr., no driver's license, fined \$5 and costs.

J. C. Phillips, Salem route 7, no driver's license on person, fined \$2 and costs.

Mutual Federal

To Pay Dividend

The Mutual Federal Savings and Loan association, 142 S. Liberty st., has announced a 2 1/2 per cent dividend payable June 30 for investors of record on that date.

A dividend in the same amount has been paid by Mutual Federal on June 30 and December 30 of each of the past three years. The association's officers for 1948 are: President, Judge E. M. Page; vice president, J. C. Perry and John H. Carkner; secretary, Fred B. Keeler.

Scout Society

To Attend Ball

Members of the Cascade area council, Order of the Arrow, senior Boy Scout honor camper society, and their guests will attend a ball tonight in the Albany Elks lodge ball room.

The dance is arranged by officers of the order headed by President Richard Wyatt of Salem troop 1. Transportation buses for the scouts and their guests will leave from the courthouse here at 7 p.m.

Ford Dealers

Praise Preview

W. L. Phillips and E. Burr Miller of the Valley Motor company have returned from San Francisco where they attended the first western region display of the 1949 Ford cars. Dealers from all western states were in attendance, a special train carrying those from the Seattle district, including the Salem men.

Phillips and Miller, who declared the models "really are something to shout about," announced the new cars would be displayed in Salem around the middle of June.

By Lichty

Decreases in School Taxes Held Illegal

The Clackamas county rural school district board had no authority to decrease the tax levy as prorated and determined by the Multnomah county board in the Sunnyside district, Attorney General George Neuner ruled Friday.

"The rural school law clearly provides," Neuner said, "that in case of joint districts lying within the boundaries of two counties, the rural school district board of the county in which the schoolhouse is located shall determine the amount of the levy to be apportioned to that part of the joint district lying in the other county."

The schoolhouse in this joint district is located in Multnomah county. Neuner said the law further provides that the levy shall be prorated on the basis of the latest assessed valuation of the joint district in each county raised to true cash value.

Child Guidance Clinics Planned

Child guidance clinics will take a prominent place in the schedule of the Marion county department of health next week, according to a schedule released Friday.

A child health conference will be held at Eugene Field school in Silverton on Tuesday from 2 to 4 p.m. A guidance clinic will be held at the department's Salem office in the Masonic building on Wednesday from 1 to 3:30 p.m.

A child clinic, by appointment only, is slated at the office for Thursday from 9 to 11:30 a.m. The regular weekly adult clinic for food and milk handlers will be held all day Friday at the office.

Traffic Toll At Low Ebb

April sales of gasoline in Oregon aggregated 36,427,078 gallons, on which a tax of \$1,821,353.89 was received by the state, Secretary of State Earl T. Newberry reported Friday.

Vehicle mileage for the month, based on fuel consumption, was estimated at 436,000,000 miles. This figure, combined with only 20 traffic deaths in April, produced an accident death rate of 4.6 fatalities per 100,000,000 miles of travel, which was the lowest in the state's history.

Chemeketas To Visit Cabin

A dozen members of the Salem Chemeketas outdoor club will leave town today for a holiday weekend at the club's cabin on Whitewater creek, above Idanha. The outing will include a hike Sunday to Cheap Creek meadows. Mr. and Mrs. Harold Melcher are in charge of the cabin and Paul Deuber of the hike. The group will return Monday evening.

Another Chemeketan holiday outing, a boat trip on the Snake river, was called off because of high water.

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Panel Discussion Indicates Credit Matters Getting Tougher

That "things are getting tougher" in credit matters was the general opinion expressed during a panel discussion on current trends at Salem Retail Credit association luncheon Friday at the Golden Pheasant restaurant.

The discussion will be continued at next week's session. Demand for credit in at least two lines, appliances and automotive, is considerably heavier than it was one to two years ago without an equivalent growth in volume of trade, speakers declared. One noted that his company's business is up 14 1/2 per cent for the first four months over the same period in 1947, but credit volume is up 25 per cent.

"Many who have bought new homes have over-obligated themselves" in buying appliances, it was stated.

Most speakers agreed that people today are seeking smaller down payment/requirements and are more concerned with prices. They need frequent reminding of their obligations, but "really bad accounts" are few, it was said. Merchants were reminded to use caution in advancing credit to minors.

An automotive representative warned members to "watch out for a short season," which would impair the income of many workers. He blamed this spring's weather for handicapping many people in maintaining payments.

Speakers were Adlai Robbins and John TeSelle, automotive; Giles Smith and Mrs. Bessie Kayser, appliances, and Ray Polt, chairman.

Mrs. Kayser was appointed as delegate to the National Retail Credit association convention during June in Banff, Canada.

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