

The Oregon Statesman

"No Favor Sways Us, No Fear Shall Awe"
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Home Mortgage Debt

Perhaps the weakest link in our present credit structure is not bank loans or consumer credit but mortgages on homes. The United States News reports that our home mortgage debt was \$21,058,000,000 in 1930, then it was reduced during the depression '30's to \$17,646,000,000 in 1939. Now it amounts to \$34,368,000,000.

High building costs pushed up the expense of building, but families deperate for housing paid down what they could and gave mortgages on the remainder. Should family incomes be reduced (or family expenses increased) then payments become hard to make; and the risk of loss of equity arises.

There are certain factors however which make the situation much less alarming than the figures on total home mortgage debt might imply. Interest rates are much less than they were after the first world war. Also monthly payments steadily whittle down the debt; and after a time they may permit refinancing. Again, while building costs are showing some decline from the peak they still are high and promise to remain far above 1930 levels for a long time—which means that values will stay up reasonably well.

As far as our own area is concerned lending has been on a pretty conservative basis; and the population growth makes additional housing necessary so there is no prospect of a housing surplus which would depress prices.

So we need not be too greatly alarmed over the total home mortgage indebtedness. Carrying it will mean a considerable strain; but there seems no likelihood that this credit extension will cause serious repercussions on the economy.

And Cannon Behind Them

A few days ago Congressman Cannon, a veteran member from Missouri and member of the house appropriations committee, made a speech dealing with the national defense. In the course of his somewhat impassioned address he indulged in his own brand of strategic planning for the next war and said:

Moscow and every other center in Russia we must hit within one week after the war starts. . . . We will not necessarily have to send our land army over there. . . . Let us equip soldiers from other countries; send their boys into the holocausts instead of sending our own boys. That is what long-range planes mean.

When the Congressional Record came out, the text of his remarks was much different from that noted by competent reporters. It was considerably toned down, but still the gist was there: bomb Russia, use "other boys," save our own.

It is doubtful if in years another address has been made better calculated to offend potential enemy and presumed friendly nations. It is like the ill-conceived airforce officer's release on picking of 70 targets in Russia. And certainly it will excite irritation among the nations of western Europe whom we have been trying to help.

In this country we can put this down as the loose utterance of an irresponsible politician. But abroad Cannon is a congressman, whose seniority gives him a position of power in the

Congress. What he says presumably carries weight. For those like President Truman and Secretary Acheson and others who are carrying the full load of trying to maintain peace and at the same time be prepared for possible war such a speech is shocking. With such loose tongues and narrow minds behind them how can they possibly convince foreign nations of our sincerity? It is bad enough to have cannon in front of them, without having Congressman Cannon behind them.

Yesterday The Statesman commented on how the art of the theatre may be debased to create prejudice and prevent understanding. A speech like Congressman Cannon's provides the foundation on which false theatre can be built. Such congressional rantings might conceivably precipitate war.

Earthquake No Laughing Matter

When reports came in that the earthquake damage to the northwest would run to \$15,000,000 the estimate seemed excessive. The details, city by city, didn't add up to any such impressive total. But as the items come in, the fact stands out that the damage was very substantial. At Olympia for instance both the new and the old capitol buildings have been declared unsafe and offices have been evacuated from them.

Other reports tell of twisted water towers or water tanks that have sprung leaks. Numerous schoolhouses are said to be in need of repairs.

What to most Oregonians was just an exciting scare proved to be a real disaster around Puget Sound where the earth slippage centered.

If Premier Georgi Dimitrov of Bulgaria "took a powder" it was because he is really sick and not because he stepped off the red line. Recently it was announced he had gone to Moscow, shortly after his vice premier Traicho Kostov, had been ousted from his office. Dimitrov, Moscow-trained communist, hero of the Reichstag fire trials, is still in high favor at the Kremlin, reports one correspondent; and his trip to Moscow is to consult doctors. The fact remains of course that Russia is not going to tolerate any deviationists in the satellite countries, not if she can help it.

Instead of more livestock grazing on federal forest reserves as some of the western congressmen urged last year the house appropriations committee needles the forest service to reduce numbers and thus cut down erosion in over-grazed areas. It also wants to charge stockmen special fees to be used in reseeding the range, which doesn't sit well with Congressman Barrett of Wyoming. Anyhow the threat of relaxing limits on grazing and of turning lands over to states and private owners is definitely ended.

Governor Dewey is going to leave May 8th on a vacation trip of several weeks to Europe. Maybe he wants to get a good rest from that strenuous Oregon primary campaign of a year ago.

Russ Menace West Weak Point, Iran

By Joseph Alsop
WASHINGTON, April 20—It was only a little more than three years ago, in the winter of 1946, that Secretary of State James F. Byrnes made his momentous decision. Mainly because the Soviets were threatening to take by force the Iranian province of Azerbaijan, Byrnes abandoned conciliation and adopted his famous policy of "patience and firmness." From that decision flowed all the great events of the intervening period.

Now, three years later, it is reliably understood that the American Ambassador at Teheran, the able John Wiley, has for some time been reporting renewed danger of Soviet aggression against Iran. The Kremlin still wants the same province of Azerbaijan.

Having watched the successive death throes of two of the Baltic states, Wiley may permit his all too vivid memories of the past to color his estimate of the present. Here in Washington, at least, there is relatively little fear of extreme Soviet measures at the moment. Yet the background situation is none the less instructive and significant.

Very briefly, an American mission has been helping to train the Iranian army for some time; and on February 1 this year, American arms purchased under an American credit also began to arrive in Teheran. This American assistance to the Iranians has long been the subject of a thunderous Soviet campaign of propaganda and diplomatic threats.

Two main themes have been stressed by the Soviets. First, the American aid to the Iranian army has been ludicrously said to transform Iran into an "American base." Second, many

references have been made to clause 6 of the Russo-Iranian treaty of 1921. This provides that the Soviets may invade Iran, if a third power attempts to use Iran as a base against Russia. Thus, by implication, the Soviets have openly menaced the aggression that Wiley fears.

The Soviet Ambassador at Teheran, Sadchikov, is pretty good at metaphors, his chief diplomatic talent being to simulate apoplexy. He has gone so far as to state that the presence of the Americans in Iran was a "dishonor," and to add that the Iranians' refusal to give the Soviets oil rights in Northern Iran was "intolerable."

In addition, the Tudeh party, the communist front in Iran, has been lavishly financed in a renewed campaign of agitation. Appeals have been made to Iran's troublesome Kurdish tribesmen, both by a Soviet-sponsored Pan-Kurdish underground headed by Badr Kahn, with headquarters in Syria, and from Russia soil by the refugee Mullah Mustafa Barzani. An Azerbaijanian "government-in-exile" has been ostensibly organized across the Russian border. And there have been stories of recruitment of an Azerbaijanian "liberation army," from the million or so Soviet citizens of Azerbaijanist stock.

Concurrently the Red army has also been actively engaged in creating incidents along the ill-defined Russo-Iranian border. Bodies of as many as 500 men have been employed in forays into Iranian territory. Demonstrations of tank forces have occurred. An Iranian blockhouse has even been attacked, and Iranian prisoners have been taken.

This war of nerves and provocation reached a preliminary climax early in February, when Soviet agents attempted to assassinate the stout-headed young Shah of Iran. The aim, of course, was to plunge the country into chaos, and to give the Tudeh

party the chance for a coup d'etat, before American arms could put the Iranian army on a footing of displeasing efficiency. The same motive appears to lie behind the subsequent intensification of threats and provocations on the border and elsewhere.

As a result, careful consideration has been given, both in Washington and Teheran, to declaring clause 6 of the 1921 treaty no longer operative. This would remove the Soviets' Hitler-style appeal to "legality." Contrary to recent reports from Teheran, the step has not actually been taken. But alarm in Teheran has recently been intensified, by the abrupt, simultaneous departure to Russia of Ambassador Sadchikov and all the Russian consuls and consular staffs.

While Teheran may be alarmed, it must be re-emphasized that Washington continues to discount any immediate danger. Yet officials here clearly admit the distinct possibility that by means of a fake "Azerbaijanian liberation army," or some similar device, the Russians will later attempt to install their own puppet government in Northern Iran. Meanwhile a war of nerves which includes attempted assassination of a chief of state is not to be laughed off.

All this must be contrasted, of course, with the possibility that the Russians may lift the Berlin blockade, long ago reported in this space. What is happening in Berlin and in Europe is happening of course only because Russian aggression has been met there with firmness. What is happening in Iran is happening, equally of course, there is less resistance at this only because the Soviets feel point.

We can expect threats and dangers of aggression in Europe to begin again, whenever the re-arming Soviets feel stronger than the West. There is no safety in weakness, even collective weakness.
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IT SEEMS TO ME

(Continued from page 1)

In recent years, I notice company testimony in the Portland hearing that its expansion has cost them already \$17,882,000. On whatever net investment it has made it is entitled to a "fair return." As its investment increases its net earnings should increase.

What is pinching for all utility companies is financing the expansion they are forced to make to serve the public. If their credit is good they can issue bonds; but they cannot issue bonds up to 100 per cent of the investment. Usually the limit is about 60 per cent for bonds and the other 40 per cent in stock, either preferred or common. To sell the stock the company must be able to show earnings which will permit dividends which yield the investor about 6 or 7 per cent.

Both this year and last many utility companies have issued new securities: bonds, notes, preferred and common stocks. American Telephone & Telegraph company has sold securities amounting to hundreds of millions of dollars. The method is frequently employs (announcement of a new issue was made Wednesday) is to put out debentures that are convertible into common stock. PGE says it plans to sell additional common stock during the next two years to provide funds for its projected extensions; and asks for a schedule of rates which will permit it to sell its stock on a basis favorable to the company.

It is Commissioner Flagg's duty to hear all the evidence and then announce his decision. He has a duty to see that the investors in the company derive a fair return in interest or dividends. He has a duty to protect consumers against excessive rate charges. It is in the interest both of owners of the company and consumers that company finances be kept in a healthy state, so it can attract funds as required at reasonable rates.

I think we can safely depend on Commissioner Flagg to decide whether PGE is entitled to a higher rate schedule, and if so what the increase should be.

Better English

By D. C. Williams

1. What is the wrong with this sentence? "I calculate on going tomorrow."
 2. What is the correct pronunciation of "inopportune"?
 3. Which one of these words is misspelled? Arsenal, argument, arrargance.
 4. What does the word "indomitable" mean?
 5. What is a word beginning with ant that means "opposition in feeling"?
- ANSWERS
1. Say, "I think I shall go," or, "I intend to go tomorrow." 2. Pronounce the *u* as in *unit*, and accent last syllable. 3. Argument. 4. Not to be subdued; unconquerable. 5. Antipathy. "He has an indomitable will."

HOME WORK!

Max V. Hubbs Joins Father At Silverton

SILVERTON — Announcement was made Wednesday that Max V. Hubbs, elder son of Mr. and Mrs. George W. Hubbs, has resigned his position as executive of Sweet and Crawford Insurance company, Los Angeles, and will return to Silverton about June 1 to be associated with his father, George W. Hubbs, in insurance and real estate.

The younger Hubbs was born and reared in Silverton, attended Silverton schools, Oregon State college, and studied law at University of Oregon and Willamette university, obtaining his degree in law at the latter.

He entered the insurance business immediately in Seattle and then San Francisco, where he remained until World War II. During the war he served in the intelligence department of the air corps. Following the war he moved to Los Angeles to rejoin his firm.

There will be no change in the name or policies of the George W. Hubbs company, which organized here shortly after the turn of the century. Hubbs has a wife and three

children and gives as his reason for leaving his present position and company that he is tired of trying to rear a family in a big city and is eager to return to his boyhood home.

While it has not been definitely settled, George Hubbs said that his son and family may live at the present Hubbs home at 114 Coolidge st. and that the parents may move to the newly acquired home at 417 N. Water st. John Zeeb will remain in charge of the Salem office.

Rickey Mother's Club To Meet at Schoolhouse

FOUR CORNERS, April 20 — Rickey school mother's club will meet Friday afternoon at the schoolhouse. Social hygiene class will begin at 2:15, club meeting at 3.

Refreshments will be served before the meeting. Mrs. Eldon France will care for small children at the school house. Hostesses are Mrs. Melvin Scott, Mrs. Waldo Miller, Mrs. Jess McInay, Mrs. Fred Gephardt.

AIR SERVICE TO START
PORTLAND, April 20—(P)—Inland Airways will start service between Vancouver, Wash., and Richland the first week in May. Garwyn A. Jones, vice-president, said here today.

McKay Asked To Veto New Pension Law

Letters, telegrams and telephone calls have been received at the executive department during the past few days urging Gov. Douglas McKay to veto the so-called old age pension law of the 1949 legislature.

The law provides that \$50 a month will be paid if there is sufficient money available to do so. The state has prior claim on estates of those who receive old age assistance under the new act. The voters, at the last general election, approved a bill providing for a minimum \$50.

Most of the letters and telegrams received at the executive department asking veto of the new act came from old-age assistant beneficiaries. Most of them said the current law was preferable to the new one.

Governor McKay said he was studying the bill but probably would not act on it before late in the week. He has 20 days after adjournment of the legislature to sign or veto bills.

Valley Obituaries

Charles Rhoda — STAYTON — Funeral services for Charles Rhoda, 82, of Scio, who died at his home Monday will be Thursday, April 21, at 2 p.m. at Weddle Funeral home in Stayton. The Rev. Willard Buckner will officiate, and burial will be in Masonic cemetery at Scio. He was born Oct. 13, 1867, on a ship in the harbor at New York City. Surviving are his wife, Sophie; five daughters, Lucretia Hager of Warrenton, Edith Rhoda of Astoria, Rosella Montgomery and Maycel Warner, both of Scio, and Maxine R. Schlies of Salem; two sisters, Mrs. Art Boskin, Winthrop, Wash., and Mrs. Charles Case, Seattle; three brothers,

William Rhoda of Scio, Art Rhoda of Mill City and Richard Rhoda of Bend; eight grandchildren and 11 great grandchildren.

MAN CRUSHED TO DEATH
PRAIRIE CITY, April 20—(P)—Deldon Kimberling, 30, son of Mr. and Mrs. Elmer Kimberling and nephew of State Rep. Ernest Kimberling, was crushed to death yesterday. He was caught between the track and framework of a bulldozer on a ranch near here.

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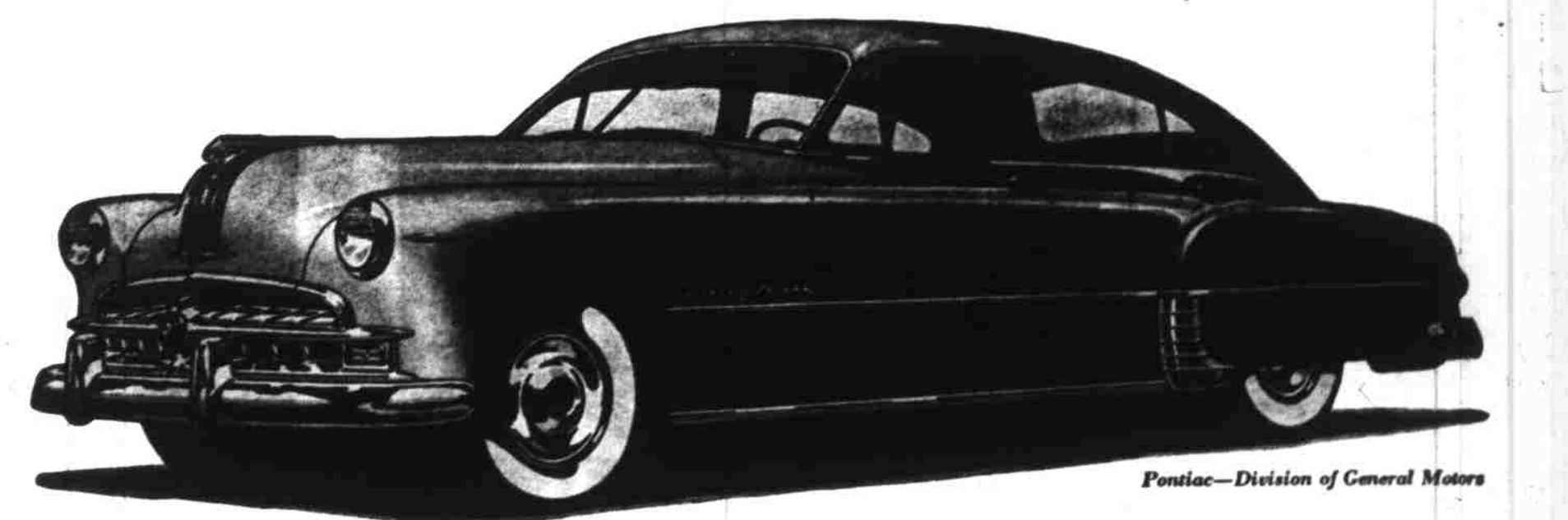
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