

# The Oregon Statesman

"No Favor Sways Us, No Fear Shall Awe"

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## More Short-term Notes

Again the Secretary of the Treasury, George M. Humphrey, has bent his back to the politico-economic winds and deferred any new effort to market long-term government bonds. Instead the Treasury will offer tomorrow four billions in notes with a maturity of two years, seven months. The reason for sticking to short-term emissions is not to compete with other demands on the capital markets. More state bonds (for highways and toll-turnpikes) and more industrial bonds (the Bell system is marketing a big block of debentures) are on deck for fall offerings, and they are mostly long-term issues. Since they will create employment opportunities the government doesn't want to compete with them for credit.

But when, one wonders will it be feasible for the government to fund its debt into longer term bonds? If conditions in the last year and a half are not such as to permit sale of long-term governments, just when will they be favorable? It is noteworthy that the 3 1/4s sold in the spring of 1953 are quoted now at over 110 and the 2 1/2s of 1967-72 at par. This is a good index of the state of the market as far as government credit is concerned—certainly healthy enough for marketing a 10 or 15 year bond issue.

A committee of the Committee for Economic Development after 18 months of study of the debt structure, recommends a reduction in the volume of debt maturing within two years. This should be "balanced mainly by an increase in the intermediate debt, say of five to ten years maturity, and by a smaller increase in the longer-term debt." It comments that if the country does not take every opportunity to lengthen the debt without seriously affecting economic stability "we shall slip backward, for the mere passage of time is working to shorten the debt."

The administration, in office, is following the practice of the preceding administration and doing little to spread out the maturities of the government debt; and evidently for the same reason, fear of a deflationary effect. The job needs to be done, however, as most authorities on finance will agree. Perhaps when the election is over a fresh attempt at funding may be made.

Sales of U. S. saving bonds are reported at the high point for the past nine years. Since these purchases are usually made by the "little fellows" who are more concerned with security than high interest yield it indicates that millions of Americans are laying aside something from the weekly pay envelope. So far this year savings bond sales have totaled about three and a half billion dollars, with sales staying well ahead of cash-ins of bonds. There can be "over-saving" as well as "over-spending," but somehow thrift has the color of virtue and spending the aspect of vice.

Here's an example of emotional response:

## French Proposal to Limit Arms of Western Nations Said to Insure Failure of New Pact

By J. M. ROBERTS Jr. Associated Press News Analyst

When French Premier Mendès-France suggested admission of Western Germany to NATO only by stages, and that all members of his proposed new Brussels Pact submit to international arms limitations, he just about insured the failure of his whole proposal. Unofficial comments, which nonetheless are in line with the factual situation, have come from both Germany and Britain.

The British point out that their empire obligations put them in a special category—that they cannot submit these obligations to European control. This is a traditional British attitude toward any commitments on the Continent, and nothing is going to change it any time soon.

To that extent, Mendès-France will be unable to get the controls he wants over German rearmament on a multilateral basis.

There is hardly any likelihood that Germany will accept them on any other basis. To do so would put the Adenauer administration in danger of political defeat at a time when it is shaky anyway.

A great many people think the Allies have the right to shape West Germany's future as they did immediately after the war. Such an attitude toward a powerful nation, even though it is divided, does not fit into the facts of life.

For another thing, the Allies themselves have placed Germany in a bargaining position. At last year's Berlin Conference the Allies, including France, mind you, made one major reply to Molotov's charge that all they were trying to do was to incorporate Germany into the Western military system.

If the Russians would agree to reunification of Germany through free elections, the Allies replied, the resulting all-German government would be free to negotiate its own place in Europe. This was in addition to the understanding that any commitments made by West Germany now would be sub-

ject to reappraisal by an all-German government whenever it could be formed. These expressions were a part of the effort to prevent German desires for unification from interfering with the current plans of the Allies and the Bonn government.

The Allies seemed perfectly secure in their position at the time, since there was and is no prospect of German unification.

But now there is a growing opposition in Western Germany to Adenauer's policies. His "grand plan" for cooperation with France has been set awry by French refusal to ratify the European De-

fense Community. He has failed to make the deal with the West which would have at least partially offset the German feeling that a Western alliance for West Germany formalizes the partition of all Germany.

There is thus the possibility that Adenauer's government might be replaced by one which would oppose any rearmament at all in favor of the Russian idea for reunification as a completely neutralized buffer state.

This prevents the Allies from pushing him into anything that is distinctly unpopular, and gives the Germans a bargaining power they did not have while EDC was still pending.

## GRIN AND BEAR IT By Lichty



"It's a fine opportunity to remodel... or, if you don't care to spend that kind of money, we have choice lots where you can build a new one..."

An Oklahoma City woman watched wrestling on her TV set, with its usual round of twists and grips and crunching. When the match ended she found she had choked to death the cat she was holding in her lap. There is foundation for protest against overdosage of crime and horror films and comics, particularly for youth. Adults usually are able to keep their emotions under control.

## Smear by Hearsay

Introduction of the name of Sen. John L. Sparkman of Alabama in hearings before a Senate committee probing FHA operations served to attach through hearsay a certain stigma to his name. A witness reported that gossip in a state FHA office attributed to Sen. Sparkman pressure on behalf of certain contractors who made windfall profits out of housing construction. This circulation of rumor does damage which may not easily be offset by the denial which his secretary issued in behalf of his principal now absent in Europe.

Senators and congressmen regularly arrange interviews for their constituents with administrative officials without themselves endorsing the constituent or his deal. Then it becomes an easy matter for an applicant for favor to claim senatorial influence. A public official learns early that he need be on guard lest some acquaintance start "trading" on the connection however slight it may be.

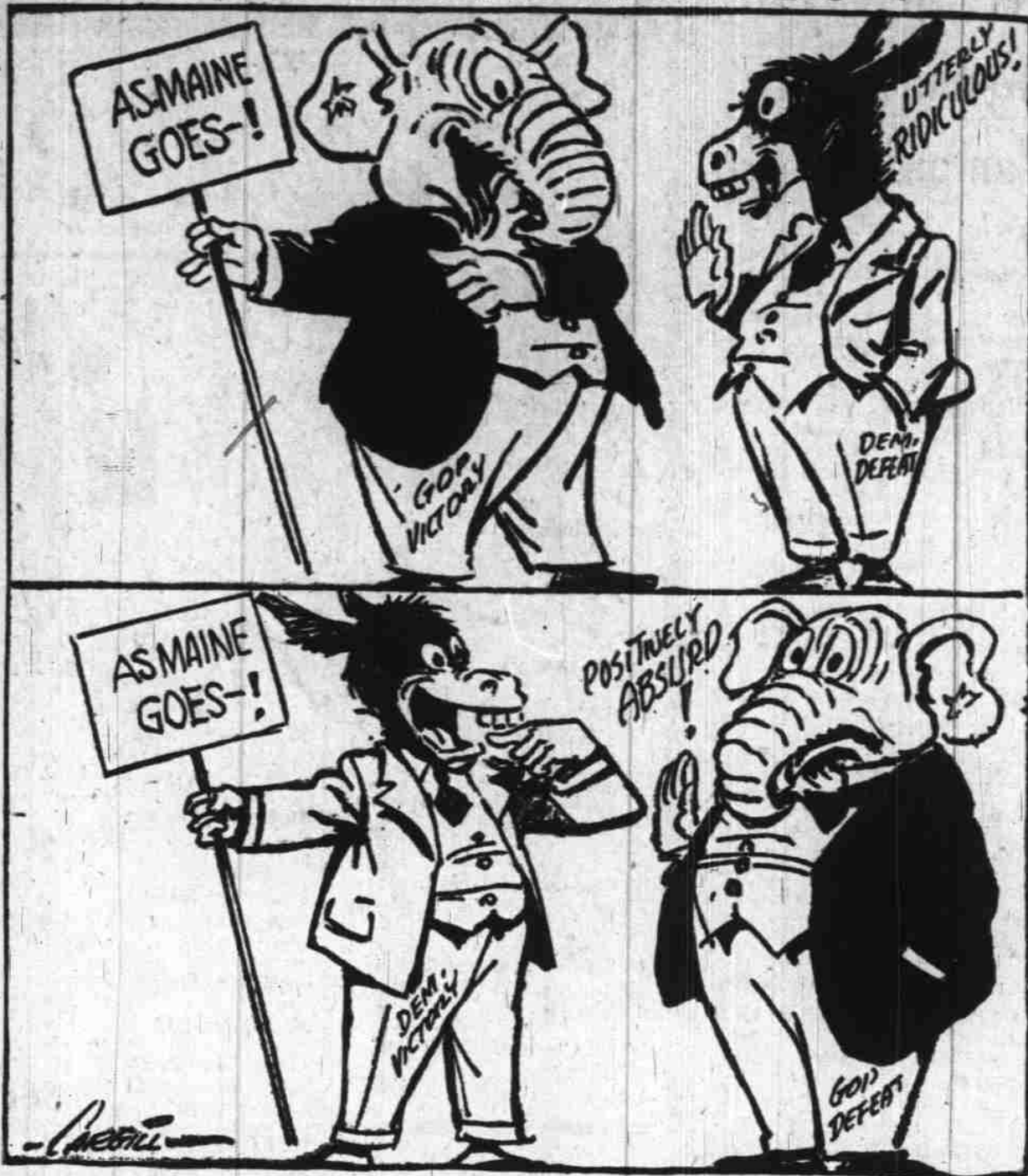
As far as the windfall profits are concerned, they were the product of the way the law was drawn plus careless or iniquitous administration. Responsibility for the former lies with Congress as a whole, and for the latter with the administrative personnel involved.

Yesterday the 1954 crop of lawyer-initiates were sworn in as members of the Oregon Bar in appropriate ceremonies at the Supreme Court. There were 80 fledgling barristers, men and women, who have successfully scaled the various hurdles which are part of the obstacle race required before admission to the bar. Briefless and clientless now, they will find niches for themselves for the practice of their profession. Fortune has been kinder to young attorneys in recent years, for apparently the period of "starvation" has grown shorter. At any rate we can wish for all abundant success in one of the most vital of the professions, that of attorney and counsellor at law.

Dr. G. Burton Wood, head of the department of agricultural economics at OSC, told guests at the picnic of Josephine County Farm Bureau Sunday that prices of agricultural products now stand at about 88 per cent of parity. The farmer pays 100 per cent for his purchases, realizes 12 per cent less than historical equality on his sales. "To operate profitably," said Wood, "the farmer would have to get 112 per cent of parity which of course he cannot do." With the odds so adverse, why do folks stay in the farming business?

Secretary Benson said he relaxed the restrictions on use of idle acres in 1955 because of demands for feed in drought areas. Out here he might find some excuse because of the surplus moisture which has prevented harvesting of barley and other grain. It's quite probable, too, that politics had something to do with the lifting of the ban against planting to price-supported crops. The acreage limitations hurt farmers worse than the reduction in the parity guarantee. After all there is an election coming up in November.

## AND AS HUMAN NATURE GOES—!



## Comes the Dawn by Conrad Franke

Has the advent of TV into Salem area raised hob with the kiddies' reading habits? Does watching the screen continuously dull their shrewd little eyes to other visual pleasures? Well, apparently local kids have not entirely forsaken the printed page for the cookie and cereal commercials. Because Salem Library reports that more kids read more books last school year than ever before and more books during the past summer than in other summers. Of course this past summer WAS a dandy season to curl up before the fire with a good book—especially during those July blizzards...

Salem teachers and librarians are hoping the coming school year produces as many readers as the last. Last school year kids borrowed 1,285 books compared with 1,130 during the previous school period. During the past summer 125 kids took out books compared with an even 100 during the previous summer. And these kiddies were mostly second and third graders, just the age-type youngsters who are hysterical Saddle Sore Sam viewers...

And speaking of Salem TV whatever happened to those rumors concerning a TV station coming to town? Looks like the only stations arriving here for some time will be those you see on your screens... If there are any other schemes afoot they're awfully quiet ones...

If the state dept. of agriculture gets any money to spend, on ragweed control it can in a good blow (nasally speaking, of course) against an extensive infestation of the weed on a gravelled road behind the Cascade Union High School in the Turner-Aumsville area... A spy tells us ragweed seems to be on the increase in that area. He thinks it might be spread by road-working machinery—and if this is the case roadside spraying would help... Sign in a Commercial Street store window the other day: "If you can't find it at Lipman's, try here!"...

And here's a lift for those people losing sleep recently over dishonest dealings in high and low places... Seems a Salem gal, Joan Lewis, daughter of Johnny Lewis, director of athletics at WU, dropped her purse, containing about \$80 and no identification in the downtown post office lobby. Well, as soon as she realized she'd lost the money sometime later, she too was ready to drop. But her Dad called the PO. And sure enough some honest and kind-hearted soul had picked up the money and turned it in at one of the postal windows...

## Time Flies:

10 Years Ago Sept. 22, 1944

The Willamette valley enjoyed its first soaking rain in nearly five months and farmers were smiling over the breaking of the driest spell experienced by Oregon in many years.

The death of Thomas Carrick Burke, 87, former Portland collector customs and associate editor of the Oregon Democrat was reported. Burke headed Oregon's delegation to the Democratic National convention in 1912.

American carriers raid Manila, sinking 11 ships and destroying 205 Japanese planes in another great smash at the heart of the Nipponese Pacific empire; no American ships were lost or damaged.

25 Years Ago Sept. 22, 1929

Civic and labor organizations arranged a reception for the Russian plane, "Land of the Soviets," scheduled to top at Seattle on its flight from Moscow to New York.

From Medford 2000 cars of pears were shipped to date from the Rogue river valley, three trains of 100 cars dispatched this week to the east.

Over 6000 flags and pieces of bunting were used to decorate the automobile pavilion and the horse show stadium alone for the coming State fair.

From The Statesman Files

40 Years Ago Sept. 22, 1914

The Gracia of the fleet of German steamships idle in New York port since the war began in Europe, left at the risk of becoming the prize of British cruisers known to be off this harbor.

Paul H. Hofer of Salem was chosen football captain of the O. A. C. varsity eleven. He weighs 193 pounds and this, with his speed makes him a valuable man on the team.

The plans for a new Country club was determined when a dozen Salem citizens met at the Commercial club. It was named the Illihee Country club, Asabel Bush was chosen president, Paul Wallace vice-president and Ralph Moore secretary.

25 Years Ago Sept. 22, 1929

CASABLANCA, Morocco (P)—Nationalist Moroccan called a partially effective general strike here Tuesday in protest against a French move which they believe held no promise of an immediate drastic change of policy in the protectorate.

French Resident General Francis LaCoste spoke over the Moroccan radio Monday night outlining a policy of establishing local councils and, later, more comprehensive planning groups, in all of which French voices would be strong.

## IT SEEMS TO ME

(Continued from page one.)

relies on private distribution it would be the principal sufferer. Actually it is very doubtful if that preference clause ever will be invoked to the dousing of lights in territory served by private companies. It wasn't in the winter of 1952-53 when the water shortage curtailed generation. There is another reason, and that is that more generating facilities will be constructed. If the federal government ducks out, then local agencies will take over. They keep up with demand in other parts of the country and they will here, though there will remain a controversy over who gets what.

Finally Oregon has one ace-in-the-hole and that is authority in its constitution to go into power development itself. This was embraced in the famous amendment adopted in 1932, now Art. XI-D of the constitution. It contains a broad grant of authority to the state to develop separately or with federal or political subdivisions any water power within the state and sell and distribute energy.

The amendment of 1932 called for legislative action to make it effective. The Assembly of 1934 did pass such a bill but on referral to the people it was defeated in 1934. By that time the federal government was entering in the business with the building of Bonneville and Grand Coulee Dams. Then too, the ardor of the George Joseph "revolution" of 1930 had begun to wane. In 1936 the grange which had sponsored the amendment initiated a legislative bill but at the same time it promoted a bill for a state bank. Both were defeated with both utility companies and banks in opposition. State power ever since has been dormant. However, this constitutional provision might be dusted off and used, if Washington's power authority tries to grab all the loose energy or if the preference clause begins to bite Oregon consumers.

The amendment does have its limitation, however. One is the financing is limited to indebtedness of 6 per cent of the state's assessed valuation which would be only about \$120,000,000. That will not build a dam like that proposed for John Day. Also its authorization is intrastate, which might prevent partnership on an interstate stream.

Unless there is a marked change in public opinion, Oregon will not embark on any state power development; but that opinion might change quickly if other agencies public and private, federal and local prove impotent. I do not think they will.

Viet Nam Said Agreeable to French Trade

TOKYO (P)—Ho Chi Minh, Moscow-trained leader of North Viet Nam, was quoted by Peiping radio Tuesday as saying his regime would work to "develop economic and trade activities with France and strengthen the unity and friendship between the two peoples."

But he presaged this with a call to the Vietnamese to "keep up their vigilance and smash all intrigues of the American imperialists and the small group of French warmongers."

Peiping said Ho's statement was made in a recent interview with a correspondent of the New China (Communist) News Agency.

## The Safety Valve

Church On Chiang To the Editor:

Surely most of the readers of The Statesman are delighted with its exhibition of nerve and real Americanism in differing (Sept. 16) with the Saturday Evening Post and the flock of doddering old generals in the Pentagon regarding our proper attitude toward Formosa and Chiang Kai-shek. For various fantastic reasons they all advocate our starting a third world war via the Formosa route.

Formosa is part of China, the same as Long Island is part of the United States. Who is Chiang Kai-shek? He was one of the chief robbers and murderers of China until the desperate Chinese people organized to protect themselves against him and soon put him and his feudal army on the run. They captured him once, but he begged so hard for his life and made so many promises of reform that they let him go: a bad mistake, for as soon as he got back to his gang he resumed his depredations; but the people had augmented their forces and chased him all over China. Then came a war and the Japanese invaded China. What did Chiang do? He did not attempt to repel the Japs, but interposed his army between them and the people's army and prevented the latter from chasing the Japs out of China as they otherwise would have done. But when the Japs were recalled home after being licked by the U. S., the people's army made short work of Chiang. They chased him across China and he fled to Formosa and is still there. He is the Al Capone, the gangster, the murderer, the racketeer of China. The Chinese would chase him still farther and reclaim Formosa if the U. S. fleet did not stand in the way. What right has our fleet to be there? If a gang of Canadian cut-throats led by a vicious brigand got chased out of Canada and took refuge in Newfoundland and then claimed to own that island and to be the real Canadian government, would we send a fleet up there to protect them from Canada?

Chiang has been yammering about invading China. He would get about as far as the recent "invasion" of the U. S. by a group of loony Puerto Ricans who took a few shots at congressmen in Washington and are now being penalized for it. But Chiang has the support of the administration, Secretary Dulles, the Saturday Evening Post, Generals Marshall, MacArthur, Bradley and Collins and Senator Knowland. There is something bad of all this, and it will be interesting to eventually learn what it is. It may be a bigger scandal than the FHA investigations. In the meantime it is a tight race between Chiang and Syngman Rhee as to which is the world's super stinker.

A. M. Church Salem, 1400 N. Summer St.

Segregation a Delicate Subject To the Editor: Friday, Sept. 17, The Statesman's Safety Valve carried articles in regard to segregation, written by three different parties. I agree with every one of them so far as good and decent treatment for the Negro is concerned. Abraham Lincoln had to carry on a bloody war to free the slaves. But there is another side to the school question, the more white children and colored children mix as students the more intimate they will become and later on more mixed marriages, and more mixed blood.

I would like to ask these writers, first, have you got a daughter, if so do you want her to marry a colored boy? Surely he may be a fine fellow, later on they will have a family, maybe one white child, then one colored child. Second, do you have a son? Do you want him to marry a colored girl? She may make a good wife, but how about his mixed family? Will you be a happy grandfather? And will a grandmother be happy? How much embarrassment and humiliation will these

children suffer? The Supreme Court has made a decision, but before people get too excited about this question, it might be wise to take your children to some of the southern states and live for a year or two or more. White people have separate schools and colleges all over the country, why worse punishment for the colored people to attend separate schools? That doesn't mean that we hate them, not by any means.

R. R. Wood Rt. 6, Silverton Road Salem.

To the Editor: I would like to call your attention to a disgraceful situation that occurred in Salem over the past three months.

Mr. Kenneth Stewart, a veteran of World War II, and a citizen of Salem for approximately thirty years, applied to the city council for four taxicab licenses, in order to start a business for himself.

After three or four meetings the council, agreeing that the present taxi operation was deplorable, turned the matter over to a special committee of three, Messrs. Armstrong, Chase and Franzen.

Then last week there appeared a notice in the local papers stating that a Portland firm had not only bought the local cab company, but had been granted the four additional licenses that Mr. Stewart had applied for.

The council did not have the decency to notify this young man of their reversed decision, nor did they have a substantial argument for turning him down. Their stand was that over the recent years, all the recent years, all of the cab operations had been started by former cab drivers and had failed; therefore they didn't want to take a chance on Stewart because they didn't want another failure, and he had driven taxis some time ago.

Just because one man doesn't have a head for business doesn't mean all men are failures. Why don't we give our local boys a chance? . . . .

Mrs. Harvey Weitman 4040 Portland Rd.

## Settlement In Trieste Dispute Seen

ROME (P)—Italy Tuesday studied Yugoslavia's proposals for disposing of a thin strip of territory which is the only major obstacle to settling the Trieste problem.

Diplomatic quarters expressed cautious optimism for ending the dispute over the strategic ferry territory at the head of the Adriatic, Italian before World War II. U. S. Deputy Undersecretary of State Robert D. Murphy, Washington's top diplomatic troubleshooter, is here trying to speed the settlement.

Rome and Belgrade are reported agreed on the general plan to let Italy have the U. S. - British occupied Zone A of Trieste, with Yugoslavia getting Zone B which it occupies. At issue is the narrow strip between which includes several strategic hills.

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