

Oregon Statesman

"No Factor Sweeps Us. No Fear Shall Awe"
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Reservoir of Capital

Last Monday a chattel mortgage for \$44,000,000 was filed in the courthouse at The Dalles, given by the Harvey Machine Co. of Terrace, Calif., to three big banks. The loans were obtained for financing a \$65,000,000 aluminum plant at The Dalles for which the Harvey interests bought a site several years ago. Construction is scheduled for a start in August.

Thus the big industrial development long discussed moves nearer to reality. Power will be furnished from the plant at The Dalles Dam across the Columbia. Harveys are building the transmission line from the generating plant to their location.

The point in this which calls for attention is the availability of big pools of credit for financing a project of this magnitude. The lending banks are Bank of America for \$22,000,000; Chase Manhattan and First National City of New York for \$11,000,000 each. Loans are to run "til Sept. 30, 1965 and will carry five per cent interest. Only the biggest banks or insurance companies could make loans of this size. Without huge reservoirs of credit which these institutions provide, business expansion would have to be restricted. Even when public offerings of bonds or preferred stocks are made, the big banks have to carry the account until the securities are disposed of.

In this case the loans very likely will allow an earlier payoff. This will enable the borrower to refinance at a lower rate of interest and for a longer period, after earning power is established, especially if credit terms become easier.

Big investments do not just happen. Even the biggest of the corporations—General Motors, American Telephone & Telegraph Co., General Electric—have to enter the capital markets to obtain funds to finance their expansion. They borrow when they think they can employ the credit profitably; but the owner of capital or the one who manages it will not lend money unless there is reasonable certainty of its repayment punctually with interest. The same rule applies in dealing between the biggest bank and the biggest corporation as between a small bank and a small borrower. The base of credit is confidence. Hence the importance not only of confidence of lender in borrower but of both in a stable political order and in the country's fiscal system. Capital readily takes flight, then turns and takes flight. The value of the conservative in society is that he is aware of the rocks and shoals, and seeks to avoid them by sound policies in government and finance. The announcement of the \$44,000,000 loans to the Harveys for a brand new aluminum plant supplies its own moral: the value of savings accumulation and the need to maintain business confidence.

Senator Wayne Morse, arriving at his farm home near Eugene, is said to have gone first for a ride around his farm to inspect his fences. Just like a good politician.

Khrushchev and Co. Alarmed As Anti-Stalin Declaration Backfires Among Foreign Reds

By JOSEPH AND STEWART ALBOP

WASHINGTON—Last week the National Security Council, the American Government's highest policy-making body, discussed at length and in detail the meaning of the recent events which have shaken the Soviet empire. Two basic conclusions were reached, which can be summarized as follows:

First, the "cataclysm"—to use Italian Communist word—in the world Communist movements is real. It is not a carefully pre-arranged fake. The Soviet leaders, Ambassador Charles E. Bohlen has called the State Department from Moscow, were genuinely shocked and taken back by the criticism of them by Khrushchev and other Communist chiefs.

Nikita Khrushchev and his colleagues, according to the official assessment, greatly miscalculated the effects of their denunciation of Joseph Stalin as a murdering tyrant. The experts' explanation of the miscalculation is simple but convincing. During his lifetime, Stalin himself exercised a very exclusive personal control, through a special section of the secret police, over all contacts with the foreign Communist parties. Thus the present Soviet "collective leadership" had virtually no contact with, or knowledge of, the foreign Communist movements. In the circumstances, it was easy for Khrushchev and company to misjudge the reactions of the foreign Communists.

It was all the easier because Khrushchev made his famous speech in a very special audience, the aristocracy of the Soviet party. His hearers were psychologically prepared for what Khrushchev had to say,

simply because they knew it to be true from their own experience. Stalin's brutalities came as no surprise to them. Terror and torture were part of the way of life they had always known.

The foreign Communists, by contrast, had had relatively little direct contact with the terrible realities of Soviet life under Stalin. They were also, to a considerable extent, prisoners of their own Stalinist propaganda. Thus the effect on them of Khrushchev's speech was quite genuinely "cataclysmic."

Cataclysm need not necessarily weaken the world Communist conspiracy fatally. It might even strengthen it in the end. But the American government must be alert to the possibility that the cataclysm is real, not a fake.

The second conclusion is that the changes within the Soviet structure of society are also real, as far as they go—and by Stalinist standards they go rather far. Charles E. Wilson testified on Capitol Hill the day after the NSC meeting. The view he expressed there, that the Soviets may be "moving towards a more liberal society," accurately reflects the hopeful but tentative conclusion of the NSC.

Here again, the explanation is fairly simple and fairly convincing. As Khrushchev made very clear in his speech, each one of the present Soviet leaders lived constantly in fear of death at the hands of Stalin's secret police. They are united in a common desire to avoid repeating the experience.

When French Foreign Minister Christian Pineau visited Moscow recently, Khrushchev told him, with violent earnestness, that he would rather cut off both his arms than see his country again ruled by the secret police. Within limits, he no doubt meant what he said, and the downgrading of the secret police has been perfectly real. Moreover, the stick of secret police terror being largely removed, a carrot, in the form of somewhat higher living standards and a little color in their drab lives, has had to be offered to the Russian people.

The story, of course, has not yet been told. More such events as the bloody riots in Poland could reverse the whole process, could even lead to the downfall of Khrushchev. Nor are there any illusions about Communist doctrine.

It is hoped, instead, that the newly emerging Soviet bureaucratic upper class will increasingly be interested in the system, and that the first interest of the regime will be decreasingly doctrinal, and increasingly concentrated on practical internal problems. It is hoped, in fact, that "the erosion of despotism," a process forecast some years ago by Soviet expert George Kennan, may actually have begun within the Soviet power structure.

Better English

By D. C. WILLIAMS

1. What is wrong with this sentence? "We had ought to get these privileges free gratis." 2. What is the correct pronunciation of "finale"? 3. Which one of these words is misspelled? Mistrust, millennium, miniature, miscellaneous. 4. What does the word "gratuitous" mean? 5. What is a word beginning with "er" that means "correct spelling"? Answers: 1. Say, "We SHOULD get these privileges gratis (omit 'free')." 2. Pronounce (for-nay-lay, accent second syllable). 3. Millennium. 4. Given without recompense or pay; free. "We should be more appreciative of the gratuitous blessings of God." 5. Orthography.

GRIN AND BEAR IT By Lichty



"Maybe we better buy the car, dear! ... If only to get the fine budget plan he's worked out for us!"

IT SEEMS TO ME

(Continued from page one.)

would have gone down the line for the bill. Since the chief justification for federal aid is need, it is difficult to understand why this formula was not accepted. One very bewildering move was made when the House adopted temporarily an amendment by Rep. Gwin of New York to distribute the funds to states on the basis of one per cent of their payments in federal income and corporation taxes. Later this was voted out on a roll call vote. This basis would not only have ignored need and school population it would actually have distorted the disparity in wealth devoted to education. Corporation and individual income taxes for instance are concentrated in such states as New York, Pennsylvania, Michigan, Illinois, while states with relatively large populations may be poor in wealth and so paying little in the way of taxes. It was to overcome this inequality in distribution of wealth that federal aid has been suggested.

Defeat of the bill in the House kills hope of federal aid for this session. However, its passage by the anti-segregation provision in the Senate would have been almost impossible. If not by votes then by filibuster the bill would have been killed.

The National Education Association meeting in Portland sent frantic appeals for adoption of the bill. This body has been at the forefront of the campaign for federal aid, urging it not just for schoolhouse construction but for operating costs as well. However, the White House conference was extremely guarded in its approval of federal aid, limiting it to a temporary period and for school building needs. The effect of all this agitation should be to stir up the people so they will give proper support for schools. There are only a few states really needing help from the federal treasury—Oregon isn't one of them. I have been lukewarm on federal aid for education, but it certainly seems ironical that Congress will pass a bill appropriating tens of billions of dollars for better highways and then wash it hands of responsibility for providing more and better schoolhouses in which to educate children.

Time Flies

FROM STATESMAN FILES

10 Years Ago

July 6, 1946

More than 900 men are available for forest protection and fire fighting in the 12,500,000 acres of forest land under state and fire association protection, State Forester Neil Rogers announced.

25 Years Ago

July 6, 1921

Members of the Salem Elks band left for Seattle, where they will participate in the National Convention of Elks' parade. A few of the band are John Steelhammer, Oscar Steelhammer, Herdin Swart, Carl Armstrong, Ivan Martin and Ralph Southwick.

40 Years Ago

July 6, 1916

When the new Denison bath house at the foot of State Street opens, Salem can boast of one of the best and most complete bathing establishments on the coast. The new bath house, designed and built by Charles K. Denison, is a model of convenience as well as safety.

This hope, it should be emphasized, is no more than a hope, and very cautious one. Here it is at least faintly encouraging that the highest policy-makers, basing their assessment on the best available intelligence, have concluded that the recent changes in the Soviet empire are real, and not carefully stage-managed optical illusions.

Sports Club To Eye Aid to Handicapped

Legislation to establish workshops to rehabilitate the handicapped and to induce air lines to change regulations barring many from passenger rights will be considered by a meeting of Salem Inter-Sports and Good Sports Clubs Saturday night.

Reports on the district 5 convention in Seattle last month, at which the measures were considered, will be given by delegates at the 7:30 p.m. business session in the Hollywood Lion's Den. Under the first proposal workshops would be established in various cities to assist training of handicapped people in useful trades. A Portland workshop is the only one located in Oregon.

Air line policies to prohibit wheelchair passengers because of the extra loading and unloading attention required would be changed by the second legislative proposal. United Air Lines is one of the exceptions to the ban, club officials report.

Woman Gives 26th Pint to Blood Bank

Miss Mildred Glover, 1490 Cheleketa St., passed the quarter-century mark in blood giving Thursday when she contributed her 26th pint to the Red Cross. Despite Miss Glover's contribution, however, the day's total of 79 pints fell far short of the 135 pints set up as Salem's July quota. The bloodmobile was at its customary location outside the Salem National Guard armory from noon to 4 p.m. Sponsoring organization for the Red Cross blood drawing this month is Salem's Exchange Club.

Other multiple donors from Salem who gave blood Thursday include Mrs. Florence Engstrom, 1335 Strong Rd., who gave her 12th pint; Mrs. Marjorie Childsey, 4275 Auburn Rd., and John Mathias, 4291 Munkers St., who both gave their ninth pints; and Wilbur Zeiler, 4220 Filbert St., Mrs. Grace Hatch, 3745 Garden Rd., and Chester A. Teeter, 2545 Lee St., all giving their eighth pint.

Deputy Finds \$75 Check For Resident

At least \$75 worth of financial independence was returned to one Marion County resident July 4 through the efforts of Deputy Sheriff Amos Shaw.

Wednesday deputy Shaw visited the home of Mrs. Mary Fern, Salem, 2 Box 422, to investigate her complaint concerning the theft of four letters from her mailbox Monday. One of the letters was believed to contain a \$75 check.

In a search of the area Shaw turned up all four letters, two of which were opened. The \$75 check was missing from one of the latter. A further search, however, revealed the check hidden at the base of a nearby bush.

The towers of the Brooklyn Bridge rest on submerged timber cushions 15 feet thick.

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104 Boys Ready for City Soap Box Derby

(Story also on Page 1.)

Salem's Soap Box Derby Sunday will see 104 boys of ages 11 to 15 racing their home-made cars at Bush's Pasture in a free public event.

Sunday's program will start at 1 p.m. with brief opening ceremonies, the parade of contestants and the traditional "screw driver" race between members of three Salem hot rod clubs, The Millers, Lord Lords and Satan's Chauffeurs.

There will be no past champions competing Sunday but two of the contestants, Gordon Hanson of Dallas and Larry Mason of Salem, will be performing for their fifth consecutive year.

Among 11 Lads: Tim Bartel of Dallas, winner of the class "B" championship in 1933 and 1934, is listed among 11 lads, who will be competing in their fourth Derby.

The 10 other four-termers are Monte Bentley, Greg Enger, Dwane Hofstetter, John Lewis, Kent Lindon, Kenny McDermitt, Gary McNall, Richard Ronk, Dan Shattuck and Dwight West, all of Salem. After the Derby races, a public barbecue will be held at which time awards will be made to winners of various events. The barbecue will take place on Bush's Pasture near Derby Downs.

In addition to a trip to Akron, Ohio, for the champion, there will be other prizes for runner-up winners, and trophies for best constructed and best painted bugs.

Sponsors of Race

The Derby is sponsored by the Capital Journal and Capital Chevrolet Cadillac Co. of Salem. A city-wide committee, under direction of William Page Jr., handles the races.

Hugh Adams and Theodore (Ted) Kuenzi, both Salem, will be track directors for the Soap Box Derby. Race judges will be Barney Barnett, Dr. Ralph Purvine and Rex Hartley. Timers are to be Richard Mallentyne and Lee Gustafson. Lee Green is course clerk.

Salem boys entered in the class "B" division include: Steven Ashton, 2415 Fisher Rd.; Ray Beard, 2635 E. Nob Hill; Jim Bentley, 5210 Portland Rd.; Stephen D. Boles, Route 4, Box 10; Donald Brimm, 1278 Parkway Dr.; Michael Culp, 2355 Englewood Ave.; Robert Cummins, 1149 Ruge St.; Bruce Damaske, 1590 S. 20th St.; Johnny Davenport, 1785 S. Winter St.; Bruce Davis, 1115 N. 19th St.

Alan Faust, 3712 Sunnyside Ave.; Stephen Fry, 1097 Fir St.; Harry Hankins, 1015 Leflore Dr.; Clyde Knox, 635 E. Browning Ave.; Teddy Lang, 533 N. 21st St.; Larry Lohman, 1875 S. Church St.; Edwin McEers, 1239 Franklin St.; Richard Mevlin, 1245 Walker St.; Charles Morgan, 4085 Cherry Ave.; Bob Noble, 785 N. 18th St.; Steven Parent, 1165 N. 13th St.; Kim Allen Reaney, 1121 Fir St.

Spencer Reese, 3835 June Ave.; Steve Rutherford, 750 N. 14th St.; Dick Severson, 2930 Merdel St.; Gordon Eugene Shepherd, 794 N. 14th St.; Mike Spangler, 1370 Law-

less Ave.; James Stinnette, 715 N. Capitol St.; Douglas Vivier, 2320 S. 19th St.; Thomas Wells, 965 D St.; John Weesly, 775 Fletcher Rd.; Dennis White, 704 Oregon St.; Eric Woodard, 1495 Glen Creek Rd.; and Kenneth Lowell Yegge, 1795 Lee St.

Others in this division are Phillip Eddy, Corvallis; Douglas Hyton, Albany; and James J. McCarthy Jr., Sweet Home.

Salem entrants in the class "A" division include: Keith Austin, Route 3, Box 802-A; James Barrett, 4953 Elizabeth St.; George Best, 735 Woodmansee Ct.; Monte Bentley, 5210 Portland Rd.; Steve Blewett, 1920 Laurel Ave.; Terry Bonn, Route 2, Box 259-C; Larry Bush, 999 Locust St.; Gary Calaba, 2325 Mountain View Dr.; Steve Close, 1680 Berry St.; Darrell Covert, Route 1, Box 387; James Davis, 1115 N. 19th St.; Larry Dick, 455 Patterson Ave.; Craig Enger, 575 Vista Ave.

Jack Fox, 2120 Pringle Rd.; Larry Godsey, 815 Electric St.; Lee Gray, 640 Browning Ave.; Kenneth Hankins, 1015 Leflore Dr.; Eddie Hansen, 735 Cascade Dr.; Kent Hanson, 735 Cascade Dr.; Gary Herberger, 2435 Mason St.; Dick Hoffman, 3298 Windsor Ave.; Dwane Hofstetter, Route 6, Box 460; Dennis Holmes, 1985 Chemawa Rd.; Bobby Lang, 533 N. 21st St.; John Lewis, 2825 Hulsey Ave.

L.M.N.O.P.R. Kent Lindon, Route 4, Box 90; James Loganbill, 620 Vista Ave.; Dale Mallicoat, 2475 Fisher Rd.; Larry Mason 856 Churchdale Ave.; Kenny McDermitt, 1545 Trade St.; Gary McNall, 1115 Greenwood Dr.; John Meckler, 3508 Rawlins Ave.; Kenneth Nielsen, 3225 Robinsdale Dr.; Wayne O'Hara, Route 4, Box 17; Stephen Palmason, 1698 S. Liberty St.; Danny Page, 999 Locust St.; Allan Redding, Route 4, Box 1-A; Stan Rolfeans, 2370 Bluff St.; Richard Ronk, 760 Shangrila Ave.

Frank Satter, 1355 Hall St.; Lynn Seipp, 508 N. 20th St.; Loren Seitz, 1676 S. Church St.; Francis Sharp, 3262 Chehalis Dr.; Dan Shattuck, 892 Sunset Ave.; Marvin Smith, 5305 Ridge Dr.; Donald Webb, 207 E. Salem Heights Ave.; Dwight N. West, Route 5, Box 126; Glenn L. Wissner, 1960 Grant St.; Pete Wodzewoda, 3835 June Ave.; John Woods, 570 Upper Ben Lomond Dr.; and Frank McDermitt, 1545 Trade St.

Boys in this division from Albany include Robert Conrad, Larry Eisinger, David Earl Engel, Stephen Gilchrist, Terry Huston, Bobby Middelburg, Ronald Moreland and Mickey Gordon Merrill.

Dallas entrants are Tim Bartel, Bob Hague, Gordon Hanson and Daryl Wade. Others include Lloyd Kroner, Gary Lee Ward and Lanny Webb, all of Silverton, and Kenneth Suffer of Lebanon.

50,000 GUNS TO FIRE NEW YORK (AP) — All of the 50,000 guns owned by city policemen, including three owned by Police Commissioner Stephen Kennedy, will be fired this year on a target range. The program is to provide ballistics records on all police guns.

17 Apply for Salem Police Force Posts

Seventeen applications for patrolman positions on the Salem police force—including one from a man in Aberdeen, S.D.—had been filed at the city recorder's office prior to Thursday's 5 p.m. deadline.

Next step in the competition for three vacancies currently existing in the patrolman ranks will be a civil service examination July 12. Vacancies will be filled by the three applicants making the highest grades. Others passing the exam will be placed on a waiting list.

Applicants need not be residents of Salem but must move into the city within a reasonable length of time.

Mathis' Rites Set Saturday

SILVERTON — Funeral services for John L. Mathis, 53, Scotts Mills, will be Saturday at 10 a.m. in the Ekman Memorial Chapel, Silverton, with the Rev. E. J. Kraemer officiating. Burial will be at Maple Grove Cemetery at Scotts Mills.

Mathis died Thursday at his home. He was born June 12, 1888 at Missouri, and had been a resident of the Scotts Mills area for the past three years.

Survivors include the widow, Maude; three brothers, James of St. Joe, Mo., Charles, Seattle, and Albert, Portland; and two sisters, Mrs. Harry Gamble, Portland, and Mrs. Minnie Breardon, St. Joe.

Mrs. Hastings' Rites Planned

INDEPENDENCE — Funeral services for Esther Jane Hastings, 83, a late resident of 639 C St., here, will be held Saturday at 2 p.m. in the chapel of the Smith-Krueger funeral home. The Rev. James A. Bell will officiate.

Mrs. Hastings died Wednesday at a Dallas, Ore., nursing home following a long illness.

Born Mar. 19, 1873, near Independence, Mrs. Hastings lived in this area all her life.

Survivors include three daughters, Mrs. Ruth Davis, Deaver, Wyo.; Mrs. Lawrence Davis, Toledo, Ore.; and Mrs. Russa Osterlander, Bremerton, Wash.; two brothers, Burris Rose, Portland, Ore., and Pearl Rose, Seattle, Wash.; two sisters, Mrs. Nancy Berlin, Olympia, Wash., and Mrs. Maude Thrasher, Corvallis, Ore.; ten grandchildren and twenty-one great-grandchildren.

Interment will be in Old English Cemetery, Monmouth.

Driver Cited In Collision

A two-car collision about 2:45 p.m. near Belle Pass on Highway 90E brought a citation for a Nebraska man Thursday.

Arrested on a charge of failure to drive on right side of the highway was Woodrow Pfeiler, Lexington, Neb., state police said. Driver of the other car was listed by officers as Alfred H. Bleck, Portland. Both cars reportedly received minor damage.

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