

Oregon Statesman

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

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No Fast Writeoffs for Steel

Pending before federal authorities are applications of the nation's steel mills for fast amortization on planned expenditures for plant expansion amounting to nearly a billion dollars. At present steel is not on the eligible list for such consideration. The mills, citing the need for increasing their capacity, ask that they be restored to the favored list.

The Statesman believes their petitions should be denied and that the fast amortization program be cancelled, or reserved for companies actually needing the assistance for the manufacture of particular defense components. This amortization gives the holder a tax advantage, permitting him to amortize his investment over a five-year term. This has the effect of deferring his tax obligation for that period. The government eventually collects every dollar of tax liability, but for five years the company has use of the funds which would otherwise have gone to the government for taxes.

The present plan was installed after the war in Korea broke out, in an effort to build up our defense establishment. That war long since was called off, and no new war threatens. What excuse can there be for continuing to allow this tax advantage to any company?

As far as the steel companies are concerned, they do face growing demand for their product in this busy age. Steel remains the basic commodity for industry because of the variety of its uses. For there is no substitute in such areas as construction and machinery. But there is no indication that steel mills are not able to finance their own expansion. They can do this out of their depreciation chargeoffs, out of retained earnings and out of sales of bonds and stocks. That is the way the present plant was built, for the most part.

Cash inflow from depreciation is huge. Company earnings have been consistently heavy ever since the depression. Price increases have kept pace with wage increases, and technological improvements have increased profit margins.

The government has to have revenues to finance its operations. If taxes from some corporations are deferred the burden falls on individuals and other corporations. If revenues are excessive, then tax reductions are in order, to be shared widely, not confined to a favored few. Secretary of the Treasury Humphrey has urged a review of this whole fast writeoff business. We hope his advice is heeded and that the policy is changed to keep all corporations on an even basis. Steel will find the capital to expand because profits are in sight. Let our system of free enterprise, which steel favors, operate without government bounty in the way of tax deferment.

Dentists have been holding their annual meeting back at Atlantic City. They were shown a new high-speed drill which rotates at speeds in excess of 150,000 revolutions per minute. Its use is described as "like a paint brush with a feather touch." Now if we can't have fluoridation, this is most welcome. That feather touch, if realized, should reduce the dread of that dentist's drill which induces postponement of dental attention. The advice of the sponsor of the old Amos and Andy radio show is still good, however: "Brush your teeth twice a day and see your dentist twice a year."

U.S. Searching for Way to Assist Poland In Her Attempts to Shake Soviet Control

By JOSEPH and STEWART ALSOP
WASHINGTON — At least one thing is reasonably sure about the mysterious journeys of Khrushchev to Belgrade and Marshal Tito to Yalta. The prime cause of this commotion in the Soviet bloc lies in Poland rather than in Yugoslavia.

Here in Washington, the Polish situation is regarded as so significant that it has now become the subject of a really major behind-the-scenes policy dispute. At bottom, the point at issue is whether the Eisenhower administration really meant anything at all by the talk of "liberation" that sounded so brave in the last election. By all the signs, the Poles are now tending to claim a real measure of independence of the Kremlin. Two points are in debate here. First, it is wise to try to encourage this independence. By all the signs, the Poles are now tending to claim a real measure of independence of the Kremlin. Two points are in debate here. First, it is wise to try to encourage this independence.

Supervision for New Co-ops

Ten have been arrested on federal charges growing out of promotion of plywood cooperatives in this area. The processes of law will be employed to determine their guilt or innocence. What we do want to point out here is the lack of supervision in the organization of cooperatives which is in contrast with requirements covering formation of corporations. Those who organize a corporation must obtain a permit from the state corporation commissioner. This official checks the record of the organizers, examines their prospectus, and if he approves of the undertaking, fixes regulations covering the formative period. Limits are set on the commissions that may be paid stock salesmen. Funds must be deposited in banks and accounted for. Every effort is made to insure the investors that they are being dealt with fairly and are not being fleeced by some get-rich-quick gentry.

We know of no such supervision of new cooperatives. General laws would apply against fraud or misappropriation of funds, but there is no legal policing of the financing to insure the capital will go into the business proposed. This leaves a wide open door for exploitation. In the case of plywood cooperatives, it was the more inviting because of the phenomenal success of certain early cooperatives manufacturing plywood.

The word cooperative carries a wholesome connotation. Laws have encouraged formation of cooperatives, particularly in agriculture, for marketing and for purchasing. This may account for the lack of scrutiny given by state officials over formation of coops. In view of the experience of purchasers of shares in some of these manufacturing cooperatives, the Legislative Assembly might very well study the situation to see if those who organize cooperatives should not be put under supervision similar to that of corporation promoters.

New Supreme Justice

In choosing Judge William J. Brennan Jr. of the New Jersey Supreme Court to succeed Associate Justice Sherman Minton on the U. S. Supreme Court President Eisenhower surprised most everybody—including the appointee himself. Brennan had not distinguished himself very greatly among the nation's judiciary. But he had a good record, is at a good age—50—providing both maturity and expectancy of many years of service. How important such facts as his religion (Roman Catholic) and politics (Democrat) were, we do not know, but traditionally Presidents have tried to keep the high court broadly representative.

New Jersey adopted a new constitution several years ago which revised its judicial system. Its chief justice, Arthur Vanderbilt, has been a leader in judicial reform. In New Jersey he had able assistance from Brennan. Perhaps Brennan can be instrumental in effecting improvements in federal procedure though this is not so defective as that in many states. Brennan is not distinguished for brilliance in the law, but he is intelligent, possessed of a good balance of judgment and industry—a good combination.

Halt H-Bomb Testing?

Arguing over whether to halt tests of H-bombs has engaged the principals in the presidential race. Candidate Stevenson urges that the tests be halted. Candidate Eisenhower says it would be foolish to announce a halt, leaving the way clear for Russia to continue its experiments. This issue is hardly one on which the public can have an informed opinion—nor Stevenson himself for that matter. It is a question for the authorities, military and civil, to decide. We see no virtue in popping off bigger bombs, for those already tried out are devastating enough; but there doubtless is need to test types of bombs both to determine their military values and how they may best be handled. Other issues, it seems to this paper, will arouse more popular interest than this one; and the issues that count now are those that win votes.

TRUTH, CRUSHED TO EARTH, SHALL RISE AGAIN!

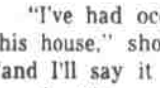


Comes the Dawn

What effect has all the recent political campaigning had on the American home? Have the bombastic arguments, the red-hot claims, the counter-claims and under-the-counter claims left their marks on the living habits of the average (common man) citizen? Well, take the case of the man we know who went home the other night armed with a progressive proposal. He opened the door and his mouth at about the same time—and got into a dandy debate with his wife.



"It is my studied opinion," the man announced as he stepped into the house, "that I should go fishing tomorrow. In view of my courageous, far-sighted efforts in behalf of this family for the past month, I feel that I am entitled to a return to the streams and lakes."



"I've had occasion to state many times on the floor of this house," shouted the husband (waving one hand aloft), "and I'll say it again and again while I have a breath to breathe with, namely that I have always striven for a balanced budget in this family."

"Let's stop this campaigning and decide the issues," said the wife. "What makes you think you've earned the right to desert your home and family and engage in unilateral pleasures? Why can't I go, too. Isn't marriage supposed to be a bi-partisan affair?"

"I'll concede," stated the man, "that fishing is a two-party program, all right. The first party being the angler and the second party, the fish. And the partnership program is there—regardless of race, creed, religion or the color of the weather. And women make mighty poor fishing partners."

"Ballyhoo," said the wife. "Smear tactics. Mud-slinging. Character assassination. Bluff and bluster. Dodging the issue. You are in sad need of reform. (She unties her apron). Come out from behind that dust cloud and fight!"

"Don't try to pull those power tactics on me," said the husband. "You are trying unsuccessfully to intimidate one who comes of pioneer stock, educated in local schools, born in a log cabin, and..."

"Look, Buster," said the wife, "just because your natural resources are slipping, all you want to do anymore is sit around on your bulky platform in a boat, throw out a thin line and try to feed the Big Lie to a lot of helpless suckers."

"Trout," corrected the man.

Stamps in the News

By CHARLES IRELAND
Statesman Stamp Editor
The United States has just completed a new series of "every day" stamps in addition to many special ones issued this year. Regular stamps are changed every 15 to 20 years by postal custom.

IT SEEMS TO ME

(Continued from page 1.)
base in far-flung colonies and dominions. As its imperial position has shrunk it is forced into a reappraisal of its relations with Europe.

Britain did not join the European Coal and Steel Community. It has been only an observer at the Council of Europe (Strasbourg). However it did join the Western European Union for the defense of the West and made a commitment to maintain troops on the continent to satisfy French demands. That it is giving serious consideration to associating itself in a Western Europe Federation is indicated in its query to Commonwealth powers on their attitude over such a step. Hitherto the Commonwealth nations have held to an imperial preference system. The question now is whether the other nations in the British grouping—Canada, South Africa, Australia, etc.—would consent to yield their mutual tariff preferential with Britain so that the latter can trade more freely with Western Europe. The British fear that if this is denied them, Germany will dominate the trade of that important area in which they have long held a large share.

Chancellor Adenauer has another purpose than just promoting trade among West Europeans. He hopes that a federation might emerge as a challenging force in world affairs, standing on its own feet, free of dependence on the United States and free of fear from the Soviet bloc. Here you have a population of over 200 million, highly industrialized, experienced in government and economic management, rich in culture—a potential for greatness. Confronting the power centers now existing, East and West, Western Europe would develop as a real third force. Certainly it would constitute a lower of strength to the free world, for it is the very seat of freedom as it has developed in modern times.

Doubts may arise over whether continental nations would join such a federation. France for instance is highly individual. However, the recent agreement between France and Germany for return of the Saar to Germany, which allows France to retain certain economic advantages, is a happy augury for further consolidation of interests of these old rivals.

What is heartening is to see Western Europe shake itself out of the debacle of World War II, crushing alike in vanquished and victor, and reassert its vitality, displaying renewed vigor and reviving its ambition to function as a center of influence in world affairs.

Politics on Parade

W. W. CHADWICK (R)
Candidate for
Marion Representative
(Editor's note: The Statesman's "Political Parade," normally confined to primary elections, is being extended to the eight candidates for state representative from Marion County because three of them are write-ins and had no recognition previously. The articles are written by or for the candidates themselves, and statements therein may or may not be in accord with the editorial policies of this newspaper.)

W. W. Chadwick, dean of the Marion county legislative delegation, is seeking re-election to his seventh term in the Oregon House of Representatives. Chadwick, owner and operator of the Chadwick System of Hotels with headquarters in Senator Hotel in Salem, is also an active farmer, operating a 75-acre farm in Waldo Hills near Salem, where he raises fruit and nuts.

He served as mayor of Salem for two terms, is a past president of the Salem Chamber of Commerce, the Salem Kiwanis club, the Oregon State Hotel Association, a past director of the American Hotel Association and was King Bing of the Salem Cherrians. He also was a vice-president of the Oregon League of Cities. Chadwick was born in South Dakota and came to Oregon in 1899. He entered the hotel business in Salem in 1923. During his long legislative career Chadwick has served on most of the major committees of the house. He has often been a member of the important joint ways and means committee, the house taxation committee, local government, state and federal affairs, rules and resolutions and is presently a member of the standing committee, the legislative council.

In commenting on his filing for a seventh term, the Oregon Voter said "While he feels a primary loyalty to Marion county in the matter of appropriations, his record as a legislator is excellent; valuable work on ways and means committee; seldom takes the floor but effective influence on voting; should be re-elected."

In the legislature, Chadwick is known best for his effective work in committee rooms, where his experience is sought by fellow committee members. Was a delegate to the Republican National Convention in San Francisco, 1956.

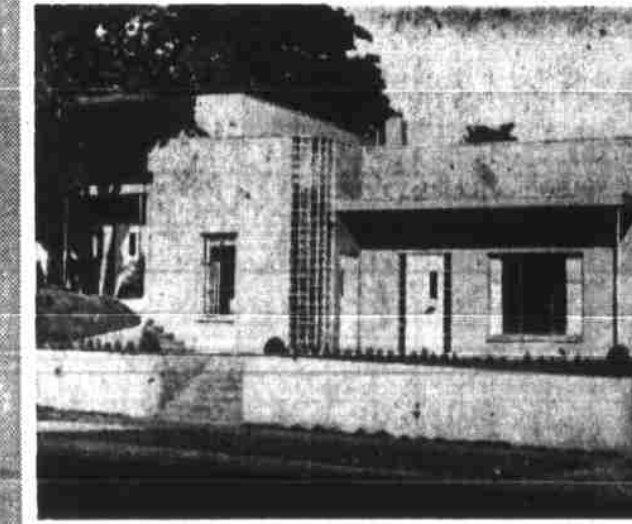
Time Flies:

10 Years Ago
Oct. 7, 1946
A freak wind storm which witnesses said resembled a tiny cyclone, demolished two barns, tore off porches, knocked down electric poles and broke windows at Oregon City. Oregon Republican clubs concluded their 13th annual convention at Portland, with re-election of Joseph B. Felton, Salem justice of the peace as president. 25 Years Ago 1-14-1

40 Years Ago
Oct. 7, 1916
G. A. Nye, mailing clerk of the state house and well known about Salem, was thrown from his bicycle and sustained painful bruises, when struck by a motor truck. Frederick E. Weyerhaeuser, son of the late Frederick Weyerhaeuser, multi-millionaire lumberman, was elected a director of the Great Northern Railway Company, to fill the vacancy caused by the death of James J. Hill.

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"HONESTY" PAYS
ROME (INS) — Water Chief tells how it cost him "seven pearls" to know a girl's real age. It happened on her birthday. He gave her a pearl wristband with 20 pearls... one for every year. But she "confessed, and insisted that in the face of such generosity she couldn't tell a lie, that she was twenty-seven."

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