

Oregon Statesman

"No Favor Sways Us. No Fear Shall Awe."
From First Statesman, March 28, 1851

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Telephone Rate Increase

Last week Public Utilities Commissioner Charles H. Heltzel issued his order on application of Pacific Telephone & Telegraph Company for a rate increase. The company asked for a total increase of \$3,320,000 on its Oregon operations. The commissioner approved one for \$2,268,000. The new rate of return to the company is figured at 6.32 per cent. At present its earnings are running at a 5.3 per cent rate. The company sought a 6.75 per cent return.

The new rate of return breaks the six per cent "barrier" for the first time in recent years. At the previous rate hearing the commissioner set six per cent as the "fair rate." Accordingly we have made some inquiry as to the reason for going beyond the six per cent figure. What we learned was the cost-of-money factor. The last big debt issue sold by PT&T (\$350 million) cost the company a 4.23 rate of interest, the highest in many years. This naturally affects the price at which equity capital may be obtained through sale of common stock. The Oregon return, perhaps under the sharper political pressures which prevail here, has regularly been under that allowed the telephone company in Washington and California. To attract capital in the volume required in the continued expansion of telephone communications, the regulated rates must be adequate. Commissioner Heltzel, after studying all the factors, concluded that a higher rate of return was fully justified.

It is also true that the time lag on rate increases is adverse to the company. This proceeding was begun months ago, and a supplemental request was made while the matter was pending. In the interval, inflation took its steady toll in the way of wage increases and price increases. Whether the 6.32 per cent return will be realized is problematical. Chances are that costs will continue to mount, and the company be back in a few years for further rate increases.

Company officials expressed disappointment that their full request was not granted; but they know the history of rate increases and could well anticipate that they would not get all they asked for. If the regulatory body is too generous, the company is tempted to be extravagant in its own operations. In fact, that is one danger under government regulation of rates. The incentive to economy is lacking—earnings beyond the fair rate would bring a rate reduction, so avoid any excess by more liberal spending. Where the profit margin allowed is narrow, the management is forced to watch its expenses closely.

The Statesman is of the opinion that in normal times a six per cent return should be regarded as fair. The times are not what could be called normal (though the prevailing conditions are fast assuming the condition of normality) because of the tempo of inflation both in operating costs and capital charges; and whatever excess may be realized initially in all probability will be worn away within the next few years, and over the span a six per cent return will be all the telephone company actually realizes.

Dads who are just digging out from under Christmas bills should keep their noses to the grindstone a while longer—those income tax forms are still to be filled out and accounting made to state and national treasuries. When that is done, it will be "Only X shopping days until Christmas."

Eisenhower Asks Free Hand in Mideast Without Really Spelling Out New Policy

By Stewart Alsop

WASHINGTON, Jan. 7 — The scene was dramatic when the President addressed the joint session of Congress on Saturday and the President's words were grave and eloquent. And yet, when it was all over there was a certain feeling of anti-climax.

The reason is simple. The President's proposal was oversold before he spoke. It was advertised as a "new policy," a novel and remarkable "doctrine," and a "bold new program." In fact, what the President really seemed to be saying was:

"Look, something has to be done about the Middle East. Give me a free hand to do it—money and the authority to use force if I have to. I don't really know what it is that can be done, but I want to be able to do it when I know it."

This is neither a doctrine nor a policy nor a program. It is a request of Congress to sign in advance a very large, very blank check. To see how blank the check really is, consider the economic barrel of the President's double-barreled proposal. The economic aspect of the proposal has been described as a Middle Eastern equivalent of the Marshall Plan or the Greek-Turkish aid program. It is nothing of the sort, for the simple reason that nothing of the sort is possible in the Middle East.

In fact, if precedents are sought, the closest parallel is the Administration's request for an "area appropriation" of \$100 million to be spent, at the Administration's discretion in the area of South East Asia. The money

Spelling Contest Starts

Nearly 4,000 7th- and 8th-grade students in 83 schools will be competing soon in a four-county spelling contest which The Oregon Statesman and KSLM are glad to make available as a public service for the seventh consecutive year.

The contest appeared to meet general public acceptance right from the start, and each time the sponsors have felt it might have worn its usefulness, there have been new demands for its continuance. So, thanks to co-operating principals and teachers, here we go again!

Starting tomorrow, 20 words will be published each school day in The Statesman, for 40 days. It is hoped that teachers will use the words in their studies, but there is no compulsion about it. Each school may name its spelling champion in any way it chooses. Prime reason for publication of the words is to provide a day-to-day stimulus in a vital subject. For that reason, no composite lists will be available.

Thirteen schools have shared top honors (winning first, second or third place) in the first six years of the contest. Five schools have won such honors twice. Last year the top three places were shared by three counties—Marlene Nice of Willamina giving Yamhill County highest ranking, Terry Eichelberger of Clear Lake carrying second honors for Marion County and Gary Ford of Monmouth giving Polk County a good third.

It's an interesting contest, as anyone of the estimated 10,000 persons who have witnessed the public competition (semi-finals and Grand Finals) can attest. All such events, this year in March and early April, are open to the public without charge or collection of any kind. We hope the participants will be given the help and encouragement they so well deserve.

"Town Journal" Merged

Another magazine, once a favorite, has succumbed to competition and high publishing costs. This is the "Town Journal." It was better known under its former name of "The Pathfinder," though its format and content were greatly changed when it abandoned that name. The Pathfinder was originally a current events publication, very popular with students in upper grades and high school, and welcome in homes, too, for its accurate and fair condensation of news. Some years ago it was acquired by the Farm Journal, which is owned by the Pew interests of Philadelphia, and the name was changed to Town Journal. It was edited with special appeal to the town and small city audience, but just didn't make the economic grade. Now it is being merged with Farm Journal, one of the oldest farm publications in America which claims also to be the largest and most successful. Town Journal will not be greatly missed, but the old Pathfinder will.

No Purge for Powell

Adam C. Powell, the pastor of a big Harlem church who doubles as congressman, escaped a purge of his committee assignments when Congress reconvened, though it had been threatened. Powell deserted the Stevenson-Kefauver ticket because he felt Stevenson was too cautious on civil rights. Perhaps the reason he was not kicked out of the committee on which he held seniority was because a Southern congressman, John Bell Williams of Mississippi had bolted the Democratic ticket, too, and supported T. Coleman Andrews for President. The party couldn't very well oust Powell without giving the same treatment to Williams, and that the Southern party leaders wouldn't permit. Powell did lose out, though, in getting his choice on a new office suite—that went to Rep. Frank Chelf of Kentucky who had remained "loyal to the party."

While we regret that the inaugural ball for the incoming governor is being sponsored by the Democratic party organization instead of a civic group such as the Salem Chamber of Commerce, we don't think Republicans should boycott the affair on that account. Salem folk in particular, should join in welcoming Governor and Mrs. Holmes who come here as the state's First Citizens. Partisan differences should not blank out the social amenities.

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GRIN AND BEAR IT

By Lichty



... And don't bring up the subject of outrageous school taxes, Roscoe! ... The teachers might bring up the matter of outrageous children!

T SEEMS TO ME

(Continued from page one.)

returned from a trip to Europe for the foreign affairs committee. Since then Green has made trips to Europe and through Africa. Besides being the oldest member of the Congress he is probably the wealthiest — and a bachelor. No wonder he is termed "incredible."

One incident in Green's career, as reported in the Smith article, merits present reference. When he was governor he directed the amazing political blitzkrieg known in Rhode Island as the "bloodless revolution." Faced by entrenched Republicans in the Legislature and Supreme Court, Green broke the combine. The Legislature organized in 1935 with a Democratic House and Republicans claiming the Senate, 22 to 20, but his political associate, the lieutenant governor, refused to administer the oath to two Republican senators whose election was questioned, then broke the tie by his own vote on Senate organization. "Within twelve minutes the state government was transformed." The whole Supreme Court was ousted, a finance commission dismissed, also a public safety board and 80 commissions. The Legislature had authority to oust the judges (who were all Republicans). Green appointed three Democrats and two Republicans to seats on the bench.

That was 1935, and Democrats have ruled the roost in Little Rhode ever since. But this year it was the Supreme Court which saved the governorship for the incumbent Dennis J. Roberts. It ruled against the counting of certain absentee ballots which let Roberts squeak through to a narrow victory. The Republican candidate bowed to the decision of the court. The story is that it now comes out, however, is not reflecting much credit on Roberts. The 1953 law under which these absentee votes were cast was supported by Roberts who signed it after it was passed. He did not challenge the law in 1954 when he was reelected. This year, when it came to his advantage to have the law knocked out, he did challenge its constitutionality. Three of the five members of the Supreme Court, including one Republican, had been appointed to that body by Roberts.

To quote Joseph C. Harach, writing in the Christian Science Monitor, "To put it mildly, this is not playing the game in what might be called a sporting manner. This is a case of clinging to power by resort to extra-electoral procedure. Republicans can well contend that this is a case of changing the rules for the sake of winning."

Maybe the time is ripe for another "bloodless revolution" in Rhode Island, and the voters may effect it next year by "re-electing" Del Sesto, the Republican who was "counted out" by the Supreme Court.

Better English

By D. C. Williams

1. What is wrong with this sentence? "He would not own up that he had dropped the dollar in the basket."
2. What is the correct pronunciation of "pro rata"?
3. "Which one of these words is misspelled? Acetylene, acquittal, accelerate, acrehole."
4. What does the word "overt" mean?
5. What is a word beginning with fe that means "state of being happy"?

ANSWERS —
1. Say, "He would not ADMIT (or, CONFESS) that he had dropped the dollar INTO the basket."
2. Pronounce second word as rays, not as rahs.
3. Accelerate. 4. Public, viewable; evident. "Most of the officials were overt, but those who had something to hide were not."
5. Felicity.

Milk bottles are a fragile product. One milk bottle makes an average of 30 trips from the dairy to your doorstep.

Program Aids Children Slow In Learning

A special program for children particularly slow in learning the "3R's" is now available, according to Dr. A. Weston Niemela, director of special education for Salem schools.

Dr. Niemela, describing the program to the Parents Council at a meeting, said the program is designed for children who have short attention spans, are not behavior problems, who have no medical problem other than hyperactivity, and who may be expected to learn fourth grade reading by age fifteen.

About two thirds of those receiving special help go on to Junior high school, Dr. Niemela said, and one third of these continue on to senior high. Many pupils, he added, have abilities that compensate for their learning problems and most become successful citizens in their adult years.

The classes are limited to 15 children and are conducted with out ordinary grade designations. They are devoted to training in reading, writing, arithmetic, arts, crafts, and drill on the fundamental skills and habits used in adult life.

Dr. Niemela estimates that about two per cent of the average school population may find such a program valuable.

Mrs. Davis' Rites Planned

Services for Mrs. Sara Alice Davis, 82, who died Sunday in her home at 941 N. Cottage St., will be Wednesday at 1:30 p.m. in the Virgil T. Golden Chapel.

The Rev. Everett A. Barker will officiate and interment will be in City View Cemetery. Ritualistic services will be by Pythian Sisters.

Time Flies

FROM STATESMAN FILES

10 Years Ago
Jan. 8, 1947
Oregon 40 at 8, World War I veteran group, is winner of the organization's coveted Ferdinand G. Fraser membership award, Ira Pilcher, Salem, Oregon, Grand Chef de Gare, was informed.

25 Years Ago
Jan. 8, 1922
Hal E. Hoss, secretary of state, issued warrants totaling \$31,935 as the semi-annual payment to the Industrial Accident fund of principal and interest on funds borrowed for the erection of the state office building and the purchase of the state printing building, in Salem.

40 Years Ago
Jan. 8, 1917
Miss Dorothy Pearce left for Portland where she will study for several weeks with Mrs. Thomas Garlick Burke, a pianist. While in Portland Miss Pearce will be the guest of Mrs. Otto Krause.

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Five-Nation Hungarian Probe Eyed

By FRANCIS W. CARPENTER

UNITED NATIONS, N.Y., Jan. 7 (U) — The United States announced today it is proposing the creation of a special five-nation committee of the U.N. General Assembly to investigate the Hungarian situation.

This announcement was made by a delegation spokesman shortly after Secretary General Dag Hammarskjöld published a report to the assembly advocating the formation of a temporary committee to undertake such an investigation.

The Russian reaction to this type of committee was quick and definite. A Soviet source said "nyet" (no), added it would not help solve the Hungarian problem and made it clear the committee never would be permitted to get into Hungary.

The U.S. spokesman said the delegation is discussing with other delegations details of a proposed resolution establishing the committee. He said the Americans hope to have about 20 sponsors for the resolution when it comes before the assembly. The assembly is expected to be called to consider the Hungarian situation later this week.

Early in the Hungarian crisis, Hammarskjöld was asked to do what he could to end it, and to offer relief for the suffering Hungarians. He appointed three men to an investigatory group but in his report to the assembly he acknowledged the group had not been able to carry out its assignment.

Forest Neglect End Proposed

WASHINGTON, Jan. 7 (U) — A 10-year program to overcome the "long neglect of outdoor activity facilities" in the national forests was proposed today by Sen. Neuberger (D-Ore).

He labeled his program "Mission 67"—a takeoff on the "Mission 65" program announced by the administration last year to develop the National Park System. Neuberger was joined by Sens. Murray (D-Mont), Morse (D-Ore) and Clark (D-P) in introducing a bill directing the secretary of agriculture to make a comprehensive one-year study of national forest recreation needs. Based on this study, the secretary would present to Congress a 10-year program of forest improvement.

Mrs. Grimm, 82, Succumbs

Mrs. Minnie R. Grimm, 82, who came to Salem 42 years ago, died Monday in a Salem hospital of a stroke. She was a resident of 1083 N. Cottage St.

Mrs. Grimm was born May 10, 1874 in Rome, N. Y., as Minnie R. White. She married Charles A. Grimm on Jan. 24, 1894 in Rome, N. Y. Her husband was a carpenter before he retired.

Mrs. Grimm was a member of the Episcopal Church. Surviving are her husband, Charles A. Grimm, Salem; daughter, Mrs. J. P. Tobin, Seattle; two sons, Howard J. Grimm, Salem; Claude A. Grimm, Denver, Colo.; grandson, Harold R. Grimm, Salem, and three great-grandchildren.

Services will be Thursday at 10:30 a.m. in the Virgil T. Golden Chapel. The Rev. George H. Swift will officiate and interment will be in City View Cemetery.

Thieves Raid Home Of British Newsmen

BURNHAM, England, Jan. 7 (U) — A thief entered the home of Viscount and Viscountess Kemsley during the night and got away with jewelry worth 6,000 pounds—\$16,800—and a fur coat.

Viscount Kemsley is chairman of Kemsley Newspapers, Ltd., and editor in chief of the Sunday Times. The Kemsley chain includes three national Sunday papers, The Graphic, Empire News and Sunday Times, as well as a string of provincial evening and daily papers.

Geologist Says South Salem Bauxite May Be New Source of Area Industry

By ROBERT L. STEVENS

Staff Writer, The Statesman
Bauxite deposits in South Salem hills were tabbed Monday by Hollis M. Dole, director of the department of geology and mineral industries for Oregon, as a possible source of new industry in the Salem area.

Problems involving the development of the deposits, however, make exploitation difficult, added Dole, in a report to Salem Chamber of Commerce members at a luncheon in the Marion Hotel.

Bauxite is a mineral compound of aluminum and iron oxides necessary to production of aluminum. Problems confronting interested companies, as pointed out by Dole, are a low grade content of aluminum oxide in the Salem deposits, the necessity of a local processing plant of some proportion, the availability of enough tonnage to make the plant feasible and the acquisition of the property in which the deposits are located, some 1400 acres in the Liberty-Sunnyside-Rosedale district.

Ore in this area, Dole said, contains approximately 35 per cent aluminum oxide compared to Colorado deposits which average 50 per cent and above.

Explosion At Factory Fatal to 3

EMPORIUM, Pa., Jan. 7 (U) — An explosion that sounded like "tons of bombs" let go today in a dynamite factory, demolishing two buildings and damaging 18 more. Three men were killed and eight others were hurt.

The blast occurred in the mixing room of the Pennsylvania Powder Co. shortly after daybreak. The dead and injured were company employees.

A terrific force rumbled through this Northern Pennsylvania community of 3,500, shattering window glass and jarring buildings. Telephone and electric service was interrupted. Emporium is 85 miles southeast of Erie, Pa.

An Emporium store keeper told newsmen it "sounded like tons of bombs being dropped."

The blast was heard miles away. Windows were broken as far as a mile from the plant. Most of the powder buildings are surrounded by earthen bunkers as a protective measure.

The company employs 50 production workers and works three shifts. It could not be learned how many were on duty when the blast occurred.

C. L. Erickson, a chemist in the powder plant, said any knowledge of what caused the explosion, "went up with the men who died."

Jack Street Improvement Hearing Off

A Marion County Court hearing on improvement of Jack Street was postponed Monday to allow petitioners against the project to withdraw their objections.

Continued until Wednesday morning at 10 o'clock, the hearing involves a proposal to hard-surface Jack Street, located just outside the northwest city limits of Salem.

Three of the property owners petitioning against the project appeared in court to explain that they did not want to stop the project. The petition had remonstrated against the estimated cost of \$7.57 per lineal foot presented by the county engineer.

The group agreed to circulate a second petition withdrawing objections so that the improvements could be carried out. More than 50 per cent of the property owners had signed the original petition.

County engineer John Anderson pointed out that his office would insist that county standards be maintained on the project even if the work were done by private contractors. He referred to a bid of \$4.50 per foot for the job presented by a private contractor which does not include the cost of installing a drainage system.

Anderson also reported to the court that a proposal to close a portion of Bartlett Street in Silverton must come up for consideration before the court. The street is located partly within Silverton city limits but a portion is covered by Marion County regulations.

Bend Postal Receipts Up

BEND, Jan. 7 (U) — Bend's postal receipts for last year totaled \$139,529, postmaster Farley J. Elliott reports.

He said this was a record high total surpassing the figure of World War II camp Abbot days when thousands of soldiers were stationed near here.

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