

Oregon Statesman

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

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Business Lists Show Increases

We hear much about the plight of small business, and pleas are made for special government aid for such enterprises. A frequent charge is that big business is getting bigger at the expense of little business. It is true that big business keeps getting bigger, so do businesses in other categories, for unless a business grows it is apt soon to fade out. It is true also that many small businesses fold, for a variety of reasons. That goes on even in good times and of course is more noticeable in bad times.

Spite of the difficulties of meeting competition and surviving the dips in the economy small business continues to expand. That is true in our own area. For instance Dun & Bradstreet report that their most recent Reference Book, issued last November, lists 1271 business concerns in Salem as against 1223 the preceding year, a gain of 48. Eugene, which is reported as "hard hit" by the drop in lumber production showed an even greater gain, from 1417 to 1483. Even Roseburg, also in the lumber belt reported 530 business concerns in 1957 as compared with 492 in 1956. Corvallis and Albany showed gains of five each, Lebanon a loss of one.

The D & B Reference Book lists only manufacturers, wholesalers and retailers. It does not include some of the service and professional businesses such as barber shops, beauty shops, real estate and stock broker and accountants. It is the "business bible" for reference giving the history, nature and credit rating of each business listed. Its testimony then as far as business in this region is concerned is that the number of business units is increasing, and it is safe to assume that most of the increase is in small business. The spirit of enterprise is still very much alive.

Gavin Resigns High Army Post

The announcement by Lt. Gen. James M. Gavin to retire from the Army next March has created quite a stir in military and political circles. Gavin has been chief for Army missile research and development. In testimony before the Senate subcommittee on preparedness he was critical of our military organization. He was unhappy over lack of progress in missile development, and recommended changes in the Joint Chiefs of Staff rank of duty.

His announcement provoked questions on whether he had been disciplined or denied promotion for speaking his mind. Gavin's own explanation was that he was dissatisfied with the way the Pentagon system works, felt frustrated in his work, and believed he could do more good on the outside than on the inside.

Members of Congress expressed regret that the Army would lose Gavin, and some voiced the hope he would reconsider and stay. Gavin will complete 30 years of Army service in March and can retire at age 51. It does seem too bad to lose the services of a man of Gavin's capacity. And it would be worse if he has been abused by his superiors for

speaking his mind. But judgment as to the system will require thorough testing rather than acceptance of one man's view. Admiral Burke, chief of staff of the Navy, has spoken up vigorously in defense of the Joint Chiefs organization as against a single overall head. So there probably are many sides to the question—three, at least. Army, Navy, Air Force. We wait with interest what an old Army man will say on the subject next Thursday—President Eisenhower.

Paper Mills For Oregon

One of the best prospects for early industrial expansion in Oregon is in the manufacture of pulp and paper. We have the largest stores of timber, the principal ingredient of pulp from which paper is made, and at proper locations an abundance of water and electric energy. Some such projects are being made ready for production—a kraft paper mill set up by Georgia-Pacific at Toledo, and an insulating board mill near Klamath Falls, by Johns Manville Corporation, which will use jack pine of the high plateau for raw material.

Other projects are hanging fire. International Paper Co. which bought Long-Bell, definitely plans to erect one or two mills in Oregon, and communities from Reedsport to Klamath Falls via Roseburg and Grants Pass are bidding for site selection. Powell River Paper Co., which now controls Brooks-Scanlon of Bend, has been studying possible locations for a pulp-paper operation, but has announced no choice. Bend is hopeful that the plant will be located in its vicinity.

At present there is some over-capacity in paper manufacture, also in the production of cellulose pulp for rayon. But such is the steady growth in demand for paper products there is no alarm over the present surplus capacity. It takes about two years to erect a plant and iron out its bugs, so corporate interests study prospects for the future not the present. It is the long range view for instance which prompts Crown Zellerbach to bargain with Newfoundland for timber for a newsprint mill there. It figures the present over-supply of newsprint is temporary and expects to find a market in the eastern part of the country for the output of a Newfoundland mill.

Oregon communities are a bit impatient, but decisions will be announced before long on pending projects, and others will spring up to take care of the growing needs of an increasing population.

Another round in the perennial battle between sports and commercial fishing interests is shaping up. Sports fishermen are urging closure of the Columbia for commercial fishing in February to allow more steelhead to escape the gill nets. They would like to have steelhead declared a game fish, but the gear can't well separate salmon from steelhead. Commercial fishermen want no February closure. The decision rests with the fisheries authorities in Oregon and Washington. Having won closure of coast streams south of the Columbia for commercial fishing, the sports fishermen might well rest on their spinners for awhile.

That the money market was not prepared for the cut in the rediscount rate by the federal reserve bank, was indicated by the course of the bond market after it was announced. In its review of the year the investment house of Halsey, Stuart & Co. says of the tax-exempt bond market: "Not only did it see the highest yields in many years but in its last two months it developed the most rapid and extensive price advance in the memory of market veterans." This proves another thing: there was no "leak" from the FRB in advance of its ruling. In circumspect Britain there was suspicion that private bankers had profited from advance knowledge of a change in the Bank of England's rate.

GRIN AND BEAR IT By Lichty



"I shall continue to promise the voters lower taxes, gentlemen! ... In my opinion scientific developments haven't changed the facts of political science! ..."

Comes the Dawn

What would you call that man-bearing rocket the Russians were reported to have teed off into space? A guided mister? And if the report is true where in all of Moscow did they find a man whose wife would let him take a 200-mile joy-ride without taking her and the kids along? And if it was a business trip did he have to fill out an expense account? And if he went up in three stages, did he come down all at once? But now Russia says she didn't blast any of her citizens into the wild blue yonder and Congress is going to investigate which may end in somebody firing somebody, after all.

Bob Schwartz, Statesman sports writer, is a big man. Big enough to spread all over the country. Which is exactly what happened. Bob and John Erickson, Statesman photographer, decided they wanted to try something new in the way of New Year's baby pictures. So Bob, who weighs about 310 pounds drip dry on anybody's baby scales, posed in an oversized diaper, derby, cigar and a big chest banner urging everybody to have a happy new year. Papers from California to Washington, D. C., used the photo, according to clippings sent to Baby Bob.

And speaking of signs, there is a big one in the postoffice lobby. It is right at the bottom of the stairs leading to where the Internal Revenue Office used to be. The big sign says the Internal Revenue Bureau has moved to North Cottage street. But everyday, these days, lots of people carefully make their way around the sign and go on up the stairs vainly searching for the Bureau of Internal Revenue. "If we made that sign any bigger," said Postmaster Al Gragg, "we'd block off the stairs entirely."

It's an ill year that doesn't blow up some good for somebody. Take C. A. McClure, senior planner engineer of the Mid-Willamette Valley Planning Commission. The new year brought with it an extra \$25. Turned out that Mac won a national contest—25 words on why he liked a certain kind of tracing paper. He said he's forgotten just what his winning literary effort was, but he hasn't forgotten what to do with \$25.

If you've been troubled by slow cows on Highway 22 between Mehama and Mill City, don't come running to the sheriff's office about it. They'll only tell you to drive with caution. Because, according to state law, that area is designated as open range and those contented cows have the right of way.

IT SEEMS TO ME

(Continued from page 1.)

—a series of parachutes for the descent—though they were concerned about temperature control as a man shot through the cold of remote regions, and oxygen supply.

The implications of such an achievement gave shivers to earthbound mortals in the USA. Visions of space-platforms arose, giving Big Brother (of George Orwell's "1984") commanding visibility and control of human events. "Say it ain't so, Mister," was the reaction of the man-in-the-street. And he got a feeling of relief when the tale failed of verification.

And yet ... and yet ... if they can start a dog orbiting in space around the earth, can they not also get a man to ride a rocket into the wild, blue yonder? As a matter of fact, the United States has men who are preparing for space flights. The reputation of the Moscow story dredged up by "foreigners" may be only a brief reprieve. There may even have been some basis for the report, such as attempts which failed of plans for such an attempted flight or an "Orson Welles" radio broadcast. Talk about trips to the moon are frequent nowadays. Our officials have denied we are in a moon race; but we better not be too slow getting our basketballs into orbit.

As for man's unwillingness to make the venture, that will not delay the attempt. One recalls how many lives were lost in those trans-Pacific flights from America to Hawaii, and how man finally succeeded in making the crossing which now has become commonplace. Men will make the try, though none will be sent aloft without great confidence in his safe return. Doubtless it is the safety factor which holds up such rocketry in Russia as well as the United States.

The Moscow yarn was, so it now appears, a one-day sensation and cause for alarm. But day after tomorrow ... or the day after that ... Rocket experts are confident that it is only a matter of time until travel by rocket will be both possible and safe. The rumor from Moscow was a forecast of the probable; only the timing was wrong.

Boy Arrested On Burglary Count

A 16-year-old Salem boy was arrested on a charge of burglary Tuesday by city detectives and was turned over to Marion County juvenile department. Police said the charge involves theft of a 38-caliber pistol from Green's Sporting Goods store, 139 Commercial St. SE, on Nov. 10. A report a youth was trying to sell a pistol at school led to the arrest, police said.

Medical Internship Okehd

(Story also on page 1)

A medical internship program at Salem Memorial Hospital with assistance from state institutions was approved Tuesday by the State Board of Control.

The program will provide five interns, doctors just out of medical school, with two years of on-the-job training.

The doctors will be rotated, two at a time, to the State Hospital, Fairview Home and possibly the State Tuberculosis Hospital, thus supplementing their learning at Salem Memorial with knowledge of psychiatry, pediatrics and chest surgery.

Each intern will spend one month at each institution, according to Dr. William L. Lidbeck, who presented the program to the board of control. Dr. Lidbeck is chairman of the Salem Memorial Hospital internship committee.

Weekly Visits
Dr. Lidbeck said that weekly visits to surgery at the TB hospital would be sufficient if a longer period would not fit in the program at this institution.

Interns will receive a salary of about \$216 during their month at each institution. Total salary cost to the institutions during the first year of internship program will be about \$2,000. Intern salary at Salem Memorial Hospital will also be \$216 a month. Dr. Lidbeck said. Unfilled positions at the state hospital and allied institutions have resulted in a \$60,000 excess in the salary fund, it was reported to the board. Among positions which have been hard to fill are those which require graduate nurses, occupational therapists, some aids and physicians.

Program Praised
Dr. Irvin B. Hill, superintendent of Fairview Home, praised the intern program as something which will "strengthen the entire medical program of Salem."

He added that the intern program would provide much needed help at his institution and act as a recruiting measure for hospital staff.

Dr. Dean K. Brooks, superintendent of the State Hospital, said the intern program would be a "tremendous link between ourselves (the state hospital) and medical circles on the outside." "This," he added, "we don't often have."

At present the State Hospital is the only hospital in Salem with a resident training program.

Time Flies

FROM STATESMAN FILES

10 Years Ago
Jan. 8, 1948

Spreading flood waters forced several thousand Willamette valley residents from their homes, claimed one life and closed several major highways. Steady rain continued to swell surging streams. Lane County appeared the hardest hit area.

Closing of the Salem-West Salem highway bridge was imminent this morning, as the Willamette river reached Edgewater street in West Salem and neared the west end of the bridge. The river showed the river level just over 28 feet.

25 Years Ago
Jan. 8, 1923

The largest crowd to attend the current session of the legislature turned out when 300 "hunger marchers" took places of honor at a special joint session held in their behalf. Assembling in downtown Salem after a "Mulligan" stew contributed by townspeople and farmers, the mass moved on the capital.

With the special legislature out of the way, the 37th regular session of the Oregon Legislature went to work.

40 Years Ago
Jan. 8, 1918

Born to Mr. and Mrs. C. W. Niemeyer, a son, weight 8 pounds. The baby has been named Charles William. Mrs. Niemeyer will be remembered as Miss Blanche Liston.

The last of a series of dinners, teas and dances which has been held for the college and school folk during the holiday season was given by Miss Gertrude East. A few of the guests were: Ila Spaulding, Grace Young, Carolyn East, Olga Gray, High Kyle, George Croisan, Lewis Griffith and Richard Slater.

Better English

By D. C. WILLIAMS

1. What is wrong with this sentence? "The reason they got married right away is because they had fell deeply in love."

2. What is the correct pronunciation of "bamboo"?

3. Which one of these words is misspelled? Recompense, recommendation, recognition, retribution?

4. What does the word "dis-assertion" mean?

5. What is a word beginning with qu that means "idealistic, but impractical"?

ANSWERS
1. Say, "The reason they WERE married AT ONCE is THAT they had FALLEN deeply in love." 2. Accent second syllable, not the first. 3. Recommendation. 4. An essay; thesis. "The prosor is writing a dissertation on the habits of the eagle." 5. Quixotic.

Banker Explains How Oregon Economy Hit by Tight Money

A slowdown in home construction in the United States caused mainly by tight money was blamed yesterday for bringing on Oregon's economic slump.

H. M. Phillips, vice president and investment director of the First National Bank of Portland, spoke to members of Salem Kiwanis Club on "Oregon—Today and Tomorrow."

Home construction accounts for three-quarters of Oregon's lumber output, and less construction means less lumber sold, he pointed out.

Phillips predicted that the westward shift in population would gradually bolster Oregon's prosperity.

Despite the slump he expressed satisfaction in the state's lumber field, pointing to steps being taken to provide sustained forest yields and more efficient use of waste products. Oregon also has good water and power resources and a stable dependable labor market, he said.

To off-set the "banana republic" effects of a one-industry state, Phillips urged more work to bring in industrial expansion.

"We need an operating environment, laws and fair and equitable

tax structure," he said, "of interest to business."

He blamed taxes—which take nearly one-third of the state's individual income—for a part in the recession.

The lumber industry provides \$1 1/4 billion of the state's \$3 1/4 billion yearly income, he said, and when it suffers, so does Oregon.

National fiscal policy, as expressed by the Federal Reserve System, and the high debt level have tightened credit and made home financing more difficult and more unattractive to investors, he said.

More and more individuals are against going further into debt to build, he added.

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Designers of Tax Bill Unlikely To Cut Federal Tax This Year

By CONGRESSIONAL
QUARTERLY

WASHINGTON, Jan. 7.—Meet
Rep. Wilbur D. Mills (D-
Ark.)—the one-time treasury law-
yer who now runs the Congress-
ional committee that designs
your tax bill.

Face to face, Mills looks like
a studious man, but one who
might have played football in
his younger days. He is 48,
stands a compact five feet eight
and weighs 160 pounds. He is
studious, but his football career
has been limited to "spectator-
ing," especially the professional
Washington Redskins.

His studiousness since he re-
ported to the House of Repre-
sentatives in 1939 from Arkan-
sas' 2nd District has won him
the respect of his Congressional
colleagues—particularly on
complicated tax matters. He
also is one of the key advisers
to Speaker Sam Rayburn (D-
Texas). Many predict he will
get the Speakership when "Mr.
Sam" steps down.

Mills' own explanation for
doing his homework runs like
this: "Members of Congress
are fair but stern judges of each
other. After you've been here a
while, you're labeled as either
knowing your subject or not
knowing it. I've sought to know
my subject."

As Congress reconvenes to-
day, he will be in the best posi-
tion to put his knowledge about
taxes into practice. As the new
chairman of Ways and Means
—the committee that handles
legislation to raise money—
Mills begins a study of tax loop-
holes. He succeeds Rep. Jere
Cooper (D-Tenn.) who died
Dec. 18.

Ways and Means is the birth-
place for revenue laws—taxes,
tariffs and social security. The
committee hammers out a bill

and sends it to the floor for a
vote. Or it dooms a revenue
proposal by deciding to shelve
it. The chairman has the most
to say about what shall be done.
This power over pocketbook
bills—the ones closest to a pol-
itician's heart—makes the Ways
and Means Committee chair-
man part of the ruling trium-
virate of the House. The other
two "rulers" are the speaker
and the chairman of the Rules
Committee—the traffic cop who
directs the flow of bills to the
floor.

What will Mills do in his new
post? His record offers several
clues.
First off, don't look for a tax
cut in 1958 unless the economy
nose-dives. He believes an ex-
traordinary government col-
lects should go toward reduc-
ing its debt. But he believes if
such federal remedies as eas-
ing credit controls "should prove
inadequate to prevent a con-
tinuing decline in employment
and output, general tax reduc-
tion should be provided."

His concern over the size of
the federal debt also all but
rules out a reduction in taxes
on small or big business this
year.
Mills strongly believes that
"the amount of tax an individ-
ual pays should not depend on
the source of his income but
only on the amount of his in-
come." This philosophy eventual-
ly could bring an end to the
current tax immunity of divi-
dends from local and state
bonds and lead to a tightening
of the tax laws concerning cap-
ital gains and depletion allow-
ances.

On depletion allowances, a
sacred cow in Congress, Mills
says "there is justification for
tax treatment which recognizes
that the taxpayer is selling a
thing that is depleting at all

times" but questions "whether
or not the present tax provi-
sions (regarding depletion al-
lowances) are what they should
be." Currently, an oil producer
under depletion allowances rules
can subtract as much as 27%
per cent from his gross income
when figuring out his income
tax bill.
Ultimately, Mills would like
to see both the minimum and
maximum income tax rates re-
duced. He contends the mini-
mum 20 per cent rate lumps
too many families of varying
incomes together while the 91
per cent rate is so high that it
drives taxpayers to "make de-
termined efforts to obtain pre-
ferential treatment for various
types of income and expenses."

As for bills to increase the
size of social security checks,
Mills in general is for liberal-
izing the law as long as any new
proposals provide ways to pay
for the additional benefits.

The hottest item on Mills'
committee agenda for 1958 is
reciprocal trade. The question
is whether the President's au-
thority to negotiate tariff reduc-
tions with foreign countries
should be extended beyond the
June 30 expiration date. Tariff
reductions, say proponents, stimu-
late trade. Those fighting the
extension say the resulting flow
of imports hurts domestic in-
dustry. Mills will fight for ex-
tension of presidential authori-
ty.

But pressure from protection-
ists against reciprocal trade ex-
tension will be enough to make
anybody in the Ways and Means
Chairmanship squirm. In addi-
tion, there is always the polit-
ical heat to cut taxes.
Understandably, 1958 will find
the new chairman looking more
and more at a plaque on his of-
fice wall that reads "relax."

(Copyright 1958
Congressional Quarterly)