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"No Favor Sways Us; No Fear Shall Awe"
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Plight of President

General Motors refused to accept the recommendation of President Truman's fact-finding board. U. S. Steel has rejected the president's own compromise proposal. Thus the president, having attempted in the public interest to settle these grave disputes, is baffled.

It is just too bad that a president has to intervene to try to keep order in the industrial household. His is a political office. It is his duty to execute laws enacted by the congress. When it comes to intervention in private controversies over wages he is almost powerless, except for the high prestige of his office. Failure in his effort weakens that prestige.

Roosevelt got panicky both in the coal strike and the threatened railroad strike. Rather than fight out the issue on lines laid down by his own appointed boards he yielded to the union demands. That was wartime and the country could not suffer a coal or railroad strike. Now it is different. We can't afford these strikes; but with the war over the president is almost helpless. Still he is under constant pressure to "do something to end these strikes."

By intervening the president exposes himself to failure and to public reproach, even though he is devoid of real powers. Yet the damage to the public interest from a strike of the critical importance of a steel strike impels him to run the risk. We can feel sorry for Mr. Truman who is caught thus in the breakup of the war economy. Eager to serve his country he is defeated in his efforts. Like Herbert Hoover he is almost overwhelmed by storms breaking over his head, for which he is not responsible. He can do little now but stand aside and watch the titans of labor and capital collide and maneuver in bitter conflict,—he and the American people.

Bases in the Pacific

Comments the Astorian-Budget:

> President Truman discussing the future of Japanese islands seized by American forces in the war, said that we will keep those which we consider essential to our national security. This is common sense. We learned in this past war that it is militarily impossible to hold an isolated territory like the Philippine islands without intermediate bases to consolidate a line of communications.

It was not lack of intermediate bases leading up to the Philippines which caused their loss, but lack of strength on the islands themselves. Speaking strictly from a military standpoint there is danger in too much extension of military strength. We might easily dissipate our power by dispersing it through many island bases in the Pacific. We learned in this war the magnitude of the investment required to provide an adequate base for navy, air or army operations. Better to have a few strong bases and maintain them properly than to scatter our weight around the atolls of the Pacific.

Consideration also must be given the new type of warfare. Airplanes can jump over or bomb out bases. Rockets can do the same. One or two atom bombs could repeat the catastrophe of Pearl Harbor. Before we engage too freely in island-grabbing we need to study the whole military situation in the light of present realities and future probabilities.

Firing the Political Boiler

Since the first of the year the politicos are putting some fire under the boiler. In Marion county Douglas McKay and Allan Carson, home from the wars, say they will be candidates to succeed themselves, having taken "time out" of politics to join the army. A contest is shaping up for the Linn-Lane joint senatorial district. Charlie Childs, former Linn county senator, has filed for the republican nomination. Angus Gibson, incumbent, says he will run again. Meantime Orval Thompson, former representative from Linn county, also home from the war, has filed for the Linn county senatorship. Veteran Dr. J. C. Booth of Lebanon is counted as a probable candidate to succeed himself. Nothing has been heard from Yamhill county where Senator Burke's term is up this year. There was talk that Eugene Marsh, speaker of the house, would run for the senate. Venerable H. C. Wheeler of Lane county, told his colleagues at the last session that he would not run again. Truman Chase, now representative, is a likely contender for the office.

On higher levels Governor Snell keeps his silence; but politically wise folk regard the silence as eloquence—that within a few weeks he will announce his candidacy for reelection. Then Bob Farrell will follow with announcement that he will again seek the office of secretary of state.

Not having seen one of the new Franklin D. Roosevelt dimes yet, we cannot report whether it carries the old phrase, "In God We Trust."

Soldier demonstrations are doing no good for the army plan of a single department of national defense. Navymen can point a finger and say: See how things are run in the army.

The first Roosevelt dime we get we shall send to Claude Ingalls of the Corvallis G-T. He can keep it as a pocket-piece in memory of the man who supplied him with more material for editorial copy than any one else.

The La Grande Observer in a headline says "Police Hopeless in Kidnap Investigation." Who would they have conduct it then, the tax collector?

Budget Balance

Tomorrow, if senators will suspend their filibustering tactics over the FEPC bill, the president's message will be received in the congress and read. It will be a two-in-one document, one on the "state of the union" and the other the budget message. Advance stories carry information that the president is shooting for a near-balance in the next budget. If he does, and congress doesn't shoot the works in the way of spending, and if government revenues do not fall below estimates, the country may get in sight of financial regularity which has been askew for a decade and a half.

Speaking at Asheville, N. C. last week Comptroller General Lindsay C. Warren laid out a program for getting the country out of its present "financial morass." He proposed that the government trim its sails and bring national spending below income; that public officials make a public dollar go as far in purchasing power as a private dollar; and that congress should "revitalize its power over the purse." Those are good points. The ones to sharpen them so they will command attention are the people themselves. If the people insist on financial soundness in government and refrain from ganging up to plunder the treasury, then congress and executive officials will respond. Lacking that support even the president himself can't bring order out of the mess.

Call for Mr. Hitler

A Washington AP dispatch Saturday on the legislative fight over the fair employment practices bill contains this:

> Senator Maybank, Democrat of South Carolina, who has promised to help the filibuster, later told reporters that the public would not approve the bill if it really understood it.
>
> "Some people think it is just a Negro bill, but it also applies to Jews and Catholics," Maybank said.

So it does, does it? Prejudice will out!

Henry Kaiser will be the favorite employer of U. S. labor and a maverick in the eyes of industrialists because he has signed up both with the autoworkers' union and the steelworkers' union. This permits him to keep his auto and steel plants going, and get a lot of publicity to boot. But it may build up some resentments which he will feel a few years hence when the sharp knife of big time competition starts pressing between his shoulder-blades. Wall street may even be calling him "scab."

Navy Hasn't Given Up Merger Battle

By the World Staff of the Associated Press

WASHINGTON—The navy hasn't given up the battle against merger with the army, despite President Truman's espousal of the plan. Latest scheme, reportedly backed by Secretary of the Navy Forrestal, is to have opponents of the merger bill demand that it be considered by the senate naval affairs committee after the military committee acts. This would give navy a favorable background for a last-ditch rebuttal.

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Civilians may get more Pullman space within a few weeks. The railroads are receiving about 30 new sleeping cars a day. But this doesn't mean a return to normalcy by a long shot. Military demands to move troops returning from overseas will continue high for some time. What's more, there still are some 400,000 prisoners of war in this country who are yet to be moved.

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House members who have been clamoring for economy in government may have an opportunity soon to practice their preachings. First of the regular departmental appropriations bills of 1946 will hit the house floor within a matter of days and will afford a test of just how far the house wants to go in cutting funds of federal agencies.

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It looks like tough season for trout and other game fish—toughest since prewar days, says the fish and wildlife service. The 1946 army of fishermen, augmented by many thousands of returned veterans, will be the biggest in years.

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James A. Farley still keeps up a tremendous correspondence, a habit that paid him big dividends when he was running the Franklin D. Roosevelt campaigns. It may come in handy too if Big Jim decides to run for democratic nomination for the senate or the New York governorship. Farley received 15,000 Christmas cards.

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The armed forces apparently are having far more trouble writing about rockets than they had in using them as payoff weapons of the war. For at least three months now, military and civilian scientists have been hashing over the preparation of a release on the part played by the whizzers during combat. But the latest word is that the rocket story won't zoom into view until around mid-February.

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If you've been wondering why you can't always get your favorite soft drink, here are some figures from the American Bottlers of Carbonated Beverages: Over-all supply, because of the sugar shortage, is about half the prewar total. Retail food stores are getting about 50 per cent; drug stores, soda fountains, etc., around 35 per cent. About 15 per cent is going to industrial plants, hospitals and other institutions. An amount equal to about 10 per cent of the civilian supply is being distributed to military and naval establishments. This is possible through extra sugar allotments provided by OPA.

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The GIs Seem to Be Wild About Sec. Patterson

The Literary Guidepost

By W. G. ROGERS

FRENCH LITERATURE AND ITS MASTERS, by George Saintsbury, edited by Huntington Cairns (Knopf; $3).

The great English critic, who died in 1933, wrote the 12 articles in this book for the Encyclopaedia Britannica; the subjects are Joinville, Rabelais, Montaigne, Corneille, Mme. de Sevigne, Racine, Montesquieu, Voltaire, Rousseau, Balzac, Gautier and "French Literature From the Beginning to 1900."

"As a systematic expositor of French literature to the English people," Cairns says in the introduction, "Saintsbury was without a peer." Considering the pains with which that statement is qualified by the prudent editor, that isn't very high praise, not so high, indeed, as the contents of some of these papers would justify.

He could be harsh, perhaps too harsh in the case of Voltaire, for example, but he could write memorable phrases: "Not the most elaborate work of Voltaire is of much value for matter; but not the very slightest work of Voltaire is devoid of value in form." This was his stricture on the temperamental Rousseau: "equally indignant at neglect and intolerant of attention."

But he was guided by unimpeachable critical standards and Cairns emphasizes that he "cannot find that he ever deviated from them."

If you think you need only turn to your Britannica to read these, and so can do without the book, you are perhaps mistaken. These essays are reprinted from the 11th edition. The index to the 14th credits Saintsbury with only three of them: Balzac, Gautier and Merimee. Parts of the others are there, but they are cut, in some cases sharply as if in today's world the literary masters of yesterday's world had lost some of their importance.

THE VETERAN AND HIS JOB: A GUIDEBOOK FOR THE VETERAN, by James H. Bedford (Society for Occupational Research; $3.50).

This looks like a dependable guide covering a wide field. After telling the veteran his legal rights and advising him how to analyze his capabilities, the book discusses possibilities in the professions, building, business, industry, agriculture and so on.

News Behind the News

By PAUL MALLON

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WASHINGTON, Jan. 19—Confidential canvassers have found congress in almost total disagreement as to what will be done about strikes and the unions.

Twenty of the men, best placed to know, gave 20 differing private predictions. Many said from the first the steel strike would be settled, then autos, then the big others; whereupon interest would die, while congress argued without decision until after their election next November.

Paul Mallon

Others did not believe congress could longer buck the problem and expected various union-curbing enactments. But Mr. Truman had told his leaders privately he would veto anything which might be called an anti-union law.

Surely nothing opposed by the unions could get two-thirds majority necessary to pass over such a veto. The confused and confusing predictions, in the last analysis, therefore, appeared to add up to just about the same total—nothing, or little-or-nothing.

Escape Hatch Planned

A nice, neat hole in the wall is quite evidently being dug, through which all may escape. A commentator or two started it with toothpicks, but behind them some congressmen are ready with drills.

This is a proposal to cut the Truman fact-finding bill down to fact-finding alone. It would be stripped of its power of subpoena, to which General Motors objects, and the cooling-off period of 30 days before strikes, to which the union objects. Just pass a law letting the president appoint commissions to find facts.

The only trouble about this escape is too many people can see the hole. It might be better to go brazenly out the window, or keep arguing interminably in hopes everyone will forget the whole matter.

Nothing New Proposed

Such legislation simply proposes what already has been done without legislation. Mr. Truman has established precisely that kind of fact-finding. General Motors walked out on it.

The steel union planned a strike against it (the fact-finding report was due February 10 and the strike was called for February 14), delaying only for direct negotiations, which Mr. Truman took into the White House, before his fact-finding commission could report.

The question raised by such a permanent fact-finding law is: Would anyone ever show up for the hearings? To handle the problem that way would be like waving back a windstorm with a feather.

Trouble Looms Ahead

If congressional leaders try to push their boys through this hole, there will of course be trouble. The labor committees of both houses are closely controlled by the unions. Nothing can escape them, which is opposed by the unions, or nothing ever has.

On the open senate and house floors, however, their bill would be open to amendment by the attachment of every possible solution every congressman has proposed. The problem of Mr. Truman's leaders will then be to prevent any important action, and they are likely to wind up with conflicting bills from the two houses.

Need Long-Range Glasses

Certainly anyone looking for solutions from congress must wear long range glasses, and anyone looking toward consideration of the fundamentals of the problem, will have to look hard. The plain fundamentals are these:

The unions have developed their strike technique to the point where they can tie up the nation any night. A simultaneous strike in telephones, telegraph and radio alone would nearly do it.

Add electrical power house workers, and you can see what four unions could do to the country. Add not the big railroads but the teamsters who merely handle all freight in the cities, elevator operators and bus drivers, and you have the obliterative possibilities of a general strike from only a few unions.

I have mentioned only a few of the strikes which have already been called in this campaign, but not yet simultaneously.

In this campaign, the unions, by rather clever timing of local strikes to keep pressure on the White House (first buses, then telephones without real issue in either), and by preliminary and bolstering strikes in other cities, have used their new power to get an unprecedented wage increase which will average above 18 per cent, a figure representing just about what they expected to get from their demands for 30 per cent. (Mr. Truman is supposed privately from the first to have favored 20 per cent).

The surprising development, in aftermath, will be that the companies, one by one, were able to stand up in opposition as well as they did, without help either from government or public.

These are the fundamental truths which will survive the weak-kneed, gloss-over confusions of fact now current as an indispensible part of all labor conflicts.

Practical Religion

—by Rev. John L. Knight, Jr., Counselor on Religious Life, Willamette university.

It was Alfred Tonnelle who once said: "The artist does not see things as they are, but as he is." Certainly this is true. The musician projects himself into his music, the painter into his paintings, the writer into his writings.

So it is with life itself. Life consists primarily of one's interpretation of the facts and events which present themselves. The same fact or event may be interpreted by different individuals in different ways. The difference lies essentially in the type of self that one projects into the situation. Life, then, consists not so much of what circumstances bring, but of what we are.

GRIN AND BEAR IT By Lichty

"—And guess what! —I've got a maid now —I only do the rough work."

IT SEEMS TO ME

(Continued From Page 1)

approved by him. The plan looks to the dissolution of the Portland Electric Power company and continuation of two separate operating utilities, Portland General Electric company and Portland Traction company, each of which is in good financial health.

That anything substantial has been salvaged for the preference and preferred stockholders is due very largely to the work of the independent trustees, R. L. Clark and Tom Delzell. From the beginning of their labors in 1939 they sought to protect the interests of security-holders and to rescue as much as they could for stockholders after meeting the prior claim of the bondholders. True, the war-born prosperity helped the operating companies, restoring earnings to give value to assets, but even so it was a hard and almost a lone fight which Delzell and Clark waged to gain recognition of values so that claims of stockholders could be considered. Their efforts were complicated by the fact that they had no control over the electric or traction companies. Guaranty Trust company of New York, as trustee for the bondholders, exercised its rights under the bond indenture to vote the stock of the companies and name their directors. Guaranty Trust was interested only in the bondholders. Its plan of reorganization froze out the first preferred entirely and left little for the prior preference stockholders. If their plan had prevailed these valuable properties would have gone to the bondholders. Under the trustees' plan the bondholder claims are satisfied, also those of prior preference stockholders.

Adding to their difficulties was the relation between PGE and the Bonneville administration. Bonneville was anxious to buy the property, and the distraught officers felt that perhaps they should sell. At one point a deal was on by which Bonneville was to get an option on PGE for around $55,000,000, although Bonneville had no legal authority to buy the property and no money with which to pay for it. The club which Bonneville held was the expiring short-term contract of PGE for Bonneville power. Having ceased its own development of hydro-electric power when Bonneville was ordered built, PGE was dependent on Bonneville for energy to serve its customers. In this critical situation, Clark as independent trustee was called to a conference to sign a contract giving that option in renewing the contract for power. Delzell, his fellow trustee, and Ralph King, their attorney, were in the east. Clark had to make the decision. He went to the meeting, and told the conferees:

"Gentlemen, I have to go down to my ranch in Coos county and am leaving now. I do not think Dr. Raver will turn off the electric current for Portland."

He left, went down to his ranch. The contract was not signed; the switch was never pulled, and never has been pulled though service is on a day-to-day basis.

At $55,000,000, the price proposed, after deducting bonded and note debt of over $45,000,000, the equity for the stock of PGE, which was the principal asset of the holding company, would have been only around $10,000,000. Under the plan the SEC has now approved, the equity value, or value given to the common stock, is around $29,000,000.

When the trustees took over, the only operating property they had was the interurban railroad running out from Portland. It was losing money. A proposition was to scrap a considerable portion of it. When protests came to Public Utilities Commissioner Bean plans were worked out for continuing operations. Operating changes were made. Later war conditions increased its business and some track was relaid. The trustees received no money from PGE or the Portland Traction company but the interurban properties were operated so they paid all the expenses of the trusteeship and accumulated cash of around $700,000.

The key which really unlocked the door for the trustees (and the Pepco stockholders) was the settlement with Chase National bank of New York. The trustees, probing into the financial high-jacking under the A. E. Peirce regime, found the trail led to Chase National or its underwriting affiliate. Suit was instituted to recover large sums from Chase. The bank finally made a settlement in which it paid substantial sums to the trustees and agreed to a refinancing of PGE under which large sums are being saved in interest. This came the day after SEC had approved Guaranty Trust's plan of reorganization which turned over most of assets to the bondholders. When the settlement with Chase was made, SEC saw that the situation had changed and withdrew its approval of the Guaranty plan.

In the latter phase of negotiations Public Utilities Commissioner George H. Flagg was very helpful in supporting before the SEC the soundness of values urged by the trustees.

The total valuation for PGE common stock, Portland Traction company, with cash on hand, as allowed by the SEC, is a little over $40,000,000—which is a long way from the $14,000,000 which government "experts" talked about when Clark and Delzell began their battle.

According to the reorganization plan, holders of the 1934 bonds will get for each $1000 bond $220 in cash; 41.5 shares of PGE common stock; 25 shares of PTC stock. Prior preference stockholders will get for each share of stock 5⅓ shares of PGE common stock and 3.2 shares of PTC stock. Holders of first preferred in Pepco will get .23 shares of PGE stock; ⅛th of a share of PTC stock. The rough estimate placed on value of these stocks issued in exchange is $30.50 per share for the PGE stock and $10.40 per share for the Portland Traction stock.

The regrettable fact is that the original investors, many of them, will not share in this restoration of value. Worried and discouraged and some of them needy, they sold their stock in the dark days and the more that was sold the more the market price sagged. The "smart" traders have been getting a free ride up the price escalator.

Who are the trustees who have carried on this battle? R. L. Clark is not a utility man at all. He runs a livestock commission firm at the Portland Union stockyards and is well known to livestock men over the state. He supplied the good business judgment of a layman, plus an abundance of courage in the pinches. Tom Delzell is experienced in utility affairs. He was connected with Copco for many years and later was on the staff of the public utilities commissioner. His knowledge of practical utility operations and his thoroughness in working out the critical problems of finance and operation contributed greatly to the results. They were unable to breathe the breath of life into losses of $16,000,000 incurred in the financial juggling of the Chicago holding company during its brief period of control of Pepco, but they did salvage more than anyone thought possible seven years ago.

Assuming the SEC-approved plan is finally consummated, the two operating companies will continue as strong going concerns, under competent management. The tedious and painful record of Pepco will pass into history — but surely not without leaving its lessons to financiers, utility executives and investors.