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EDITOR AND PUBLISHER .... Alton F. Baker
MANAGING EDITOR .... William M. Tugman
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The Register-Guard's policy is the complete and impartial publication in its news pages of all news and statements on news. On this page the editors of The Register-Guard offer their opinions on events of the day and matters of importance to the community endeavoring to be candid but fair and helpful in the development of constructive community policy.

City Paving Policy Pays

More than 5 miles of permanent pavement (with curbs) will be added to Eugene's street system before the end of this summer as a result of the City Council's declaration of policy—built-up streets which are not paved will not be maintained beyond the barest minimum. All told the program represents an investment of more than $300,000. (City Engineer Bill Clubb estimates that in all the preceding years only $1,135,000 had been invested in permanent streets.) Taking the old with the new we shall have about 75 miles of paved streets by the end of the year. We shall be about half-paved.

Biggest gain, of course, is the saving of the city's very limited streets budget (about $130,000 overall) for the necessary repairs and maintenance of the improved streets and the termination of the wasteful process of scattering miles of light oil and fines on streets which will not stand up. It will also be possible to give a little more aid in those new neighborhoods which are not yet sufficiently built-up to sustain assessments for permanent pavement. It is our guess that if the City Council will remain firm in its policy, at least 10 miles of new pavement can be added every summer. This year we got a late start.

"Why doesn't the city build all streets out of a general levy for this purpose?"

Under Oregon law, it has long been the custom to "Bancroft" these improvemnts to the abutting property—the property owners petition; the city issues special improvement bonds, and bills the property owners per front foot over the next 10 years. We have been told that Lakeview (which has very wide streets) paves out of general levy. A city wide program probably could be financed in that manner, but to adopt such policy now would be unfair to those who have paid for paving in the past.

However, some amplifications and clarifications of policy are needed, especially as we advance to a program of broad arterials. These suggestions are being discussed among property owners:

Where the property owner has a corner lot, he should not be compelled to pay for all the paving on both sides, but only for one-half of his total frontage, the city assuming the rest as it does the cost of intersections.

If 32 feet is assumed as the width for the normal roadway, the city should assume the cost for any greater width on those streets which are selected for widening.

Where an existing paved street is completely rebuilt as part of an arterial program, then the cost of the rebuilding should be borne by the city and not by the adjacent property owners.

There is a question how far any City Council can go by mere declaration of policy and without some major changes in existing Oregon law, but lawyers seem to think that most of the necessary steps can be taken by declaration of policy. Anyhow, these problems deserve immediate study with recommendations from the city manager and city attorney.

The City Council has taken the first big step and it is bringing good results. It costs only about $350 ($35 a year for 10 years) for permanent pavement of a 50 foot frontage on the normal residential street, and the pavement adds at least that much to the value of any property. The extra burden on corner lot owners is, however, a serious obstacle, as is the question of assessment for extra width. If these problems could be cleared up, we believe Eugene would soon become the best paved city in Oregon (and with substantial savings on maintenance).

President Truman Is 'Bullish'

It is entirely natural that President Truman should view the domestic business situation as "bullish" in his forthcoming mid-year economic report, because there never has been a president, not even Herbert Hoover in the darkest days of the depression who did not see "prosperity around the corner" in his public reports.

(McGurk says he only hopes Truman's optimism won't have as deadly an effect on the market as Hoover's used to have.)

Truman's forthcoming report has been foreshadowed for some time by the statements of his economic advisers, particularly Mr. Nourse with his doctrine of "disinflation." And we are inclined to agree that disinflation is a healthy thing, although we have never believed that it could be painless any more than the removal of an aching tooth.

"Now just open wide and take a firm grip and this won't hurt you a bit."

In his press interviews, President Truman has been inclined to take recent upflurries in the stock market as the basis for his optimism. It is to be hoped that in his official report he will not rest his case on any such unreliable barometer, because it is our observation that the stock market palpitates like an excited school girl (and often with less reason).

It is quite evident that we are passing through a period of readjustment comparable with that which occurred in 1921-22 and checked the first post-war boom. Supply has outrun demand in many lines, and although there is still a tremendous potential for future demand in many lines, particularly housing and heavy construction, high prices and uncontrolled production costs in many directions have put an end to "sellers' markets."

In our foreign trade, we have the same chaotic conditions which we had at the end of the first World War. The money crisis in Great Britain may be beyond our help, but the inability of the British and most of the other nations to buy our foodstuffs and our manufactured products will have its "kick-back" in mounting surpluses in every line which goes to export (despite the bolstering efforts through ECA).

There is no reason for the despair which leads Vermont's Senator Flanders to feel that the United States is walking straight into the Communist-predicted trap of bankruptcy and collapse, but it is difficult to go along with President Truman's statement that the outlook is "bullish." You will see here in this unusually stable community a long casualty list of businesses which have not been well planned, well managed or adequately financed, but the prudent and the thrifty will survive and prosper. Government programs may ease the shock here and there but the operation is not going to be painless.

Niagara Beauty in Danger

Worried that down-to-earth human values are being smothered under an avalanche of political and economic complexities these days?

Then take heart from the words of a federal power official. Emerging from a dry-as-dust "field study" meeting of U. S. and Canadian power authorities at Niagara Falls, N. Y., this gentleman went out of his way to reassure us that any new power projects will not be allowed to mar the scenic qualities of that fabled cataract.

Prospective honeymooners can still dream of the falls as pictured on colored postcards. But it isn't clear yet where our ingenious power engineers are going to hide their giant turbines.

All things eventually happen, so some day we can expect a politician to charge that he was "misquoted" by the microphone.

News reports indicate that sneak thieves also know that its house-cleaning time.

Missouri thieves stole a stairway from an apartment house. Police will now take steps.

WASHINGTON LETTER
By Peter Edson

Economic Barometers Holding Above Depression Storm Zone

WASHINGTON — (NEA) — With unemployment rising and the stock market in a slump, there is natural concern over a possible recession. But these are only two of the economic indicators. A look at every sign and portent on the horizon gives a somewhat different impression.

For this general view, the June issue of "Economic Indicators," published by the Joint Congressional Committee on the Economic Report, provides as reliable and as up to date a set of charts and tables as can be found. And the figures themselves tell the story, without any interpretation or prediction. Here are a few highlights:

Cost of Living—After reaching a high of 174.5 last August and September, the Bureau of Labor Statistics Consumers' Price Index started to drop. It went down five and a half points to a low of 169 last February. Then it started to climb again, to 169.5 in March and 169.7 in April. Watch for the May figure, soon to be announced.

Apparel, fuel and housefurnishing prices are down. But food and rent prices have advanced more, and are continuing upward.

Wholesale Prices — They likewise reached a high last August — 169.5 — and continued downward to a low of 155.2 for the week ending May 3. Then they started upward or leveling off at 156.5 for the week ending May 24 and to 156.1 for the weeks ending May 31 and June 7. The rise is in farm products and foods. Other commodities are down from the high of 153 last fall to 145 today.

Stocks Have Dropped in Past Year

Stock Market — The Standard and poor index on 416 common stocks reached a high of 135 in June, 1948, and has dropped steadily ever since.

Corporate Profits — The drop in stock prices is a reflection in the drop of corporate profits. Preliminary estimates by the Council of Economic Advisers on first quarter 1949 earnings are at the annual rate of $17,200,000,000 after taxes. Compare this with the high of $20,200,000,000 for 1948, but only $12,800,000,000 in 1946 and $8,400,000,000 in 1929.

Dividend payments in the first quarter of 1949 remain at the annual rate of $8,300,000,000, the same as for the last quarter of 1948, which is an all-time high.

Unemployment—While Bureau of Census estimates show unemployment up to 3,289,000 in May after slight declines in March and April, the figure is still below the 1941 average monthly unemployment of 5,560,000.

The rise in unemployment is in nonagricultural employment, which is down to 49,720,000 from last August's high of 52,800,000. Farm employment, however, is up a million over May, 1948, to 8,974,000. The total labor force of 63,452,000 this May was two million greater than a year ago. And total civilian employment of 58,694,000 is higher than at any time this year.

Some economists think that employment indices are not good barometers becau e of the arbitrary definitions of who is employ d and who is unemployed. There is at present considerable criticism of the Census sample survey figures by those who contend that real unemployment, including those laid off, is much higher.

Spending Power Still Evident

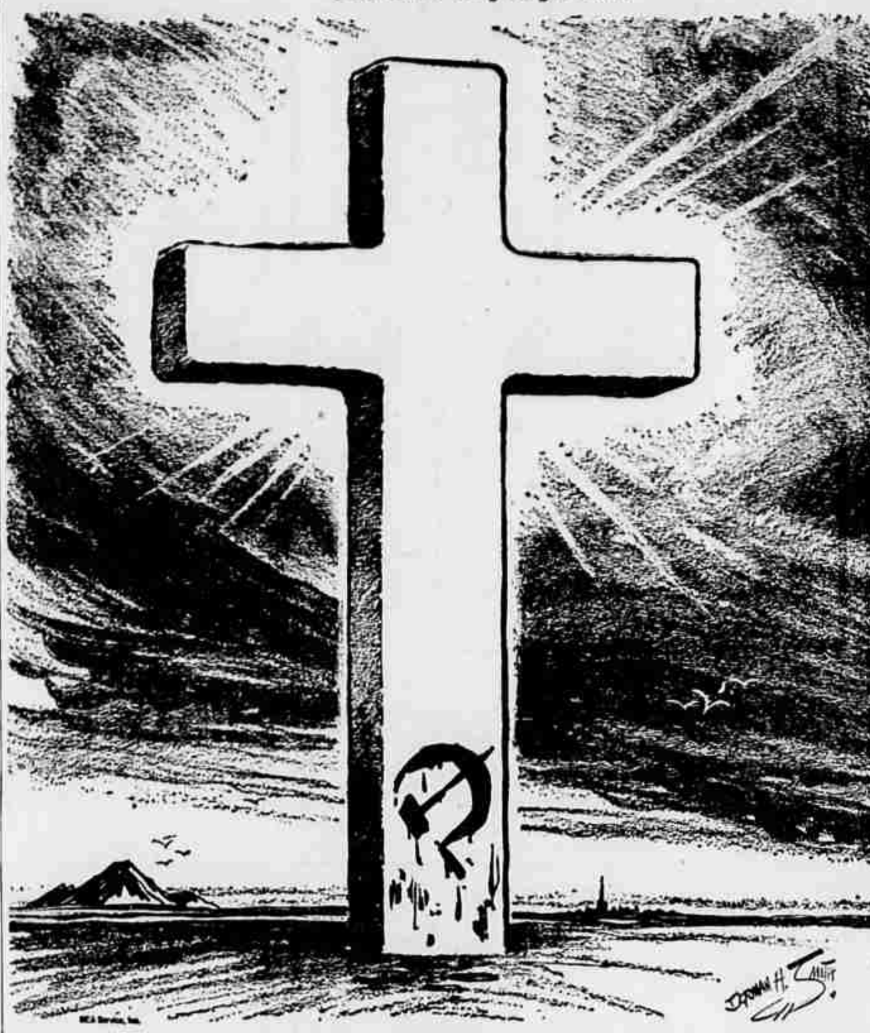
Purchasing Power — A more realistic estimate of employment conditions may be obtained from figures on payrolls, income from rents, interest and dividends. Here estimated figures for the first quarter of 1949 show national income at the annual rate of $226,000,000,000, as compared with the actual 1948 total of nearly $225,000,000,000.

Compensation of employes for the first quarter of 1949 is estimated at the annual rate of $141,900,000,000, as compared with $139,400,000,000 for the high year 1948. Rental income and net interest payments are steady, and as mentioned above, dividend payments are unchanged. As these figures indicate potential spending power, they show no real cause yet for sharp depression.

Personal Savings—They have risen to a new postwar high estimated for the first quarter of 1949 at the annual rate of $21,200,000,000. Personal consumption expenditures are, however, slightly above the first quarter of 1948.

Industrial Production — The Federal Reserve Board index was down to 174 for May, having dropped steadily from the 195 high of last October-November. Mineral production, manufacture of both durable and soft goods are down, as supplies have been catching up with demand. And this is what hurts.

But Still Impregnable



Asia's Cold War Gets Hotter As Japan Faces Emergency

By James D. White
AP Foreign News Analyst

Japan's approach to a state of emergency is another sign that the cold war is warming up in Asia.

If there is a pattern to this seeming shift of pressure eastward from Europe, this is it:

Chinese Communist victories last winter seriously upset the balance of the great powers. Not only were the world's most numerous people going under Communist control; Russia herself had to pay more attention to east Asia, to try and mould this victory to her own ends.

Things were not going too well in Europe anyway. So Russia agreed to a Big Four foreign ministers meeting in Paris to calm Europe down a bit. There has been no such effect in east Asia.

Early in the Paris meeting, Soviet Delegate Andrei Vishinsky brought up the matter of a peace settlement for Japan. Mindful that China would soon be a Communist power, he said the big four of the Asiatic war—China, the U.S.A., the U.S.S.R., and Britain—should write it soon. The western powers stuck to their position—all 11 nations that helped beat Japan should help write the peace.

There may have been a similar deadlock at Paris over Korea. Whether Korea came up or not, President Truman proposed a "Little Marshall Plan" to help the American-sponsored southern half of Korea keep its head above water. To make sure this would go through, the southern Koreans decided this was the time to drive the northern Koreans out of the Ongjin Peninsula. They still are fighting them there, in a small war that could get big at any time.

Late in the Paris conference there was an unconfirmed report that former Soviet Foreign Minister Molotov had been given the special job of coordinating Communist movements in Asia. This was never confirmed, but Vishinsky's proposal for a Japanese peace and subsequent developments all look as if some coordinating hand has been at work.

In Japan, the Communists suddenly discovered the Japanese prisoners of war Russia has been holding since V-J day. Russia has sent driblets home during summer months but has ignored Gen. MacArthur's offers to lend ships and icebreakers to keep them coming the year round.

Once the Japanese Communists asked, however, Russia began shipping back in droves these prisoners by now thoroughly indoctrinated as Communists.

They have joined the local Reds in fomenting strikes. They have pitched into the demonstrations and riots in defiance of the police. It must be most pleasing to Moscow.

All this caught MacArthur in the midst of a delicate campaign to get the Jepenese government to cut down its expenses—something it should have done long ago but has managed to avoid along with a lot of other needed reform.

In the face of increasing pressure to cut costs, the government finally cut them in the way best designed to cause the most trouble. Far from paring down his own wasteful bureaucracy, Premier Yoshida ordered the firing of 90,000 employes of the government railway corp. And here leftist unions are strongest.

The resulting labor problem has become so great, and communist infulence has been handed so much to work with, that the government is now thinking about declaring a state of emergency.

This follows an unprecedented blast against the Communists early this week by MacArthur himself. He raised the question of whether the Reds, whom he called "international outlaws," are entitled to legal protection. This step, by the man credited with bringing democratic liberties to Japan, is the best indication yet of how serious the situation is—or can become.

The probable murder of Sadanori Shimoyama, head of the railway complicates the situation. Meanwhile Premier Hoshida has shown the temper of his regime by demanding removal of the national police chief because of all the Communist-incited strikes and riots.

He apparently thinks the police are still under cabinet control, as they used to be before the Americans got through a law designed to take the police out of politics. If Yoshida proclaims his state of emergency, he might be able to go after the Communists pretty much as Japan's rulers used to in the good old days before they had to contend with an American occupation.

Children Found In Sand Dunes

Two children of a Eugene couple who were lost in the sand dunes around Siltcoos Outlet Wednesday night, and their father, who was later lost searching for them, were found early Thursday morning by searchers about four miles south of the camp.

They were Ronald, 8, and July, 11, children of Mr. and Mrs. ... Hawley, Eugene, who were camped at Wax Myrtle Camp at the outlet. They were lost at 6:00 p.m. and authorities were notified at 9:35 p.m. The children were found at 3:45 a.m., uninjured but suffering from cold and exposure.

The father, lost during the search, was located at 3 a.m.

The Lincoln County PUD radio car, Constable Herb Merrill's car and other vehicles were called to comb the sand dunes until the children were found.