

Capital Journal

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"With or without offense to friends or foes I sketch your world exactly as it goes."

The Way Out of the Dilemma

The financial difficulties in which Oregon's world's fair commission—created to arrange for and assemble Oregon exhibits at the New York and San Francisco exposition in 1939—finds itself are, in a measure, of its own making and the result of legislative parsimony. The fault which attaches to the commission is that it has failed to fashion its pattern to the cloth available; the blame to be laid on the legislature's shoulders, that it did not provide more adequately for such an undertaking.

When the commission was organized by the 1937 legislature \$50,000 was appropriated for its job, \$30,000 for the San Francisco fair and \$20,000 for the New York exhibit. At this date there remains only slightly more than half, or \$15,511.75 in the San Francisco account and \$19,254.57 in the New York balance.

Aside from \$7500 paid on space rental at San Francisco the expenditures to date have been for travelling expenses and preliminary incidentals.

Considering that New York is 3000 miles away in a section of the country where San Francisco is spending hundreds of thousands of dollars to attract people westward for its 1939 show, the \$20,000 earmarked for the eastern exhibit is probably sufficient, particularly if spent in conjunction with neighboring states on a combined northwest display.

But it is absurd to expect the commission to arrange and operate for \$30,000 such an exhibit as Oregon should present at the Golden Gate exposition, where throngs of visitors from all parts of the country will be assembled and easily diverted into Oregon.

The commission contends that it will require an additional \$100,000 to \$150,000 to assemble and operate a creditable and effective exhibit, and argues that such an investment would be more than justified by the returns in tourists and new settlers and investors attracted. It is asking the state highway and game commissions to provide the needed funds denied it by the legislature.

Under the law neither the highway nor game boards has any authority to turn over any part of their revenues to anyone else for disbursement for any purpose. Theirs are trust funds to be administered for specific purposes. Either could probably expend reasonable sums on advertising exhibits of their own in the Oregon display section and probably will decide to do so.

It is not for them, however, nor fittingly for the world's fair commission itself to become parties to a scheme to thwart the intentions of the legislature as regards Oregon's expenditures for exhibits at the fairs. If the funds made available to it are not sufficient for its prescribed purposes the fair commission should ask the legislature for more when it convenes again next January, or if that involves too great a delay, appeal to the emergency board which is organized to function in just such emergencies.

It is neither fair nor reasonable to ask others to be parties to a scheme to thwart the will and authority of the lawmakers.

Hitler Waves to Torch

Der Fuehrer told the world Sunday that Germany intends to "defend the political freedom" of 10,000,000 Germans living in Austria and Czechoslovakia, in other words to dominate the Danubian basin and the Balkans and at the same time demand the return of German colonies lost during the war. He failed to pledge Austria's independence as had promised if Austria restored the Nazis to participation in government. He made it clear that Germany will ignore Great Britain and France as well as other western powers in the absorption of central Europe, which is regarded as exclusively the internal affair of Germany. And there will be no return to the League of Nations.

Germany formally recognized Japan's conquest of Manchuria, upholds the German-Italian-Japanese pact against communism, has no territorial claims against France or Spain and demands that foreign press attacks against nazism cease. Hitler emphasized Germany's new unity, her growing might and further strengthening of the army. And there was no announcement of a more conciliatory attitude towards religion.

In a distracted world, der Fuehrer knows what he wants and is going after it, which means eventually the conquest of Hungary and the Ukraine. Peace depends upon letting Germany have her way, the supremacy of nazism and the destruction of democracy.

Great Britain having been slapped by both Germany and Italy is apparently turning another cheek for a new blow and preparing a conciliatory policy towards the aggressors, which has forced the resignation of Foreign Minister Anthony Eden and brought on a parliamentary crisis. If France protests German aggression, it will find itself deserted by Britain.

The kind of a government Germany has is best described by Dorothy Thompson who was a foreign correspondent abroad for years and has the knowledge, information and background to discuss the subject intelligently. She says:

"Germany now has as commander-in-chief of the army a neurotic Austrian ex-lance corporal and house painter. Its entire economic life is regimented and controlled under that master economist, General Goering, an ex-aviator. Its religious philosophy is dictated by a White Russian fanatic and pseudo-Nietzschean, Alfred Rosenberg. Its culture is controlled by a fourth-rate coffee-house intellectual, Dr. Goebbels. And its foreign affairs are in the hands of a frivolous Nazi careerist and former champagne salesman, Mr. Ribbentrop, who, during his stay at the German Embassy in London, displayed almost a genius for awakening distaste for himself and the regime which he presented. And looming above them all is the head of the secret political police, a pathological sadist, Mr. Himmler. And this sextet, it is supposed to represent the leadership of a powerful renaissance nation!"

Hard Times Party By Methodist Club

The idea was carried out in their clothing, representing such characters as "Raggedy Ann" and "Andy," a blushing bride and young man of the gay "Nineties." A very enjoyable evening was spent by the ladies and the refreshments served continued the theme of hard times.



Head of PGE Offers Support To Bonneville

(Continued from page 1)

icular interest to Salem because Salem has exactly the same rates as Portland, and, incidentally, the rates for domestic service in Salem are lower today than the rates prevailing in any other state capital in the nation.

Commenting on the creation by the federal government of the rural electrification administration, Mr. Griffith said his company had pioneered in rural service, beginning "more than 30 years ago... with full appreciation of the fact that the great majority of rural customers, when first connected, would be decidedly unprofitable." As anticipated, he said the service not only had become of great benefit to consumers, but "many of our oldest rural extensions are now operating on a compensatory basis."

"Practically all the residents of Marion county depend upon our company for electric service," he said, "and, it may interest you residents of Salem to know, those living in the smaller cities of this county and all rural customers have available to them exactly the same rates for electric service as you enjoy."

Mr. Griffith spoke favorably of the rural electrification administration, but said "I have had careful search made" and "I have found no case in which the rates fixed for rural service in a federally financed project are within speaking distance of the rural electric rates available to the farmers of Marion county and other counties we serve at all times during the last 10 years."

Concerning the seven-county project to be voted on April 8 he recalled that in 1935 "groups of public ownership enthusiasts" submitted the proposal to the hydroelectric commission, that the commission made "a somewhat exhaustive investigation" and issued a voluminous report, and that "the report gave full consideration to the economy resulting from the use of Bonneville power and still found the project of doubtful merit."

"It is quite conceivable," he said, "that there may be areas in the state of Oregon in which public utility districts could be created with resultant advantage to the public served, but it is quite certain, disregarding all other evidence against the project and considering only the dispassionate analysis of the proposed project made by the state body, that no conservative man would willingly substitute the public utility district for the progressive, reliable and low cost service the area of the project now has."

Explaining that the cost of generating power is one of the smallest elements entering into the cost of the energy when it reaches the meter of the average consumer, Griffith said: "The administrator of the Bonneville development is himself a strong supporter of the theory that the cost of transmission and distribution ranges from eight to 10 times as much as the cost of generation. Bear in mind that the cost of transmission and distribution varies little whether the project is publicly or privately owned and the entire cost of transmission and distribution must be charged entirely to the electric service."

He stressed the point that while the utility district would eliminate the item of taxes "it must never be lost sight of that taking property from the tax roll has never been

NEWS BEHIND THE NEWS

By PAUL MALLON

Washington, Feb. 21.—There will be no Anglo-American debt settlement until after the 1938 elections at least. That is certain. If Mr. Roosevelt or State Secretary Hull had any idea of such a settlement last week they have none now. If they had any hope that this would be an answer to the triple alliance of dictators after the apparent seizure of Austria by the Nazis, that hope is lost.

What went on in Mr. Roosevelt's private pow-wow with his congressional leaders and treasury-state officials will remain a permanently guarded secret, but this much is clear: The London city crowd (business and banking) has been demanding that debts be scaled down before the coming Anglo-American trade agreement be concluded.

The answer they are getting is the American congress would not approve such a politically hazardous agreement—at least not before the election this fall. Consequently there is no possible chance of undertaking it.

New Farm Bill

The agriculture crowd is not as confident about how the new farm bill will work out, as the high praise heaped upon the measure by Messrs. Roosevelt and Wallace might indicate. Of chief official concern are wheat and corn, under the ever normal granary idea, it is proposed to double the normal carry-over in these crops. If crop control does not work thereafter to hold production down, Messrs. Roosevelt and Wallace will be right in the middle of another Hoover farm board situation with an overstocked granary and nothing to do with it.

The technical trouble is the farm mechanics have never had a good test of crop curtailment in corn and wheat. The old AAA worked in drought years. Also this time, a different sort of a quota system is to be invoked, if three-fourths of the farmers vote to invoke it. Under the new system, quotas will not be imposed until the crops are well along. Then the farmer will be ordered to sell a certain amount and store the rest. This will certainly lead to complications, particularly as to corn where the market is not in the elevator but in the hog.

How to Balance?

Mr. Roosevelt told everything about balancing prices, except how he is going to do it. The reason for the omission seems to be the best in the world, namely that it cannot be done. This skepticism, at any rate, represents the studied personal opinion of more than one of those very economists who helped to draw up the new administration price formula.

Strictly non-political opinion among economists is that the president cannot put up one group of prices and put down another. He has no means. He can use administration influence to hold back steel, cement, building prices by anti-trust threats and press conference talk. He can use mild measures (gold devaluation, relief expenditures, navy building, open market operations) to expand credit facilities and to cause government purchases in certain lines which tend to stimulate the general price level in sensitive situations like this one. He can do both things at the same time and thereby exert government pressure toward what he believes to be a better balancing. But this is all the influence he can use short of outright inflation by a spending spree. Apparently this is all he intends to do.

Change in Psychology

What the change of official talk and policy really amounts to therefore is a switch from the deflationary psychology (gold sterilization, press conference complaints against high prices, etc.) to inflationary psychology (press conference talk for better commodity prices, destitute, open market activity, etc.) It will succeed to a degree, and possibly to a substantial degree at this moment (particularly in the stock market) because the business situation may be released at least temporarily of depressing psychological Washington influences.

Two reasons are authoritatively given for the change of administration heart on prices. The controlling factor is said to have been that the commodity price level was getting too low in comparison with the existing debt structure. That is, neither the farmer, investor nor investment corporation could pay off on obligations contracted at high price levels, if the current price level continued to sink. Another official reason unofficially offered is that the wage level could not possibly be maintained on the power on the basis of the best service and the lowest rates to give a reasonable profit only.



ON 'PINS AND NEEDLES' was cast of New York hit show bearing that name when Mrs. Eleanor Roosevelt was found in audience. All players in revue—which is to play a "command" performance in Washington on invitation of Secretary of Labor Perkins—are garment workers.

Eight of 10 Mills in Portland to Operate

Portland, Feb. 21 (P)—Eight of Portland's ten sawmills were scheduled to operate this week with more than 1700 men employed. The number is almost two-thirds of local saw-

an AFL boycott on its products. It suspended operations last week. The West Oregon company had failed to complete an agreement with the CIO union for sending two members to investigate the effectiveness of the AFL boycott in California, where company officials claimed a million feet of its timber was tied up.

Kenneth McIntosh, West Oregon official, said the firm would agree to sending one of its employees and another union member, but would not finance the trip for a salaried union official. He rejected the suggestion that Don Melnick, international union representative, be one of the investigators.

The union executive board, after a meeting yesterday, charged the company with "insincerity." With eight days remaining before expiration of present working agreements, the Columbia Basin Loggers association and the District Council of the CIO lumber and sawmill union remained at odds over renewal terms.

A. F. Hartung, council president, said the union objected to an operator's proposal to permit hiring of men from the state employment office as well as from hiring halls and at the camps.

"It means that the operators would run in a bunch of dirt farmers on us and leave our men out in the cold," Hartung said. Union officials also objected to a request for three periods during the contract year during which either party may request wage changes.

Operators notified the union last week they would insist on consideration of the changes, requested in a letter dated January 29. Union officials contended the letter did not reach them 30 days before the old contracts expire March 1, as provided in that instrument.

Hartung said attorneys had advised that the mall "is not our agent."

Executives from the company's San Francisco office attending the meeting include R. F. Schroeder and R. T. Collier, assistant general sales manager; L. E. David, operations manager; R. G. Landis, advertising manager; R. B. Jensen, merchandising manager; Norman Strouse, J. Walter Thompson company, advertising agency.

Argentina reports that bumper crops and favorable prices have brought almost "boom" prosperity. However, the first reason is enough.

Story of an Egg Nog

Dignified Speaker Bankhead stirred a tempest in a cocktail shaker when he walked into the house restaurant, said he was not feeling chipper and asked that an egg-nog th-h-hat high be sent up to his office.

Runners that he had taken to egg-nog spread through the lower legislature (sometimes called the lowest) and caused so many personal inquiries at the speaker's office that the genial speaker became somewhat nettled.

To each and every inquirer he patiently (at first) explained (a) that he frequently indulged in non-alcoholic egg-nogs as he found them healthful (b) that if he wanted anything strong he could not get it in the dry house restaurant, and (c) whether is asking.

Willamette And Linfield To Open Tourney

Willamette university and Linfield college, which have not met for several seasons, will have the honor of opening the intercollegiate basketball tournament which will get under way Wednesday night on Willamette's floor. This was decided this forenoon when pairings for the nine teams involved were made under the supervision of Coach R. E. Keene of Willamette and Coach Al Cox of Oregon Normal, Monmouth.

With nine teams involved, it became necessary to start the tournament Wednesday night instead of Thursday, as originally planned. As a result the winner of Wednesday night's game will play one more contest than the others should this team be fortunate to go through to the finals, slated for Saturday evening.

The nine clubs involved are Eastern Oregon normal, Southern Oregon normal, Oregon normal, Mount Angel, Willamette, Linfield, Portland university, Albany college and Pacific university.

Through an unusual quirk in the drawings the three normal schools are in the upper bracket, thus affording an opportunity to decide the championship of this group in addition to establishing the identity of the best independent club in the state among the colleges.

The program calls for one game Wednesday night at 7:30, one on Thursday afternoon at 4, three Thursday night, two Friday night and two Saturday night. The winners in the semi-finals will play for the title Saturday night, while the losers will meet for third place.

The tournament is being operated on a straight elimination basis with the winner having the privilege of playing part in the national intercollegiate finals at Kansas City, Mo.

Macley Home Econ Has Monthly Meeting

Macley—Mrs. J. L. Albert and Mrs. Lloyd Keen entertained members of the Macley Home Economics club at the grange hall for the monthly meeting. Mrs. H. E. Martin reported on home interest conference which she attended at Corvallis last week, and the group voted to have a physical culture class.

Present at the meeting were Mrs. Albert Mader, Mrs. M. M. Maure, Mrs. W. H. Humphreys, Mrs. J. L. Amort, Mrs. Lloyd Keen, Mrs. Sherman Berry, Mrs. Cecilia Perry, Mrs. Edward Tooker, Mrs. Leonard Lee, Mrs. Stanley Neeland, Mrs. W. Welch, Mrs. H. E. Martin, Miss Lettie Barker, Mrs. Edith Wilson, Mrs. J. F. C. Tekenburg, Mrs. Vernon McAllister and Mrs. Marvin Wells.

Absence of orders from the United States has caused a depression among lace makers of Clatsop, France.

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