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Salem, Oregon, Friday, April 29, 1949

The Business Recession

The United States News published at the nation's capital thus sizes up the current recession from the heights of the post-war boom, which it predicts won't be very severe or prolonged, but before stabilization occurs the price level may be down another 10 percent, but still far above prewar and above the level at the end of the war:

Now that trends definitely are down, the prospect is this: SPENDING BY GOVERNMENT will cushion the decline, but not reverse it this year. There's nothing in sight big enough to turn the present tide. DEFLATIONS, like inflations, tend to be bigger than expected.

PRICE DECLINES, if they come quickly and without great resistance, will be helpful; if resisted and dragged out will prolong the agony.

TURN UP will come when prices again look like bargains. All signs are that the deflation well under way will be moderate in its extent and fairly short in duration. Money is abundant. Unfilled wants remain vast. Population still is rising. Spending plans of government are growing. Even so, the wise individual is one who gets his affairs in order and who tries to adjust his thinking to problems that go with decline rather than rise.

This forecast is based upon statistics showing at new highs for post-war are auto output, part time jobs, unemployment of factory workers and real estate loans. On the downside are declines in industry output, 5 percent; machinery, 9 percent; lumber output, 21 percent; shoes, 19 percent; textiles, 11 percent; coal, 18 percent. New orders are down 10 percent, loadings of freight cars, 20 percent; new dwellings started per month, 38 percent; residential contracts, 42 percent.

Sales are down from post-war peaks as follows: department stores, 14 percent; wholesale prices, 7 percent; farm prices, 15 percent; grains, 39 percent; meat, 25 percent; scrap steel, 49 percent; lead, 30 percent; exports, 27 percent; imports, 21 percent; commercial bank loans, 7 percent.

There is nothing alarming in the outlook of a gradual readjustment from boom inflation, an adjustment badly needed for economic stability.

What Kind of Democratic Leadership?

What direction will the democratic party take in Oregon?

This question may well be answered in the choice of a new chairman for the democratic state central committee Saturday night.

There are two Multnomah county candidates for the top job. One is W. L. Josslin, who was secretary to the late Governor Martin. The other is Mike DiCicco, tire distributor in Portland and chum of Mike Elliott, the Multnomah county sheriff who has admitted to phoney claims in his campaigning last fall. Elliott was the character who had a tough time getting a bonding company to go for his bond.

The choice between Josslin and DiCicco should be easy to make. Josslin is clean and steady. DiCicco is too interested in deals and pushing Mike DiCicco.

But the disturbing bit of politics on this coming election is the introduction of a third man in the race for chairmanship. Clarence F. Hyde of Eugene is now being mentioned. Hyde says he wouldn't do anything to get the chairmanship, but at the same time he tells his friends he would serve if drafted. Leaving aside the qualifications of Hyde, the introducing of his name might split the vote to give the result to DiCicco.

If Oregon is to have a two-party system, the democrats should pick the strongest man as state central committee chairman. If there is proper leadership in the state for the party, more credit would be given the democrats for their candidates.

Oregon needs a healthy democratic party. Its choice of leadership Saturday will have a lot of bearing on its health in the months to come.

"Vote T-H Repeal or Else"

At his Thursday press conference President Truman said that democratic votes in congress on the Taft-Hartley labor-management relations law repeal will be a test of party loyalty and he put actions on other democratic platform measures in much the same category.

Mr. Truman bluntly indicated that senators and representatives who failed to vote for the two-year-old labor law repeal will have little to say on who gets federal jobs and that they had better support the repealer if they want any political patronage to get political jobs for their constituents.

In other words, the president threatens to purge the democratic party of those who do not support his program on a bill most of the congressmen voted to pass over his veto. All of which has aroused a resentment that booms on the repealer.

Other presidents, particularly FDR, have used the patronage club to secure passage of pet legislation, but they did it sub-rosa. This is the first time in recent years at any rate, when the chief executive has publicly placed "a patronage purchase tag" on votes for his program.

So Mr. Truman has broken another precedent as he did in his "give 'em hell" campaign for re-election, and will probably continue along similar lines in the future. He learned these tactics in his early training as a member of the Pendergast political machine in Kansas City and has not outgrown them in his exalted office.

STORIES IN LIFE

Gloomy About U.S. Debt? Read This

Ocean Park, Calif. (AP)—Most people talk gloomily about the national debt. But mere talk isn't enough for David Epstein, a 76-year-old bellhop. He's paying off his share in installments.

Two years ago Epstein read that each American's share of the national debt is \$1700.

"So I mailed a check for \$100 to President Truman," Epstein said. "I got a nice letter of thanks from the treasury department, so I sent another in 1948. I wrote the third check today. I intend to keep sending them until I pay off the \$1700."

Why does he do it? "I immigrated here from Lithuania 58 years ago. I made a new life for myself. I love America and freedom and want to pay my share."

BY BECK

Recollections



THE MAYPOLE DANCE

More of Same

By DON UPJOHN

Doggone it now we're going to have to do it all over again. Word comes by teletype from Springfield, Mass., that G. C. Merriam & Company which publishes Webster's Dictionary, has produced a new



Don Upjohn

collegiate edition and here we've no more more than got through learning the words in the last one. It keeps a fellow busy. For instance, in the new one there's a brand fresh definition for the word "cold." We'd always figured this mean the snuffles and a new package of Kleenex, but the dictionary credits the new meaning as coming from Russia. "Cold as in a cold war." The Russians also are given credit for such words as "cominform" and "party line," while Winston Churchill gets credit for "iron curtain." To those in the habit of learning the dictionary by heart may we add there are 15,000 new ones in this edition. And we bet the ET & BA isn't mentioned.

Kicking the Gift Horses

(Independence Enterprise)

Two of several members of the Independence Chamber of Commerce, who volunteered their services to help repair the road south of town to Buena Vista, Tuesday were fired from the job before noon. It seems that the two men became tired and were leaning on their shovels when the county foreman came by. He, not knowing that they were working for free, told them to either get to work or get off the job. They

Hardly Worth Their While

Bellingham (AP)—Thieves broke into the Ferndale grain company store and lugged away a 250-pound cash register. The loot? Owner E. Terpstra said the register contained five pennies.

POOR MAN'S PHILOSOPHER

Child's Sense of Money

By HAL BOYLE

New York (AP)—The poor man's philosopher says: an adult has a sense of money. But a child has to grow up to it.

Money isn't as funny to a child as it sometimes can be to a grownup with a sense of perspective.

A friend of mine earns his living in the hours between dusk and dawn. One day his small daughter came to him and said, "You know what the other kids call you?—the night watchman."

Before he went to bed each morning my friend had a habit of putting the change in his pocket on the bureau top. Then he would joke:

"That's what they paid daddy today."

One day his daughter said to him: "Don't we ever make more than five bucks a day?"

It was only then that he learned his daughter had joined a social class above his own.

On another occasion he forgot to put some change on the bureau top. Before his daughter trotted off to school, she shook him awake and said:

"Why don't they pay you more regular?"

Another friend of mine has a timid son whom he is trying to make into a rugged citizen.

When he complained he had been beaten up by his schoolmates, his father said:

"The next time you throw the first fist."

A few days later the boy, who was in the third grade, came home and told his father he had thrown the first fist when attacked. The proud father wanted to know what happened.

"Well, it was a second-grader," his son said. His disappointed father, hoping the boy's adversary was at

WASHINGTON MERRY-GO-ROUND

New Army Secretary Has Points Against Him

By DREW PEARSON

Washington—While it's difficult to get the right men to fill top government jobs, the proposed appointment of Curtis Calder, head of Electric Bond and Share, as secretary of the army is going to cause a lot of eyebrow-lifting among farmers.

In the first place, Electric Bond and Share was one of the power trusters whose abuses led to passage of the holding corporation act; and the records of the federal trade commission regarding its operations make juicy reading.



Drew Pearson

Second, and more recently, been one of the most effective and ruthless members of the power-trust gang in fighting the government's program for public power and rural electrification.

Nevertheless, it is now proposed to take the head of this giant corporation which has bitterly opposed the government, and embrace him in the bosom of the government as policy-maker, among others, for the army engineers—which build the multipurpose dams for the government.

"To put Calder in this job," says the rural electric cooperative, "would be about the same as making Ham Moses, of Arkansas power and light, the secretary of the army." Moses is the power executive who once gave nylon stockings to the wives of congressmen he wanted to vote against public power.

On the foreign front, Calder's connections are also important. One of the army's most vital jobs pertains to Germany. That country, from which sprang two great wars, may hold the key to future wars, and the cabinet officers who make decisions regarding Germany must be impartial.

Mr. Calder, however, is a director of the United States and Foreign Securities corporation, and the United States and International Securities corporation, both organized by Dillon, Read and company, for the purpose of financing public utilities in Germany before the war.

The Dillon, Read group has always believed in building up Germany and, despite the mistake of having financed what eventually became part of Hitler's war machine, this group has continued to support German cartels.

An official report is now before the army department criticizing ex-Undersecretary of the Army William Draper, another Dillon, Read executive, for rebuilding cartels since the war.

James Forrestal, ex-secretary of national defense and former head of Dillon, Read, is also in this group. And it was one of the companies of which Mr. Calder is director—U. S. and Foreign Securities—which caused Forrestal great embarrassment. For a senate committee revealed the fact that he had made a profit of \$865,000 by selling his holdings in this corporation in 1929 and had avoided paying income tax on the \$865,000 by creation of a family holding corporation in Canada.

Capable as Mr. Calder may be as a business executive, his corporate background is not going to inspire confidence among the two million men who would serve under him in the U. S. army.

BATTLE OVER WALLGREN  
The administration charged that senate republicans stamped democratic procedure by bottling the nomination of Mon Wallgren in the armed services committee, don't coincide with the inside facts.

What democratic Senator Milard Tydings of Maryland, the committee chairman, didn't tell the press was that G.O.P. Senator Wayne Morse of Oregon was ready to cast the deciding vote for floor action, but Tydings missed the boat.

After G.O.P. Senator Chan Gurney of South Dakota moved to table Wallgren's nomination as chairman of the national

security resources board, Morse asserted behind closed doors that while he was personally fond of Wallgren he didn't think he was competent enough to head up the NSRB "because of some appointments he made while governor of Washington."

However, Morse added, if someone offered a substitute motion (to Gurney's) to report the nomination "unfavorably"—that is, with a recommendation against confirmation—he would vote for it. This would have given the full senate a chance to debate the issue openly, instead of having Wallgren's name bottled up in committee by the present vote to table.

Morse's vote would have carried. However, Tydings and his democratic colleagues wouldn't play ball, with the result that Gurney's motion to table carried. That is why Wallgren's confirmation can't be debated on the senate floor, where the final vote probably would be for him.

Send your "Odds" questions on any subject to "The Wizard of Odds," care of the Capital Journal, Salem, Oregon

BY GUILD

Wizard of Odds



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MacKENZIE'S COLUMN

Hope and Suspicion

By DeWitt MacKENZIE

Russia's offer to call of the Berlin blockade to hold the limelight in international speculation. The reason is, of course, that such a move might tend towards (whisper) an ending of the "cold war."

Diplomatic sources in Moscow said Wednesday that the reopening of the Berlin question, if handled correctly, could lead to that happy goal.

An American quarter remarked: "Something is cooking. At this point it doesn't smell bad."

That non-committal summary reflects both hope and suspicion—a feeling which is mutual. Both sides are proceeding with the utmost caution.

The United States did make a positive move Wednesday. This was delivery of a note by Philip C. Jessup, American ambassador-at-large, to American deputy foreign minister Jakob A. Malik, in New York, asking the Russians for a formal statement as to when and on what conditions they would lift the blockade.

Back of this note is the real hope that the Muscovites mean business. There also is the suspicion that some ulterior purpose may be hidden in the offer—for instance the scuttling of the new German republic comprising the three western zones of occupation. Moscow has opposed this project hotly.

Obviously, it isn't love of the hated capitalistic democracies which has impelled Moscow to make this offer.

As I pointed out in yesterday's column, it could be that the Russian bear is feeling the chill of the "cold war" in his own bones. He may really want ease of the struggle.

Wes Gallagher, chief of the Associated Press bureau in Berlin, writes:

"Soviet overtures to lift the Berlin blockade represents a diplomat defeat for the Kremlin—perhaps the most crushing it has suffered since the end of World War II. Soviet bid to control all of Europe has failed. Communism and the Soviet Union are on the defensive in Europe."

Certainly the indications are that the communist drive to sweep across western Europe to the English channel reached a dead end some time ago. The signing of the Atlantic Pact put on the finishing touches.

There is, it seems to me, another new factor which may have had something to do with Moscow's move. That is the sweeping successes of the Chinese communist armies against the nationalists.

The Red offensive in China has created a new crisis which is causing the western allies deep concern. Communism has established a new major front in Asia which might distract some of the attention of the western powers from the European theatre and so make easier the task of consolidating its position there.

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