

SUBSCRIPTION RATES:

By Carrier: Weekly, 25c; Monthly, \$1.00; One Year, \$12.00. By
Mail in Oregon: Monthly, 75c; 6 Mos., \$4.00; One Year, \$8.00.
U. S. Outside Oregon: Monthly, \$1.00; 6 Mos., \$6.00; Year, \$12.

4— Salem, Oregon, Wednesday, July 13, 1949

Importance of Power Ruling Affecting The Dalles

Competitive power conditions in The Dalles have re-
sulted in a significant ruling by George H. Flagg, public
utilities commissioner of Oregon.

The competitive situation in that community on the
Columbia river was reason enough for the private power
company to lower rates to meet an invading PUD. So
the ruling went. The resulting cut in rates had to be borne
by the company's stockholders and not by consumers else-
where. Since that cut will result in an estimated \$62,000
annual loss to the company, the seriousness of the power
competition is obvious.

How did this clear-cut case of private versus public
power come about?

The Pacific Power & Light company has been serving
The Dalles since 1910. After the Bonneville Power Ad-
ministration started in 1937, agitation developed in The
Dalles for a people's utility district.

The Oregon hydro-electric commission gave public power
sponsors in The Dalles area an estimate of costs for a
system. The figure was \$455,000, with this dependent on
Bonneville power facilities being used.

PUD sponsors petitioned for an election, which came in
November, 1938. Shortly before the election, J. D. Ross,
first Bonneville administrator, announced plans for a
transmission system to run from the new dam to The
Dalles. But the people of The Dalles turned the PUD down,
with the vote showing 1597 for a PUD and 1902 against it.

Ross then announced the cancelling out of the trans-
mission line which would have cost \$500,000. The people
voted against the PUD, so why have a transmission line?

In the middle of 1939, PUD sponsors petitioned for an-
other election. The vote was set for August of that year.
In answer to an inquiry from PUD sponsors, the Bonneville
administration agreed to build a transmission line to The
Dalles "if" the city applied for power.

Agitation for a PUD tied in, at that time, with a com-
munity-wide development program. The Dalles had ideas
of creating a great industrial center there. Talk of a
deep-water port and new industries had the city pepped
up. Public power advocates tied this in with the proposed
PUD.

At the election, the voters reversed their stand of the
year before and balloted 1735 for a PUD and 1190 against.
A series of developments had apparently encouraged the
voters to change their minds: Threat of "loss" again of
a transmission line from Bonneville, waterfront develop-
ment, and hope for new industries.

The people's utility district was formed. Then a \$475-
000 PUD revenue bond issue was submitted to the people.
Shortly before the bond issue vote, however, the PUD board
of directors signed a contract for Bonneville power. The
revenue bonds were voted in November, 1940, by a vote
of 2288 to 1888.

It was assumed that Bonneville was going to acquire the
existing private power transmission lines. In fact, Bonne-
ville tried to buy the entire system of Pacific Power &
Light, not only the facilities at The Dalles. But the war
came along and nothing developed on the negotiations
started by Bonneville.

After the war, the voters of The Dalles gave the PUD
a franchise to operate in the city. The vote was close,
1168 for the franchise and 1030 against granting it. That
was in May, 1946.

There wasn't enough money to buy the existing private
power company's facilities, so a start was made on a
duplicate system in the city. Service to customers of the
PUD began the spring of this year. Rates asked were
about 20 percent less than the Pacific Power and Light's
rates. About 300 of the 2800 customers of the private
company became PUD customers.

So much for the background in the case. It should be
noted, however, that the private power company last year
built a new substation at The Dalles to handle customers.

What will the future hold?

It would be a high-handed commissioner who would
decide which utility would survive or that one should not
compete at the same rate as the other.

The American system of competition will have a full-
scale trial, as a result. However, the burden of economic
operation in this specific instance rests with the company
itself. It has to meet what amounts actually to unbal-
anced competition, unbalanced by the tax advantages per-
mitted a PUD. The 20 percent rate cut will permit equal-
ized rates for public and private power.

That is the background and significance of the Flagg
ruling.

Black Tuesday for Aviation

Three airplane crashes which took a toll of 82 dead
and missing Tuesday mark the blackest period in aviation
history since Memorial day week-end two years ago when
177 persons were killed.

Near Bombay, India, the worst disaster of the three oc-
curred when 45 persons, including 14 Americans, 13 of them
newspaper or radio correspondents, three of them from
Oregon, were killed in the crash and burning of a Royal
Dutch Airlines Constellation, while circling in a blinding,
moonsoon rain in an attempt to land at Santa Cruz airfield.
All of the newspaper correspondents were well known
throughout the nation and their bylines were familiar to
newspaper readers and radio listeners.

Near Chatsworth, Calif., 33 persons were killed, one was
missing and 14 injured when a non-scheduled C-46 airliner
crashed into a mountain shortly after the pilot radioed
that two of the passengers were fighting. Mystery veils
the cause of the crash and explosion in the Santa Susana
mountains, whether or not it was due to the scuffling of
passengers. An unidentified woman passenger who died
after the crash is quoted by the police as saying that one
of the contestants knocked the co-pilot into the controls
and jammed them causing the smash.

In Germany, three American airmen were killed when
their Berlin airlift Skymaster crashed in the Soviet zone
in the performance of duty.

The newspapermen, who included two Pulitzer prize
winners, were guests of the Dutch government on a tour
of Indonesia to observe post-war conditions in the East
Indies. They also were killed in the cause of duty—sur-
viving information to enlighten the world on the progress of
democracy in the Far East, and their tragic deaths are a
loss to the world as well as to Oregon.

BY BECK

Things to Worry About



SIPS FOR SUPPER

Could Be

By DON UPJOHN

The plane crash in the orient which snuffed out the lives of 13
newsmen, radio commentators and by-line writers may have
been just another plane crash, or behind it may have been some



Don Upjohn

more of them will go on similar
missions—and not return.
If it gets around to the point
that rent is de-controlled in these
parts through the move just in-
itiated by the Salem city council
it would seem that it would be
a far from smart landlord
who would go ahead and run
hog wild with his new found
freedom. If, as some fears have
been expressed, these decontrols
over the country will result in a
50 per cent increase in rentals
it will be the landlord who suf-
fers in the long run, not the ten-
ants. A general up in rentals
over the country from decontrols
would mean but one thing, that
another congress unquestionably
would slap on some new con-
trols that would be more string-
ent than ever and the landlord
take it in the neck. Whether
such friendly words of advice
might be accepted around here
remains to be seen if a decon-
trol goes into effect. But it is
pretty much up to the landlord
to decide for himself whether
he wants to maintain a fair de-
cent return on his properties, or
sooner or later find a rent con-
trol nouse around his neck that
will make him choke.

"Eggs up another cent" is com-
ing to the point where it is no
longer just a headline in a news-
paper—it is pretty near a slogan.

POOR MAN'S PHILOSOPHER

Pop's Making Comeback,
Just Like Joe DiMaggio

By HAL BOYLE

New York (AP)—The American
wonder of the modern world.
The other seven are (1) Sophie
Tucker, (2) the Berlin air-
mess, but when have you ever
tasted a more wonderful salad?
(The garlic flavor usually dies
out of your tonsils in three
days.)



Hal Boyle

Papa isn't satisfied with just
dishing out the weekly house-
hold budget money. He's be-
come a bargain hunter himself
now. He prowls the shops on his
days off like a beagle hound
looking for the cheaper pork
chop, the sale-priced sport shirt.

"These men shoppers are
worse than the women ever
were," growled our family but-
cher the other day. "And the
way they watch the scales—
you'd think they never saw an
honest man in their life."

Some time back I wrote a
piece about how papa was tak-
ing more interest in household
affairs. Back came a number of
hooting letters from unbeliev-
ing ladies saying: "What hus-
band!—not mine!"

Well, girls, it's true. Papa's
going to give you more and
more competition around the
place. He's discovered that keep-
ing house is fun—as long as you
don't have to do it all the time.
"And he's going to take more of
a hand in it."

I know a telegraph editor out
in Joplin, Mo., who told his wife
she ought to make her own
clothes.

"If it's so easy, why don't you
do it?" she said.
"Darned if he didn't. Now he
makes clothes for the whole fam-
ily."

In Alabama the husband's are
getting so good at Camellia
growing they take the prizes at
flower shows that their wives
used to win.

"Well, at least it keeps them
out of pool rooms," said one
frustrated lady.

The low-down in business is
making husbands even more
thrifty. Recently a friend of
mine went into a store to buy
some hand-knit wool socks. The
price—\$7.50 a pair—shocked
him.

"I can make them cheaper
than that," he said.
He's taken up knitting.

WASHINGTON MERRY-GO-ROUND

British Crisis May Explain
Shift in Soviet Policy

By DREW PEARSON

(Ed Note—This is the second of a series of columns in which
Drew Pearson analyzes the highly important, but little un-
derstood, economic crisis in Great Britain).

Washington—Here are two international developments which
may or may not be related:

1. In contrast to other years, there is not a sign of military
activity on the Russian horizon. American intelligence, steadily
improving behind the iron curtain, reports that never at any time
since V-J day has there been
less sign of military prepara-
tion. As far as the eye can tell,
all is serene.

2. Last spring, Europe
was booming. Busi-
ness seemed
better than ever.
The Marshall
plan was hailed
as a great suc-
cess. At that
time, Russia for
the first time
adopted a con-
ciliatory policy.



Drew Pearson

U.S. diplomats at the United
Nations almost keeled over when
the Russians first proposed end-
ing the Berlin blockade. At long
last it looked as if Moscow re-
alized the Marshall plan was
working and it would be wise
for the Kremlin to be concilia-
tory.

Then two things happened:
During the few brief weeks
between the preliminary talks
in April and May and the call-
ing of the Paris conference in
June appeared the first cracks
of economic depression. British
business began to slump. Ameri-
can unemployment rose.

Immediately Russian policy
shifted. At Paris, Vishinsky was
polite but obstinate. The Paris
conference was a failure. In Ber-
lin, the blockade was only partly
lifted.

Thus it looked as if the Rus-
sians figured the big break they
had been looking for—depres-
sion—had arrived. Also they
probably figured that the more
sabre-rattling in Moscow, the
more money spent on armament
in Washington, with more re-
sultant industrial activity and
business prosperity. Likewise
the less military activity behind
the iron curtain, the more
chance of economic doldrums
outside the iron curtain.

But whatever the Russians
figured, this has been the result.
And none of us has to do any
figuring to know also that what
Moscow has wanted most is
world-wide depression — after
which she could go around
picking up the remaining pieces
of the capitalist system.

An earlier column dealt with
the causes of the British mon-
etary collapse — which also ex-
tends in varying degree to other
west European countries.
Briefly those causes are fail-
ure to produce as much as Eu-
rope eats, which is induced, in
turn, by lack of labor efficien-
cy, outmoded machinery and the
loss of Asiatic colonies.

There is also another impor-
tant factor—failure of the Mar-
shall plan to cope with Europe's
basic problem of economic bar-
riers.

When this writer was in Eu-
rope with the Friendship train,
far-sighted Italian Foreign Min-
ister Count Carlo Sforza remark-
ed:
"Our only salvation is a
United States of Europe. We can
never be economically self-suffi-
cient as long as we are cut up
by nationalistic boundaries.
Moreover, we will never abolish
war until we banish nationalism.
"And we won't banish nation-
alism by ourselves. We can only
do it if you put the pressure
on. You can do it through the
Marshall plan. You are the only
people who can make us set up
a United States of Europe."
"But you will have to be
tough. Otherwise the Marshall

plan will be only a chapter—a
pleasant chapter, but a passing
one."
Count Sforza was right. The
British crisis has proved that
the Marshall plan is going to be
a pleasant, passing chapter—
pleasant for Europe, but not for
the American taxpayer.

Marshall plan administrators
have tried to get goods exchang-
ed between European countries;
and in a minor way they have
succeeded. But they have not
been tough. They have broken
down no real barriers.

One reason is that we put the
cart before the horse. We put the
Marshall plan before the Atlan-
tic pact.

For instance, it is impossible
to persuade France that she
does not need her own exclusive
steel industry, and that Belgium
could better manufacture steel
for her, as long as there is no
political alliance in western Eu-
rope guaranteeing steel to
France in case of war.

Now that Belgium and France
are aligned under the North At-
lantic pact—or, better still, in
some future United States of
Europe—then the need of each
little country to have its own in-
dustrial steel industry is not so
vital.

The same might be true of
Italy's Fiat automobiles. If Eu-
ropean trade barriers and polit-
ical boundaries were broken
down, one or two auto factories
could supply all Europe's needs.
Because of boundaries, the Fiat
plant in Italy has only a skimpy,
impoverished market; likewise
the Renault auto plant in
France, the Austin in England,
and so on.

Their markets, hemmed in by
nationalist barriers, in the eyes
of a Detroit manufacturer,
aren't worth sneezing at.

Yet each country is deter-
mined to keep up its motor pro-
duction, partly because automobile
plants can be turned into tank
and airplane factories. With the
North Atlantic pact, this is less
necessary. With a United States
of Europe, it would not be ne-
cessary at all.

The Marshall plan not only
failed to do more than nibble at
this problem, it actually retard-
ed badly needed reforms.

Italy, for instance, will never
be anywhere near self-suffici-
ent until the great landed estates
of south Italy are broken up
and reclamation projects creat-
ed to protect the land from
drought.

But when the DeGasperi gov-
ernment approached this, Mar-
shall Plan Administrator James
Zellerbach raised his hands in
holy horror. The U.S. congress,
he said, wouldn't approve.
Breaking up Italy's big estates
was socialism. The result might
be, he warned, that Italy's Mar-
shall plan money would be cut
off.

Mr. Zellerbach's family are
efficient manufacturers of paper.
But his ignorance about Eu-
ropean reconstruction only sub-
stantiates Count Sforza's predic-
tion that the Marshall plan
would be only a chapter in Eu-
rope's struggle for a sound econ-
omy—a pleasant chapter, but
a passing one.

(Ed. Note—Another Drew
Pearson column on whether
we face a creeping, world-
wide depression will follow
soon.)

(Copyright 1949)

Fire Ahead! No, Behind!

Santa Ana, Calif. (AP)—A fire engine racing to a blaze
here was delayed slightly when the crew had to stop and
put out a fire in their coats and hats stored on the rear
of the truck.

Save Your FURS

Be safe! Store your furs now. Guard
them against moth and warm wea-
ther damage. Store them in the air-
tight vaults at

Price's
135 North Liberty

BY GUILD

Wizard of Odds



MacKENZIE'S COLUMN

Britain Saw Handwriting
Of Present Money Trouble

By JAMES D. WHITE

(Substituting for DeWitt MacKenzie, AP Foreign News Analyst)

One of the big reasons for Britain's money trouble goes far
deeper than dollars.

This is the fact that Britain's place in the scheme of world
business can never be what it
used to be. Under the right
conditions it might be as great, but
never the same.

In the old days the sun never
set on the British empire. Brit-
ain's colonist sons made deals
that gave the mother country
the world's highest living stan-
dard at the time. This is no
longer possible now that the em-
pire is changing into a union of
equal partner-nations.

One of Britain's profitable op-
erations under the old system
was to buy raw materials in the
lands her armed forces held.
These raw materials were taken
to England and made into fin-
ished consumer goods. These
consumer goods were shipped
back to the colonies and sold to
the "natives."

This worked until the "na-
tives" began making their own
goods and getting fresh, new
ideas about running their own
show generally.

As a people, the British never
got so nearsighted while clip-
ping coupons from colonial in-
vestments that they couldn't
read the handwriting on the wall.

They led all colonial powers
in thinking up a civilized way to
avoid the explosion that could
have taken place if the colonial
world had got a flat "no" to its
demands for freedom.

The basic British good sense
which realized this state of
things could not last forever is
something the world should
never forget.

Within the framework of the
new commonwealth, she has
tried to rebuild her trade with
these areas, and has partly suc-
ceeded. But the basic fact is
that they are no longer economic
colonies in the old sense.

In other words, the old Brit-
ain was as rich as she was, par-
tly because of her colonies. The
colonial economic system
through which they added to
her wealth is on its way out.

Britain now competes in
world markets on a different
basis, and her resources and
techniques have not yet proved
up to the job.

Who says it's
expensive to ride
the HIAWATHAS?

Don't get the mistaken idea that it's costly to travel
on a "glamor train" like the Olympian HIAWATHA
—leader of The Milwaukee Road's Hiawatha fleet.
Nothing could be further from the truth!



You'll verify that when you check the cost of
coach travel on The Milwaukee Road against other
carriers on land or in the air.

Among the extra luxuries coach passengers get
without extra cost are the use of the handsome diner
and the attractive Tip Top Grill.

Touralux sleepers, and private-room sleeping cars
with Skytop Lounge, are
available at graduated fares.

East to Chicago
—
THRIFT GOES WITH
SWIFT ON THE
HIAWATHA LINE

For information, tickets and
reservations, ask
Portland Office
328 S. W. Yamhill St., Phone Atwater 1397
Geo. V. Valley, District Passenger Agent
T. A. Swanson, General Agent

The MILWAUKEE ROAD