

# Capital Journal

An Independent Newspaper—Established 1888  
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Published every afternoon except Sunday at 280 North Church St. Phone EM-46811

## Oregon Cautious on Bond Issues

A recent edition of the Journal of Commerce of Portland says that in Oregon, contrary to the nation at large, there seems to be a rising trend against municipal bond issues. This is attributed to "increasing taxes, higher interest rates, and a more-than-average fall decline in such major industries as lumber."

In Salem this cautious attitude is shown more by the voters than by the city administration that in 1956 proposed bond issues totaling nearly \$5 million. The people rejected such things as airport improvement, fire alarm system, and acquisition of ground for future parks, and approved only the items they thought more urgent, like water supply line, bridge building on arterial streets, and street widening, totaling some \$4,078,000.

With Salem's sound financial condition, and the cautious manner in which its officials approach expenditures, we still think that, as a long-range matter, it would have been economical for the people to have approved all of the proposed bonds. But that is water over the dam, and we only want to say again that the administration is fully cognizant of interest rates and the tax burden and is using care in handling the money that was voted. That is why the mayor has a special committee on water, which, among other things, will try to shape the bond money voted to the water supply project without financial embarrassment for the city or increased water rates.

The Journal of Commerce says that in the last general election about \$2½ billion worth of municipal bonds were voted the country over, a figure that would have seemed fantastic a few years ago.

It quotes the Bond Buyer, a publication devoted to municipal bonds, as predicting that the annual new issue total of tax-exempt bonds will near the \$10 billion mark within a few years. "One can hardly disagree with the prediction," says the Journal of Commerce, "due to the need for such public facilities as schools, water and sewer systems, and other facilities."

It of course sees little relief in sight from taxes or for lower construction costs. "The higher interest rates," it says, "are a symptom of other conditions which exist in our economy. However, the interest rates on municipal bonds have reached a point where they now should appeal to a wider range of investors, and this would be helpful if we can assume that bond issues will continue to climb, and that money will continue to be somewhat tight, or selective, for some time."—S. S.

## Army Reserves Changes

The Army announces revisions affecting National Guardsmen as well as other Army Reserves, effective April 1. Guardsmen will be required to take at least six months training or active duty, "based solely on military consideration."

Until now the only youths enlisted in the Army Reserves have been required to take the six months active duty training, followed by seven and a half years in the reserve. National Guardsmen had the option of volunteering for six months of active duty.

Youths who volunteer for six months active training will be required to serve only four and a half years in the reserve, instead of seven and a half years. This provision will be retroactive to August 9, 1955, when the National Reserve Act was passed.

Young men between the ages of 18½ and 25 will hereafter be permitted to take the six months training duty with a subsequent reserve duty obligation. This had been open to youths between 17 and 18½ previously.

Youths who are drafted under the Selective Service Act will be required to serve only two years instead of three in the ready reserve after they have served their initial two years on active duty. However, they will serve two years instead of one year in the stand-by reserve.

Pre-draft-age recruits in the National Guard need no longer remain in the guard until they are 21 but may be required to serve only four and a half years in the guard after taking compulsory training.

Draftees who complete two years of compulsory service will be given sixty days to volunteer in the National Guard instead of being assigned automatically to the Army ready reserve units for their locality.

The new measures were designed to "improve the combat readiness of Army Reserve components" and are recommended by Gen. Maxwell A. Taylor, Chief of Staff of the Army. The National Guard Bureau opposed the change. It has favored an active duty training of three months instead of six months, and threatens to take the issue to Congress. They fear a plot to "relegate the National Guard to a second-string position in national defense, if not to destroy it."

The ready reserve is that part of the reserve force that attends weekly training sessions and two weeks of summer training in field maneuvers. They number 1,883,000. The standing reserve is under passive obligation of availability.—G.P.

## Income Tax Dilemma

Oregon's Legislature, now in session, must do something about our mixed-up income tax situation. We know that the lawmakers want to do something about it, for they would like to see the taxpayers happy—or should we say happier?

Last year the taxpayers awakened with a jolt when the surtax hit them on the chin at the end of the year. Few persons had figured just how much they would have to pay at the end of the year, so when the notice came it created considerable wrath.

Rep. William Grenfell Jr., (D) Portland, has introduced a bill intended to withhold most of the income tax from a worker's wages instead of the present 2 per cent with a balloon payment at the end of the year. This tax, Grenfell says, would miss the total tax by only approximately \$20.

The federal government in depression days set up an income tax system that overtaxed the worker. The reason? So that irate taxpayers when they received their refund of \$10 or \$20 forgot their unhappiness. Federal tax men have admitted this psychological trick.

In Oregon we want no psychological tricks. We would like to have an honest income tax system. We want a tax system under which no one is favored, and all must pay in accordance with his income with reasonable deductions for dependents.

Rep. Grenfell's proposal of a complete withholding tax has a point in its favor that has not been mentioned thus far. A fully deducted income tax would take the lawful levy from transient harvest workers.

How many of these transients paid their surtax last year? These workers are welcome in Oregon, but they should pay their share of the taxes, for while they are here they are accorded all the privileges of our schools and public services.—M. F.

## All in a Week's Time

The uncertainty of life has dealt harshly with northwest newspapers. All within a week, "30" has been written on the careers of the editors and publishers of three of this region's best dailies.

First it was Jack Bladine of the McMinnville News-Register, who brought wide recognition to his paper. Next was Bernard Mainwaring, dynamic head of the Capital Journal, aggressive and growing newspaper that is peerless among publications of its class.

And at Walla Walla yesterday died Roland E. Miller of the Union-Bulletin, one of the best-edited and most prosperous of Washington's smaller dailies.

All rated high among the editors and publishers of the northwest.—S.S.

## NATIONAL WHIRLIGIG

# West Europe Shouldn't Rely On United States for Its Oil

By RAY TUCKER

WASHINGTON—Western European statesmen are now debating whether they should rely on the United States, especially the Middle East, for a steady and permanent supply of oil for the long-range future. The answer of authorities in Washington and in the oil-producing states is a harsh "No."

The Texas Railroad Commission and similar regulatory bodies in other oil-producing areas have had to reject requests for an increase in production of crude oil, which is in especially short supply here and abroad. Due to peak demands for industry and home heating in this wintry weather, there is such a shortage that the price has been increased by 25 cents a barrel.

When British officials complained about the price boost and the refusal to expand output, an Interior Department spokesman replied: "The British people that the independent State of Texas is a good deal more independent of Washington than the independent State of Britain!"

The new Macmillan Ministry has been forced to search for new sources of oil, both temporarily and permanently, because of the danger of future blockades of the Suez Canal. It does not feel that the problem will be fully solved when the waterway is reopened. It does not feel that Colonel Gamal Abdel Nasser, and it fears that he cannot be overthrown in the near future.

In view of the vicissitudes and uncertainties of Arabian politics London has reached the conclusion that it can never again rely too heavily on the Middle East for the life blood of industry, shipping and national defense. It doubts that the new Eisenhower Doctrine will bring permanent peace and economic stability to this area, based on its own sorry experience "East of Suez."

Oil Men Here Refuse to Overproduce  
Other sources under consideration at 10 Downing St., are the United States, Venezuela and Indonesia, with Canada and Mexico as potentials. But the firm reservoirs are this country and Venezuela, whose shipping lanes to Europe are relatively invulnerable to Russian submarines and planes.

American producers, however, refuse to overproduce and deplete their reserves to sell to a British market which will collapse in six months, when the Suez Canal is operating again. They have offered to sell at premium prices for a short emergency period, or to negotiate long-term contracts.

The British people brand this proposition as a "typical American money-making squeeze." But their official negotiators regard it as reasonable, and a necessary precaution for producers and consumers of this vital national product.

They have taken note of recent price increases of gasoline and crude, as well as threats of investigation by Congress.

Political Factors Weighed  
Far-reaching political factors warn against British abandonment of the Middle East market. With oil as the principal revenue for many Arabian states, its loss would produce such poverty and desperation that they would become easy marks for Russian invasion or infiltration.

## Threats of War Constant for World Since Days of McKinley

By DAVID LAWRENCE

WASHINGTON—Inaugurations come—but wars or threats of war seem to go on forever. Every administration since the turn of the century has been deeply engrossed in the problem of war—either through the participation of American troops or through efforts at disarmament and the prevention of enlarged conflicts at arms.

This is the tragic story even in a life of a man. William McKinley was in a great deal of trouble in Cuba and the Philippines and at other outposts in the Pacific following the Spanish-American War of 1898.

On March 4, 1905, when President Roosevelt was inaugurated, the war between Russia and Japan was raging. It was settled through the intervention of the President with a peace treaty signed at Portsmouth, New Hampshire, in September, 1905. Then in 1907 a peace conference of 42 nations met at The Hague and talked about a world court but got nowhere.

On March 4, 1909, when William Howard Taft was inaugurated there was a delicate situation with Japan as Tokyo and Washington officials had been jockeying for a better balance of interests in the Far East. There were troubles in Latin America, too, and soon American Marines were landing in Nicaragua. Intervention by the United States in Mexico was threatened in 1911 as a large part of our Army was mobilized in Texas.

On March 4, 1913, Woodrow Wilson was inaugurated. It was just a few weeks after President Madero of Mexico had been assassinated and Victoriano Huerta, the dictator, came to power—an event that was to be followed by the seizure of Vera Cruz by American military forces in order to forestall an attempt by a German ship to supply arms to Huerta through that port. Within seventeen months World War I broke out and America found herself in a critical position as the Kaiser's government started to sink American and other neutral ships with a loss of many lives of innocent non-combatants.

On March 4, 1917, Woodrow Wilson took his oath of office privately on Sunday and was publicly inaugurated the next day in the midst of a crisis that this correspondent described at the time in his dispatch as follows: "There is no disposition this time, as four years ago, to prolong the merry-making. It is a time too serious for recreation, for somehow the burden of the man who is the center of all the celebration is too heavily appreciated. A dangerous international situation impends. It cannot be got out of mind. Wherever the groups of politicians, state officials, or congressional fold gather, the topic is ever: What will the President do about the arming of all ships, an extra session, and international affairs generally?"

The answer came just 33 days later when the President asked Congress to ratify a "state of war" with Germany.

On March 4, 1921, Warren Harding was inaugurated President and he called a disarmament conference of the major powers concerned with the Pacific in an effort to stabilize conditions in that area. Limitation of naval armaments was agreed in along with several treaties pledging mutual consultation. There was a pact to bar the use of poison gas and un-

restricted submarine warfare. Meanwhile in Europe France and Belgium soon moved troops into the Rhineland to enforce the payment of German reparations. A situation began to develop which became more and more critical for the world whole.

On March 4, 1925, President Coolidge was inaugurated after having succeeded to the office at the death of President Harding in August 1923. The period was marked by efforts to get universal approval of the Kellogg-Briand Treaty to "outlaw" wars of aggression. But while 62 nations signed it, nothing was done by any country as to what action would be taken if an aggressor did start a war.

On March 4, 1929, Herbert Hoover was inaugurated President. He strove for world peace and sent American delegates to Geneva for an international conference on limiting armaments. But the conference failed. In 1931 Japan moved into Manchuria and Secretary of State Stimson in vain called upon Britain and the other powers of the world to denounce the aggressor and do something about it. But the efforts failed and the aggressor went unchecked.

On March 4, 1933, when Franklin D. Roosevelt was inaugurated, Adolf Hitler had already become dictator in Germany a few weeks before. Then the sequence of events began that led to World War II. Italy invaded Ethiopia. The League of Nations failed. Hitler seized Austria and then Czechoslovakia. The Spanish Civil War began in July, 1936—saw Communists and anti-Communists from other countries participating on opposite sides. In November, 1936, Italy, Germany and Japan formed a military alliance which was to be broken up only after the worst war in all history. Mr. Roosevelt was inaugurated in 1937 as the world was moving toward a global conflict. Japan began her war against China that same year.

Due to the world situation, the American people disregarded for the time being their tradition about confining presidents to two terms and elected Franklin Roosevelt to a third and fourth term in 1940 and 1944, respectively. America entered World War II in 1941, and suffered more than 1,000,000 casualties.

The world crisis continued as President Truman took over in 1945. He was inaugurated in 1948 in the midst of desperate efforts to save Europe from economic collapse. Also 12 nations, including the United States, organized the NATO alliance. Just 18 months after his inauguration came another crisis in the Far East as America found herself sending more than 1,000,000 boys to participate in the bloody war in Korea started by the Communists.

The clamor for peace—for some device to persuade nations to refrain from fighting each other in war—has continued throughout the decades. It is reflected in the policies of President Eisenhower as expressed in his inaugural addresses in 1953 and 1957.

But the world still moves to ward more crises—now in the Middle East and in Eastern Europe. This happens because politicians muddy the waters as busy people, lazy people, people unaware of the facts of history, and people who do not know the facts but are afraid to stand up for principle—preferring instead to abandon moral principle for appeasement—do not support the efforts of their own government, here or in Britain and France, who it does seek to be resolved and to make the indispensable preparations that must be made to deter an attack by an aggressor. Unwittingly good people, brave people, by their ac-



## Historic Contrast Seen in Second Inaugural Message

By JAMES MARLOW

WASHINGTON—President Eisenhower's two inaugural addresses, placed side by side, conjure up a single vision: that of a whole line of presidents who in the years ahead may have to say the same thing.

The words of Eisenhower's second inaugural were different from his first in 1953, but the central theme was identical: the struggle against communism.

Communism suffered some reverses this past year but this country seems no nearer to victory over it—or even to a peaceful understanding with it—than it was four years ago when Eisenhower first took office.

The end to the struggle is not in sight. The picture may be the same when a new president takes office on Jan. 20, 1961, or in 1965, or in decades after that.

Eisenhower's address yesterday full of platitudes and moralizations, doesn't compare in style or in the hope it offered with what are perhaps two of the most famous inaugural addresses in history, Lincoln's in 1865, Roosevelt's in 1933.

But the circumstances were different. And nothing illustrates better how much American thinking has changed in a quarter of a century than reading Roosevelt's inaugural 24 years ago and Eisenhower's yesterday.

The one quick, possible solution which Eisenhower might seek—war on Russia—is the one he wants most to avoid. His successors no doubt will likewise seek to avoid it if they can.

Roosevelt, an isolationist when he took office in 1933, talked in his first inaugural to a country which had deliberately decided years before to isolate itself from the rest of the world.

Although Roosevelt used the word "interdependence" twice in his 1933 address, it was not in a world sense. On the contrary, he was talking only of the interdependence of the 48 states and of the American people.

When Eisenhower delivered his first inaugural address in 1953, he too used "interdependence" but in a completely opposite sense from Roosevelt. By that time this country had moved from isolationism to world responsibility.

He even went so far four years ago as to speak of "interdependence" among nations as a "basic law." He returned to the same thought yesterday when he said: "The economic need of all nations—in mutual dependence—makes isolation an impossibility."

Money expended for elementary and secondary education in Oregon in 1952-53 aggregated \$17,000,151.

Salem Kiwanis club had gone on record for stricter enforcement of Salem's curfew law.

On his day 33 years ago Capital Journal carried a special notice to the Improved Camels of the World, Salem council No. 1: All were requested to attend a meeting where business of much importance would be transacted. Raymond Burke, president; Johanna Woodward, secretary.

A Smile or Two  
The old lady had lost her purse and rushed into the police station to report her loss.

The kindly officer sympathized with her and said reassuringly, "We'll leave no stone unturned until we find it, madam."

As she left the building, she noticed workmen busily tearing up the street, and said to herself, "Well, they didn't lose much time. I'll say that for them!" —Wall Street Journal.

## They Say Today

Quotes From The News By UNITED PRESS

WASHINGTON: President Eisenhower pointing out a float displaying a small satellite circling globe for Mrs. Eisenhower during the inaugural Day parade: "Would you take a look at that. That is wonderful!"

WASHINGTON: Movie cowboy Monty Montana, who lauded President Eisenhower during the 1953 inaugural parade but was warned not to do it again during this parade, calling to the President: "I can't get you this time."

KEARNEY, Neb.: High school principal Louis Niegaw warning male pupils that anybody caught wearing an Elvis Presley haircut would be expelled from school: "I will not tolerate any more foolishness either in or out of school. I've got to be responsible for your actions, then I'm going to be your daddy."

VENICE, Italy: Judge Mario Tiberi forbidding photographers to take pictures of the trial of the son of a former foreign minister, a one-time Rome police chief and a self-styled marquis for the death of party girl Wilma Montesi: "Venice is famous for hundreds of tourist spots. You have plenty of places to photograph, but don't do it here or I will be forced to prosecute you."

NEW YORK: Joseph Koevago, mayor of Budapest during the anti-Communist uprising in November, haltingly asking in broken English for direct aid to Budapest: "Our people fought to the point of suicide and now they need something to justify their faith and hope."

LONDON: Mrs. Duncan Sandys, daughter of former Prime Minister Winston Churchill and wife of Britain's new defense minister, announcing she left her husband early this month: "I have parted from my husband. I have no other comment to make."

PARIS: Ingrid Bergman returning to Europe after her first visit to the United States in seven years: "It was all like a dream. People I can never thank enough covered me with flowers and gifts. I was very moved."

INEVITABLE  
Several magazines have stopped publication for financial reasons. It looks like too much overhead finally brought the inevitable end.

## FUNERAL DIRECTORS



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## POOR MAN'S PHILOSOPHER

# Murray Cohen Waxes Wise on Business of Making Millions

By HAL BOYLE

NEW YORK (U.P.)—The reason many uneducated men make successes in business," said Murray Cohen, who never finished grammar school, "is that subconsciously they seek security in money."

"But I never idolized money." At 49 Cohen, who is as calm and restful as a bottle of benzene, really is a millionaire, who probably doesn't idolize money. How can you idolize something you are making so fast you don't have time to count it?

There are a number of unusual things about Murray, who is a blue-eyed, sandy-haired philanthropist and businessman who was born poor on the lower East Side and still wears the air of surety of one who broke his knuckles young, but still won. For example:

He went to work selling paper and twine at 14, and four years later was earning \$40,000 a year selling laundry machinery.

He lives in a suite in the Waldorf Towers, and is the only tenant there who does his own laundry.

He is also a bachelor who washes 30 million diapers a year. He is, as a matter of fact, president and board chairman of Consolidated Laundries, the world's largest firm in the field, and kingpin in the nation's 400 million dollar-a-year linen supply and laundry industry.

In 1942 when he moved in and took over control of the company he was hailed as the youngest executive of any firm on the New York Stock Exchange.

"It was losing money, and going downhill," he said. "Its annual business was about six million dollars, and it hadn't paid a dividend in some 10 years. This year we'll do 22 million."

How did he do it? This is Cohen's explanation: "I did it by molding the men I found there when I took over the firm. I didn't bring in men from the outside."

"We had about 2,000 employees then, and we have about 4,000 now, plus 800 trucks. All the managers of the 23 plants we have today were route delivery men or route supervisors when I came. 'I told them at the start their jobs were secure as long as I was there, but it was up to them to provide the kind of security that would permeate through to their families."

"I put in insurance, pensions, and stock purchase plans. The measure of my own success is how many men I can help make successful. But I've been a salesman all my life. I believe in ringing doorbells, and that if you pound pavements and ask for business, you'll get business."

"So when they started to tell me what they'd been doing, or showed me a sheet of figures, I told them, 'I don't care what you did—that's up to you—and the only figure I'm interested in is the final one at the bottom of the page.'"

Cohen, who doesn't mind admitting he enjoys playing hard-

also says he has kept the first promise he made to the men in his firm: "I will work harder than any of you."

The results show somebody or something worked: Cohen now has 250,000 customers, a customer being the mother of a new-born baby, a hotel like the Waldorf, or a whole chain of restaurants such as Longchamps, one barber shop or a series of beauty parlors.

"The rental of towels, napkins, tablecloths, and service uniforms is the big thing today," he said. "Dry cleaning and the handling of home laundry are minor compared to it."

"But diaper rentals interest me. Don't ask me why I never got married. It's a long story. I met a lot of girls I liked for two weeks, but then, somehow, well..."

"Babies interest me. We've found the average baby uses 100- to 120 diapers a week. The record was 320 a week. He was a boy. At first we thought the family must have had triplets."

"There are a lot of angles to this business...We own 10 million dollars worth of linens, as we call cotton goods...we've got a new diaper now shaped like an hour-glass instead of square...more efficient..."

"You know how to deal with employees first, make them have a real sense of belonging to your organization to give them emotional security. Then over-pay them—that gives them financial security. Nothing makes a man feel more secure than being over-paid."

Then Cohen, who is reported worth 15 million give or take five million, remarked with the brooding air of a man who would like to have everything in life, and is still unrequited because he can't: "You know, I never went to college. That can give you an inferiority feeling."

IMAGINATION  
John Dryden  
Wit in the poet is no other than the faculty of imagination, which, like a nimble spaniel, beats over and ranges through the field of memory till it springs the quarry it hunted for.

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