

Capital Journal

An Independent Newspaper—Established 1888

BERNARD MAINWARING (1897-1957)
Editor and Publisher, 1953-1957

E. A. BROWN, Publisher
GLENN CUSHMAN, Managing Editor
GEORGE PUTNAM, Editor Emeritus

Published every afternoon except Sunday at 280 North Church St. Phone EM-46811

Full Leased Wire Service of The Associated Press and The United Press. The Associated Press is exclusively entitled to the use for publication of all news dispatches credited to it or otherwise credited in this paper and also news published therein.

SUBSCRIPTION RATES

By Carrier: Monthly, \$1.25; Six Months, \$7.50; One Year, \$15.00. By mail in Oregon: Monthly, \$1.00; Six Months, \$5.00; One Year, \$9.00. By mail Outside Oregon: Monthly, \$1.25; Six Months, \$7.50; One Year, \$15.00.

Political Spoils Bill

House Bill No. 506, introduced by 20 Democratic Representatives and 4 Democratic Senators is a bill to abolish the Board of Control, repeal or amend some 20 statutes, centralize appointive power into the hands of a Democratic governor, create a director of public institutions—a complete reorganization of state government.

Oregon's State Board of Control, consisting of three top members of our government, the Governor, who is ex-officio chairman, the Secretary of State and the State Treasurer. No member of the board receives any salary or other compensation for services rendered as a member of the board; but each member shall receive all necessary traveling expenses when traveling on tours of inspection to state institutions. The Board must hold at least one official meeting each month but as many more as held necessary. Duties are clearly defined. It governs, manages and administers the public institutions, buildings and works that come within its jurisdiction, including entering into contracts for the erection and furnishing of all new buildings, contracts for purchasing of supplies or equipment, accepts and conveys property, etc., etc.

The Board of Control was created in 1913, during Governor Oswald West's Democratic reform administration. It has functioned for 44 years satisfactorily, unscathed by scandals. Three top state officials, most of the time, functioned harmoniously and non-politically, under both democratic and republican governors. The welfare of the state has always been the objective. Why change it? There has been no public demand for it.

The proposed abolition of the Control Board is purely a political spoils proposal, to sweep out efficient officials, selected for competence and replace them with "deserving democrats" to build an effective political machine to keep partisans in power.

Oregon has had for the past half century a remarkably efficient government under both Democratic and Republican governors. Politics have not figured much in appointments and the rank and file of state employees have been placed under civil service.

Why change a system that has proven its efficiency, for a trial and error political spoils system that has in some other states proven disastrous by making the governor a political dictator for spoils at taxpayer expense and frequently boomeranged in scandal.—G. P.

Chamber Makes Good Business Deal

The Salem Chamber of Commerce has made two good business deals in the last year.

The first, of course, was purchase of the Rodgers property at Court and North Cottage for its permanent headquarters. The second was the recent sale of 34.5 acres east of the city for development of a privately-operated park and recreation resort.

Purchase of the Rodgers property cost the chamber \$30,000, but relieved it of heavy rental payments and the inconvenience of being buffeted about from one downtown spot to another. The recent sale nets the chamber about \$14,000 to apply to the debt to the headquarters property, and the chamber still has 61 acres left of its acreage east of the city. Ten acres of this are leased to Oregon Pulp & Paper Company for storage use.

During World War II the land was government-owned for air corps barracks use. After the war it was made a federal housing project, and later, when declared surplus property, was acquired jointly by the Chamber of Commerce, the growers, and the food processors of the community for housing transient harvest workers. Then the chamber acquired title from the other two parties to this ownership.

In acquiring the land the chamber's thought was that it would be suitable as a location for industries. This hasn't worked out because of lack of nearby railroad facilities. But the land is available for other uses. The chamber has no cause to worry about it, and isn't worrying, for it is in no hurry to sell further acreage, and has a policy that the property shall be disposed of only for purposes that provide jobs or recreation. This policy was suggested by the late Bernard Mainwaring, who was a member of the chamber board, and he was largely responsible for its adoption. With what has been netted from acreage already sold, and use of the land as loan collateral in the Rodgers purchase, the chamber has come out very well.

The sale to Rex Ellis, Curt Ferguson and associates of an area for development of a recreation resort appealing especially to families and children will, if carried out as planned, bring an asset to the community, and should be a paying investment for the purchasers.

More Red Propaganda

Soviet Russia has proposed that the Big Four powers cooperate in economic aid in the Middle East, maintain peace there by negotiations and otherwise keep hands off the tension racked area. If the Western powers agree, Russia will do likewise and abandon military bases there.

Soviet Minister Shepilov told the Russian supreme parliament that such a six-point proposal had been handed to the ambassadors at the United States, British and French legations.

The foreign minister said the most urgent Middle East question now was "the complete withdrawal of Israeli troops from Egyptian territory." He said his government also support's Egypt's "just demand for full compensation of the damage caused" by the British-French-Israeli invasion of Egypt.

Shepilov also lined his government up again with Cairo's demand that Egypt alone control and operate the Suez Canal. He said "law and justice are wholly on Egypt's side."

These proposals were held to be the Kremlin's answer to President Eisenhower's doctrine to stabilize the Middle East in which he offered military, and economic aid against Communist aggression, if requested by any country in the strategic oil region.

Like the Geneva peace proposals, this is merely Kremlin propaganda for Soviet Russia has never lived up to any agreement, and it is so regarded by President Eisenhower. As soon as America pulled out, the Russians would drive in, as they did in the Balkans, Baltics, the Far East, and now into the Middle East.

The Russian proposal has been followed by a demand that the United Nations act on the Soviet charges that the United States has committed global aggression in outlining her Middle East program and in setting up bases in Western Europe, Turkey, Iran, Japan and Okinawa armed with atomic weapons.

Russia has made the same charges before, but not before the United Nations. Can you beat it? The instigator of genocides, purges and enslavement of a score of nations, seeks to penalize the nation that safeguards other threatened nations from similar fates!—G. P.

RAY TUCKER

Nation's Economy Becoming More Confused Than Ever

WASHINGTON — The nation's economic, financial and monetary system—wages, prices, prospects, money costs—has become more confused than at any time since Franklin D. Roosevelt tinkered with our currency by devaluating the dollar and abolishing the gold standard. Almost every expert at Washington disagrees on diagnosis and remedies.

Although both President Eisenhower and Secretary Humphrey praise and defend their record-breaking budget of \$71.8 billion (book figures only) to shift Congress to reduce it, if possible. As a safeguard against inflation, they beg management and labor to show moral fiber and restraint in raising prices and demanding higher wages.

Administration Passing Buck
The politico-economic reaction to these cross-current statements and pleas is that the Administration has abdicated its primary responsibilities. In shorter and sharper language, the political, business and labor communities make no secret of their belief that the Administration is "passing the buck" in a big way.

Capital Hill, including Republican stalwarts, maintains that the Executive seeks to shift final blame on them. If they slash the budget, they can be accused of tampering with foreign aid, defense and welfare programs. If the Democratic majority accept it, they will share responsibility for continued inflation with the White House.

Like its own financial and business friends, who voted for him and financed the GOP's election costs, are shocked at the failure to reduce Federal expenditures. They attribute it to his unexpected and unwanted expansion of costly New Deal-Fair Deal handouts.

DAVID LAWRENCE

Action Now Will Help Halt Future Economic Reverses

WASHINGTON — Will business be good? Are we headed for a readjustment of some kind? What's the meaning of the talk about "deflation" and of the decline in the stock market?

These questions are being widely discussed and it's about the healthiest thing that has happened in a long while.

For the theory that there are no limits to what can be borrowed, that not much attention need be given to paying back public debt, that wages can rise a substantial amount every year, and that prices can go up to meet rising costs and everything will be russy just the same, is the very thing that leads to economic imbalance and general stress.

The economic system is too big to be controlled by any single device, either of credit or anything else. Restricting the amount that can be borrowed is not in and of itself a remedy.

The success of the American system is based on a continuance each year of healthy profits. This doesn't mean that the owners themselves become saturated with wealth—as the radicals like to argue. It means that profits, when large, can be set aside as surplus and new jobs can be created because the surplus can be used to manufacture plant and equipment needed to attain greater efficiency.

But profits lately have been coming down. Last year saw the trend begin to decline. When larger companies find their costs so high that they cannot get the same rate of profits as before, it means that they have to cut down on dividends to stockholders. And when dividends start going off, the stocks themselves begin to be less attractive to buyers and the market begins to slide downward.

Could Mean Readjustment
This doesn't necessarily mean depression or recession. It means readjustment. Business has to find its capital somehow. If it finds the supply of outside credit limited, it must start building up inside credit—from its surplus. Representative Patman of Arkansas, Democrat, calls this "costless capital." This is illusory. For when business has to dip into its reserves and ceases to pay customary dividends, the stockholders pay for that use of capital because they are deprived of dividends they might otherwise have gotten—the wages of their invested capital. The company, moreover, loses the interest it previously had received when investing its surplus.

The overall situation today, defies generalization. Some businesses are going ahead as usual. Others feel the pinch of "tight money" or restricted credit.

There is much talk in Congress about "small business." Lots of committees show concern over it, and lots of demagoguery is heard on the subject. There are many small businesses that are prosper-

ing and many that are not. Sometimes this latter condition is due to incompetent management and inefficiency, but more often it is due to the cost factors over which neither large nor small businesses have any control. While the big businesses with a long record of earnings that they have put aside for times of stress are able to weather such storms, the smaller concerns are not so fortunate. A mere pittance in tax relief would help them much. That's just a piece of political fakery.

Wage Cost Rise Factor
The biggest single factor that neither large nor small businesses can overcome is the persistent rise in wage costs. Congress conveniently overlooks it. The doctrine that every year labor must have an advanced wage or else union leadership is not doing its job has taken hold to the extent that, unless something is done to stabilize wages, there will be a depression which will confirm all the statements that recently have been made about "hair curling."

Until wages are stabilized, prices will not be stabilized. Until wages and prices are both stabilized, the purchasing power of the dollar will not be stabilized. Money is like any other commodity—when it grows scarce, it becomes more expensive. The federal government is using up many billions of dollars that ought normally to flow into productive enterprise. The public is lending the government vast sums and hence there is less and less money available for private enterprise. Congress could cut the budget and put an end to luxury spending, but it is afraid of political repercussions. So the situation drifts on without any remedy in sight.

Confidence Delicate Thing
Confidence in the monetary unit is a delicate thing. When the public begins to see clearly the nature of the deadlock between sound economics and unhealthy politics, the end result is a sense of frustration.

Public opinion, however, is today beginning to make itself felt. Congress is hearing from back home that labor monopolies have gone too far, that money has become too scarce, that public spending is too high and that it's time for more reliance to be placed on local communities and states rather than on the federal government.

The basic economy is strong, and the debate and discussion are useful in reversing the tides of irresponsibility which in recent years have characterized the field of wages and prices and public spending.

BECK EVADED OREGON
Those who remember how carefully Dave Beck evaded Oregon when there was a warrant out for him in this state will not think it odd if he goes to Europe now.—Sherman County Journal

CREDIT TO NO ONE
So far the Multnomah county tax investigation has brought credit on no one, except, perhaps, those who started it.—Sherman County Journal.

Labor Leaders' Viewpoint

Labor union leaders feel that Ike aims to embarrass them. They say that, even after heavy taxes, profits for the President's "big business" associates have risen by a far greater percentage than payrolls.

In fact, the threatening deterioration of the economy has reached such a state that even the conservative Eisenhower envisages the need of Federal controls, although they will destroy what he calls "America as we know it."

Budget Director's Pessimism
Perhaps the worst shock to alarmed members of Congress was delivered by Budget Director Percival F. Brundage at a secret session of the House Appropriations Committee. After expressing his disappointment over the size of the 1957 budget, he said:

"I would certainly hope we would be able to cut taxes. If we can hold our expenditures for a couple of years at even the present level (\$71.8—Ed. note), I think the expanding economy will permit it."

"You think," he was asked, "it is doubtful we can hold them at this level or not? You think if there is any change in the budget, it will be up instead of down?" "I am afraid of it," replied Brundage. "Yes."

Tax Cuts Ruled Out
His astounding admission rules out tax cuts in the next few years. It means that industrial and business activity must increase even to make possible a balanced budget, whereas many economic experts look for a downturn for the last six months of this year. In short, Brundage's off-the-record warning is far more pessimistic than the "hair curling" predictions of Humphrey and Herbert Hoover.

To darken the outlook, the Administration's military and diplomatic witnesses have assured Congressional Committees that "We must continue foreign aid, military and economic, for an indefinite number of years." Every other nation, including our major Allies and the Soviet, is economizing, it seems, at Uncle Sam's expense. (Released by Newspaper Syndicate)

THE OPEN FORUM

Sassy Valentines



REG-MANNING

Says Taxes Might Destroy Our Way of Life

To the Editor:

While I am not as sharp on the subject of taxes as I should be I know that unless something is done to lower them they will eventually destroy our way of life. Going back perhaps twenty years, taxes were practically unheard of particularly to the persons in the middle and lower class incomes. Today it is these same wage earners in these same income groups that are paying the vast majority of tax revenue. It is also the persons in these groups that keep our economy healthy and our prosperity such as it is due to the fact the greater majority of these persons spend their money as fast as they make it.

Some (a large sum) spend it before they make it thereby resulting in heavy debt. The shocking truth is many of these families have to go into debt to buy a needed appliance, a better car for necessary transportation to and from work, needed repairs to their home, etc. while they pay hundreds of dollars every year in Federal and State Income Taxes, personal property taxes, not to mention all of the hidden taxes. I believe a survey would find a larger percentage of families pay more taxes yearly than the amount they go in debt yearly.

High taxes are destroying the incentive and drive of our young people. They are losing the urge to want to make something of and for themselves because they know the harder they work to make a little money the more taxes they pay and they wind up with nothing anyway. So why try?

I have several families wanting to sell their homes because of higher personal property tax. They maintain it is cheaper to rent than own but seems they can't sell because renters are satisfied renting and the rest are in the same fix they are in.

It is time we elected politicians that speak, act, and work for the people. Politicians that spend our money like it was their own. It is easy to spend some one else's money as long as they keep giving it to you to spend. It is time we quit giving and demanded to know where what we gave has gone.

Let's begin to practice a little economy in government. From our city through our federal. It is time we woke up and altered our state tax structure so that businesses and industries will be encouraged instead of discouraged when they consider Oregon. Increased payrolls may help solve some of our unemployment. If so our unemployment and welfare funds would grow larger without seeking new forms of taxes to help increase them in size as fewer people would need assistance.

Especially young, able bodied people who have the ability and the desire to provide for their families but not the job. Maybe then we could help our older and less fortunate citizens better. Would that be bad?

Sincerely,
LeRoy L. Laack
4028 Earl Ave.
Salem, Oregon

BEN MAXWELL

War Effort Made News Back in '44

Feb. 14, 1944

Headlines pertaining to events in World War II were front page features in this issue of the Capital Journal 13 years ago: Russians near Peskov; Only 13 German planes reach London; Allies begin initiative along Adriatic beach.

At 2:10 a. m. Feb. 14, 1944, two U-boats sunk. Monks warned to save selves, Japan to face offensive. U.S. armed forces in World War II number reached 112,566. Total casualties were 1,078,674 with 407,828 dead, 293,986 being deaths incurred in battle!

Purchase of E. bonds in Salem had reached \$1,502,396. Chairman Jesse Gard had announced. Chairman Gard had faith in attaining the goal fulfillment of \$2,000,000 following a Million Dollar club broadcast scheduled from Salem high school.

Gardner Knapp, chairman, had announced collection of 300,000 pounds of waste paper in Marion county. He was also looking for storage space for six tons of tin cans, once moved and now requiring another site.

War food administration had urged the nation to increase the use of potatoes throughout 1944 to consume a 1943 surplus arising from the largest crop in history.

R. H. Baldock, state highway engineer, had visualized the need for flight strips along state highways to accommodate airplanes at the end of the war. Baldock pointed out that a collision between a gasless plane and a truck on a state highway near Junction had led him to this conclusion.

A scarcity of automobiles during the war had brought forth this bargain in a Capital Journal classified advertisement of 13 years ago, the only one among 19 naming a price for a used car: A good 1932 Chev. coupe, \$215.

HAL BOYLE

Boyle Ends Vacation, Hound Dog Finally Bites Daughter

ANDROS TOWN, Bahamas (AP)—Looking back on a splendid two-week vacation here, I wondered as we flew away what we would remember most about it.

The food that put extra pounds on us... the fish that got away... the goombay music that makes calypso seem pale... the friendly natives... the yachts we admired but had no desire to own... the nights... the sun, sand, surf and star tan? No, none, I guess the most memorable thing was the fact a dog bit our daughter.

him. You can't fault anybody for loyalty. "What if you end up with a rabid child?" asked Frances. "I do suspect I have one. For the very next day when we were out walking we saw Amos, some distance from home. As he started to crouch away, Tracy tried to run up and throw her arms around him again.

"Don't you know he's a bad dog?" I asked, holding her. "He is not a bad doggie, Amos is a good doggie," she said, and then as my grip tightened on her and I refused to let her risk a second bite from Amos, she flung at me: "You're a bad man!"

I wanted then to let her go and see if her stubborn love could win Amos.

But I looked from her to Amos, and I knew I couldn't be sure, because if Amos hurt her again I knew I would hurt him forever.

So I held Tracy, warm and struggling and crying. "Let me go," and felt for the first time really the heavy responsibility of a parent trying to do his duty against the will of his child.

And was Tracy wrong? Only Amos really knows.

Quotes From The News
By UNITED PRESS
LONDON: Britain's Defense Minister Duncan Sandys defending Britain's strategy of prevention of war instead of defense because of the dawn of an era of guided missiles.

"There is every reason to believe that the Russians have been developing a much enlarged version of the German V2 rocket, but with the enormous difference that it will of course carry a nuclear warhead."

CLINTON, Tenn.: Clinton High School Principal D. J. Brittain, disclosing that Alfred Williams, a Negro senior in the recently integrated school, has been suspended for threatening a white boy with a knife.

"Anybody who pulls a knife in this school will receive the same kind of punishment."

"We Were Astonished . . ."
to know that so much entered into the conducting of a funeral.

HOWELL-EDWARDS FUNERAL HOME made many suggestions that had not even occurred to us.

Prizes . . . Refreshments . . . Gifts
COME TO THE PARTY
in celebration of the
Grand Opening!
DORAN APPLIANCE CO.
and
Hotpoint's
42nd Anniversary
Electrorama

Join us for coffee, and enjoy a piece of the "WORLD'S MOST VALUABLE BIRTHDAY CAKE" . . . a prize with every piece, including 250 GIFT CERTIFICATES, and one lucky visitor to our store may receive a free trip to Hawaii, all expenses paid, courtesy of HOTPOINT.

Open Thurs. . . Fri. . . Sat. . . 8:30 A.M. 'til 10 P.M.
355 Center St. Phone EM 3-3139

Everybody Welcome