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Paul Revere of Depression?

In Senator Dick and Maurine Neuberger's "Washington Calling" weekly news sheet, sent over the state to constituents as a "public document," free, that is paid for by taxpayers, is listed "The Retail Trade Pattern During 1956," from the Federal Reserve figures for department store sales in all metropolitan areas, as contrasted with 1955.

"This is the picture," Dick says, "the sales of department stores in the metropolitan cities for 1956 were up 4 per cent, in the far Western states up 5 per cent, but Los Angeles and Portland gain was 0 per cent." On which Dick and Maurine pessimistically comment:

"Thus Portland, alone with Los Angeles, is the only metropolitan area in the West in which department store sales did not rise to some extent during 1956. The report is disturbing for two special reasons: (1) Department stores have greater facilities for forcing sales and 'pushing' merchandise than do small merchants and storekeepers; and (2) Portland has generally been more prosperous than Oregon communities in the lumber and rural regions. As I have been emphasizing ever since 1954, the Oregon economic outlook does not call for hysterical alarm, but neither is it particularly reassuring. The situation demands vigilant attention, a stress on realities, political nonpartisanship, and the courage to be bold and vigorous in proposing remedies."

The current issue of the U. S. News and World Report contains a complete report from official figures showing, city by city, that this is still a prosperous country, with "a boom that is still going on, with some of its steam lost with only comparatively few weak spots showing." The figures used are from government departments, and show:

Portland's average worker's income \$4,488 for 1956, up 8.1% from a year ago. National average income up only 4%. Extent of unemployment, moderate. Employment up 3 per cent against U. S. average of 2.4%. Department store sales down 11 per cent, against the national average of 1 per cent gain. Housing activity up 15% against a national average gain of 6.9 per cent.

The drop in Portland's department store sales is due to the fact that the larger stores have established branches in some of the larger cities of Oregon, together with the drift of trade to suburban centers. Some 28 cities, including New York, Boston, Pittsburgh, Washington, Cincinnati, Cleveland, Houston, Minneapolis, and Omaha, showed a loss in department store sales and the national average gain was only 1 per cent.

The U. S. News summarizes as follows:

"Thus, the boom is not making as much headway as formerly. In a number of lines that once were strong, there are new signs of difficulty that have not yet been reflected in the official figures. What evidence there is of a continuing boom is confined to fewer cities. Where the boom is fading, however, business suffers little by any historical standards. Activity tends to stabilize instead of shrinking seriously. Nowhere in this survey of more than 50 cities do you find any sharp declines."

Is our Dick, with typical Oregon inferiority complex, posing as the Paul Revere of depression?—G.P.

Step Toward European Unity

The British government has issued a White Paper endorsing the project for a European industrial free trade area and called on the Council of Ministers of the 17-nation Organization for European Economic Cooperation to establish machinery for negotiating the detailed arrangements and drawing up of a treaty as soon as possible.

Hitherto, Britain hesitated to join all Western Europe into a great economic block of 250 million people, which would change the economy, and later perhaps, the political map of the world. It is the culmination of the free trade post-war movement for European unification, which has already led to political organizations such as the Council of Europe, the military alliance of the Western European union functioning within the North Atlantic Alliance, and to the Continental Coal and Steel Community with its supra-national authority and parliament.

These nations live in a community only a fraction of the size of continental U. S. and cannot live off the primary materials provided by its own territorial basis, so its life and growth hangs upon abundant and increasing primary supplies from outside. European skill, enterprise and capital have been devoted to developing such outside sources and sea lanes to insure safety of trade channels. One can understand Europe's reaction to the seizure of the Suez Canal, severing its life line.

The purpose of the European free trade area is to create a single market for all industrial production, free from tariffs, quotas and other trade barriers, which will permit mass production and enable Europe to compete with both the United States and Russia. It is a preliminary for ultimate political unification with eventually a United States of Europe.

Because of Commonwealth ties, Britain is not yet ready to go that far but will "associate" herself with the customs union in the free trade area but keep her Commonwealth preference system for agricultural products for the present.—G.P.

Thanks to Legislators

The city of Salem owes thanks to the Oregon State Senate for the memorial to the Civil Aeronautics Board asking that United Airlines Service be retained in Salem.

The memorial is now in the House where it undoubtedly will be approved, and no sense of risk is felt in extending thanks to that body in advance.

With the city administration, the Chamber of Commerce, the State Board of Aeronautics, and now the Legislature, pulling for it, together with the fight being made by United itself, the cause certainly should prevail at a hearing before CAB a little later in the year.

The hearing, of course, will be an application of feeder lines to come into Salem, and they deny any intention of routing United out. But the manner in which the case was docketed leaves ground for fear that CAB would cancel United's trunk service if a feeder were given a permit to operate here.

It isn't a question whether Salem wants an additional limited service or doesn't want it. If it can come and work cooperatively with United, well and good. The thing is that Salem and all the other petitioners want United to stay.

Sand Dunes Mobilizing

Oregon, it seems, needs a law to prohibit sand dunes from running at large. A sand dune is all right in its place, but it won't stay there.

Much as the children who scamper along the beach love them, the mounds of sand seen from a drive along the coastal highway aren't as innocent as they seem to be. They are on the move, and causing no end of trouble.

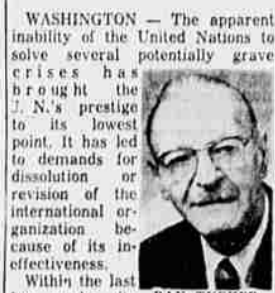
Authority for this is the state's committee on natural resources, which has a subcommittee reviewing the problem of stabilizing the dunes, which are threatening private homes and property, highways, state parks, timber, and river and stream outlets. So it's no joking matter.

The subcommittee is contacting federal agencies responsible for administering most of the land. Some of the dunes are privately claimed, and control by the various owners is urged.

The owner of a sand dune better put a dune-tight fence around it or he may be faced by the penalty of a state or a federal law.

RAY TUCKER

UN Prestige at Low Point Due to Unsolved Problems



WASHINGTON — The apparent inability of the United Nations to solve several potentially grave crises has brought the U. N.'s prestige to its lowest point. It has led to demands for dissolution or revision of the international organization because of its ineffectiveness.

Within the last few weeks, its mandates have been defied by member nations which comprise more than half of the world's population. These countries and the questions on which they deliberately flouted the U. N. are: Russia on Hungary and the satellites in Eastern Europe; Britain, France and Israel in their attack on Egypt; Israel in refusing to withdraw troops from Egyptian soil; France on independence in Algeria; India in refusing to hold a plebiscite on disputed Kashmir; China, a nonmember, in failing to take steps for Korean unification.

In all these problems the U. N. has been helpless to enforce its demands through diplomacy or military action.

Moreover, voting control within the U. N. has finally passed to the anti-Western, anti-Democratic and anti-colonial members. Russia can block any action in the Security Council by a single veto. The Soviet and Afro-Asian bloc, with 36 votes, can prevent action in the General Assembly, where a two-thirds vote is required for a decision.

Sometimes, a few South American nations vote with them when questions of colonialism are involved. On several occasions, members of the American bloc and the British Commonwealth have lined up against Washington and London.

The fact is that the dominant figures within the U. N. are not President Eisenhower and Prime Minister Macmillan, but Dictator Khrushchev, Neutralist Nehru and Colonel Gamal Abdel Nasser of Egypt.

There are even more serious imbalances and inadequacies in the United Nations as now constituted. The United States and Russia, with populations of 160,000,000 and 200,000,000, respectively, have the same voice and vote in the Gen-

eral Assembly as Iceland and Israel, with a combined population of less than 4,000,000.

But if the actions of these two tiny nations lead to war, it will be the populous and powerful countries which must make the most severe sacrifices of men and money. To put it more shockingly, 5 per cent of the world's population—Russia—can prevent 95 per cent from taking effective action in the Security Council. And 10 per cent can obtain a two-thirds majority in the General Assembly.

Finally, the controlling members—the Soviet and Afro-Asian groups—are among the world's most backward nations in every way. Where they are not mere puppets of totalitarian and hostile Moscow, they consist of countries whose peoples cannot read or write or produce. They are running and ruling the world organization.

Revived "Secret Diplomacy"

These distortions have had two results which the U. N. was supposed to eliminate from international politics.

They have brought a revival of the "secret diplomacy" that has caused so many wars. The world's difficulties are no longer threshed out on the open floor of the U. N. They are handled and dickered over in the New York hotel rooms of delegates and diplomats, with Secretary General Dag Hammarskjöld as the tight-lipped agent.

In his conferences with King Saud of Arabia, Crown Prince Abdul Illah of Iraq, Foreign Minister Charles Malik of Lebanon, as with Macmillan and French Foreign Minister Christian Pineau—to mention only a few—Eisenhower has bypassed and short-circuited the U. N.

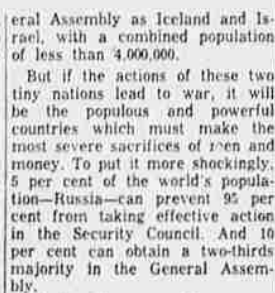
Another effect has been the re-simplification of power alliances and balance of power agreements such as the European free market, Eisenhower's new Middle East Doctrine, and the French plan to develop a Franco-African empire.

The U. N. may not go the way of the defunct League of Nations after its defiance by Hitler, Mussolini and the Japanese war lords, but it appears to be tottering on the edge of a strong keeper of the peace. Should that come about, it would leave the United States in a noble but lonesome isolation.

While we exalt international morality as supposedly exemplified by the U. N., other nations base their policies on realistic and nationalistic needs.

DAVID LAWRENCE

Faith, Patience Playing an Important Role in Mid-East



WASHINGTON — Patience and the persistent force of reason are playing a winning role in the effort to bring peace to the Middle East.

The changing headlines — from achieving justice for the tiny Arab public — must seem, to the average reader, to be a sort of zigzag, but actually they reflect the steady pressure of American leadership exerted in an objective and disinterested manner.

Thus, from the very beginning of the controversy over the blocking of Israeli ships by Egypt from the use of either the Suez Canal or the Gulf of Aqaba—especially since the latter route affords the only outlet for Israel to the Indian Ocean—the department of state has recognized the principle of freedom of navigation in international waters. That same principle is still upheld by the United States and will be insisted upon in the future.

Emotions vs. Principle

But it is one thing to take a stand on a principle and another thing to obtain acceptance of its many collateral obligations by parties to a dispute in which emotions are at fever pitch.

What has been happening in the last several days is a significant illustration of the delicate art of diplomacy, which rightly seeks to postpone a crisis by the continuous introduction of new alternatives.

First it was believed that a simple resolution by the United Nations calling on Israel to withdraw her troops from Egypt's territory in the vicinity of the Gulf of Aqaba would be sufficient. But it turned out that Israel would not accept such a request without getting in advance certain guarantees or assurances of freedom of navigation. Actually, Egypt has never renounced her view that she is at war with Israel.

What Will Come Next?

Since the United Nations wasn't able to furnish assurances against a renewed attack by Egypt, it was thought by many observers that only one move was left—to demand Israel's withdrawal of troops and to impose "sanctions" of an economic or financial nature if she didn't obey. But the state department here expressed its view privately that "sanctions" wouldn't settle anything, and the secretary-general of the United Nations said the same thing in an official report to impose "sanctions," he felt, would only enlarge the area of bitterness.

What next? The United States came up with a bold suggestion. It would announce its adherence

to the principle of freedom of navigation and lend its support to secure the observance of that principle. But how? By military force? The answer came that it would be sufficient for all practical purposes merely to set forth the principle publicly and America's backing of it.

Would Egypt Abide?

Would Egypt abide by the principle? Obviously, the Cairo government wouldn't want to say so in advance because it would look as if this was a public surrender to the Israeli viewpoint, and in the Middle East "face-saving" is important.

Meanwhile, conversations between the American representative at the U. N., Henry Cabot Lodge, and the Egyptian foreign minister, as well as negotiations participated in by the adroit secretary general himself, led to the conclusion that something could yet be done to avert an outbreak of war and somehow patch up the dispute.

The policy of the peacemaker is beset with many obstacles and it takes a long time to negotiate an agreement when there has been such emotionalism displayed by the disputants and their sympathizers. It is, however, apparent already that neither side wants more bloodshed and that the voice of reason is gradually being heeded. Some of the leading men inside the Egyptian and Israeli governments have been educated in universities in the West, and their minds are acutely responsive to the force of world opinion. This presents a real hope in the present situation.

Israel Here to Stay

Plainly the Middle East problem will not be solved until Egypt realizes that Israel is here to stay—it was created by the U. N. itself—and that, as in all international controversies which defy settlement, the task is to find a way to live with a problem rather than to try to impose drastic solutions.

JAMES MARLOW

Dulles Shows No Signs of Sinking Despite Torpedoing



WASHINGTON — Confusion at times has spread around Secretary of State Dulles like oil around a torpedoed ship. This is one of the times, although he's still afloat and shows no signs of sinking yet.

The Eisenhower administration, which appears anxious to make everybody happy in the Middle East, seems to be making nobody happy. It's in a box over Egypt and Israel. Dulles came up with a key which so far has opened nothing.

Gave Two Reasons

Israel, despite United Nations' resolutions, has refused to withdraw its troops from the Gaza Strip and an area around the Gulf of Aqaba. It gave two reasons: Before it withdrew from either place, it wanted guarantees that Egypt would not be able to raid Israel across Gaza or blockade Israeli shipping in the Gulf of Aqaba. The U. N. offered no guarantees. It just said: "Get out."

Israel's refusal was getting Dulles and American foreign policy into a jam. Israel is an American friend. The United States helped create Israel. But the United States also wants to win the friendship of the Arabs, including Egypt.

This week the Arab states were ready to ask the U. N. — including the United States — to put pressure on Israel through sanctions. This would have been hypocritical. The U. N. didn't invoke sanctions against Russia when it refused to get out of Hungary.

Believe the sanctions move could be started. Dulles sought a way out with a proposal. It's so vague that he seemed to be shooting from the hip without thinking it through.

He said if Israel would withdraw its troops, this government would support the principle of free navigation for Israel in the Gulf of Aqaba and would favor the use of U. N. forces between Israel and Egypt to prevent raids across Gaza.

countries from warfare against each other to warfare against poverty and an age-old indifference to the real needs of the people.

I'm Not Lost



THE OPEN FORUM

Writer Hits at Federal Reserve System, Says It Has Drained Country's Resources

EDITOR'S NOTE: The Capital Journal is happy to receive and print letters to the Editor. We request that all letters are kept to a 300 word minimum to allow for space requirements. We also reserve the right to edit any and all letters that come to our desks.

Dear Editor: "WHO WAS PAUL M. WARBURG?"

He was a European financier who floated certain banking ideas, which later became the Federal Reserve System, a private money monopoly, and has no close association with our government, which many are prone to believe.

In order to achieve his nefarious ends, from 1913 to 1921, Warburg purchased two important members of our then Congress, which later became the Federal Reserve System, a private money monopoly, and has no close association with our government, which many are prone to believe.

And that is the reason that today, this reprehensible outfit can still does frequently make TIGHT money, and regulate interest. The management is entirely in the hands of the so-called "Experts in Finance," without giving our government any part of it.

We are thus obliged to ask this financial giant permission for a part of our money, as they set themselves up as the real judges of our national and international money policies.

This traitor Warburg when forming the group advised his European banker friends "that with America it is possible to get what you desire if you play the game skillfully"—Also "politicians are necessary pawns to play the game of politics, but they are not wanted in banking. He may be good enough for the government of the United States, but he is not good enough for bankers."

Shame on our national leaders, of the days of '21, and increasing shame on those of today who know the "inside" and do nothing about it.

The prices of both goods and services are set by the Federal Reserve members—both good and bad times are started and stopped; we are see-sawed up and down, without any reference or respect for natural laws of supply and demand. Instead it is all arranged in committee rooms.

Further, the New York Federal is the central U. S. bank and serves the speculative part of the country, always in the minority, with millions while the productive part of the country is permitted to wilt with paltry thousands.

The System is entirely wrong; economically, socially, logically, wrong, commercially, wrong, and also criminally wrong. And the height of this so-called Reserve, is but the depths of the country's depressions. The gaps have been effectively placed on many men in high offices and the press, men competent to criticize. The high officials are tied up by their campaign contributions, legislative officials are indebted, and they are scared to speak their minds against a nefarious system, which has ditched, drained and damned our great country—and don't let anyone tell you to the contrary.

George H. Holmes, 1326 3rd St., Salem, Ore.

BEN MAXWELL

New Freeway Plan Lauded Back in '49



A Capital Journal editorial discussing the proposal of R. H. Baldock, state highway engineer, for a \$7,000,000 traffic relief plan for Salem stated that the plan had aroused emphatic opposition against a one way street grid and two lane bridges.

This, said the editorial, was mostly motivated by self-interest and that the "plan which is best for the greatest number will in the end be best for all."

Arrival of the French railroad car with its load of 30 gifts from the French people to the people of Marion county had been set for Feb. 21, 1949. Then it was anticipated, the empty 40 ft box car would become property of the Marion county vulture.

Salem city council would soon be asked by the state board of control to declare a policy against further encroachment of commercial development in the capitol building zone.

John D. Clark, member of the president's council of advisors, had said that an inflationary movement would resume during the spring of 1949 and could lead to a "boom and bust."

Business office of Pacific Telephone and Telegraph Co. had plans to occupy its new utility building at Court and North Winter street Feb. 23-26, according to Manager Harry V. Collins.

At Johnson's store for ladies, 464 State St., angora sweaters were advertised in shades of gray, pink and blue for \$6.95 and \$8.95. Bermuda sweaters, 100 per cent cashmere, had been reduced from \$12.95 to \$9.95.

Legislators are asking for a bill for one Justice Thomas Jones to receive a pension of \$150 per month. I don't believe he should have this pension. If he held a job of that sort, he should of saved some money and if passed, he should be forced to sign a pauper's oath like the rest of the pensioners. Of course we shouldn't deny anyone a pension of that age. But let us be fair. We have one old man 77 years old up for murder who tried to live on \$28 a month. That's democracy.

Respectfully yours, Dee R. Hatridge, PO Box 104 Jefferson.

Hits Taxation

Dear Editor: I am concerned with being taxed. It is therefore I object and protest the manner the tax money is being spent. Consequently, for the purpose of prudence, I demand we subject allocation for expenditure of total tax receipts to ten per cent for conducting routine government business in Oregon.

The remaining ninety per cent of total tax receipts should be kept and subjected to safe deposit without interest until such time as the "four branches of government" have learned to govern themselves intelligently in the field of domestic and foreign relations.

John Coleman P. O. Box 184 Turner, Oregon

HAL BOYLE

Slim Audrey Hepburn Gives Feeling of Prior Meetings

NEW YORK — There are some actresses you fall in love with the first time you see them on stage or screen, but if you meet them in person you soon have a desire to dropkick them over the horizon.

Audrey Hepburn isn't that type at all. She gives you the unreasonable feeling that all the years of your life to that moment have been utterly wasted.

I was sitting in the living room of her suite at the Hotel Pierre wondering whether 1937 would turn out to be a good year for rheumatism when the door opened and Miss Hepburn entered—willow-slim, galle-graceful.

She didn't walk across the room. She floated like a moonbeam. Her brown hair shimmered in a lacy mist around her fair face. I took one look and for the 912th time in my life fell hopelessly in love with a complete stranger.

Or was she a stranger? I felt I had known her forever.

Then Miss Hepburn did something for which I now nominate her for another Academy Award. She paused, her blue eyes widened as she looked into my face (lined by years of noble living and lack of proper exercise), and a bit breathlessly she gave this immortal line:

"I have a feeling I know you from before. Haven't we met somewhere . . . sometime?"

"I'm Afraid Not"

"No, I'm afraid not," my mouth murmured, but my heart said silently: "Don't listen to him, little Audrey. He's a liar. He met you before . . . many times . . . and he knows it."

"You were the girl he first fell in love with in kindergarten . . . You were the girl he also fell in love with in the third grade at a different school . . . You are the girl he saved up and bought a \$3.50 Valentine for in the 7th grade."

"When he dreamed of being Robin Hood in Sherwood Forest you were Maid Marian . . . You were the girl he loved in high school, and all three of the girls he loved at the same time in college . . . You are all the forlorn princesses he has been dreaming of rescuing from enchanted castle towers all through his life . . . You are all the hundreds of girls he loved and lost."

Completely unconscious of her multiple past I met, Miss Hepburn told me a lot of things. About how she had been born of Irish-Dutch parents in Belgium, and how she had started work at 13 to help pay for her ballet lessons.

About how she had had to hide out from the Germans in Holland during the Second World War.

About how thrilled she was to have achieved stardom young, and wasn't at all bored with success.

About the difficulty of combining the twin careers of being an actress and wife, but that "if you keep the scales in balance, and remember your first job is to take proper care of your husband, it can work out happily—certainly it has for us."

About how she worked so hard she had few hobbies. "I'm afraid I'm pretty dull . . . I like walking, music . . . from Bach to Duke Ellington . . . and reading. Kipling is one of my favorite writers."

Few Hobbies

About how the only personal fear she had in this neurotic world was—"that there isn't a fraud other war, but who isn't afraid of that?"

She had to leave then to keep a luncheon engagement.

The peculiar charm Audrey Hepburn has guarantees her a multi-million-dollar future. To millions of men she is all the girls they loved — and lost — in the springtime of their youth.

All except that lucky Mel Ferrer. He won her. And he has her, she says, "for keeps."

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