

MEDFORD MAIL TRIBUNE
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An Excellent Start

Governor Holmes has certainly made an excellent start. His inaugural address was a refreshing change from the routine and stereotyped declamations of recent years.

It was brief, eloquent and to the point. If there were any glittering generalities we failed to note them.

IN EACH and every case our new Governor was clear-cut, incisive and explicit.

On many of his proposals of course, there will not be universal agreement. There never is when a chief-executive of the state really has something to say and SAYS it.

But on a vast majority of them we believe there will be general public approval, and in the opinion of the Mail Tribune, with only one or two exceptions the welfare and betterment of Oregon calls for such a program of action as Governor Holmes has outlined.

IT REMAINS to be seen, of course, how responsive the Legislature—as this is written the Senate is still deadlocked over organization—will be to the progressive and enlightened challenge the state's new chief-executive has handed down.

But with a comfortable Democratic majority in the House, and at least an even break in the Senate, the chances of constructive and beneficial progress would seem to be good.

GOVERNOR HOLMES' first appointment, that of Howard Morgan, as the new state public utility commissioner, is in perfect harmony with the spirit of his inaugural.

As the Governor pointed out, he felt that too many of the "state's boards and commissions have come to a position of representing the people they are SUPPOSED TO REGULATE, more than they represent the PUBLIC."

That is a deplorable tendency that has often been stressed in this department, and for years has cried out for drastic correction.

Governor Holmes, however, was careful to point out that this comment was not to be taken as any reflection on former utility commissioner Heltzel, and he might have added, that the laws regarding the powers of this position must be changed before the welfare and profits of the private utilities, can be subordinated, as they should be, to the welfare of the people and the state.

STATE SENATOR LOWRY, of Jackson County has prepared legislation to bring this about and it is indeed reassuring and encouraging to know that a man in sympathy with such action is, at long last, occupying the state-house.

Moreover, from all we can learn, Howard Morgan will be no "easy mark" when it comes to the "buttering-up" and cajoling treatment that the "Friendly Southern Pacific" has through recent years, brought to such a high degree of perfection.

Morgan is a veteran of World War II, has been a student of transportation on both sea and land, and served a term in the state Legislature, so he promises to be a pretty tough "cookie" when it comes to falling for either the flattering S.P. or the "Business is Business" Arlington club approach. He is wise to both.

And one might add it will take a "tough cookie" and a radical change in Oregon laws so they are more in accord with similar laws in California instead of being as they are, largely self-defeating, before any real progress can be made.

WE BELIEVE public sentiment all the way from Eugene to the California line, is united and up-arms against the Friendly Southern Pacific's revival of the policy of the "public be damned" and utterly ignoring its responsibilities in the area of public-service.

We trust the people will not rest on their oars and leave it up to State Senator Lowry to carry on this fight single-handed, and alone.

He happens to be a Republican, but that has nothing to do with this issue. He is RIGHT, he is courageous, and he deserves the vigorous support of the people of Southern Oregon, in his effort to implement a policy that will give them a square deal in the important realm of rail transportation.

Letters to him and to Governor Holmes along this line would be great help. We hope the mail-trucks and the mail-planes—no mail-by-rail these sad days—will be loaded with them. And may they aid in giving southern Oregon the type of transportation that its growth and prosperity deserve.—R.W.R.

The Sales Tax Again

According to press dispatches from Salem the only certain thing about this legislative session is not what WILL happen, but what WON'T. The "won't" refers to a state sales tax. That it seems is not to be.

Well, in view of the defeat of the effort to sanction the emergency clause to tax bills, and the four or five defeats of the sales tax by vote of the people, that appears to be a fairly safe prediction.

As the Mail Tribune has opposed such a tax for many years and agrees with Governor Holmes in theory that it is an unfair tax in that it imposes a burden upon those least able to pay, we have no heart burnings over such a situation.

BUT we can't subscribe to the "defeatist" attitude that seems to generate it. Because any legislation has been defeated in the past is no justification for those who believe it right, to give up fighting for it.

West Germany's Importance in European Politics Said Rising

By CHARLES M. McCANN United Press Correspondent
West Germany's importance in the European political set-up is growing rapidly.

It is being suggested that West Germany will be regarded before long as the strongest power on the Western European continent.

The latest evidence of this increased importance is the report that a German, Lt. Gen. Hans Speidel, is to be named commander-in-chief of the North Atlantic Treaty Organization ground forces in the Central European Zone.

In that capacity, Speidel would command American, British and French, as well as German troops in that part of Western Europe which would be the first line in event of a war with Soviet Russia.

It is reported also that both President Theodor Heuss and Chancellor Konrad Adenauer will make state visits to Washington this spring.

The prestige of West Germany has been growing steadily for a long time.

Under Adenauer, the country has risen from utter prostration after the destruction of World War II to solid prosperity. Its 50 million people enjoy full employment. It is forming an army.

The prestige of West Germany has been growing steadily for a long time.

In the Day's News

By FRANK JENKINS

In his inaugural address at Salem, Oregon's newly elected Governor Holmes says:

"I see the opportunity for a bold, imaginative, vigorous course, with unlimited vistas of growth and progress.

"That is the direction I propose to take. I direct you to take it because I think the people of Oregon voted for such a change of course. I think they expect me as the chief executive, and you as the legislators, to take a fresh, new forward look at our state government.

"The people want daring, not dullness; faith, not fear. We must fly, not flounder. There can be no turning back."

WITH that stirring, inspirational appeal to bring the state of Oregon into the forefront of progress, I think all Oregonians are in complete agreement. There has been a feeling for some time that in terms of material progress Oregon has been falling somewhat behind its neighboring states of California and Washington. A feeling of that sort doesn't leave the people of Oregon completely happy. They want to be going places just as rapidly as their neighbors.

So I'm sure they are ready to join with their new governor in a bold, imaginative, vigorous course designed to bring new opportunities and new ACHIEVEMENTS to the state of Oregon.

BUT— We can't do everything at once. If we take off vigorously in all directions we will scatter our efforts and get nowhere. First things must come first.

That raises a question: What, in Governor Holmes' mind, is the thing we need to do FIRST?

ONLY Governor Holmes, of course, can answer that question, and in his address to the legislature he didn't answer it specifically—for which he is not to be blamed, for inaugural addresses are not designed to provide complete answers to all questions. Their purpose is to set the tone for what is to follow. More specific recommendations will come later.

But one can't help concluding that if the objectives he has outlined in his inaugural message are to be reached the first thing that must be done is to find more money. That is definitely suggested in his address.

Where is it to come from? That, I'd say, will be the BIG problem of the 1957 session of the Oregon legislature.

It is really a question for tax EXPERTS — we don't mean political experts—to decide.

If after careful study a majority of them should decree that in view of the all-around tax situation, a sales tax properly qualified, would get the best results from the standpoint of continued prosperity and growth of the state of Oregon then as far as this paper is concerned we would yield to "expert" opinion and on such a basis, support it.

We certainly would not on the basis of failure in the past, give up fighting for it.

If that sort of doctrine had prevailed in the past women would have no right to vote today and there would be no federal or state income tax.

As has often been remarked, nothing is really settled until it is from the standpoint of the public welfare, settled RIGHT.—R.W.R.

was strengthened especially, as regards prestige, as the result of the British-French invasion of the Suez Canal Zone.

That operation, which hurt Britain and France, and resulted in a breach with the United States that has not yet been entirely overcome, made West Germany look better by contrast.

It seemed a matter of some significance that Prime Minister Jawaharlal Nehru of India made it a point to stop off at the Dusseldorf Airport on his way home from Washington last month to confer with Adenauer.

No country realizes more than does Russia the strength and importance of West Germany.

East Germany, which Russia controls, is a splinter country with a contemptible puppet gov-

Matter of Fact

By Joseph Alsop

COSINESS AT THE KREMLIN Moscow — For the inexperienced traveler, the Kremlin is the first great surprise of Moscow.

The grim, grey fortress one had expected to find turns out instead to be unimagineably grey but a rich, dark strawberry red. The high, decorated guard towers are pure objects of medieval fantasy.

The rather low, ornately crenelated walls are not grey but a rich, dark strawberry red. The high, decorated guard towers are pure objects of medieval fantasy. The ancient churches rise to happy riots of colored and gilded domes. The palaces are painted a bright butter yellow picked out with white.

In fact, the Kremlin really looks like a particularly gay decoration by Bakst for one of Diaghilev's earlier ballets, rather than the dark citadel of the world's imagination. Inside the Kremlin, too, one is due for some brisk surprises. Or so I found the other day, when I attended the vast Kremlin party in honor of East German Premier Grotewohl and his colleagues.

IT must, on the whole, have been a hard day for the Kremlin's masters. In early afternoon, in leaden, icy weather, they had welcomed China's Premier Chou En Lai at Vnuukovo Airport with ostentatious ceremonies, including interminable speeches and the long evolutions of a brilliant, uniformly, wonderfully smart, menacingly goose-stepping guard of honor of young Russian giants.

Almost immediately after that, came the formal signing of the new Soviet-East German accord. And almost immediately after that, the tall, gilded doors of St. George's Hall in the Kremlin Grand Palace were flung open with a fanfare; and the members of the Soviet Presidium led their foreign guests to the supper tables between long, close packed lines of their applauding subjects.

ST. GEORGE'S Hall, a Czarist legacy, must be one of the biggest rooms in the world, and its white plaster decorations are so elaborate that it gives you the feeling of being inside a gigantic wedding cake. Around the walls, long lines of tables offered supper to the company of 1500 or more persons present. There was caviar and every sort of cold dish and sweet Russian wine and brandy and vodka and the admirable Russian ice cream and champagne as well. But despite the amplitude of the supper, the immensity of the party and the grandeur of the hall, the occasion somehow lacked pomp.

Partly this was because the Soviet upper crust and their wives are mostly large, a solid people, darkly and respectably clad, with the look of being solid citizens with no nonsense about them. Partly it was because there are daily children's parties in the Kremlin at this season, and this fantastic room had been decorated for the children in the manner of a parish hall at Christmas, with a splendid 50-foot Christmas tree and an enormous but very parish hall-ish show scene above the stage at the further end.

But chiefly this feast for 1500 people produced its curiously cosy effect because the crowd tucked in the eatables and drinkables with such cheerfully vis-

ible enthusiasm, and the Kremlin's masters, who were no less enthusiastic about eating and drinking, also exuded so much hospitable geniality. With their foreign guests and the diplomats, the members of the Presidium occupied a sort of semi-enclosure of their own beneath the snow scene, where they played host as though on a stage.

BULGANIN, Khrushchev, Molotov and the other senior rulers of the Soviet Union are all markedly short men—Stalin would have no tall fellows about him. And these short, smiling men, working hard to make the party "go", hardly looked like the stern masters of the greatest empire in history.

Nourishment and pleasure, were by no means the only business of the evening. Premier Bulganin, the very image of goateed benevolence, opened the formal proceedings with the first speech and the first toast which the band greeted with another fanfare — for Kremlin toasts are celebrated almost in the Danish manner that Hamlet complained about.

Thereafter, with only occasional pauses, the speaking and toasting continued for almost three hours.

The difficulty was that at least one representative of each of the "parties" that form the East German "coalition" had to be heard from. As German leader succeeded German leader, exhausting relays of interpreters, one began to understand at least one of the Kremlin's objections to multi-party government—the more so because the bearded, be-ringed, flowingly robed Metropolitan of Moscow, who must be a sharp man, was almost the only person in the huge room who managed to find a place to sit down.

YET the seemingly unending oratory prevented no one from chatting and drinking. Even Chou En Lai, after listening to the speakers with formal politeness for more than an hour, broke down to the extent of holding his own private reception of Asian diplomats. Then the oratory really did end after all. The famous ballerina, Plisetskaya, briefly but exquisitely appeared. There was singing. There was music. There was a young man from the Bolshoi Theater Troupe who danced the famous Gopak in a way that would have been hard to imitate, even at a dictator's behest.

At length, the massive golden chandeliers were darkened. Concentrated light astonishingly transformed the painted show scene into a red and green and pink and blue and silver aurora borealis. And so, with a round of applause for the aurora and on final toast, the party came to a happy end. By then, one had almost forgotten the language of the speakers, who had sounded again the old notes of the cold war. Indeed one had all but forgotten the young dead in the streets of Budapest.

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Today and Tomorrow

By Walter Lippmann

CONCERNING TIGHT MONEY

There is an overriding condition in our domestic affairs which is that our economy, though enormously productive as compared with any that has ever existed, is still not productive enough for all the demands made upon it. With a full employment there is not enough labor, and with the basic industries in full production there are serious shortages in critical goods. Labor and the materials do not last to supply the total demand.

The economy cannot produce all that consumers want to buy, plus all that corporations would like to spend and to borrow for capital goods, plus all that the Federal government needs to spend on defense and its welfare measures, plus all that the state and local governments are being pressed to spend on schools, hospitals, roads, recreation and other public works.

Although the American economy is growing prodigiously, it is not growing fast enough to keep up with the growth of the population, with the rapid rise in what Americans have come to expect as their proper standard of living, and with the expanding commitments and responsibilities of the United States, which is now the only real great power in the non-Communist world. This is a rich and productive country, but the American economy is strained and under severe inflationary pressure.

THIS situation raises two major problems of national policy. The one, which is well known and generally understood, is the problem of combating inflation—that is to say, of managing the supply of money and credit so that the total demand for goods and services is kept in balance with the supply.

But insofar as we solve the fundamental problem of preventing inflation, we run into a second problem which is not so well understood. About it there are many differing views among the experts and authorities. This is the problem of how to allocate the reduced supply of credit. It is a problem of how to ration credit as between the stronger borrowers, like the big corporations, and the weaker borrowers like home builders, and as between public borrowing, say, for schools, and private borrowing, as for office buildings.

THE President showed in his message that he is acutely aware of the primary problem, which is how to combat inflation. Besides exhorting business

and labor to practice self-discipline, the Federal government has two main ways of reducing the inflationary pressure. One is for the government itself to spend less than it takes in taxes, and to budget not for a mere balance but for a surplus. But in fact not much can be done with the budget to combat inflation. The new budget is expected to show only a small surplus, and one can say that if this is the best that George Humphrey can do in a period of abounding prosperity, no one else is likely to do so much in any other time.

The fact is that about the best the Federal government can do is to keep expenditures from rising as fast as they might. With our growing population and our growing public needs at home and abroad, there is no prospect of reduction in public spending.

THE real burden of combatting inflation rests on the Federal Reserve Board because of its power to expand or to contract the volume of money that the banks are able to lend. The Federal Reserve Board has been using its power with great courage and true public spirit. The result is the famous tight money policy, and to that policy the country owes the fact that the inflationary rise in prices is being held down to moderate proportions.

But as the tight money policy takes effect, the second problem arises. This is the problem of the allocation of the reduced supply of credit among the various interests, public and private, who want to borrow. The allocation today is made by the financial markets, and as the supply of credit is less than the demand, the price of credit, that is to say the rate of interest, is rising. This means that those who can afford to pay the most get the most credit. Credit is expensive and scarce for the weaker interests, for small businessmen, for families in need of mortgages to build homes, and for state and localities needing to borrow for public works.

ALTHOUGH he did not say so specifically, it is probably fair to assume that this problem was in the President's mind when in his message to Congress he spoke of the need for a broad inquiry into the adequacy of our financial institutions. There is much complaint in Congress on behalf of farmers and businessmen about the allocation of credit as between them and the big corporations. The problem of allocation is posed even more sharply for the states and localities which need to issue bonds for schools, roads, and other public works. They are finding that the high interest rate and the tight money policy are a great burden.

Mr. Arthur Levitt, the Comptroller of New York state, has, for example, pointed out that the cost of borrowing to finance the building of schools has very nearly doubled since 1952. This is a very serious thing. It is a brutal fact which interferes greatly with the ideal theory that the localities should meet public needs, like the need for schools, hospitals, low cost housing, roads and public recreation.

IT IS easier to pose the problem than to solve it. But this much at least is clear. We must resist inflation. We must therefore keep the supply of credit lower than the total needs and wishes of private interests and public authorities. But having done that, we must examine the question whether, in the competition of the financial market, the public interest in schools and other public works is adequately taken care of.

If it is not, as almost certainly it is not, then we shall have to devise remedies. (Copyright 1957, New York Herald Tribune, Inc.)

Congressional Quiz

(Copyright, 1956 Congressional Quarterly)

Q — Last Feb. 3, a Senator caused a stir in Congress when he said he had been offered money from lobbyists favoring a certain piece of legislation. Who is the senator and what was the legislation?

A — Francis Case (R-S.D.) said proponents of a bill to exempt natural gas producers from federal regulation had offered him a campaign contribution of \$2,500. Case said that because of this, he was opposing the bill. It passed the Senate by a 53-38 vote, but was vetoed by President Eisenhower on Feb. 17 because of what the President termed "arrogant" lobbying efforts in its behalf. Two attorneys subsequently were fined for not having registered as lobbyists.

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"Inasmuch as Ye Have Done It Unto One of the Least of These My Brethren, Ye Have Done It Unto Me."

Matthew 25:40

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