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DOWN-TO-EARTH MESSAGE

By CHARLES V. STANTON

Recommendations by Governor Douglas McKay to the Oregon Legislature has a particularly refreshing down-to-earth quality. McKay is a successful businessman and an experienced legislator. His message indicated that he has no intention of promoting startling innovations in state government or radical changes in policy. It suggested, rather, a businesslike study of ways and means and the application of established procedure rather than experimentation.

His proposals that income tax revenue be used to pay state expenses, instead of being held exclusively for property tax offset, and that existing surpluses be earmarked for needed building construction seem sound and sensible.

He would repeal the state withholding tax on income. In our opinion the withholding tax is one of the most vicious inventions of government. The actual effect is to force the employer to pay the employee's tax, as demand forces boosts to keep take-home pay on a level. Thus the employee is not concerned with the amount of tax deductions and there is less resistance to excessive governmental spending. If the employee realized the amount of tax deductions from his pay, because he was forced to dig up the money himself to pay the tax bill, we would secure more economical government immediately.

Governor McKay would increase old-age pensions—not radically but moderately—and would eliminate the system so many pensioners oppose, that of paying pensions from liquor revenues. Liquor revenues, under the governor's plan, would go to the general fund.

More money for highways is proposed through an increased gas tax and license fee. The governor also concurs in the plan to increase hunting and angling license fees. But in both the highway and game license boost he cautions moderation.

He suggested aid from the general fund for the fish and game program. If the general fund were to take over the cost of law enforcement, a charge which rightfully should fall upon the public rather than self-supporting state departments, we would go a long distance in solving the highway and fish and game revenue muddles.

McKay wants studies to determine whether benefits under the industrial accident and unemployment acts are sufficient. He also proposes limitation of state department reports and a uniform tri-state plan on daylight savings, one way or the other. He does not argue either for or against daylight savings, but believes the three coast states should have uniform regulations.

He proposes an advisory board to coordinate development of the state's natural resources. This is a most important suggestion and one leading, we hope, to bigger things. We have talked with the governor concerning this issue and know it is one of his most serious projects. He is conscious of the extreme waste and mismanagement of natural resources and proposes to do something about it. But, again, he is taking a moderate policy, a step-by-step development, rather than jumping in with both feet on a full-scale but hurriedly prepared program.

Personally, we like the start Governor McKay has made. We believe his suggestions indicate we are to have an administration based on sound business policies; a progressive administration but one that moves slowly but surely toward its goals, giving each step careful study.

The Douglas County Delegation

As the Oregon Legislature begins its sessions, Douglas County residents should be proud of the men who compose its delegation. We believe that no county in Oregon has a delegation more sincere or able than the three men from Douglas County.

Two of our legislators, Senator Thomas Parkinson and Representative Robert C. Gile, are veterans, having had several previous terms in which they distinguished themselves in the field of legislative work. Both hold important and influential committee assignments. Representative Paul Geddes, although serving his freshman term, is exceptionally well qualified. His ability is recognized in the important committee assignments he has received.

The Oregon Legislature is composed largely of men of extremely high calibre. The session usually costs each member several hundred dollars out of his own pocket. Expenses are considerably higher than the \$8 per day each legislator receives. Payment is limited to 50 days but it is certain that the session will be longer, probably 80 to 90 days, and the legislator must pay his own expenses after the 50-day period. Despite this personal cost, many of our legislators return term after term because they enjoy the work, treating it as a hobby, and because they are performing a service. Oregon people should be proud and grateful, appreciating the sacrifice made by each member of the Legislature.

Employment In Douglas Slumps

Employment in Douglas County has reached the lowest point since prewar days. Unseasonal weather and a slump in the lumber market have closed the majority of the sawmills and logging operations. This is beginning to be felt in other industries which are resulting in there being fewer job opportunities than usual at this time of year.

The recent cold snap has closed the county roads to all trucking which has affected some firms

that were still operating. This condition is expected to be remedied as the weather warms up. Only 29 jobs were available at the end of the month of December. Half of these were in the clerical and sales fields with the balance being distributed over the other industries.

Unemployment compensation claims reached a new high during December. A total of 2146 active claims were on file at the month's end, with many new claims being filed daily.

The outlook for the future is rather obscure, but it is expected that when the bad weather is over, the majority of the lumber operations will return to their regular operating schedules.

OUT OUR WAY



Scapes from the MENDING BASKET

By Viannett S. Martin

Several patrons were talking around the little postoffice window. One had been buying postage stamps and her remarks aroused my curiosity.

"Yes, I save stamps." She was amused at my surprise. "I began years ago and then became really interested. I buy the four stamps in the lower right hand corner of the sheet: see the serial number printed on the border by them? Such stamps, as years go on, are much more valuable than the rest of each sheet."

"The Mississippi stamps," said another, "with the misspelled state name should be valuable in time, shouldn't they? The state name occurs twice on the stamp, and it is the one in the seal, the smaller name, that has one less S than Mississippi has. Of course it was corrected. That makes the first issues worth more."

"It's a good way to save money, too," the first speaker said. "Stamps are like money. They lose nothing in value and usually become more valuable as years pass. One doesn't miss the few cents at a time for stamps, and they do add up."

"Oh, I save the commemorative stamps," said the second speaker, "for my grandchildren. By the time they are grown they will have a nice collection worth much more than I paid for the stamps."

In the Day's News

(Continued from Page One)

done OR THE GOVERNMENT WILL DO IT.

SO far as his own industry is concerned, this writer is ready and willing to accept that challenge.

I believe that private individuals, operating on their own, CAN AND WILL GIVE THE PEOPLE OF THIS COUNTRY BETTER NEWSPAPERS THAN THE GOVERNMENT COULD OR WOULD GIVE THEM.

HAVING confidence in President Truman's personal integrity and in his desire to do the right thing for the American people, let's not rush headlong into blanket approval of everything he suggests.

Let's think his proposal out first.

For example:

He wants MINIMUM wages raised from 40c per hour to 75c per hour. In the present state of our economy, that is by no means a wild proposal. But our economy might change. Most of our crystal ball gazers (including those in the service of the government) believe it is beginning to change already.

Suppose it should change sharply. Suppose you are a certain independent, self-reliant type of person and that a job was available to you at 40c but not at 75c because under existing economic conditions nobody could afford to pay 75c for that kind of work.

Which would you rather do—take the job at 40c until something better turned up OR GO ON GOVERNMENT RELIEF?

Such things need to be considered.

THIS writer hopes we won't have a rubber stamp congress. The harvest we reaped from that in the early 30s was not a pleasing one. This writer, STILL a Republican in spite of what happened in November, would like to see his party go along with the President when he is right and SOUND and go against him when he is wrong.

THAT raises a question:

When will the President be wrong—if he is wrong?

Here is this writer's answer:

The president will be wrong if he insists that we can have something for nothing, that we can live happily without work, that the government can support everybody, that nobody will ever need to worry any more.

Any time ANY PRESIDENT asserts anything like that he will be asserting DOGMA just as the Russians are doing when they try to influence scientific progress by dogmatic rule.

The dogma that you can live without work is DANGEROUS DOGMA.

Father Jailed on Charge Of Shooting His Son

BAKER, Ore., Jan. 11.—(AP)—Clinton Ulysses Garrison, 63, Huntington, is being held in the Baker county jail today under \$10,000 bail on a charge of assault with intent to kill, according to Sheriff Fred Thom. Garrison's son, Charles, 35, was shot in the lower right side of his chest with a .32-caliber pistol. Thom said, during what the father described to him as family quarrel in Huntington Saturday night. The younger Garrison was taken to Weiser, Ida. hospital where his condition was described as serious but not critical.

By J. R. Williams

Method for Manufacturing Paper Entirely From Straw, Instead Of Wood, Whips Big Expense Problem

CLEVELAND, Jan. 10.—(AP)—Kinsley Chemical Co. reports it has developed a method for manufacture of paper entirely from straw instead of wood pulp.

The Cleveland company claims it has licked old problems of expense and dissatisfaction by producing a long fiber that gives strength, endurance and quality to straw paper.

The process was demonstrated recently for the first time on a commercial basis at Chemical Paper Mfg. Co. of Holyoke, Mass., with a run of several tons of newspaper.

H. Lee Kinsley, president of the Cleveland company, emphasizes that the new straw paper is not a substitute.

"Straw pulp is a new source for fine paper fiber," he declares. He reports plans built to use the process—and he says it calls for standard equipment—can turn out paper to sell 40 to 60 per cent below wood pulp paper.

"For instance," he says, "straw newspaper would cost about \$65 a ton compared with the current price of around \$100 for wood pulp newspaper, and straw cigarette paper would sell for \$120 to \$130 a ton against \$480."

Kinsley is so enthusiastic that he is laying plans for construction of a \$500,000 addition to his own plant to provide space for manufacture of the secret chemical used in the process.

He reports he is closing deals for licensing a company in Spain and one in South Africa to employ the process. He also says he is conferring with two groups in New York City, one in Rochester, one in the state of Washington and two in the wheat belt for use of the process.

Wheat Selected Developer of the new process

new tax of 1 of 1 per cent each on companies and workers. It will be detailed in a special message to Congress within five or six days.

Would Cut Buying Power

The total impact of the economy, officials said, would be deflationary, since it immediately would cut into consumer buying power and into business profits.

Mr. Truman said: "This will help reduce the inflationary pressures and build a cushion of consumers' purchasing power against possible future recession."

The payroll levies would not help, however, to wipe out the \$173,000,000 federal budget deficit foreseen by Mr. Truman. The money doesn't enter treasury operations; it is held in trust funds, to be paid out later in the form of old age pensions and survivors' benefits.

The president did not recommend a specific starting time for these taxes; congress must decide it. But his figure is known to be based on the July 1 date.

If congress concurs, the 1950 deficit would be turned into a \$127,000,000 surplus, leaving room for further reduction of the national debt.

The surplus might even be considerably larger.

stalks, soy bean straw, wheat straw and ramié, searching for high yields of fiber. Wheat was finally selected because of its abundant supply.

Timlowski then compounded a chemical with sufficient inhibitory qualities, that would separate the fibers and at the same time separate the cellular structure of the individual fibers.

This enabled him to obtain fibers up to 10 inches which later could be cut to desired length. The long fibers are the secret of the high tensile strength and high resistance to puncture that characterize his straw paper.

It takes 200,000 farmers producing an average of 1,000 bushels of grain annually to support the United States rat population.

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4" dry
16" dry
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CONDENSED STATEMENT OF CONDITION

December 31, 1948



RESOURCES

Cash on Hand and Due from Banks.....	\$ 146,239,773.17
United States Government Bonds.....	254,704,302.47
Municipal and Other Bonds.....	35,569,781.36
Loans and Discounts.....	142,928,822.34
Stock in Federal Reserve Bank.....	600,000.00
Bank Premises (Including Branches).....	7,305,187.76
Customers' Liability on Acceptances.....	465,333.10
Interest Earned.....	1,660,080.89
Other Resources.....	1,671,059.12
	\$ 591,144,340.21

LIABILITIES

Capital.....	\$ 10,000,000.00
Surplus.....	10,000,000.00
Undivided Profits and Reserves.....	10,592,524.66
Reserves for Interest, Taxes, etc.....	30,592,524.66
Acceptances.....	2,296,264.17
Dividends Declared.....	465,333.10
Deposits.....	250,000.00
Interest Collected not Earned.....	556,613,608.85
Other Liabilities.....	844,698.34
	82,011.09
	\$ 591,144,340.21

This statement includes 36 branches in Oregon.
HEAD OFFICE: PORTLAND OREGON

ROSEBURG BRANCH

DIRECT BRANCH OF
THE UNITED STATES NATIONAL BANK OF PORTLAND
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