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(Incorporated)
An Independent Newspaper

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COURAGE AND STRENGTH—Wait on the Lord; be of good courage, and he shall strengthen thine heart, wait, I say, on the Lord. Psalm 27:14.

The consolidation of the county fair and the Union stock show is both smart and neighborly, especially since both affairs suffered from lack of state aid this year. The stock show has become in recent years not only a Union county event of importance but an Eastern Oregon event. Everyone throughout the county should make an effort to attend sometime during the next three days. The show gives a most encouraging picture of stock and agricultural activities in this territory. To see the exhibit is to have a new appreciation of the resources and possibilities of a great Eastern Oregon.

INDUSTRIAL OBJECTIONS

The question of the proposed state income tax and what it might do to Oregon's development of the future is a matter of serious importance to the people of this state. There is a wide diversity of opinion on the subject, on what the advantages and disadvantages might be, on the theory of taxing incomes. Many farmers, for example, feel that an income tax might well relieve the property burden, might allow agriculture to prosper more fairly, and might attract new land settlers who would add to the state's population and productive wealth.

Manufacturers and citizens having industrial interests believe, on the other hand, that the income tax would keep much capital out of the state, would drive some industries already here into more attractive areas, and would actually constitute merely a nadditional tax burden not a property tax relief.

What is the most likely and logical point of view? For the average citizen it is difficult to determine in the present case because the state is in a financial mess and because the average citizen is influenced by his associations and his job. Here in Eastern Oregon there are many voters for both sides since we have both agricultural and industrial interests, but it is worth while for everyone to read the letter reprinted from the Oregon Voter in today's Observer to appreciate fully the manufacturer's view point—that of the capitalist who has money available for investment in Oregon development.

Mr. Keith, author of the letter, says frankly that his company would have hesitated seriously in making Oregon investments if the present situation could have been foreseen, says that future expansion will be limited, will be made outside of this state, if the income tax principle becomes fixed in Oregon. Whether or not a manufacturer rail or prospective, is justified in such an attitude is unimportant. The fact that he so regards a state income tax is the thing deserving thought.

He is not alone in that opinion. In Eastern Oregon there are several large lumbering concerns that are delaying development plans because of the income tax proposal. One plant already has land purchased for the erection of a large cutting-up plant—millwork factory—that will employ several hundred additional men. And the company owning the present mill is seriously considering the building of this new factory in a neighboring state to the east, shipping the lumber there for the special milling, and thus avoid state income taxes.

A selling organization for Eastern Oregon pine has recently been formed among a number of mills. It is known that this new non-Oregon corporation might consider as a possibility the purchase of the affiliated mills as one means of taking the business outside of state income tax control. In Portland a number of wealthy manufacturers are planning to establish a residence in an adjoining state, even though they live part of the time in Oregon, for the same purpose.

These are a few of the things that are probable or possible if income tax agitation continues, industrial leaders say, and they furnish material that can well be pondered by the voter. Industries and resultant payrolls are not easy to secure. Agricultural prosperity is equally elusive. The problem if what is best for Oregon at this time is both difficult and serious. We hope that it receives the study and thought it deserves and that careful decisions are evident in the coming special election.

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"AN ADDED BURDEN"

Reprinted from the Oregon Voter

Dear Mr. Chapman:—We were in the early stages of developing our investment in Oregon in 1923 when we were told that the state legislature had adopted an income tax. We were assured that public opinion was so favorable to industrial development that the bill would be rejected at the polls, and went ahead with our development, but the people ratified the measure at a special election by a small majority of a small vote. This discouraged us, but we were in so deep we could not withdraw, although we regretted we had not bought timber outside of a state resorting to the policy of laying a local tax on incomes in addition to the federal tax. However, partly as a result of our discouragement we are told, a repeal bill was initiated, and the people of the state, at a general election when a full vote turned out, rejected the tax. We felt this was to be regarded as a real expression of matured public opinion, and by that vote we were encouraged to make further investments in Oregon. Our opinion seemed to be confirmed by the general election two years later—that of November, 1926—when two income tax bills were rejected by the people by substantial majorities, this adverse vote carrying with it the defeat of the state officer whose chief issue was championship of the income tax. Imagine our surprise when we were informed that the new administration and new legislature reversed these expressions of the people of the state and enacted another state income tax law.

It is not our proper function as outsiders to assume to influence an Oregon election. It may be regarded as our duty, as outsiders who already have been tempted into making large investments in Oregon and perhaps might be expected to make further investments, to direct the attention of the thoughtful people of Oregon to the fact that as outsiders we would have hesitated a long time before making our original investment had we suspected the danger of this state resorting to this method of taxation, and that we hesitate to enlarge our investment, beyond amounts necessary to handle our existing holdings, in a state which has this method of taxation. The fact that a state has an income tax easily might be the determining factor in diverting a project like our own, and diverting further expansion, away from the state.

In the pending lumber merger, the fact of income tax in Oregon of necessity must be taken into consideration. It might result in defeating our aim. It probably makes little difference to the industry as a whole whether the merger is into a Washington corporation with its headquarters in Oregon. It might be regarded by the people of Oregon as making some difference to them, not only in procuring for their own state the residence of the officials and clerical help of a headquarters office, but in the prestige of having such an important headquarters located within their state. It is only fair to the people of Oregon to direct their attention to he fact and to the effect of an income tax in this state proving a factor in diverting the lumber merger headquarters from the state. A state income tax is an added charge which would have to be carried in this state and would not have to be carried in any other Pacific coast state.

While on the subject of taxation, it may be well to direct attention to the necessity of giving attention to the problems of taxing the state's chief raw material resource—standing timber—in a manner which would tend to conserve it as a resource instead of tending, as at present, to its extinction within a generation. Timber has no immediate economic value until it is cut into lumber, except as it can be conserved into a future source of supply. Under existing condition in Oregon, the only value there is in standing timber, aside from the supply under logging operation, is a speculative value. Then, in no income from it, and all taxes, interest, and other charges must be paid from capital or from income derived from other sources. Whatever tends to increase these carrying charges tends to force the cutting of the timber. Taxation is the principal item of these carrying charges. If a method of taxation can be devised whereby the carrying charges are reduced whereby the carrying charges are reduced, and the public receives its tax return at the time the timber is cut and needed, the disasters consequent upon forcing the premature destruction of existing taxable values will be avoided. A tax taken at the time of cutting, in lieu of the principal part of the annual tax which now forms so burdensome a part of the carrying charges, would raise substantially more revenue in the aggregate. There probably is no subject of more importance to the future of this state than that of readjusting timber taxation, and I commend this subject to you as one meriting the attention of the whole commonwealth. It may be argued that an income tax will reduce property tax. Our experience and observation is it is only an added burden.

CHAS. S. KEITH,
President, Central Coal and Coke Company.

MRS. BOOLE SURPRISED

NEW YORK—Mrs. Ella A. Boole, president of the W. C. T. U. is painfully surprised that Chamberlin and Levine asked for beer as soon as they landed in Germany. She thinks millions of Americans share her feelings. In contrast she said in a speech, Lindbergh did not touch a drop of alcohol in France and "The United States is proud of him for it."

Named Bishop

Rev. George J. Finnegan, provincial supervisor of the Congregation of the Holy Cross, Notre Dame, Ind., has been designated by Pope Pius as bishop of Helena, Mont.

EUROPE AGOG OVER MURDER OF VOIKOFF

(Continued from Page 1)

agency, deny that M. Voikoff, the murdered minister, was in any way responsible for the death warrants of the Romanoff family, as has been stated in some quarters. At the time of the execution of the czar at Ekaterinburg, M. Voikoff was the soviet food commissar in the Ural district, says Tass.

POLAND ANXIOUS

WARSAW, Poland, June 8 (AP)—Although the assassination of M. Voikoff, soviet minister to Poland, was committed by a Russian refugee, who is not a Polish citizen, it was causing much anxiety in Poland today.

It was feared that soviet Russia might demand the extradition of the 19-year-old assassin, Boris Koweeda, to which Poland could not possibly agree without a loss of prestige and violation of the principle of not surrendering political offenders. Members of the Russian colony in Warsaw repudiate connection with Koweeda and fear deplorable consequences.

A. P. Rosengolz, former soviet charge d'affairs at London, who was with M. Voikoff, when he was shot and killed yesterday, will accompany the body to Moscow tomorrow.

Voikoff Murder Suspect

Nothwithstanding soviet denials the Polish public connected M. Voikoff, when he was sent here in 1924, with the murder of former Emperor Nicholas of Russia. When he arrived in Warsaw the foreign office proposed to give him special protection but he refused and appeared offended at the proposal.

It was pointed out here that the Russian Judge Sokoloff, in a book written after an investigation of the czars death, stated that Voikoff was involved. He gave a photostat reproduction of a document alleged to have been signed by Voikoff, showing that he had delivered gasoline for the burning of the royal family. At first the Polish government declined to receive Voikoff as minister, but accepted him when an official denial came from the soviet government that he had anything to do with the deaths of the Romanoffs.

Messages Exchanged

President Moscicki has sent a message to President Calinin of the union of soviet socialist republics saying: "Very deeply shocked and indignant over the outrageous murder of M. Voikoff."

M. Zaleski, the Polish foreign minister, sent a similar message to the soviet foreign office.

M. Oulianoff, counsellor of the soviet legation, has been appointed charge d'affairs ad interim.

Commenting on the assassination the Kurjer Warszawski declares that all Poland will have heard with indignation and horror the news of the crime.

"Poland Not at Fault"

"The murder," it says, "is not the action of a Pole; it is an act absolutely foreign to the moral sentiment, traditions and interests of Poland. None the less, the fact that the crime was committed on Polish soil, will certainly compel Polish opinion to protest unanimously and warmly against methods of political warfare of this type."

The paper adds that M. Voikoff applied himself to consolidating neighborly relations between Russia and Poland; was not a supporter of incitement or mutual distrust, but on the contrary was fully alive to the reciprocal advantages through loyal partnership of the two countries.

HUGE DEMONSTRATION

MOSCOW, June 8 (AP)—A huge demonstration against Poland, growing out of the assassination of the soviet minister to Warsaw, started late this afternoon in the streets leading to the Polish embassy, the demonstrators marching in increasing numbers until late tonight, shouting and halting traffic. The Polish embassy was heavily guarded by special Russian troops.

Twenty-six persons were seriously injured when two bombs were thrown in a business club at Leningrad last night while a meeting of members of the debating section of the communist party was in progress it was learned today. The premises were badly damaged.

Some photographer is going to come into the office with the great scoop some day. It won't be Lindbergh driving a beer truck in Chicago, or it won't be Wayne B. Wheeler in court for hi-jacking. It will be a bathing beauty—in the water.

New Rail Line Plan Presented To Commission

WASHINGTON, June 8. (AP)—A demand that railroads operating in Oregon be required immediately to construct a new east and west line through the center of the state from Harriman to Crescent Lake, a point on the Southern Pacific in the interior, was placed before the interstate commerce commission today by the public service commission of that state.

The state commission asked that some one of the Oregon railroads, or some group of them be ordered to undertake the extension, on the grounds that Oregon business interests required the service which such a line could render.

STORMS AND RAIN STRIKE OVER OREGON

(Continued from Page 1)

benefit of crops outside the irrigation district.

RAIN WELCOMED

ROSEBURG, Ore., June 8. (AP)—Cooler temperature and light showers were experienced here today following a light electrical storm yesterday evening. The rain was welcomed by grain and berry growers and gardeners.

BAKER STORM SEVERE

BAKER, Ore., June 8. (AP)—A severe electrical storm accompanied by heavy wind and drenching rain swept this district shortly after midnight. The rainfall totaled .61 inches. Telephone connections to Richland and Canyon City were broken temporarily. Damage to roads and bridges was reported in various parts of the county.

HEAVY FALL AT EUGENE

EUGENE, Ore., June 8 (AP)—The heaviest day's rainfall since June 1922 struck Eugene yesterday and last night. Total precipitation for the 24 hours period was .59 of an inch.

The rain was generally beneficial, though it proved a handicap to orchardists and strawberry growers.

Three-Act Play Given At Cove

COVE, Ore., June 8 (Special)—"Her Step-Husband", three-act play sponsored by the Woman's club, was presented here. It is a clean comedy and the local talent that produced it was an all-star cast.

The characters were as follows: Harvey P. Marshall, Grant Conley; Dr. Gerald Niles, Alvin Orton; Limpy Lannigan, John Miller; Officer Shea, Ralph Hunt; Mary Marshall, Miss Beatrice Wardell; Sylvia Allen, Mrs. Cassie Orton; Miss Emily Paisley, Mrs. Frank Conley; Florence Ainslee, Miss Thelma Anderson, and Stella, Miss Vina Conley.

The gate receipts were about $50.

IT'S ALMA MATING TIME

With college date, sweet college daze coming to an end and the old grads returning for happy reunions, it suddenly is discovered that the old school only needs a new million-dollar stadium, a couple of chemistry buildings, a new administration hall and four dormitories. It looks like pocketbook research day for the old boys who not only would die for dear old Siwash but must pay as well. . . . It's time for the old songs again, boys, in the key of E very, very flat. . . . The ushers will now pass among you with subscription blanks.

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Nearby and easily reached by Union Pacific—Yellowstone National Park. Nature's phenomena unparalleled. Wild life unfettered. Scenic grandeur never to be forgotten.
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Good Looking Knickers
of Rich Tweed and Homespun Materials
EASY-FITTING, well-made knickers of extra full cut in smart tweed patterns and jacquard designs in colors of gray, tan, blue, in all sizes including boys'.
$7.50 to $10.00

Bright Golf Sweaters
Some with Hose to Match
JUST the thing for these chilly mornings at golf. Bright patterns—yes—but different than the ordinary run. Colorful plaids, stripes and jacquard patterns in popular colors.
$5.50 to $11.50

Florsheim Golf Oxfords
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THOSE good-looking shoes you've admired on somebody else are as important in covering the course as a good bag of clubs. This style holds memberships in the best of country clubs.
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Your name is always in an up-to-date directory along with those of other modern householders in your community.
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is a big help toward regular savings. We have a plan to supply one to savings depositors.
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