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A FOURTH OF YOUR INCOME FOR TAXES.

Public debts—local, state and federal—have increased until about 25 cents out of every dollar of income now goes for taxes of one kind or another—principally hidden—and the end of the increase is not in sight. It is estimated that by the end of 1937 the federal government alone will be getting over two-fifths, or about 11 cents out of every dollar of income.

Some of those who have made an examination of the taxation set up believe this estimate is conservative. Mr. Henry A. Frazier of the California Consumers association, says:

"There are approximately 205 accumulated taxes in the price of gasoline, or 40 per cent of the cost.

"Taxes on eggs represent 61 per cent of the cost.

"Three-fourths of the price you pay for the breakfast bacon, or 36 cents out of 48 cents per pound, represents hidden taxes.

"Fifteen cents out of the 25 cents paid for two packages of cigarettes represents taxation.

"A baker wraps up 53 taxes with every loaf of bread he sells or 3 cents on a 9-cent loaf."

The Scottish Rite News Bureau says that "Mr. Frazier's method of arriving at the various tax elements which enter into the prices of the items of consumption may be questioned; error may occur in some of his calculations. But it cannot be doubted that we already have a vast array of taxes and that they must, on the face of existing conditions, go higher on nearly every commodity or service now in the tax schedules. . . . Today the federal government raises approximately two-thirds of its revenues from hidden taxation. . . . In 1934, the federal government collected a little over \$3,100,000,000 only about \$500,000,000 of this amount came from visible taxation, known as the income tax. The balance was collected by the hidden method of raising revenue. It is estimated that during the fiscal year, beginning July 1, 1936, the federal government will receive \$5,650,000,000, a vast amount of which will come through invisible sources. In other words, probably less than \$2,000,000,000 of government revenue will come from the income tax, much of which, collected from corporations, will be passed on and taken from the consumer's pocket."

It is evident from the speech of President Roosevelt accepting the nomination that the present spending orgy will not be checked if he is continued in office. A large portion of the funds paid out for so-called relief and in the form of loans to individuals and corporations was borrowed—much of it from the banks—but pay-day cannot be deferred much longer. When that day comes does anyone doubt that federal taxes will have to be greatly increased, probably doubled, to meet reasonable payments on the borrowed principal and the interest obligations?

An individual or a government living on borrowed money may be able to stave off the day of reckoning, but that day cannot be postponed indefinitely. Debts must be paid or repudiated.

If paid the necessary funds must be raised. The only way a government can raise money is by taxing its citizens.

If the government decides to repudiate who will suffer? The lenders. Who are the lenders? For the most part the banks. Whose money did the banks loan? The money they had on deposit; the money that was placed with them for safety and sound investment by the wage-earners, the professional men, the clerks, the widows, the domestics, the farmers, and others who had lived within their means and saved something for a "rainy day." These are the people who will be ruined by repudiation and, if the government pays its debts, these same people will suffer, if they are not ruined by paying double taxes.

There is another thing that will affect these same people. Take for instance the recent two-billion dollar loan made by the federal government. A prominent banker, Orval W. Adams, of Salt Lake City,

who is vice president of the American Bankers association, makes this observation:

"It will require no profound learning on the part of the public to understand how they are affected by the recent two-billion dollar loan made by the government. All we have to tell them is that the federal government came direct to the banks and got the money—and got it upon the government's own terms; that it wasn't the bankers' money; we were merely the agents of the people, and were obliged to turn over the people's money to the government; that in the aggregate, the low interest rates which the government concluded to pay for this staggering loan, meant losses of millions of dollars to the American depositors, when compared with the interest rates which under normal conditions, they received for the use of their money."

"Traditionally, the American banker has been recognized as the unofficial custodian and investor of the people's money. Today through the operation of the government's fiscal policy, he has been shorn of both those powers. There is no alternative left to the banker but to carry out the provisions and submit to the demands of the spending agencies of the government. More than that, the very money that is placed in our custody and for which we find only limited, safe outlet and investment, is taken over by this same government that has virtually become a banker in competition with private banking, operating on a non-competitive basis, letting out in turn, this captured money with such openhanded prodigality and on such precarious conditions and terms, which no responsible banker could match and still remain solvent.

"The government, as unregulated banker, can of course pursue this philanthropic policy with perfect safety as long as there is a dollar left in the pockets of the taxpayers of America."

The taxpayers of America should get this picture. Then they will begin to realize what it means to them when these lavish expenditures, these un-stinted loans, these prodigious financial projects of government are launched, resulting in the piling up of the largest debt in the history of any country, and for which the taxpayers, and the taxpayers only, must pay and pay and pay."

RECORD SPENDING.

The four sessions of the Seventy-third and Seventy-fourth congresses, representing, roughly speaking, the term of President Roosevelt, have appropriated in excess of \$39,000,000,000, including appropriations through the Reconstruction Finance Corporation.

Do you realize that if one dollar had been laid away every minute of every day and every night from the beginning of the year 1 to January 1, 1936, there would have been on the latter date \$1,300,404,000?

In other words, just a little more than a billion dollars in 1936 years at the rate of a dollar a minute. As a comparison, note that the present administration is spending at the rate of \$10,000 per minute.

Roger Babson, noted economist, has made the following comment:

"If every dollar spent were being matched by a dollar in tax revenues, I would not be alarmed. If this were so, the voters would soon take care of the spending problem."

The American people are showing signs of awakening to the situation, because they realize that this spending on the part of the New Deal means that every penny must be raised by taxation, whether by direct or indirect measures.

It is a well-known fact that the tax measure just passed is only another attempt to give the impression that this is the end of higher taxation.

On the contrary, present taxes levied are inadequate, and the next session will demonstrate the need for larger income by taxation, simply because the country cannot continue to live on borrowed money and at the same time maintain national credit, or, far better, the people will demand at the coming election a reduction in expenditures to bring the cost of the federal government within revenues.—By Rep. Chester C. Bolton of Ohio.

THE DORENA-CULP CREEK ROAD.

Generally speaking the roads in this section of Lane county are in excellent condition. The outstanding exception is the Dorena-Culp Creek road, which is reported to be in need of repair, while the road connecting Cottage Grove with Dorena has recently been repaired and oiled. No one seems to know why the work was not continued to Culp Creek.

There are three large lumber mills at Culp Creek, the Bohemia Lumber company, Scott Lumber company and the Table Creek Lumber company, and the firm of Reller & Martin has recently established a handle square factory there.

On beyond are the mines in the Bohemia district. All the ore from these mines must pass over this road.

If it is true, as reported last week, that there are no funds available for the placing of this road in good condition, it would seem that someone has blundered and that steps should be taken to see that the county court does not overlook this important project at its next budget meeting.

James A. Smith will speak; young people's union meeting, 8:45 in the park.

Seventh-day Adventist Church, Paul Iverson, Pastor. — Services Saturday, Sabbath school, 9:30; preaching service, 11, Pastor Ross Dustin of Eugene will speak the first Saturday of each month; prayer meeting, 7:30, Thursday.

Baptist Church, H. W. Davis, Pastor. — Sunday school, 10; forenoon service, 11; evening service, 7:30, in the city park; young people's meetings in the park at 8:45; prayer meeting, Thursday, 8.

Union Service in City Park. Union service of four churches will be held in the city park Sunday night at 8. The singers from all the churches are invited to assist in the music. Rev. James A. Smith will deliver his lecture, "Is the Young Man Safe?" This is a special he has given in six different states and many times repeated in his three years evangelistic work in Oregon.

Junior Endeavor will meet at 6:45. The lesson will be Juniors in their Bible. Meet at the church at 2:30 Monday to go to steel bridge for a watermelon party.

M. E. Church, C. J. Hall, Pastor. — Sunday school, 9:45; forenoon service, 11, sermon by Rev. J. A. Smith. The Presbyterian folks will worship with us. Evening service, union services in the city park. Sermon by Rev. J. A. Smith. Young people's meetings, union

services of young folks in Christian church.

Word has been received from Rev. A. E. Sims, pastor of the Free Methodist church the past year and who has been in attendance at the Free Methodist conference at Portland, that he has been returned here for another year. The first service for the new year will be Sunday, August 2, at which time Rev. Sims will have charge.

The primary department of the Christian church gave an entertainment Friday night in the form of a midwest wedding. Following the program ice cream and cake was served. More than 300 persons attended the affair. Mrs. T. C. Boyd, primary superintendent, was in charge and reported a nice sum realized. The proceeds will be used to remodel the class room and buy new equipment.

The Intermediate C. E. of the Christian church will meet at 6:45 Sunday evening at the church. Martha Thies will be leader for the study on "The Importance of Little Things."

Union Service Sunday Morning. In the absence of Rev. Hall the Methodist and Presbyterian congregations will hold union services Sunday morning in the M. E. Church. Mr. Smith will bring the message, using as the theme, "The Soul's Supreme Desire." Mr. Smith plans to take his vacation in August when the Methodists will worship in the Presbyterian church two Sundays, with Mr. Hall in the pulpit. This is real Christian cooperation and is appreciated by both congregations.

STATE CAPITOL NEWS LETTER

Salem, Ore., July 22.—More than 3200 men are now employed in construction work on Oregon's system of state highways, according to R. H. Baldock, state highway engineer. This number does not include men employed on maintenance work. To date \$11,219,993 of the 1936 program of highway work has been contracted, representing 93.4 percent of the year's program. Another large letting is scheduled for this week.

On the Pacific highway alone 668 men are employed on 12 construction projects representing an estimated cost of \$1,776,175.

More than 440 men are at work on 11 projects on the Columbia River highway on which expenditures are estimated at \$864,033.

Five projects on The Dalles-California highway, representing an expenditure of \$325,399 are giving employment to more than 250 men.

More than 630 men are at work on seven projects on the Old Oregon Trail highway where an estimated \$767,966 is being spent on road improvements.

Eleven projects on the Coast highway are providing jobs for more than 400 men. Estimated cost of this work is \$716,640.

Three projects on the Wolf Creek highway, to cost \$531,358, are employing 230 men and more than 200 men are working on two projects on the Wilson river highway where \$229,430 is being spent this year.

The new super-highway between Portland and Oregon City is giving employment to 370 men on four jobs costing \$785,224.

In eastern Oregon six projects are under way on the Wallowa Lake highway where more than 230 men are at work on jobs that will cost \$254,475. The John Day highway with four projects under way is giving employment to 130 men. These projects represent an estimated cost of \$242,639.

The semi-annual apportionment of motor vehicle funds to the counties has just been completed by Secretary of State Snell. Under an act of the 1933 session \$800,000 is apportioned to the counties every six months for use on county roads, the apportionment being based upon the amounts received by the several counties in 1931 under an old act under which each county received a percentage of the fees paid in during the year by the motorists of that county. Included in the current apportionment were the following amounts: Baker county, \$11,704.75; Benton, \$14,730.26; Clackamas, \$34,851.16; Columbia, \$13,176.41; Coos, \$21,716.46; Curry, \$2,704.27; Deschutes, \$12,237.70; Gilliam, \$2,675.52; Hood River, \$8,962.37; Jackson, \$31,617.12; Josephine, \$10,098.79; Klamath, \$28,879.76; Lane, \$42,524.48; Lincoln, \$6,282.36; Linn, \$20,086.10; Marion, \$51,697.34; Morrow, \$3,689.82; Multnomah, \$301,781.44; Polk, \$12,433.25; Sherman, \$2,540.16; Umatilla, \$22,038.68; Union, \$13,869.49; Wasco, \$11,331.72; Washington, \$24,426; Yamhill, \$18,501.86.

The Home Owners Tax Exemption league is nothing if not persistent. For the third time the League is promoting a proposal to exempt homes from taxation up to a cash value of \$2000. In two previous attempts the league failed to complete its petitions. In its preliminary petitions, filed with the state department this week an effort is made to overcome opposition to the proposal by providing for an increase in income taxes to compensate for the loss in tax revenues resulting from the tax exemption on homes. The new petition provides for a surtax on incomes starting at two percent on incomes of from \$200 to \$2500 up to 70 percent on incomes of \$50,000 or more. The measure will not appear on the ballot until the 1938 election unless a special election is held before that time with provision for initiative measures.

T. Morris Dunne, member of the unemployment insurance commission, and Ralph Campbell, attorney for the commission, left Sunday night for Concord, N. H., to attend a three-day conference of officials from states whose unemployment insurance laws have already been approved.

Oregon's 1937 automobile license plates will be black with white letters and numerals. Contract for 280,000 sets of the plates was let this week to the Irwin-Hodson company of Portland at 847 cents a pair, slightly under the cost of the 1936 plates. In addition to the plates for passenger cars the state department also ordered 19,500 pairs of truck plates and 10,000 pairs of plates for light delivery cars.

Of particular interest to western Oregon counties is the proposal of J. W. Ferguson, state forester, that title in the Oregon and California grant lands be transferred to the state and administration of these lands be vested in the state forestry department rather than in the federal forest service. Ferguson declares that this plan would permit of more efficient conservation of the state's timber resources un-

Insects



der a sustained yield program. Governor Martin has been sold on the idea and Senator McNary will be asked to sponsor a measure before congress covering the proposal.

A sub-committee of the State Planning Board working with a legislative interim committee are making an exhaustive study of the state's governmental set-up with a view to proposing changes in the state organization to the forthcoming session.

Senator Wallace of Deschutes county, a member of the interim committee, is continuing his fight for a reform in the state's welfare setup and can be expected to carry his fight before the session with or without the support of the Planning Board.

One of the problems to which the committees are giving attention involves a reorganization of the purchasing department which some of the governmental "experts" believe should be incorporated in a new department of finance headed by the budget director rather than set apart in a separate department under the board of control as it now is.

Study is also being given to a possible consolidation of the corporation, insurance and banking departments under one head. This consolidation was sponsored before the 1935 session by D. O. Hood, at that time just taking over the duties of budget director and political advisor to Governor Martin. The proposal, however, failed to

meet with favor in the eyes of the legislators who saw in it only an attempt to create a new high-salaried super-commissioner with no compensating economies in administrative costs or increase in efficiency.

It is also possible that the so-called "cabinet" form of government will be again presented to the 1937 session. A proposal of this kind was before the 1935 session sponsored by Governor Martin. It sought to centralize responsibility for most of the state activities under the governor and practically abolished the board of control as now constituted.

State departments and institutions are now busy with their budget estimates for 1937-38. These must be in the hands of the budget director by September 1. Salary and wage budgets will be based upon the old pay scale in effect prior to the legislative pay cuts inasmuch as the present reductions expire by statutory limitation with the end of the current year. Continuation of the pay cuts in whole or in part will be up to the next legislature.

The influence of the soldiers' bonus on automobile sales was directly reflected in the business of the title department at the state house where 7196 certificates for new cars were issued during June compared to only 6196 for January which is ordinarily the big month for new car purchases.

ALL HYDRAULIC BRAKE RELINES

SET WITH

Frisz

Micro-Gauge

AUTHORIZED LOCKHEED SERVICE

Sturges Garage

Try Your Local
 Hardware Dealer
 First!

We invite your inspection as to
 Quality and Price on all items.

Grove Hardware

Where Every Day Is Bargain Day
 MANSFIELD BROS.

THE CHURCHES

Blue Mountain Union Sunday School—Sunday school, 10; forenoon service, 11, sermon subject, Luke 18:35-43, "The Blind Man by the Wayside," Rev. Harry Neet, speaker.

Free Methodist Church, A. E. Sims, Pastor.—Sunday school, 9:45; forenoon service, 11, sermon by J. G. Grimes; evening service, 8, class meeting and praise service.

Christian Science Society, 242 South Second St.—Sunday school, 9:45; forenoon service, 11, sermon subject, "Truth."

First Christian Church, E. Elmer Coulter, Pastor.—Sunday school, 9:45; forenoon service, 11, sermon subject, "An Adequate Church;" evening service, 8, union service at the city park. Rev. Smith will deliver the message; young people's unified Endeavor, 7; prayer meeting, Wednesday evening; young people's Bible study, Thursday evening.

Presbyterian Church, James Aik- in Smith, Pastor.—Sunday school, 9:45; forenoon service, 11, sermon subject, "The Soul's Supreme Desire." The congregation will worship with the M. E. church in the absence of Rev. Hall. Mr. Smith will bring the message. The Presbyterian Bible school will meet as usual; evening service, 8, sermon subject, "Is the Young Man Safe?" union service at city park. Rev.