

The Oregon Statesman

"No Favor Shy Us; No Fear Shall Awe"
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Taxation for Wealth Redistribution

THE latest message of President Roosevelt calling for greatly increased taxation of large incomes and estates has the virtue of frankness. He makes it perfectly clear that what he proposes is confiscation of private property on a large scale. While there is the cloak of need for raising revenues to meet his greatly expanded program of government activity, the president admits that his prime purpose is to use taxation as a tool to reduce swollen fortunes. He justifies this on two grounds, first that large wealth is a social as well as individual creation, and second that great fortunes particularly those transferred by gift or inheritance are a social menace, injurious to the non-producing recipients and vesting economic power in too few hands.

The Statesman, which has been a severe critic of the new deal, is prompt to express its approval of many of the ideas in the president's message. This paper has long contended that vast fortunes partake of a feudal character, that the accumulation of such huge fortunes is accelerated by the contributions of many besides the owner, and that the worst course to befall youth is the inheritance of great wealth. Originally inheritance meant the transfer of title to a few acres, the family furniture and tools and a few domestic animals. The survival of inheritance of great industrial dominion, with power over the welfare of many thousands of individuals is an anachronism. For centuries primogeniture was the law of entail, all the property going to the eldest son. It was considered a great social advance when this was abolished and all children were made equal under the law in sharing inheritances. Undoubtedly the time has arrived when the transfer of huge fortunes to children or others even farther removed in relationship should be restricted.

Our own economic philosophy however diverges considerably from the use of taxation as a tool to effect redistribution of wealth. In a way it compounds the felony, by making the state a partner in the accumulation. Under a more just economic order such vast fortunes should never be accumulated. The corrective should be applied before the feudal barony in industry is created. Heavier income taxes may be a means; but we have believed that something superior could be developed out of the new excess profits tax which would stimulate better distribution of wealth to those creating it rather than confiscating it and appropriating it to the dead hand of the government. In other words, the threat of heavy taxation of excess profits would encourage prosperous businesses to pay higher wages or reduce selling prices, which is more desirable socially than to expropriate large earnings into the public treasury.

Approving as we do the designing of our economic machinery to effect a wider distribution of the profits of industrial enterprise, nevertheless there are certain practical considerations which must not be overlooked in framing legislation such as the president recommends. We are not friendly to bulging treasuries in political hands. They lead inevitably to waste, corruption, stagnation,—to excess of government even if there be no fraud. Better preserve government on a simpler plane. Public extravagance is even more damaging to social welfare than the ostentatious spending of a few wealthy individuals. While we are glad to see the era of vast fortunes yield to one of more general distribution of wealth, we hate to see the state, which may be as impersonal as a corporation, become wealthy through confiscation of private wealth.

Second, present inheritance taxes, state and national are so heavy as to constitute a grave problem for executors. The government demands that its toll be met in cash. But estates are rarely made up solely of bank deposits and government bonds. Often they are composed of real estate, shares of common stock, partnerships in business, which are not readily convertible into cash. There have been many instances where an estate was almost gutted by expenses and taxes because the assets had to be sacrificed to meet the first calls that were made. Perhaps men should be more farsighted in picking a time in which to die, but "Ye know not the hour" is a truth older than the Bible.

The case of Henry and Edsel Ford is an extreme example but there are thousands of other cases where paying the death duties is a threat to the business of the owners. On their death how will the heavy inheritance taxes be met, considering that their wealth is invested principally in the stock of the Ford Motor company? It is doubtful if they have enough free cash or bonds above what is needed in the business to pay inheritance taxes of hundreds of millions of dollars. Will the government force the sale of the stock or business; or will it become a partner in the enterprise? The important point is that a going business is more valuable socially and economically than the amount of tax which may be wrung out of it. And in a highly competitive economy it is essential, particularly at the death of the chief executive of the company to continue the management he has built up. Throwing the shares on the market to raise cash or taking the government in as partner might unsettle the enterprise so it would sink in the struggle.

Above all this must be remembered, that history shows that confiscatory taxes have a peculiarly chilling effect on enterprise (as well as on honesty). If through such taxation the country sterilizes activity and adventure the reaction may be disastrous. So, while we are entirely willing to see the break up of vast fortunes and more eager to prevent their swift accumulation in the future, we recognize also the dangers involved in framing legislation to fit these ends which will not at the same time work real damage to the economic fabric.

One thing is clear,—the day of billionaires is passing. Even with no change in the law these great fortunes are bound to disappear soon. The present weight of taxation is too heavy for their survival. Adding to the load will merely speed the break up.

Increasing the tax burden on the rich is not going to meet the financial problems of the government. There are not enough wealthy people to supply revenues to meet the spendthrift policies of the new dealers even if all their wealth is confiscated. Though the administration start in on the millionaires it will soon have to increase the load on the folk with ten thousand dollar fortunes to meet its obligations. The president's message may be his answer to the Huey Long agitation; it will not suffice for solving the fiscal problems of the treasury.

The Great Game of Politics

By FRANK R. KENT

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Everybody Back

Washington, June 20. IF there has been an administration which more completely nullified the promises upon which it came into power and more blithely ignores their nullification than this one, it cannot now be recalled.

THE way in which its record compares with its pledges and Mr. Roosevelt's own words, both as Governor, as Presidential candidate and even after he entered the White House, contradicts his present policies and attitude is an extraordinary thing. An impressive list of these contradictions will figure in the next campaign. It is one point upon which the Roosevelt publicity machine is inarticulate; about the only Presidential attitude the interpreters make no effort to interpret. Even the payroll letter writers, who consider every criticism inspired by ignorance or prejudice and regard a failure to praise as a criminal act, are silent on the subject.

THE truth is they cannot be adequately explained, and the only way for the New Dealers to treat this is to ignore them. This isn't much of a strain upon a group which has for two years ignored the Constitution, the multiplication table and the laws of supply and demand. Nevertheless, it requires a considerable confidence in the lack of memory and general mental sluggishness of the people. It is also one reason for the consistent effort of the propagandists to keep public attention diverted by the dramatic variety, extent and scope of the show.

EVERY now and then something happens particularly to emphasize the broken promise phase of the administration, which it seems a dereliction of duty not to point out. For example, it cannot be forgotten that the first and chief pledge in the Roosevelt platform was to reduce the expense of the Government twenty-five per cent, and that one of the earliest Roosevelt acts was the passage of the great economy bill by which nearly a billion dollars was cut from Government costs. Part of this came from lowered pay for Federal employees. Part came through consolidations and eliminations of Federal bureaus, but the bulk came in a nearly \$500,000,000 reduction of the back-breaking pension burden, under which the nation had been groaning for years. It was a magnificent achievement. The whole country cheered the President, and justly so. Acting under his authority, Budget Director Douglas pruned the padded pension list, and out it came, nearly in half, with a minimum of injustice and immense relief to those who believed the thing could not be done.

IT is amazing now to look on that performance and realize what has happened to that billion-dollar saving, so highly extolled and so clearly in accord with the platform. It has all gone—every dollar of it—and much more. There is not space here to detail the enormous additional cost imposed by the New Deal, but on Saturday last the House wiped out the last vestige of that economy act of 1933 when without a dissenting vote it passed a bill restoring to the pension rolls 50,000 Spanish, Boxer and Philippine war veterans who had been cut off because they could not prove disability incurred in the service. The annual bill will be more than \$45,000,000 a year, and the bill renounces all pension laws in effect before the economy act was passed. Veterans of other wars have been restored by executive order and other congressional enactments.

EVERYBODY is back. Things so far as the veteran compensation load is concerned are just as they were when Mr. Roosevelt came in. They pay of the Federal employees has all been restored. It seems an incredible thing to have happened. The senate will pass this house bill and it will then go to the president. If he vetoes it he may save, temporarily, \$45,000,000 of his billion, but at the rate he is spending money that hardly seems worth while, and there is little expectation he will. It is a situation which, properly appreciated, is calculated to make those who were so enthusiastic about the Roosevelt courage, displayed in the economy bill, feel foolish—and resentful. It seems, in fact, like a gigantic practical joke perpetrated on a trusting people.

VISIT WITH PARENTS

HUBBARD, June 20.—Mr. and Mrs. Frank Beers of Grants Pass left Tuesday after a brief visit with the latter's parents, Mr. and Mrs. L. M. Scholl. Mr. Beers continued to Seattle where he is enrolled for a summer course at the university there and Mrs. Beers returned to Grants Pass. She was accompanied by her sister, Dorothy Scholl.

A Folder with Pulling Power

THE Salem chamber of commerce has gotten out one of the finest folders for tourists which we have seen. It is packed full of information about Salem and the surrounding country. The principal map is an outline map of northwest Oregon which shows Salem at the hub of a fine road system radiating to the coast, to the mountains, and to other parts of the valley. Supplementing this principal map are numerous small trip maps, labeled,—Breitenbush loop, North Santiam highway, Salem-Neskowin-Newport, Silver Falls State Park, to Historic Champeog. These are valuable route maps for short trips to scenic and historic spots of interest to local people as well as tourists.

Already there is heavy demand for the folders from tourist agencies. This wide distribution should result in drawing more people to Salem and keeping them here for a longer stay. Too many folk have whisked through the city without realizing the tourist resources which may be reached conveniently from Salem as a base. To Secretary C. E. Wilson who prepared the folder, the city commendation.

Bits for Breakfast

By R. J. HENDRICKS

State teachers' institutes were great affairs once:

(Concluding from yesterday.) The president of the 1875 institute was Thomas Condon of Eugene, Oregon's all time outstanding authority on geology.

On the program for the closing day were Geo. A. Peebles, then principal of the Silverton public schools, afterward of the Salem public schools, Marion county superintendent of schools, etc., etc. Also S. A. Randie, then superintendent of Salem schools. Also P. S. Knight, long an educator, editor and preacher here. Knight Memorial church of Salem was named for him. He started that church.

J. T. Gregg was prominent in that institute. So was Syl. C. Simpson, brother of the Oregon poet laureate, Sam L. Simpson. Sylvester Simpson had been state librarian, became the first superintendent of public instruction for Oregon, by appointment of Governor Grover in 1875, etc., etc.

Sam and Syl Simpson were at one time, in the '70s, in charge of the Statesman, as managers and editors. Rev. Knight was in those years editor of this newspaper.

Clara B. Nellie and Geo. B. Meacham all took part in that institute. Their home was in Salem then; their father was Col. A. B. Meacham of Modoc war fame. T. W. Davenport attended the institute. So did Ralph C. Geer. They were the father, and the grandfather on his mother's side, of the youth, Homer Davenport, who became the world famous cartoonist.

There was a fight in that institute over the question of corporal punishment, and a committee was appointed to study the matter and report. The committee brought in this report:

"Resolved, that it is our opinion that corporal punishment can be effectively administered without resorting to methods which may result in physical injury."

T. R. Coon, L. Bilyeu and L. Royal were the members of the committee making the report.

The inference is that the institute of Oregon went on record as favoring anything in corporal punishment, when needed, short of leaving the victim's body permanently crippled or injuriously marked.

Such a report would not so easily get by in a like body now: that is, it would not stand much of a chance to be taken as final and a matter of course.

Programs of the 1875 and 1875 state institutes are also found in these papers.

The 1875 session was opened by an address of welcome by J. T. Gregg, superintendent of the Salem schools, responded to by S. W. King, superintendent of the Portland public schools.

Among the speakers were H. H. Hewitt of Lafayette, afterward Judge Hewitt of Albany, and Mrs. J. G. Wilson of The Dalles, widow Mrs. Olin Egan, Miss E. F. Chamberlain, Miss Mollie Smith, Miss Rose Weller, Miss Ada Jones. E. B. McElroy and W. D. Fenton were members of the executive committee. Prof. McElroy became the third elected superintendent of public instruction, and was reelected twice. Fenton became a prominent Portland lawyer.

Prof. Thomas Condon delivered a lecture at the 1875 state institute. His home was then at Forest Grove. The executive committee that year was S. W. King, Portland, J. K. Weatherford, Albany, and John Darrah, The Dalles.

Among these papers is the program of the Linn county teachers' institute, held at Harrisburg, April 2 to 5, 1875.

The main lecture was by L. L. Rowland, state superintendent.

Prof. E. B. McElroy of Corvallis and Prof. D. V. S. Reid of Albany had prominent places on the program.

So did Rev. W. B. Bishop of Brownsville, who was the father of C. P. Bishop of Salem, and Miss Clara Bishop had a place on the committee on music.

The committee on arrangements consisted of O. T. Porter, Hiram Smith, J. P. Schooling, M. Fuller and Dr. J. F. Hendricks.

Dr. Hendricks was a brother of Vice President Thomas A. Hendricks of Indiana. Dr. Hendricks was the victim of sad circumstances, which have been related in this column.

FLAG-DAY SERVICES HELD BY PYTHIANS

HUBBARD, June 20.—At an open meeting held at the Pythian hall Tuesday night the Pythian Sisters of Arion Temple observed their annual memorial and flag day services. Members of the Knights of Pythias were special guests. The memorial, a colorful floral ceremony featured by appropriate music and readings, was led by Coble deLapinsse, most excellent chief, assisted by Orva Barrett, Marie deLapinsse, Cora Smith, Anna Stauffer, Wilma Leffler, Sadie Scholl, Meta Friend and Susie Ott, with Edith Painter at the piano. All wore white uniforms.

The flag service was opened with the presentation of the flag by Anna Stauffer, Orva Barrett and Marie deLapinsse who then led the flag salute. Principal speaker was Miss Betty Brown, who spoke on phases of Americanism. Others who spoke briefly were George Leffler, Dr. A. F. deLapinsse, Mrs. W. A. F. Brown, Mrs. Nora Gard Miller, Marie deLapinsse and Mrs. Edna Hovenden. The evening was concluded with a light supper.

Abundant Crop of Peaches Prospect on Tompkins Farm

GRAND ISLAND, June 20.—Four people who have been employed a portion of the last three weeks thinning peaches in the 35 acres in the Jake Tompkins, ar. farm, completed the work Tuesday. Elberta, Crawford, Hale and Rochester varieties give indications of an abundant crop.

Ten acres of first cutting of alfalfa hay for this season on the same farm is being put in the barn in first class condition.

Mr. and Mrs. Worth Wiley, Mr. and Mrs. William Taylor, Mrs. Henry Taylor, attended a shower honoring Mr. and Mrs. Emery Wood at Salem, Wednesday evening.

Dredge Has 26 Men at Channel Cutting Job on Willamette

PLEASANTDALE, June 20.—The suction dredge belonging to the Saxon-Louey dredging company of Portland employing 26 men, is cutting a new river channel near Jackson Island adjoining the Ed. Richards and Henry Freshour farms in this locality and using the rock from the channel to rillat the adjoining bank.

Some local men are employed.

ROY WEBBS VISIT SILVERTON, June 20.

Mr. and Mrs. Roy Webb of Spokane arrived at Silverton Wednesday for a visit with relatives.

Lawrence Vane's a few river time with Mr. Webb's brother, Albert Webb, and with his nieces, Misses Ruth and Edna Minor. The Webbs were born near Parkersville and are members of old pioneer families. The late Mrs. Minor was a sister of the Webbs.

SIMPSON RETURNS SWEGLE, June 20.

James Simpson has returned from a week's stay in Eugene with his daughter, Mrs. A. M. Mook. He celebrated his 75th birthday Sunday.

Twenty Years Ago

June 21, 1915
The Anchor line steamer Cameron, had a narrow escape from a submarine in the Irish sea on her voyage from Liverpool to New York. To save the Cameron, Captain Kimaritz headed his vessel for the submarine, which dived. He then changed his course and got away safely.

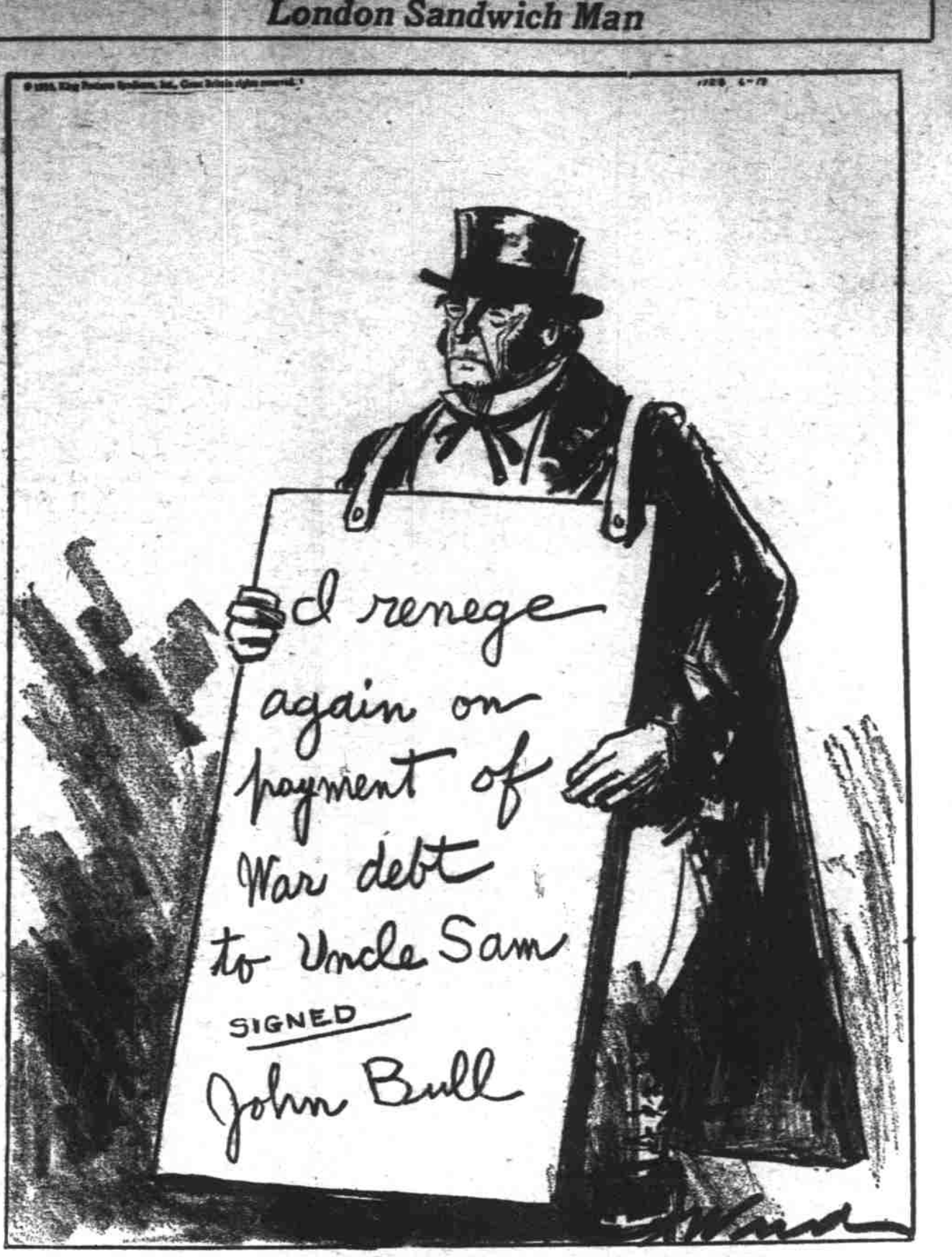
One of the best features of this year's Cherry fair will be the parade and all of the present plans of the committee are carried out. It will be the largest and best show of juveniles ever attempted in the capital city.

Ten Years Ago

June 21, 1925
Dr. M. C. Findley, of Salem, returned from Vancouver, B. C., last night, after attending a three day convention of the Pacific coast division of physicians.

Salem thermometers climbed to 91 degrees today. The city of Medford sweltered under a blazing sun, with the mercury reaching 103 degrees.

Mrs. Hal D. Patton and daughters Marie and Janette are leaving for their summer home at Agate Beach, where they will be until September 1.



"WHOSE WIFE?" By Gladys Erskine and Ivan Firth

CHAPTER XXVI
The butler had replenished the cellophane, and Bobbie constipated himself bartender, with the informality that was one of the charms of this sort of party at Millbank Manor.

"Everybody must have a glass," cried Bobbie officially. "Then if we think that the surprise is worthy of the bride, and of the room of the ancient and honorable Millbanks, we will be prepared, we will have something in which to toast a great success! Or if, as I sadly fear will be the case, the much touted surprise turns out to be a flop, then we will have something in which to drown our sorrow. Either way, the ones who have a cocktail will get the break—come ahead everybody, fill up!"

"For goodness sake, shut up, Bobbie!" someone called. "And let Schuyler get in a word."

Together, as though by prearrangement, the whole group shouted in chorus:

"Tell us the surprise—tell us the surprise—tell us the surprise!" Millbanks laughed good-naturedly, and stepping forward made a silencing gesture weighted with mock pomp.

"Hear ye! Hear ye! Hear ye!" he intoned. "Know all ye people that on this day I, Schuyler Millbanks, have procured the company and the services of the great artist, Lawrence Vane, to come among you humble souls, and paint the portrait of my gracious lady wife! He will soon be abedding the light of his countenance upon you!"

"Lawrence Vane! Why he's met this announcement." "No. He's out on bail now." "The papers say he cut her head off."

"How perfectly awful." "Isn't that thrilling?" "They found her body, naked, on his roof terrace."

"Aren't you afraid, Schuyler?" "Lawrence Vane's a swell guy—they're talking through their hats if they say he did it." "Sure! Lawrence Vane's all right; the general confusion no one noticed that their young hostess, Donetta, stood before the fire-place, as though she had been frozen to the spot. Her face had drained of all color, only her lip-sticked mouth trembled like a weed in the white-curtain. Her hands had tightened into two white-knuckled fists.

She looked up and met the malicious, smiling gaze of Bobbie Nichols. They stared into each other's eyes—long, green, frightened ones, and small, malicious gray.

Then he lifted his glass to her in silence, and still smiling, drained it.

"Hey!" someone called out. "Bobbie's drinking his cocktail! That's not fair! Bobbie, you've got to tell us whether you drank to drown your sorrow, or because you think it a real surprise."

"I'll tell the cockeyed world," cried Bobbie, "that it's a vow of a surprise! And the joy of any surprise is that you never know what it's going to be, or—where it's going to end."

As he finished the sentence, he looked at Donetta, and deliberately closed his eyes.

"I think it's mighty nice to have a husband who thinks up surprises," she told her, "and such nice ones too." She threw a shy, laughing glance at Vane.

"Thank you, Miss Betty, for the kind words," Vane tried to fit into the careless gaiety of the room, but the drawn lines of his face showed the strain under which he labored. Then bowing formally over Donetta's hand he said:

"May I hope that you are pleased also with your husband's thought, Mrs. Millbanks?"

"The last two words dropped from his lips, a flush of relief swept Donetta's face, her eyes brightened, dropping out their look of fright.

"I am most happy to welcome you to Millbank Manor, Mr. Vane," she said, sweetly and formally. "There was just the slightest stress placed upon his name as she said it.

As his head bent over her hand again in acknowledgment, Donetta's eyes once more met those of Bobbie Nichols—and now his smile was wide and delighted, his eyes bright with malice. She could have sworn that his nose twitched like that of a hound on the scent.

The gaiety of the cocktail party before the fire, carried on into the evening.

As they all separated and went to their respective rooms to dress for dinner, Donetta followed Betty into hers.

"I hope you like the room I have given you," she said. "Your neighbor on one side is Bobbie Nichols, then comes Mr. Vane, and right next to you on the next side is my room, then Schuyler's."

"For Heaven's sake!" Betty exclaimed. "Wilbur isn't coming here, is he?"

"Oh! I am sorry! Do you mind very much?" Donetta was upset.

"Oh! I am sorry! Do you mind very much?" Donetta was upset.

"Yes, I do. I like him fine, but I thought he had gone to the Orient—look! and she took from her bag a telegraphed notice to her as Society Editor, to the effect that Mrs. Roger Thornley was listed as one of the passengers on the Tennyson, sailing for China from San Francisco.

"I sort of took it for granted that Roger was going with her."

"I didn't know anything about that trip," Donetta said. "Gerry and Schuyler and I saw a lot of Roger out on the Coast, but Millie wasn't well—she didn't come into the club. But Roger said she enjoyed traveling about and seeing all the new places. Roger had to go on up to his mills in Seattle, I guess—that's where he had started for when he left New York. He's awfully good to Millie some ways, at least he never skimps her on money. I imagine he must have sent a nurse, or a companion with her on that long trip."

happy—I think it's just great! But, darling, I took the liberty of bringing old Sucky—God knows that the old dear's no French maid, but the loves me and knows my ways. I sent her to the servants' quarters, but Dona I'd rather have her sleep in my dressing-room here, if I may. All your servants are white, and she's a queer old bird, and likes to be a lot to herself—okay?"

"Don't be silly, of course it's all right. Anything you want is all right." Donetta turned to leave the room, then paused, and ran her arms like a child. She threw her back around Betty.

"You're such a dear!" she told her. "I was feeling awfully low—so many strangers—and hoping that I'd do everything right so that Schuyler would be proud of me. I'm grateful, and I adore you because you're so sweet and friendly. Thank you, Betty."

She gave her guest a hug and a swift kiss, and ran from the room.

"What you all go to wear, honey? I want you to do me and Mister Cyrus proud."

"You old fraud," Betty laughed. "You know Uncle Cyrus and I quarrel all the time. What does he care how I look?"

"She you all quarrel, honey," said Sucky comfortably. "But that's just 'cause you loves each other so much. You Uncle Cyrus, he sets great store by you—I'm goin' to lay out the new silver dress and silver sandals. What flowers you want, honey? I found out from Miss Donetta's maid that she's goin' to wear same color. She you try will be the prettiest girls 'round."

"She went toward the bath muttering, "And that French hussy needn't think she can dress her lady any better than old Sucky can dress her Miss Betty."

Betty looked at herself, tried the dress, and she was making a last turn before her mirror, a man servant came to the door, and handed Sucky a sergent's box, with a well known New York label advertising his sergent's exterior.

"Oh! That's nice," Betty was pleased. "Flowers! Now we're all right, Sucky, that was the one thing looking for this costume—just the note of color that the frock lacked. Hurry, open the Givens that card."

"She took it from Sucky, and read aloud:

"Greetings and admiration from Wilbur Renton."

"Scrawled underneath was, 'I must see you alone.'"

"That's nice of him," said Betty. "The flowers are from Mr. Renton, Sucky—hand them here. Oh! how lovely! Orchids!"

"They won't go with that dress, Miss Betty," said Sucky, and she set her head to one side, and there was a heavy top pale. What you needs, with silver and yoh red hair, is Cape Jasmint—that's white like yoh face, and then the only color is your hair."

(To Be Continued)