"No Favor Sway Us; No Fear Shall Awe" From First Statesman, March 28, 1851 THE STATESMAN PUBLISHING CO. CHARLES A. SPRAGUE - - - - Editor-Manager SHELDON F. SACKETT - - - - Managing-Editor Member of the Associated Press

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President's Tax Proposals

RESIDENT Roosevelt's tax message cannot be appraised accurately until bills embodying his suggestion are introduced; because the bite of the ideas will depend on the teeth in the laws. In brief the president proposed:

1. To abolish present corporation taxes, the capital stock tax and the related excess profits tax.

2. To levy taxes on the earnings of corporations which are retained in the business.

3. To abolish exemption of dividend income of individ-

uals from the normal tax. He also proposed taxes to recover the windfalls of processors resulting from the court decision in the AAA case.

The president based his suggestions for alteration in the into an extremely tense state of corporate tax on two failures of the present laws:

1. The inequality of taxation between incorporated and unincorporated businesses, the burden being much heavier to remake America industrially on the small corporation. The rate on the corporation earn- and agriculturally. The confusion ings is 1334 per cent (for 1935), and in addition the stockholder must pay his personal income surtax on any dividends. while the proprietor of an unincorporated business pays only his personal income tax of four per cent normal tax and grad- thought. As they gradually pulled uated surtax.

2. Corporations controlled by a few stockholders may al- conceal their bitterness. low earnings to pile up in the corporation on which the corporation tax alone is paid. Thus they avoid the surtaxes THE question of making the court which are heavier the higher the income.

Both of these inequities are real and substantial; and if possible should be corrected. However, in the case of un- ple over the head of the court: distributed profits the day of reckoning is merely postponed, others counseled a wait for furthand probably those who thought they were smart in letting er adverse decisions, which would profits accumulate years ago now regret the policy as they face very heavy surtaxes and almost confiscatory gift and in- language in criticizing the deciheritance taxes today.

There are two virtues in retention of earnings by corporations: 1st, to provide reserves for times of depression; and 2nd, to increase capital investment which will permit characterized as "nine old fosreduction of selling prices and give added employment. As sils," referred to as "senile minto the first the extent of the value of reserves was pretty well proven by W. J. Cameron in the Ford Sunday evening hour radical elements in both parties last Sunday night when he said that industry had been a much lashed themselves into a fury. greater spender for relief and recovery than the government.

"Public money for work relief began to flow in 1933. By the end of 1935 a little more than 5 billion dollars had been spent. If you add the president's fund of 4.8 billion dollars, not yet expended, the government total is about 10 billions. Now, compare that with the 27 billion dollars which American Business spent over and above its income to assist the work of recovery. From 1930 to 1934 inclusive, American business produced an income of 214 billions-a little more than half its income at the 1929 rate-and paid out 241 billions. That is to say, besides spending all its income, American business took 27 billions from its savings of former years, and spent that too. It was not philanthropy. It was not a loan. Just as the physical body responds when suddenly forced to draw upon its reserves of strength so the economic body responded. Fortunately the economic reserve was there to be drawn upon. The use of the business surplus was the most gigantic effort that was made to keep the country going, and was by all odds the most effective.

Hold corporation accumulations down to bare needs for working capital and they will succumb and face disintegration or reorganization in times of business adversity. Even the small stockholder who chafes when he sees large earnings withheld from distribution as dividends, rejoices when his company is financially strong enough to weather bad bus-

As to the second point, the country and particularly the consumer have been the beneficiary. It has been the reinvestment of earnings which has made possible mass production and distribution of those gadgets which we denominate modern civilization. We hear much of social security and we think of it in terms of money income. Actually price of manufactured articles offers genuine social happiness too: now in humble homes one finds electric appliances, electric washing Dam. machines and hot irons, radios, and even mechanical refrigerators, with a car, new or old, in the garage. The earnings of the pioneer companies have been plowed back into plant (which is the least costly way of obtaining fresh capital) and the improved and enlarged plant provides more units at re-

Now is may be possible to provide capital for expansion some other way,-by public issues of bonds, preferred stock ing hostility. Yet it did both, and common stock but it is more difficult and more expensive.

We are not presenting this analysis of the corporation tax problem with the purpose of opposing the president's in a way it had not been before, recommendations, but to make it clear that the tax is now the fact that the court is neither a tool with important leverage which may affect the heart pro-New Deal nor anti-New Deal, of the economic structure of the country. Business can die of capital anemia as quickly as tax hemorrhage. The great interpret the Constitution and value of the industrial structure in this country is not in providing treasuries for politicians to loot, but in providing useful goods and services for all the people, and employing millions of workers and providing markets for raw materials ened it as the most stable of

We would set up no shield for the tax evader; and should like to see a more honest parallel between the small corporation and the unincorporated business in the taxes they pay. The subject however should be given very thorough study so that the bill which is enacted into law will not only be fair and equitable as regards classes of taxpayers, but will not stifle business at a time when business needs encouragement to make new advances.

Study in Natural History

OVERNOR Martin precipitated a furious study in natural w history when he branded deliberately delinquent veterans as "skunks". "Cap" Hogan and other war veterans jump up fighting mad to defend their comrades against the "insult"; and a resolution introduced in Portland post of the American Legion "commending Governor Martin for the sympathetic attitude his administration has shown in the handling of the affairs of the veterans' state aid commission" was laid on the table. Pep post of the Veterans of Foreign Wars at its last meeting voted to demand an apology from the governor for his "skunk" statement.

Now there is published from the records of the bonus commission cases as exhibits to justify the skunk label. Some veterans have had loans for around ten years and perhaps made only one payment and let the taxes accumulate all the time. Some have enjoyed good incomes and yet let their pay-

ments get away behind. The question before the house is: Is the veteran who refuses to use his federal bonus money to pay up his state bonus loan a skunk or not a skunk? Thumbing the dictionary of choice epithets will provide no satisfactory definition; but the man who pastes the label on the veterans does so at his own peril. For the skunk, it is realized, has offensive weapons | that even the government can with impunity repudiate the which may bring considerable grief to one who disturbs his covenants on its solemn bonds and get away with it. There is his coat an airing before he hears the last of the reaction the state in pressing for collection of its loans; and no doubt from his characteristic but foolish remark.

deal is that the creditor is a person of very limited rights, labeling the delinquents as skunks. Next time he makes a that the debtor deserves special leniency and consideration; speech he should put on a gas mask.

The Great Game of Politics

By FRANK R. KENT Copyright 1935, by The Baltimore See

The Heat Evaporated Washington, March 4 IT IS interesting to note how com-

the discussion about the Supreme Court. Regarddecision affecting New Deal legislation, it is doubtful that it come very hot in this campaign.

important pro-Frank R. Kent ponents of the small animal. New Deal had worked themselves mind. The court had thrown into ments by which they had proposed caused by the knocking out of the NRA and the AAA was very great. For a while Administration leaders were not capable of coherent

a campaign issue was discussed at conferences. Some wanted, boldly and at once, to appeal to the peogive them a stronger case, Members of the Cabinet used harsh sion, New Deal Senators assailed it on the floor and violent anticourt tirades were delivered in the House. In the extreme New Deal press members of the court were ions of wealth." A vast amount of denunciation was indulged in. The

ON the other hand, the anti-New Deal conservatives, both political and journalistic, rushed valiantly to the defense of the Constitution and thanked God for the court. They were as extravagant in praise as the other side was extreme in condemnation. Between the two the feeling was intense. It was impossible to find tolerance or fairness in either camp. There seemed here the makings of a pitched battle, with the court as the issue in a violent campaigna thing which most calm men greatly deplored

IT WAS at this juncture the court rendered the TVA decision. The effect was remarkable and it is smazing that it should be because. while the Administration was sustained, it was by no means a great victory-in no way compensatory for the NRA and AAA reversals. The Administration fought to keep its case in the narrowest limits, to exclude all questions of policy and philosophy. The court permitted it to do this, decided in its favor, distinctly stating that it declined to express an opinion upon anything beyond the immediate question of whether the Government had the right to market its surplus power created at Wilson

THAT WAS ALL, The great quesions behind the TVA experiment are untouched. Not even an inkling of their view of them is given by the court. Nevertheless, almost over night the heat evaporated. No one thinks the court made its TVA decision with any thought of confounding its critics or lessen-Somehow or other that decision sapped the virility of the antidrove home to people generally, that it is nonpartisan and nonpolitical, that its aim is to justly fairly lay down the law. Somehow the court emerges from the fire stronger than before. The criticism and attacks have strength-American institutions. It sustained no damage whatever.

NEARLY every observer agrees it will not be possible again this year to generate great indignation about the court. It isn't possible to get as mad as the New Dealers were with the court, then get pleased and then as mad again in a short time. There would have to be another emotional "build - up." The second anger would be synthetic. The Constitution undoubtedly will figure in the coming campaign. Probably it will be featured (differently) in the two party platforms. But the Supreme Court will not be the issue. That seems fairly sure even if its next decision is anti-New Deal, which is very apt to be the case inasmuch as it is expected to deal with the Guffey coal control law. This was the bill about which Mr. Roosevelt himself seemed uncertain. It is the one he urged Congress to pass regardless of doubts of its constitutionality.

Dismantle Old House

UNIONVALE, March 4. - Dismantling the old house that had been their home for 10 years, was in progress Monday by Charles Clow and sons. The structure was built about 50 years ago. The family moved into a new home in January.

Bits for Breakfast

By R. J. HENDRICKS

Woman who had been governor's wife wrote Ruth Rover, 3d Oregon book: 3 3 3

In this column's series finished yesterday, on J. Quinn Thorton, mention was made of Ruth Rover, pletely the heat has gone out of third book written and published to their rescue.

in Oregon. It was stated that the only acter of its next in the Oregon state library. 5 5 5

Up to a few days ago, no copy extremely neglect and ravages of time. The one in the state library is

covering and bound in vellum. But, while all the printing that PRIOR to the way, parts of pages are missing, mission, 10 miles by water below TVA decision, giving an appearance of having the site of Salem). been chewed by the teeth of a

Nevertheless, it is a great find, and it throws light on important the discard the two chief instru- phases of Oregon's early history ferings as excruciating. -and it is being carefully treasured accordingly.

Let's go back to the beginning. of the author of Ruth Rover on themselves together after the AAA Bancroft's Oregon History, readdecision, there was little effort to

reaching Rogue river were attack- | hadly distorted. ed by the savages, and four of the number slain, the others with difficulty escaping.

"The names of three were Wiliam J. Bailey, George Gay and John Turner. The last named, with his native wife, was the first welcome sight of cattle.

"They were kindly cared for by the missionaries, while all waited have escaped.

"After the lapse of several days Gay and Bailey were discovered standing on the bank across the iver from the mission.

"Perceiving signs of civilization, Bailey plunged in and struck swimmer having been badly

By Royal S. Copeland, M.D.

NOW COMES the announcement of a new surgical method of dealing with gailstones and gall bladder disease. The new operation has a tremendous name. It is called "cholecystelectrocoagulation". Don't try to pronounce the word-it might break your jaw!

In this procedure the gall bladder a gotten rid of by destroying it with an electric current of low voltage. It is hoped that by this system, if it is proven good, the stay in the hospital will be shortened and annoying complications prevented.

Gallstones is one of the most widely prevalent of all the surgical diseases. It is especially common in women of middle age. As a rule, women of fair complexion and overweight seem more prone to develop

Cause Not Known

The actual cause of galistones is not known. But many theories have been advanced. For example, some believe stones are formed in the gall bladder because of infection. Others attribute the formation to some disturbance in metabolism, the power of the body to use the foods consumed. Faulty diets, especially if deficient in certain vitamins, play an important role in the development of gallstones.

The sufferer complains of discomfort and digestive distress shortly after meals. As a rule, heartburn, excessive gas formation, sour taste. nansea and vomiting, are additional symptoms. Pain may persist, or appear at periodic intervals. The pain may or may not be con

fined to the gall bladder area. Often it radiates from the abdomen to the chest and right shoulder. The pain may be mild, or so severe as to require the administration of an opi-

Too many believe that a "pill", or solve gallstones. As a matter of fact. many of the so-called "gallstone medicines" merely serve to diminish the pain and discomfort. Permanent cure is only possible by surgical removal of the stones and sometimes drainage of the gall bladder.

Neglect Dangerous

It is dangerous to neglect gallstones if you are subject to repeated attacks of pain and other symptoms. Bear in mind that an attack of this sert may lead to rupture of the gall bladder. This is a serious condition and requires immediate operation. Let me remind you that in some instances galistones cause no pain. But the patient suffers from marked digestive disturbances and distress which are often thought to be due to other causes. X-ray examination is advised in all cases where stones are suspected.

Do not confuse inflammation of the gall bladder with gallstones. "Cholycystitis" is the medical name for inflammation of the gall bladder. This condition doesn't demand operation in every case in many instances complete relief is obtained by diet. Your doctor will advise you,

Dr. Copeland is glad to answer inquiries from readers who send addressed stamped envelopes with their questions. Address all letters to Dr. Copeland in care of this newspaper at its main office

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ce. We very much fear the governor will need to give still a shred of sense of moral obligation left which justifies the majority of the veteran borrowers will try to meet their The governor should know that the attitude of the new | debts. But the governor will not stimulate collections by

3-5-36 | wounded and without food, save

roots, for 15 days, he would have perished had not his companion

saved him. 8 8 8 "While the two were battling with the water, a canoe was sent

"Bailey was afterward placed in a hospital at Vancouver. The less of the char- copy known to be in existence is fourth man failed to discover the settlements, and struggled on the whole distance to the Multnomah (Willamette) river, arriving at was known to have survived the Fort William more dead than alive. (The name of this fourth man was not recorded, so far as will again be- now encased in a beautiful outer the writer knows. Fort William was the station of Nathaniel J. Wyeth, on what was afterward is left is clear, many pages are called Sauvie island. The mission, partially rat eaten. Or, in some of course, meant the Jason Lee

"Townsend (the naturalist), who was at Fort Vancouver when Bailey arrived, describes his appearance as frightful, and his suf-

"He was literally covered with wounds. One upon the lower part of the face entered the upper lip just below the nose, cutting en-We find mention of the man tirely through both the upper and who was to become the husband the lower jaws and chin, and passing deep into the side of the neck. pages 95-6 of the first volume of narrowly missing the jugular

"Not being able, in his extreme "Another party of eight, com- anguish, to adjust the parts, but ing in the summer of 1835 to join only to bind them with a handkerin the colonization of Oregon, on chief, in healing the face was left

> 5 5 5 "Bailey was an English surgeon of good parentage, but had led a life of dissipation, to break him off from which his mother removed to the United States.

"Leaving his home, his mother and sisters, he shipped as a comto reach the mission, where he mon sailor, coming in that capalanded from a raft, induced by the city to California, where for several years he led a roving life.

"On recovering from his wounds he joined the Willamette with painful anxiety for the ap- settlement, and his medical and pearance of any others who might surgical acquirements coming to the notice of the missionaries (Lee missionaries) he was encouraged in his practice. 5 5 5

"He thus became an attache of the mission, married an estimable lady who came to Oregon as a teacher - Miss Margaret Smithfor the opposite shore; but, the settled on a farm, and became one current being strong, and the of the foremost men of Oregon colonial times. Bailey died at Champoeg February 5, 1876, aged

> His grave is in the St. Paul Catholic cemetery—the new one. as the writer recalls-not the first one, near the creamery.

(Continued tomorrow.)

Valley View Club Meets at Suver

SUVER, March 4 .- Valley View club met with Mrs. E. W. Anderson Thursday afternoon. Roll call was answered with a patriotic saying or event. The next meeting will be held with Mrs. Ed DeAr mond.

Mr. and Mrs. Jack Countryman and Mrs. W. J. Kerr attended funeral services for Mrs Country man's mother, Mrs. Richards, at Albany Tuesday afternoon.

Mrs. Frank Sadle received word Saturday of the serious illness of her mother in California and left at once. Her mother passed away before she arrived. according to word received by Mr. Sadle Tues day morning.

Miss Geraldine Thomas, a former resident of this neighborhood is reported as improving from her recent serious illnes. She is at the parental home near Salem.

Plays Are Donated

CORVALLIS, March 4 - Community drama clubs in Oregon will have a much wider selection of one-act plays to choose from as the result of a gift of 900 such plays received from the Samuel French Publishing company of extension office at Dregon State college. In many Oregon counties drama groups are active each year, assisted by the extension organization.

Harvey Goods Move

SILVERTON, March 4 .- Mr. and Mrs. Harvey Good have moved from their home on James avenue in Geiser addition to the I. W. Miller property on Grant street. Good, who is in the nursery business, will have a larger acreage at the new location. Some years ago Good lived where he has now moved to.

Twenty Years Ago

March 5, 1916 While Salem basks in a gentle mist Eugene shivers in snow 18 and 24 inches deep.

On Second Thought-It used to be midnight oil that scholars burned, now it is the midnight gasoline that joy riders burn.

President Wilson and Mrs. Wilson left tonight on the Mayflower for a week-end trip down the Potomac river.

Ten Years Ago

March 5, 1926 Germany - German frauliens reluctant to follow the fashion of bobbed hair have organized a "Society of Long Haired Maidens." Members say that bob-haired girls look like Premier Mussoini of Italy.

Fifty years ago today there was no telephone. Fifty years ago March 10, the first sentence was spoken over the telephone by Alexander Graham Bell, the inventor, in his attic workshop in Bos-

cents a quart Thursday.

Once a Year He Gets Really Concerned About It

A THE REAL PROPERTY OF A PARTY OF THE PARTY



"DAUGHTERS OF VENUS" By Robert Terry Shannon

SYNOPSIS

much I meant it-sap that I was!"

Juliet is assigned to work with Von

Guerdon. It is when he concen-

CHAPTER XIII

"I wonder why a man of your ability wastes his time on facial

"Perhaps 't's because it makes so

"Saving sick people's lives might

"Pardon, but you're entirely

rong. There are ten thousand men who can perform an appen-dectomy with their eyes shut, but

there are not more than three in the

world who can make a woman of

Perhaps there was a crushing an

swer somewhere in the universe to,

his argument, but Juliet at the mo-

ment could not think of it. All the

ame, she knew there was some-

hing hellow in his words and that

ne probably was fibing when he

But any possible rejoinder was corestalled by the entrance of

O'Hara followed by a poorly-

iressed girl who managed to give

the impression she was trotting at his heels like an airedale.

wong shoulder and missed sight of her "Good Lord' Have I lost her?" ae exclaimed.

Thara looked around over the

"Here I am, Mr O'Hara," piped babyish voice, as she came

"Ah, there you are indeed, said Thara, courteously. "Folks, I want you to meet Miss Katle Schmidt She's been wandering

around the place for a half hour,

cound on the other side.

ency to straggle at the ends

"Thank you kindly Mr. O'Hara said the girl "And thank you Miss Schmidt,"

many people happy," he smiled.
"Do you know of anything better

she asked him one after-

that Julier likes him best.

br better,' she hazarded.

fifty look like thirty."

attered them.

as considerate of Katie Schmidt as torted gaze looked down at the car-Juliet Rankin's pulchritude wins though she were a dowager with pet, then moved around, lifted no her an executive position in the Pekinese and chauffeur and her higher than the backs of the smart beauty institute operated by wealthy Madame Hubert. At first, Thomas O'Hara, the handsome what you want?" he asked, but his far end. manager, is antagonistic toward crisp professional air seemed to Juliet, but he finally admits he is in love with her and has been trying to fight that feeling. Due to fatal resemblance to her dead "Here, sit down by me," said Ju"Well, I guess—" Katie Schmidt sweetheart, Juliet submits to O'Hara's caresses. Finding them together, Dr. Franz Von Guerdon, beauty specialist, also in love with the edge of the sofa.

"How much money will it cost," Juliet, is insanely jealous. He she popped out, "to do me over— head. But when he spoke his voice threatens to kill Juliet if she both-

It was plain that "her" meant ers with O'Hara, stating that she lt was plain that "her" meant "I'm quite sure, Miss Schmidt, belongs to him. Later, Juliet tries Juliet, and the baby voice had for- you couldn't afford the fees we are

overcome with emotion the night note. she permitted him to kiss her. He shows her an engagement and a wedding ring, saying, "Here's how

guess it'll set me back a-plenty."

Juliet sent an appealing glance
to Von Guerdon but he shook his

upholstered chairs, the standing

Juliet inspected the girl, so silent now, and she seemed like a small

began, lifting her face slightly, "I

"I'm quite sure, Miss Schmidt, to convince O'Hara that they do not love each other but were both favor of a rather startling brassy rich class of people have such work done. None of these-alterations



Von Guerdon was as considerate of Katie Schmidt as though she were a dowager with Pekinese and chauffeur and her own limousine.

and wound up in my office instead of here and there?"
over here where she belongs. From Then Katie S what I gather she wants to be her idea "The whole works!" she declared "You can straighten fervently. tude towards O'Hara, but this may eyes, can't yuh? Only one's

of her eyes was terribly crossed.

Nor was this all—her nose was somewhat askew, her complexion mottled, and her long mouse-col
red hab had a lamentable tendcrossed "We can fix that," Von Guerdon assured her "Noses too?"

twisted organ a keener glance. "Yes, but it's a delicate operation that takes time. It's expensive. "If yuh can fix them two things ceturned O'Hara politely. "I wish the rest is a cinch," said Katie. you'd look this young lady over. the rest is a cinch," said Katle. "I hear about these face peels. Yuh

straight in the eye ignoring Juliet as completely as though she were mounting excitement in her face doin' it to please nobody but my and voice. "The hair's nothing. I own lonesome self!" "That's right, Von Guerdon," he said levelly: "Miss Schmidt is a friend of mine, even though I have just had the honor of merting her." teeth ain't so awful but they sain't shortly "Man and voice. The nair's nothing. I own lonesome self!"

The outburst left her panting slightly. Von Guerdon made a few teeth ain't so awful but they sain't so awful but they sain't straight and they need fillin'. Place

"I'll appreciate that, Miss Rankin," he said formally, and went
out of the door before Katie had an
opportunity to thank him very
kindly again.

The girl clasped her hands together and then unclasped them
quickly. Rough, grimy little hands
used to work.

For a minute nothing was said.

When O'Herrs had gone her thank in which she had come. When O'Hara had gone, be it As the silence in the room waited said to Von Guerdon's credit, he was for someons to break it, the dis-

brows seriously.

"You mean everything—the complete doing over?" Not just a touch here and there?"

Then Katie Schmidt burst into Katie shot up to her feet with a rush of colo- under her murky skin.

"Friends - don't make me laugh!" she shrilled. "I'd like to get rid of the ones I've got already. All I want to know is what will it cost? That's all—how much?"

"I think so." He gave that disappointment. "If I were you," wisted organ a keener glance. 'Yes, but it's a delicate operation that takes time. It's expensive."

Miss Schmidt turned swiftly. "Delighted to do what I can for any friend of yours," returned Von Guerdon maliciously

O'Hara Iooked the surgeon

The surgeon of yours, "Frequently " she was me you'd soon see how it felt to look like I do! It's me that's got to look in the mirror every day of my darn life! I source with the surgeon of t "Swell!" exclaimed Katie with I ain't doin' this fer any man. I'm

"Ail right—here it is," he said shortly. "We couldn't undertake

"Thank you kindly Mr. (Phara." straight and they deed film. There has been and the baby voice again.

There they stood, two fairly decent and reasonably civilized men glowering at each other like angry dogs, and all because the very pressence of slim-ankled Juliet was sufficient to draw their nerves taut and set them strumming.

"It's all right, Mr O'Hara," said Juliet, her eyez on bewildered Katie Schmidt. "Til look after her."

For the first time O'Hara seemed to notice Juliet.

There they stood, two fairly devel worked, the lady had a percent of hers, and it was maryless. I'd want yuh to put jacket put on one of hers, and it was maryless. I'd want yuh to put jacket clear across the front. top and bottom. Yuh won't have to do nothing to my figger clear to draw their nerves taut and set them strumming.

"It's all right, Mr O'Hara," said Juliet, her eyez on bewildered Katie Schmidt. "Til look after her."

Von Guerdon's expression was not hopeful.

"I see," he murmured, thinking of the cost.

"No, I ain't," she said, the fire dying in her voice. "An' I never will have that much." shortly. "We couldn't undertake the work for less than three thou-sand dollars."

(To Be Continued) the, 1932, by King Features Straig