

The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"
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What Direction Now?

There is a degree of elation over the Japanese announcement of the "withdrawal" from Buna and Guadalcanal. Gen. MacArthur gives a taunt when he says General Horii and his army did not evacuate the Buna area: they "perished." The same is true at Guadalcanal. Capt. Miles Browning of the staff of the navy commander in the South Pacific says: "We are now going to take offensive action in which complete seizure of Guadalcanal has an important part. I am not at liberty to say what."

Driving the enemy out of Guadalcanal and Papua marks success principally of a defensive character. The Japs at Guadalcanal were poised for thrusts at the New Hebrides, the Fiji islands and New Caledonia for the cutting of our supply route to Australia. At the tip of New Guinea they were threatening Port Moresby and Australia. American-Australian action was designed to secure our lines and our positions, with the supplemental benefit of securing advance bases for further attack.

But the military-naval problem in the South Pacific is not easy to resolve. It has taken us six months to effect these conquests—in that length of time the Japs had largely completed theirs. Where shall our arms point now? General MacArthur in a recent statement indicated a purpose of action swifter than island-by-island progression. But where is the naval and air force adequate to strike at the important centers of Japanese power? Truk, in the Carolines, the keystone of the arch of Japanese power in the South Pacific, is hundreds of miles from Guadalcanal, and two thousand miles from Pearl Harbor. Moreover in the period used for driving the Japs from the southern Solomons and Papua the enemy had been busy consolidating its gains, establishing bases and airfields on all the important islands of the western Pacific. To go forward anywhere will be like trying to pick up a porcupine.

The most promising adventure appears to be the recapture of Burma. General Wavell's drive toward Akyab has made little progress. It is not adequately supported. A combined army, navy and air action properly supplied and directed would recover Burma, open the road to China, give access by land to bases from which the home islands of Japan can be bombed. A coordinated move in that direction would hearten China, and give promise of early aid to the Chinese armies who are eager to press back the invader to the seacoast.

Our victories in the war with Japan are meagre nibbles thus far. They give little ground for optimism. Either we must crush Japanese naval and air strength, which is a difficult task in operating from remote bases, or we must drive across the Asian continent from such footholds as we can obtain. The only other alternative is the slow island-by-island advance which MacArthur rejects and which would prolong the war for years. In the western Pacific there is hardly an "end of the beginning" of the war.

French Fascism

Alphonse and Gaston bowing to each other in polite deference ("You first, Alphonse"—"After you, my dear Gaston") is a picture quite out of style these days. Instead we have Jacques and Gaspard in sharp and acrimonious debate over who will be first to enter into power when France is restored.

Indeed the new picture of France is one marked by strife and discord. "Popular front" divisions continue though France lies broken and dishonored, dependent for revival on strength of other arms. The chance for France must lie in new leadership: assuredly not in the men of Vichy nor yet in the pre-war communists. The fascist virus had penetrated French life debilitating it for war, as had the communist virus. The fascist virus persists however, not only in Vichy but in North Africa. The propaganda organ of the Free French reports a broadcast from Radio Morocco last December 15 where the antagonism of the French fascists to the democratic idea is revealed. The following is an extract from the magazine article by a Pierre Boutan, of "Action Française" (fascist), which was broadcast:

"We shall create our own French freedom in the sweetness of spring in Paris. We shall not need anybody else to do it; we know it will not be for export. Our young and powerful liberties will have nothing to do with the sad remembrances of liberal and bourgeois democracy. Before this spring will be born for us, we shall have to fight and France will have a hard winter, a winter that may last more than three months. You will not believe the fight for which we are preparing here is that of Jews and Liberals. We who fought the Red flag because it did not belong to our race and our history shall not be taken in by the threat of Freemasonry. We know how to deal with it, and that disorder when it is not supported by the Government is easily swept away by a few squads of bold young men. And, besides, what disgrace if we expected from the Germans protection against our Jews and our revolutionaries! We have fought in civil struggles against the conception which finally surrenders man to gold. We are not going to change our opinion, but it is clear enough that Paris and France are being occupied by Jews and Freemasons who have dismissed our last source of strength and independence in the mother country—the Army.

You have no right to hesitate. Do not let anybody rob you of your hope. You have hated French democracy out of your nationalism and a healthy awareness of the German menace. I know you cannot wait any longer. This war, which has held its origin in the American war, will be long, hard; it will cause the liberation of the mother country, and if certain people may call it a war of democracies it is up to us to act in such a way that, as far as France is concerned, it will give birth to an aristocracy."

We reprint this to show the mental outlook of the French leadership of which Laval is the conspicuous example. It is a leadership which will poison France and is unworthy of American trust.

Arnold Named for Judge

Thurman Arnold has been nominated for judge of the circuit court of appeals for the district of Columbia, to succeed Wiley B. Rutledge, new supreme justice. This may be the traditional case of kicking the man upstairs, i.e., to get rid of him by giving him a promotion. Arnold has been busy enforcing the old Sherman anti-trust act, moving in on combinations of corporations in most all fields of enterprise, on labor unions and other groups. Public reaction has depended on whose ox he was goring for the moment. His drives have made him unpopular in wartime, and the administration is probably anxious to unload him without giving him his walking papers. Hostile as we are to monopoly, it is most difficult for modern industry to operate without at least speaking relationships among competitors. Enforcement of the Sherman act has been a headache whenever attempted. The supreme court tried to distinguish between "reasonable" and "unreasonable" combinations, but no satisfactory rule has ever been worked out. Making a judge out of Arnold will not change the law or make its enforcement any easier.

Count Ciano, kicked out of Mussolini's cabinet, has been made ambassador to the Vatican. That doesn't mean that playboy Ciano is "hitting the sawdust trail." It's the safest job in Italy, and for Ciano the least work.

News Behind The News

By PAUL MALLON

WASHINGTON, Feb. 10.—Mr. Byrnes did not tell the whole story of President Roosevelt's 48-hour work week decree.

The radio-listening and headline-reading public got from him the picture that the government was cracking down on the unions at long last, increasing the work week to promote war production and solve the manpower situation.

The way he told it, this government is determined to prevent further wage increases beyond the "Little Steel" formula, and is equally dead-set against price increases.

Nine little words in Mr. Byrnes speech told a different story than the other 3000 he spoke. These words were that the 48-hour week was being ordered "without affecting the workers' existing right to overtime pay."

Say the worker was getting \$1 an hour on the old 40-hour week for a wage of \$40. For the additional eight hours now, he will not receive \$8 more, but \$12.

The union contracts all require at least time and a half overtime, and the additional eight hours are to be paid at that rate. This is a wage increase of 30 per cent on the weekly rate, and actually another 8 per cent increase on the hourly rate of the week as a whole.

Instead of being an anti-inflationary strengthening of the union wages ceiling therefore, the move inwardly provides another 8 per cent increase in the rate, and promotes inflation to that extent.

Even so this might look like a typical Roosevelt move to thwart the Lewis-Murray campaign to break up the government "Little Steel" formula, and hold the union increases down to 8 per cent while getting another day's work out of the men.

By cloaking the new wage increase in the garb of a manpower and anti-inflation decree, Messrs. Roosevelt and Byrnes may have gained the tactical personal political advantage of thwarting the union drive—with labor approval.

Their coup might further appear to the radio listeners and headline readers as being as good as they say it is, because industry joined labor in its approval.

The truth is the cost of the increased wages will not come from industry, but from the taxpayer, whose approval is never sought. Most factory work now is being done for the government, and paid for, by the people in taxes.

As the war production outlay is \$100,000,000 a year, the cost of this wage increase may be several billions a year to the treasury of the United States.

Labor costs go into calculating prices (most war contracts are on a cost plus basis anyway) so industry has little to lose. To whatever heights union wages are run up, the government will have to pay most of the bill in the price of tanks, machine guns and weapons of war.

Naturally, however, industry prefers this covert method of a wage increase over the Lewis-Murray proposals to boost the hourly rate directly.

Even so, you may glance hastily at the proposition and view it as fair enough in the face of rising costs of living. But from the standpoint of fairness, the most vital factors were omitted by Mr. Byrnes.

When the unions got the 40-hour week some years ago, they insisted it should not be accompanied by a decrease in pay. If they worked 48 hours before the new law, they wanted 48 hours pay for the 40 hours. So they received a pay increase, in effect, when the work week was cut, and now they are getting another wage increase when it is restored.

Also, the great bulk of the workers of the country are not in the unions, but pay taxes as clerks and white collar workers. Their taxes to the treasury will pay the increased union wages and their benefits are nil unless they have a contract calling for time and a half for overtime.

If the government intends to extend its decrees to them and require the small business man to increase his wage costs, the government will promote inflation further, and grind the vanishing small business man even further into the dust.

The fairness aspect crumbles even more when you consider Mr. Byrnes words: "Some men can be drafted and sent abroad at \$50 a month."

The congressional reaction to the move was hesitant and mild, but the above are some of the unstated factors which are being mulled over in the minds of congressional authorities.

With industry and labor apparently for the move, and no one pressing the cause of the taxpayer (Mr. Byrnes says: "We must not shrink from high taxation during wartime"), the subject may be allowed to pass unappreciated in its subtle aspects.



Another Headache for Hitler

Radio Programs

KSLM—FRIDAY—1300 Kc.

- 7:00—News in Brief.
- 7:05—Base 'n' Shine.
- 7:15—Your Gospel Program.
- 8:00—Rhythm Five.
- 8:05—News Brief.
- 8:30—Tango Time.
- 9:00—Pastor's Call.
- 9:15—Dickson's Melody Mustangs.
- 9:30—Popular Music.
- 9:45—Uncle Sam.
- 10:00—World in Review.
- 10:05—A Song and A Dance.
- 10:15—Against the Storm.
- 10:20—Northwest String Quartet.
- 10:30—Maxine Buren.
- 11:15—Sentimental Songs.
- 11:30—Boys of Carreer.
- 11:35—Organalities.
- 12:15—News.
- 12:30—Willamette Valley Opinions.
- 1:00—Lum 'n' Abner.
- 1:15—Young Doctor Malone.
- 1:30—Spotlight on Rhythm.
- 1:45—Concert Favorites.
- 2:15—US Navy.
- 2:30—State Safety Program.
- 2:45—KSLM Concert Hour.
- 3:00—Singing Saxophones.
- 3:15—News.
- 3:30—Teatime Tunes.
- 3:45—Golden Singers.
- 4:00—Maiden Rejuvenescence.
- 4:15—Golden Melodians.
- 4:30—Tonight's Reminiscence.
- 4:45—New Commentary.
- 5:00—Symphonic Swing.
- 5:15—Spiritual Music.
- 5:30—News in Brief.
- 5:45—Clyde Lucas Orchestra.
- 6:00—Wingette's Valley Opinions.
- 6:15—Gaylord Carter.
- 6:30—War Fronts in Review.
- 6:45—Kenny Powell's Orchestra.
- 7:00—Treasury Star Parade.
- 7:15—Modern Chotr.
- 7:30—News.
- 7:45—Deeds Without Words.
- 8:00—Guest Night.
- 8:15—Let's Dance.
- 8:30—News.

KALE—MBS—FRIDAY—1300 Kc.

- 7:00—Good Morning Club.
- 7:15—Carmel.
- 7:30—Merry Timekeeper.
- 7:45—Concert Favorites.
- 8:00—News.
- 8:15—What's New.
- 8:30—Booker Carter.
- 8:45—Woman's Side of the News.
- 9:00—Buyer's Parade.
- 9:15—Edgewater Arsenal Band.
- 9:30—News.
- 9:45—Curtain Calls.
- 10:00—This and That.
- 10:15—Cedric Foster.
- 10:30—Bill Hay Reads the Bible.
- 10:45—Concert Favorites.
- 11:00—On the Farm Front.
- 11:15—News.
- 11:30—Philadelphia Symphony.
- 11:45—Tom, Dick and Harry.
- 12:00—Shelby Carter.
- 12:15—Texas Rangers.
- 12:30—Pat Neal and the News.
- 12:45—Phillip Keyne-Gordon.
- 1:00—Hello Again.
- 1:15—Kenny Powell's Orchestra.
- 1:30—Fulton.
- 1:45—Johnson Family.
- 2:00—News.
- 2:15—Reviews of the Opera.
- 2:30—Norman Macbeth.
- 2:45—Norman When.
- 3:00—Gabriel Heater.
- 3:15—News.
- 3:30—Candlelight and Silver.
- 3:45—Lincoln Day Dinner.
- 4:00—Kenny Powell's Orchestra.
- 4:15—Salute to the States.
- 4:30—Music Without Words.
- 4:45—News.
- 5:00—Speaking of Sports.
- 5:15—John B. Hughes.
- 5:30—Kenny Powell's Orchestra.
- 5:45—Soldiers of the Front.
- 6:00—Treasury Star Parade.
- 6:15—News.
- 6:30—Horace Heldt Orchestra.
- 6:45—Jan Garber Orchestra.
- 7:00—Texas Rangers.
- 7:15—Sid Hoff Orchestra.

KEX—BN—FRIDAY—1190 Kc.

- 6:15—National Melody.
- 6:30—Women of the Home.
- 6:45—Western Agriculture.
- 7:00—Smith's Ed McConnell.
- 7:15—Home Demonstration Agent.
- 7:30—Music of Vienna.
- 7:45—News.
- 8:00—Breakfast Club.
- 8:15—Keep Fit with Patty Jean.
- 8:30—The Neighbor.
- 8:45—Woman's World.
- 9:00—Breakfast at Sardi's.
- 9:15—Ballads 'n' Talking.
- 9:30—Uncle Sam.
- 9:45—The Great Melody.
- 10:00—News.
- 10:15—Current Events.
- 10:30—James G. MacDonald, News.
- 10:45—Keep Fit with Patty Jean.
- 11:00—News.
- 11:15—News.
- 11:30—Club Glee Club.
- 11:45—Market.
- 12:00—Between the Bookends.
- 12:15—News.
- 12:30—Club Glee Club.
- 12:45—News.
- 1:00—Johnny Doughboy Reporting.
- 1:15—News.
- 1:30—The Baby Institute.
- 1:45—Clancy Calling.
- 2:00—Little Jack Little.
- 2:15—Labor.
- 2:30—Musical Day Dreams.
- 2:45—Kenny Powell's News.
- 3:00—Pages of Melody.
- 3:15—The Leisner Word.
- 3:30—Crucible.
- 3:45—Excursions in Science.
- 4:00—News.
- 4:15—The Merry and the Pirates.
- 4:30—The Sea Hound.
- 4:45—Jack Armstrong.
- 5:00—Captain Mustang.
- 5:15—Hop Harrigan.
- 5:30—News.
- 5:45—Don's Boar.
- 6:00—Spotlight Bands.
- 6:15—Little Known Facts.
- 6:30—Crucible.
- 6:45—Gracie Fields.

These schedules are supplied by the respective stations. Any variations noted by listeners are due to changes made by the stations without notice to this newspaper.

All radio stations may be cut from the air at any time in the interests of national defense.

- 7:30—Your Income Tax.
- 7:45—Construction Goes to War.
- 8:00—Earl Godwin, News.
- 8:15—Dinah Shore.
- 8:30—Gang Busters.
- 8:45—Breakfast Bulletin.
- 9:00—Meet Your Navy.
- 9:30—News Headlines.
- 9:45—Down Memory Lane.
- 10:15—Deep River Boys.
- 10:30—Eye Witness News.
- 10:45—Modern Music Box.
- 11:00—This Moving World.
- 11:15—Organ Concert.
- 11:30—War News Roundup.

KOON—CBS—FRIDAY—930 Kc.

- 6:55—Northwest Farm Reporter.
- 7:00—Breakfast Bulletin.
- 7:15—Texas Rangers.
- 7:30—Kala Block.
- 7:45—Make Up News.
- 7:55—Dick Jay, News.
- 8:05—Nelson Pringle, News.
- 8:15—Valiant Lady.
- 8:30—Stories America Loves.
- 8:45—Kala Smith Speaks.
- 9:00—Big Sister.
- 9:15—Love of Helen Trent.
- 9:45—Our Gal Sunday.
- 10:00—Lila Can Be Beautiful.
- 10:15—Ma Parkies.
- 10:30—Vic and Sade.
- 10:45—The Gals.
- 11:00—Young Dr. Malone.
- 11:15—Joyce Jordan.
- 11:30—Love and Learn.
- 11:45—News.
- 12:00—Columbia Remembrance.
- 12:15—Bob Anderson, News.
- 12:30—Wm. Winter, News.
- 12:45—Bachelor's Children.
- 1:00—Lillian Lewis.
- 1:15—OWI, Uncle Sam.
- 1:30—American School of the Air.
- 1:45—Newspaper of the Air.
- 2:00—Are You A Genius?
- 2:15—Ben Bernie.
- 2:30—The Hummel.
- 3:15—Today at the Duncan's.

3:30—Keep Working, Keep Singing.

- 4:45—News.
- 4:55—Elyon Charles, Organist.
- 5:15—Sam Hayes.
- 5:30—Easy Aces.
- 5:45—Tractor of Lost Persons.
- 6:00—Martha Mears.
- 6:15—Harry Flannery.
- 6:30—News.
- 6:45—Cecil Brown, News.
- 6:55—Leon F. Drews, Organist.
- 7:15—State of Oregon Reports.
- 7:30—That Brewster Boy.
- 7:45—Caravan.
- 7:55—Nelson Pringle, News.
- 8:05—Amos 'n' Andy.
- 8:15—Secret Weapon.
- 8:30—Playhouse.
- 8:45—Kate Smith Hour.
- 9:00—Adventures of the Thin Man.
- 9:15—Quiz Question.
- 9:30—Five Star Final.
- 9:45—Variations.
- 10:00—Air-File of the Air.
- 10:15—The World Today.
- 10:30—The Marines Have Landed.
- 10:45—Del Courtney Orchestra.
- 11:00—Manny Strand Orchestra.
- 11:15—Paul Neighbor's Band.
- 11:30—News.
- Midnight to 6:00 a.m.—Music & News.

KGW—NBC—FRIDAY—630 Kc.

- 4:00—Dawn Patrol.
- 4:15—News.
- 4:30—Labor News.
- 4:45—Sunrise Serenade.
- 5:00—The Haynes Band.
- 5:15—Labor News.
- 5:30—News Headlines and Highlights.
- 5:45—Frank Sinatra in Pleasure Time.
- 6:00—News Parade.
- 6:15—Reveille Roundup.
- 6:30—The Haynes Band.
- 6:45—Stars of Today.
- 6:55—James Abbe Covers the News.
- 7:00—Dr. Kalam.
- 7:15—David Harum.
- 7:30—The O'Neills.
- 7:45—Everything with the News.
- 8:00—Kneass with the News.
- 8:15—Benny Walker's Kitchen.
- 8:30—US Marines Band.
- 8:45—Homekeeper's Calendar.
- 9:00—Dr. Kalam.
- 9:15—Light of the World.
- 9:30—Lonely Women.
- 9:45—The Gauding Light.
- 10:00—Betty Crocker.
- 10:15—Story of Mary Martin.
- 10:30—Pepper Young's Family.
- 10:45—Right to Happiness.
- 11:00—Exchange Wife.
- 11:15—Stella Dallas.
- 11:30—Lorenzo Jones.
- 11:45—Young Mr. Brown.
- 12:00—When a Girl Marries.
- 12:15—Portia Faces Life.
- 12:30—Front Page Farrell.
- 12:45—Road of Life.
- 1:00—Vic and Sade.
- 1:15—Snow Village.
- 1:30—Judy and Jane.
- 1:45—Frank Sinatra, News.
- 1:55—News of the World.
- 2:00—The Personality Hour.
- 2:15—H. V. Kaltenborn.
- 2:30—Organ Concert.
- 2:45—By the Way.
- 2:55—Waltz Time.
- 3:00—People are Funny.
- 3:15—Tommy Riggs and Betty Lou.
- 3:30—Fred Waring in Pleasure Time.
- 3:45—James Abbe Covers the News.
- 4:00—Your All-Time Hit Parade.
- 4:15—Talent Time.
- 4:30—Treasury Song Parade.
- 4:45—Oregon on Guard.
- 4:55—News.
- 5:10—Labor News.
- 5:25—Straight Souvenirs.
- 5:40—Sardening for Food.
- 5:55—Uncle Sam.
- 6:10—Your Home Town News.
- 6:25—Notes Billmore's Orchestra.
- 6:40—War News Roundup.
- 6:55—5:55 a.m.—Swing Shift.

KOAC—FRIDAY—560 Kc.

- 6:00—Music.
- 6:15—News.
- 6:30—The Homemaker's Hour.
- 6:45—School of the Air.
- 7:00—Music of Beethoven.
- 7:15—News.
- 7:30—Noon Farm Hour.
- 7:45—Artist in Recital.
- 8:00—Today's War Commentary.
- 8:15—Victory Time.
- 8:30—Club Glee Club.
- 8:45—Special Lincoln's Day Program.
- 9:00—News.
- 9:15—American Legion Auxiliary.
- 9:30—The Concert Hall.
- 9:45—March of Victory.
- 10:00—Latin Rhythms.
- 10:15—Victory in Action and Girls.
- 10:30—Private Pete Presents.
- 10:45—On the Campuses.
- 11:00—Evening News.
- 11:15—It's Oregon's War.
- 11:30—News.
- 11:45—Blessing Farm Hour.
- 12:00—State of Beethoven.
- 12:15—Basketball.
- 12:30—News.
- 12:45—Eyes Afloat.
- 1:00—American Music.
- 1:15—The Hour of Great Music.

'Curiosity Killed a Cat'

By ANNE ROWE

Chapter IV Continued

"Don't I know it!" Mae wailed. "That's why I'm so scared. Oh, I wish he'd leave us alone. You won't tell on us, Miss Kay, now will you, please?"

"Of course I won't," I promised a second time.

How could I tell on anyone, I thought on my way back to the drawing room, when I was hiding so much myself?

Soon after his futile attempt at finding enlightenment in our back-stairs regions, the Inspector left for a while, and Aunt Millie and I had a breathing spell and could indulge in plots and deliberations.

"It's simply disgusting how all our plans have gone haywire," Aunt Millie complained. "Here I thought it was a bright idea, getting into that house, and now look what I've let you in for."

"It doesn't matter, so long as the Inspector doesn't know why I spoke back in," I consoled her.

"Give him time and he will," she prophesied. "He can see we—and all the others he's questioning—are hiding something. He'll put two and two together all right and 'guess' we're all hiding the same thing. Or—don't you think we are?"

"It looks that way," I agreed morosely. "To bad we can't have a general get-together on it."

"Don't you do it! Don't you give yourself away to anyone," Aunt Millie cautioned me in open alarm. "We are only hiding the suspicion that a certain party has been holing up in his own house, and we may be wrong at that. The police must have searched the third floor, and we'd have heard if they'd found signs of recent occupation. But Forrestall and Roberts and—yes, your maids also—God knows what they're hiding! Probably the murderer himself."

"You mean—Bruce?" I asked warily.

"Who else? Who had a better right to smack down the thieving little professor?" Aunt Millie wanted to know. "If only he hadn't smacked so hard! And—the worst of it is, I daren't take you to Reno now."

"You mean, the Inspector wouldn't let us go?" Aunt Millie sniffed. "Wouldn't let us go? On the contrary! He'd tell us it was a grand plan, and then he'd have us shadowed all the way."

"Yes—and if he found out I was in Reno, divorcing Bruce Jollimar, he'd 'guess'—what I had lost in his house," I followed up the thought.

"That's only the half of it. Imagine if it was Bruce, and they arrested him for murder just when the judge pronounced you free. Would that be a Roman holiday for the tabloids!"

The words conjured up vision of clamorous reporters and lurid headlines—all highly injurious to Dad's position and Allan's future.

"Nothing to do but stick it out then," I said resignedly. "Nothing but brazen it out," Aunt Millie corrected.

Your Federal Income Tax

No. 32
INTEREST DEDUCTIONS
(PART 2)

While interest paid or accrued during the year is generally deductible from gross income, for federal income tax purposes, certain interest payments are not allowable deductions.

Interest which is not deductible is interest paid on behalf of another where there is no legal obligation to make such payment. Thus, interest paid on behalf of a relative to avoid the foreclosure of a loan would not be deductible, unless the taxpayer were liable for the interest under the terms of the loan (as co-maker or as indorser). In the absence of a legal obligation on the part of the taxpayer, such payments are regarded in the nature of a gift to the person liable on the loan.

Interest payable to a life insurance company for a policy loan is not deductible if the amount of the interest is simply added to the amount of the loan, nor is interest deductible if on indebtedness incurred or continued to purchase a single premium life insurance or endowment contract. Interest on indebtedness incurred to purchase or carry tax-exempt securities is likewise not deductible. Such loans include in general state and municipal bonds and certain obligations of the United States. The only exception to this provision is the case of loans to purchase or carry tax-exempt obligations of the United States issued after September 24, 1917, to which the taxpayer was an original subscriber.

Interest paid on a note, executed as a gift, is not deductible since such promissory notes are held to be a mere promise to make a gift in the future, and not a legal obligation.

To be deductible, interest must be paid or accrued during the year for which the return is made. If the taxpayer is on the cash receipts and disbursements basis, then the interest must have been paid during the year. Back interest, not paid and deducted in a prior year, would however, be allowable. If the taxpayer is on the accrual basis, the interest must have accrued during the year.

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TUNE IN STATION KGW-NBC, 8:30 TO 9:00 P. M.