

The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"
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Limits on Irrigated Acres

A domestic issue of more than local importance which is pressing for settlement is the question of whether lands under the Central Valley irrigation project in California should be exempt from the provision of the reclamation law which limits holdings to 160 acres per person. Great reservoirs have been built, the Shasta dam near Redding and the Friant dam on Kings river, which are intended to increase the supply of irrigation water particularly in the fertile Sacramento and San Joaquin valleys. A bill has passed the house which removes the limit of acreage contained in the present law. A subcommittee of the senate has been holding hearings in California to get facts and opinions regarding the proposed exemption.

The San Joaquin valley has been from the beginning a region of large farm holdings. The Spanish grants were enormous. When the land passed from grazing to tillage the holdings remained large. Henry Miller of the old firm of Miller and Lux was one of the early and large landowners in the valley and one of the first to apply water to his lands. These ranches remain in large blocks, running up to 10,000 acres in size. Irrigation is widely employed, but higher portions remain grazing lands. Some of the farms are owned by corporations and managed by foremen who hire local or transient labor to do the work. The present owners are fighting to abolish the limitation, and in their effort they have enlisted wide support. Even Sen. Downey, elected to represent the "deer peepul" is taking the side of the big landowners.

It is pointed out that these lands have been operated as large tracts, with equipment and farm buildings laid out to serve places of great size. It is further alleged that owners of these lands would refuse to take water from the canals but would rely on pumps and draw water from the ground—which prompted Sen. Cordon, who with Sen. Hatch was conducting the hearing, to point out the manifest injustice of sharing the benefits without sharing the cost.

There is, however, a very strong case to be made out for the limitation, which is of long standing. History has shown the social menace of consolidating lands into few ownerships. Large landed estates have resulted in a low standard of living for the mass of the people in Poland and Hungary. A tract of 160 acres under irrigation would seem ample to support a family. Why should the government expend enormous sums of money just to benefit the few landlords of the valley?

Sen. Hatch had a scheme to settle returning soldiers on the lands which would be thrown on the market if the limitation remains, but the question should be decided on its own merits and not on how the surplus lands are to be disposed of.

While the question now concerns central California only, it may in the future come up in the Willamette valley. If a general irrigation development should be undertaken here under the reclamation act, the same limitations as to individual ownership would apply.

It seems to The Statesman that the burden of proof clearly rests on the landowners. Their excess lands would be appraised and sold, so their property would not be confiscated without compensation. In the long run of years it would seem probable that California would be better off socially and economically and politically to have multiple ownership of its rich, irrigated lands than to have them remain in huge estates, breeding places for the Jeeter Lesters and Joads.

Political Revolt in South

The defeat of Sen. "Cotton Ed" Smith for the renomination in South Carolina, on top of election results in other southern states this year, will give a real shock to the diehard southerners who have been serving in the senate and house of representatives. The contests almost uniformly have gone against the ultra-conservatives who draw their political inspiration from reconstruction days. Incidentally the returns do not indicate that Roosevelt will lose in the south this year, in spite of the advertised defection there.

Here is what has happened in recent months. Senators Pepper and Hill, strongest new dealers in the senate among the southern bloc, were re-elected over strong opposition. Congressman Joe Starnes of Alabama, member of the Dies committee, was defeated; Congressman Martin Dies himself, announced his retirement from politics because of his health, but Judge Combs, who previously had announced his opposition to Dies, was nominated in his stead.

Congressman Kleeburg, one of the owners of the huge King ranch of 1,250,000 acres in Texas, was defeated by an army captain. Now Sen. Smith, of the old Ben Tillman school of South Carolina, is defeated after 36 years of service in congress. Also defeated is Sen. Hattie Caraway, the candidate in the lead in Arkansas being young Congressman Fullbright, Oxford graduate, university president, author of a house resolution for a world organization for peace.

These results in the south are not unimportant. They reveal that southerners themselves are waking up, and offer ground for hope that the south will of its own motion effect needed reforms such as abolishing the poll tax, equalizing political and educational opportunity for members of both white and black races.

The cut-out condition of timberlands in the state of Washington is revealed in news that the logging of 160 million feet of timber in the Lake Tahkenitch area between Reedsport and North Bend for use in Washington mills is to start soon. Lumber prices now will carry the freight cost, but what about the postwar period? Many mills in the state to the north must face an uncertain future—or perhaps a certain doom.

Henry Kaiser's cargo plane has proven to be another idea that flashed in the pan; but no one is apologizing to the "brass hats" who were skeptical about it from the first.

Utility Excess Profits

Localities are viewing with envious eyes the excess profits of public utilities. Those located in war industrial areas have enjoyed a marked expansion in gross earnings, and some increases in net, though not nearly in the proportion of the war industries themselves. Under federal laws the government now takes 95 per cent of their excess profits. The sight of this money going to the federal government has caused varying reactions over the country, with steps taken to capture this excess for the communities served.

In Detroit, for instance, the city council passed a law greatly increasing the local tax rates, frankly admitting that the purpose was to retain the money that was going to the federal government as excess profits. In California the railroad commission has ordered hearings on the question, with the possible end of ordering rate reductions to eliminate the excess earnings. In Louisville, Kentucky, the city is on a deal to buy the private gas and electric company and figures that its retention of tax funds will go a long way toward paying for the property.

Oregon has followed an original plan, initiated by the Pacific Power & Light, that of a rebate to consumers. This was applied by Portland General Electric and Northwestern Electric, and served to expunge the order of the commissioner of public utilities for a rate reduction. The objection advanced by PGE against a general rate reduction was fear of losses if business volume slumped after the war.

Under the rate regulation theory utilities are entitled to a fair return and only a fair return. In practice however there are wide swings in earnings. Sometimes as in time of depression, earnings may be considerably below the established fair rate; in boom times they run ahead. In neither case does the regulatory authority move very fast (or the company either) to alter the rate schedules. But it is a mistake to regard the excess profits tax of the government as a local "loss." If the government is deprived of this money it has to reach a little deeper in the pockets of the people to make up the difference. Eventually of course the rate structure should be reduced to permit only a fair return. Meantime people ought to be pleased that the government is getting the 95 per cent to help finance the war. It seems quite unpatric to follow the Detroit plan of upping tax rates merely to siphon away taxes from the federal treasury.

At the pulpboard mill in Longview one of the buildings was destroyed by fire from a blowtorch used by employees trying to get honey bees had made in a section of the building frame. Now a story comes from Chile to the effect that 21 persons lost their lives from a similar cause. Two men fired honey trees, starting a fire that burned over 4000 acres. Strange coincidence.

A soldier's mother inquires if the aid to be provided for veterans for financing their education is to be a loan like the loans for a business or a farm. No; the aid for education in the "GI bill of rights" is a direct grant, and does not have to be repaid to the government.

The picture of Roosevelt broadcasting from his private car isn't at all flattering. He looks thin and a bit stooped. Better bring out the 1936 photos for campaign purposes. Many candidates persist in running for office on the photographs of their first campaign.

Interpreting The War News

By KIRKE L. SIMPSON
ASSOCIATED PRESS WAR ANALYST

Massive American armor in Normandy, teaming up with bitter weather and a stunning preliminary bombing by air comrades has driven a significant dent in German defense lines west and southwest of St. Lo.

As disclosed by early unofficial advices, an initial dent four miles deep and two-and-a-half miles wide was achieved at a point supremely critical for the foe. Nazi failure to halt or contain the drive promptly must inevitably force an enemy retreat on a wide front to escape looming entrapment.

Press advices said that the St. Lo-Coutances highway had been reached in the first rush, one important village taken and another, Marigny, entered by tank-riding American doughboys. That places the scene of action just west and slightly south of St. Lo and within close striking distance of an important rail lateral, the Coutances-Torigny line between the Vire and the Seine rivers.

The thrust obviously endangers the whole German defense triangle to the west, apexing at Lessay and protected by an ocean indent from the coast. American forces have encountered hard going on that end of the line to prevent complete conquest of the Cherbourg peninsula and furnish elbow room for larger scale maneuvers.

The new dent in the German front west of St. Lo is a grave flanking threat to that Nazi triangle. Pushed on southward beyond the St. Lo-Coutances highway and the railroad beyond it, or turned southwestward in the flatter country suitable for armored operations south of Coutances, the drive would certainly unhinge the whole German left of line. There could be no point in attempting to hold the Lessay triangle if its right was caved in east of Coutances. A prompt retreat west of the Vire to the curving Seine or even the sea or the Selune farther south would seem in order.

It may be for that limited objective the American armored thrust was driven home. The site does not immediately suggest more ambitious allied operations.

British sources indicate, however, that the allied command in France still is primarily concerned with clearing up the Caen area and the Dives river delta completely rather than with mounting a major break-through effort toward Paris. Caen and the Orne estuary and canal afford harborage and landing bases for at least light draft seacraft to supplement beach landing points and Cherbourg. If Montgomery is to gain a close-up major sea base on his left, however, to insure and supplement his supply lines, he must reach out for Le Havre.



Overboard

News Behind the News

By PAUL MALLON

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WASHINGTON, July 26—Behind this sudden front-paging of new tax plans (twin cities, vs. Ruml et al) lies a rebellion of the individual business man against Washington taxmaking.

The average taxpayer in business or outside knows nothing about this, the most important of all issues of government. The business man hires experts to work out what he must pay. The average citizen just finds out how it hits him on payment day, and measures justice by that amount.



Paul Mallon

As a result more people are angry about taxes in this country than anything else, including Mr. Roosevelt himself.

The way taxes are made encourages this popular sense of injustice. They evolve from plans presented to congress by labor (Congress of Industrial Organizations, American Federation of Labor, etc.), on the one hand and the United States chamber of commerce and National Association of Manufacturers on the other, from which congress generally chooses ideas, mainly and naturally for political effect.

This makes for groovy thinking. One groovy we are in, for instance, is the labor notion that the corporation is a wicked octopus, against which it must promote economic antagonism.

Labor, therefore, always advocates higher and higher taxes on corporations, a course which now, after years of success, has brought the corporation profits to a point where there is a question of whether the capitalistic system can survive in postwar.

AFL came out with a pamphlet last week trying to show corporation profits had increased more than individual income from the war, and the only way they could do it was by presenting the corporation profits before taxes—yet taxes are the biggest factor against profits.

But above all, union labor gets all its income from corporation profits, and, therefore, you would think its wisest course would be against high taxes so the corporations would have more left for wages.

The chamber of commerce and NAM have similar grooves on their side, at a time when new ideas and straight impartial thinking based on common justice, is necessary if the country is to be saved.

Well, at any rate, these business men at luncheon one day compared notes and found their congressmen had written them the usual form letters asking if they had any tax suggestions for postwar. They usually get their tax thoughts from the C of C or NAM, but this time they decided they would try to make a real tax plan of their own.

The initial cost was about \$8,000 (it may have doubled since then) for hiring some experts and sending out the 20,000 brochures these experts prepared. Most of the workers, however, were loaned without cost by the business organizations involved.

The brochures had some new ideas, not stereotyped to the business formulas. In fact, basically the twin cities plan is to reduce taxes on incomes but keep them at 40 per cent on corporations (eliminating only the war excess profits tax.)

It would cut individual rates about 16 per cent on an average, and still more aid individuals by allowing a 40 per cent exemption on dividends received.

This last is a novel, but just idea, because the corporation already has paid 40 per cent in taxes on income which belongs to the taxpayer. The present system is double taxation on the same dollar.

Some foolish notions about a sales tax are also dispelled, as it is evident the rich man, buying more, would pay more tax than the poor man, and furthermore we have a sales tax of terrific proportions on the poor man now (cigarettes and whiskey, to mention two items.)

Details and figures of the report may rouse controversy (whether \$120,000,000,000 of national postwar income will be enough, whether the postwar budget will not be more than \$18,000,000,000 and therefore require more taxes), but at least the controversy will be on new lines and not in the grooves it has occupied for this entire generation.

Indeed, Beardsley Ruml, the

tax thinker outside of Washington who thought up the notion of making tax payments current, a plan which congress and the treasury were literally forced to take against their skilled wills, has advanced another more startling suggestion that corporation taxes be reduced to five per cent, while individual rates be increased.

That idea is politically impossible, if not financially dangerous, but at least it contributes a new understanding of the abused position of the corporation.

You have read here before, and it has now become increasingly evident that if tax justice is to be found, it will have to be found outside of Washington and our deep-furrowed grooves.



(Continued from Page 1)

as desirous of terminating this feud, and the head of the communist party in Italy almost admitted that desire by himself attending Catholic mass. The Vatican, however, has been quite reserved about reaching for Stalin's olive branch. Yet Russia is a fact in Europe, a big, ponderous fact, which cannot be ignored in any peace settlement. If for example the Vatican should decide to throw its weight in opposition to Soviet Russia the problem of writing the peace would be made more difficult.

There has been for decades resistance within Catholic countries to what was regarded as interference by the church with internal politics. Most of the leaders of these anti-clerical parties professed their loyalty to the Catholic faith but opposed what they regarded as meddling by church officials in political matters. In Italy the pope lost control of the papal states when the peninsula was unified, and became the "prisoner of the Vatican" until the concordat with Mussolini was signed which gave the pope temporal authority over the diminutive Vatican city.

France had its burst of anticlericalism which culminated in the expulsion of the holy orders just after the turn of the century. The greatest violence however was noted in Spain and Mexico in the period of their revolutions.

In the latter country hundreds of churches were closed, while in Spain priests and nuns suffered personal violence. Spain itself remains politically unstable, and will probably become more unstable when its fascist regime is orphaned by the overthrow of Hitler and the demise of Mussolini.

While dissenting elements, Catholic and non-Catholic, may be fearful of political interference by the Vatican in peace negotiations, they ought to welcome the influence of the pope, whose spiritual dominion is international, in support of some form of world order that will accord more with the teachings of the Prince of Peace whom all Christians worship.

Maybe the Colonel Should Go Overseas

FORT KNOX, Ky. (AP)—Col. Jay M. Holmes of the armored replacement training center here asked a private why he had not saluted and the man replied he had not seen him. "Soldier," Holmes said, "you'll have to be more alert than that if you ever get overseas, or you won't come back."

"Sir," answered the private, "I just got back from 14 months overseas."

Kenneth L. Dixon
AT THE FRONT!

WITH THE AAF IN ITALY, July 16 (Delayed) (AP)—In any modern streamlined lying contest, one German prisoner who has been looking for the Nazi Luftwaffe for a long time now claims Ananias would run a poor third.

"When I was on the Russian front," he pondered, "Goering said the Luftwaffe was on the French front. When I was on the French front it was on the Italian front. When I came to Italy it was back on the Russian front." The prisoner was silent a moment and then added, "I think Goering is as big a liar as Goebbels."

The colonel gets a catch in his voice when he tells this one about the soldier who was the biggest problem in all his battalion. Time after time he had been made corporal, then sergeant and each time he either got drunk or went AWOL and got busted back to a private. Although the soldier had always acquitted himself well in action, the colonel was disgusted when he showed up one day right after his rifle company had been all shot up, and—now a sergeant again—said "Colonel, I'm in trouble. I'm AWOL again."

The colonel blew up. He read the riot act in a steady stream of outraged profanity, winding up with:

"Do you know that your company was all shot to hell while you were gone—cut half to pieces? And do you know that at least part of it was because they didn't have enough veterans around to show them what to do?"

"Yes, colonel," said the troublesome sergeant. "Joe came up and told me about it. That's why I'm here now. Fix it up so I can go back with my company, sir, and I'll show those new boys how to fight. It's the hospital I'm AWOL from, sir. Those docs wouldn't let me go, so I came anyway."

The colonel fixed it up even though he had to go to the general to do so, but he apologized for every word he said to the sergeant.

The Literary Guidepost

"East By Southwest," by Christopher La Farge (Coward-McCann; \$2.50)

Most of the sketches in Christopher La Farge's "East By Southwest" appeared first in Harper's Magazine, whose circulation is select but small. Therefore they are new to a large share of the public, which will do itself a great favor if it will read them at once. Mr. La Farge proves many things with his stories.

He speaks of them as reporting a section of the war in fiction. This is another way of saying that everything in the book is true, but not necessarily true of the place and time and people described. Perhaps it is straining a point to call this sort of thing "reporting," which is a word with a definite meaning these days. But still, stories that make the reader see places and events as they are do constitute reporting of a sort.

Probably it is more important that Mr. La Farge's stories reproduce moods to a fabulous extent. He has one sketch of a civilian government representative who chiseled his way through the South Pacific area which not only reproduces the too-tolerant contempt felt for him by the military, but also the man's own little nubbin of a soul. His "All the Comforts of Home" is about a French admiral who is getting one of the de Gaulle islands ready for the Americans, and misunderstands the meaning of recreation facilities.

For my money, the last story in the book, called "By Word of Mouth," is next door to a masterpiece. It is very simple in outline, and very subtle in result.

It tells what happens when a very lonely French girl meets an American Don Juan at a dance. The American boy is quite sincerely attracted; he is determined to have the girl for himself alone, and he thinks up a novel way to make sure that nobody else goes near her—he says she has leprosy, but that he is so infatuated he does not care. What happens to the girl after he leaves, and what she eventually does about it, is the meat of a first grade story.

Stevens
Diamonds
Each beautiful jewel enthroned in a handsome setting has a personality of its own. Choose yours with care and confidence from our select collection of fine stones.
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