

THE BEND BULLETIN

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THAT TAX SHARING REPORT

From a news story in the Redmond Spokesman we learn that Virgil Langtry, speaking before the Redmond Kiwanis club, replied to two points made in our recent comment on the memorandum of the League of Oregon Cities on certain Oregon tax questions. One of our points was that the memorandum made no reference to the recently inaugurated plan of the highway commission to do certain city street work. The reply is that on page 23 of the report this sentence occurs, "In 1942 the state will spend about \$250,000 on our streets."

We are glad to note this correction. Our statement, on reading this sentence in the report, was that the reference was to state expenditure on highway routes through the cities. Moreover, in that section of the report containing the argument for a share of the road-user revenue this current expenditure is not mentioned and this sentence occurs, "In the absence of sharing in state collected revenues to which their own taxpayers have contributed so heavily, the cities since then have been unable to undertake the recommended rehabilitation or maintenance work." This statement disregards the 1942 expenditure.

Mr. Langtry's other reply dealt with our assertion that the report made no mention of the state liquor revenue devoted to county welfare purposes. The subject, it now appears, was referred to in a supplemental memorandum issued at a later date. According to that memorandum, as quoted in the Spokesman, it is urged that welfare has become a state function. That being so, we gather the argument to be, the use of liquor revenue for county welfare purposes need not be considered in a study of state revenue sharing. That depends, of course, on how one looks at the question but in any case, it seems to us, a comprehensive study of such questions as are dealt with in this report would include more elaborate treatment of this topic.

One more point. Had the study been undertaken on a purely scientific basis would not this question of sharing of liquor revenue been included in the report as first prepared? We gather that Mr. Langtry did not reply to other than these two points reported by the Spokesman.

Let us supplement the foregoing and what has previously been said about that report on tax sharing with a reprint of comment from the current Oregon Voter. Addressing itself particularly to the assertion that Oregon is at the bottom of the list in the matter of state aid to local governments the Voter says:

U. S. Census figures, showing Oregon at the bottom of the list in state aid to local government, are correct literally but do not measure the reality. They fail to include as aid to local government any of the \$9,000,000 appropriated by the state legislature for public welfare purposes. This biennial appropriation provides about \$4,500,000 a year of state funds, or more than \$4.50 per capita. In state aid to county and local relief and welfare, including pensions to the aged, aid to dependent children, matching of county hospital expense, and other relief and general assistance for which the state makes the actual disbursement of federal, state and local funds. In all, some \$20,000,000 biennially, or \$10,000,000 annually, of federal, state and local funds are disbursed by the state welfare commission although they really are aid to local government. No part of this is credited by the U. S. Census bureau as aid to local government. We do not call into question the accounting accuracy of the federal classification, which is justified by the board, but do warn against being misled into the notion that state aid to local government is as low as it would appear to be when the state welfare commission aid to local government is left out of consideration and simply classified as solely a state expenditure. Another item in this is that state elementary school aid, out of the 2-mill tax, is not credited as state aid in the U. S. Census figures. There also is sound accounting reason for this. In that when collected from property (as it has been up to the end of the latest fiscal year reported upon by the U. S. Census) it remains in the county where it was collected. Yet as state aid it is as real as it would be were the tax collections paid into the state treasury and then returned to the counties. Taking into account the welfare disbursements and the 2-mill tax, state aid to local government in Oregon would be about \$10.00 per capita per year, instead of the \$2.92 reported by U. S. Census. The \$10.00 would put Oregon well up towards the national average of \$12.50 of state aid. In the other states, the welfare aid and the school aid are classified as state aid, with few if any exceptions; Oregon has tax law provisions and welfare disbursement provisions which are different from those of other states and have this effect of distorting the classification in a way that misleads those who are not informed as to the difference.

PIERCE AND HAMM

The Klamath Falls Herald and News has reprinted our editorial referring to the appointment of the Klamath police chief as United States marshal for Oregon and offered its own comment. Its editorial is reprinted elsewhere on this page.

We agree with the Klamath paper that the decision to be made at the polls this fall (as between Pierce and Stockman) "should be based on more significant and vital factors than are represented by this appointment." More such factors than are represented by Walter Pierce's recent distribution of government pamphlets on infant care should also enter but Walter, nevertheless, is basing some hopes on these else he would not now be coming up with them.

So far as Chief Hamm and the Hatch act are concerned one has only to remember the Raver-Bonneville flouting of the law to be assured that Mr. Hamm, as marshal, can get away with the next thing to murder and never find Walter objecting.

No, as marshal Chief Hamm's chief job will be to marshal the votes.

Bend's Yesterdays

FIFTEEN YEARS AGO

(From The Bulletin, July 21, 1927)

A blow by blow account of the Sharkey-Dempsey heavyweight fight tonight is to be broadcast over The Bulletin's loudspeaker system. News of the fight will be received over the United Press wire.

Prince Michael, 5, was today made king of Rumania, following the death of King Ferdinand, his grandfather. A regency of three members will rule until the new king is of age.

The Bend delegation has reached La Grande for the American Legion convention, according to word sent here from J. C. Wright, commander of the local post. Immediately after the delegation arrived, the Bend banjo trio—B. A.

Stover, Bill Hostetler and Paul Hosmer—entertained National Commander Howard P. Savage.

TWENTY-FIVE YEARS AGO

(From The Bulletin, July 21, 1917)

So far this season 61 forest fires have been reported on the Deschutes national forest. In the entire season last year only 59 were recorded.

The I.W.W. is blamed for a fire which destroyed several buildings at Klamath Falls last night and 35 members of the organization are formally held there on charges of vagrancy.

Claude McCauley was a Bend visitor yesterday from Deschutes. Families with incomes under \$2,500 lose about \$2,500,000,000 each year in doctor bills, medicine and wages.

Good News for the Axis



SERIAL STORY MURDER IN FERRY COMMAND

BY A. W. O'BRIEN

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THE ELUSIVE CAROLE CHAPTER XII Under the distant and disappointing scrutiny of the headwaiter Clyde Dawson picked up his reservation at the desk, then began a search for Carole Fiske, who had fled the dining room after throwing a cup of coffee in his face.

Dawson knew in advance the search would be futile. No black-haired girl had passed through the main entrance in the last 10 minutes, the doorman said. Nor had such a girl used either of the two elevators during that time. A matron assured him that the girl was in neither of the ladies' lounges.

From his room Dawson telephoned the Intelligence Bureau to put out a dragnet for the girl in the Halifax area. While removing his soiled shirt, he mentally noted there were some strange things about Carole Fiske, but the most curious of all was her exclamation when she saw Paul Dixel in the dining room doorway.

She had cried out that it could not be... that Paul Dixel was murdered and had started to say something about Darwin.

Her implied ignorance of the executed man's fate had always puzzled the investigator. After all, it would be wiser for her to pretend no knowledge of the Newfoundland drama... Yet, there had been no faking about her exclamation. And what had Dixel, supposedly murdered, to do with it? Who had told her that lie and why?

As he shaved, Dawson frowned into the mirror. No matter what she was, breaking the news about Lemoy would be a tough chore.

In fifteen minutes he was at his bureau office. The agents who had escorted Dixel to the hotel were waiting for him.

"That touching scene did something to the Strong Silent Man," one grinned. "He was talking to himself all the way back here. Better go right in and quiz him—we'll work the dictograph from this room."

Paul Dixel half arose from his chair in his bleak detention room as Dawson entered.

"Think you're a smart copper," he snarled, "but you won't get anything out of me—no matter what she told you. I know my rights as a citizen..."

Dawson clutched Dixel by the coat lapels and tugged him to his feet, shaking the man like a cat with a mouse.

"Listen, stupid," he said, biting off each word sharply, "we have rounded up the whole Chicago set-up. The Northern Maine unit has been snared by this time by the G-men, plus heaven knows how many other units. And, as for you, we know you had Darwin Lemoy's hand in your cabin and found towels with fingerprint ink on them. There was also ink on the tips of the corpse's hand..."

"I don't know what you are talking about. I don't know anything about fingerprinting..." Dixel was pale as a sheet.

A door opened and one of the agents handed Dawson a telegram. The latter read it and tossed the paper to Dixel who picked it up in trembling hands.

"That will tell you," the investigator continued, "our Montreal bureau just raided the Dorval ad-

room. Opening the door, he paused abruptly. There was a man with his back to the door bending over his opened suitcase and probing through the contents. Dawson slipped a revolver inside his coat to his holster and stepped into the room.

As he did so, a second man whipped from the darkened bathroom and pinned Dawson's arms to his sides.

Vainly, Clyde Dawson tried to shake himself free from the arms of the man who had grabbed him from behind. Meanwhile, the one who had been searching through his suitcase dashed across the room and tugged the investigator's revolver from the shoulder holster.

"Take it easy," an authoritative voice growled. "We're from the Royal Canadian Mounted Police."

Dawson ceased struggling. "Hell," he panted, "let us stop playing games—we're on the same team. I'm Dominion Intelligence—you'll find my credentials in a false bottom compartment of the suitcase your pal was amusing himself with."

When Dawson had satisfied the Mounties as to his identity, one of them drew a sheet of writing paper from his pocket and handed it to Dawson.

"Perhaps you can give us a hint as to what this is all about, then?" the Mountie queried. "You'll notice the letter about you was properly signed—we seldom act on anonymous tips of this nature. Urgency was suggested in its being sent by a messenger from the dock. The hotel detective told us there had been strange behavior on your part reported this morning..."

Dawson was reading the note—letterheaded "S. S. Fort Gengarry."

"R. C. M. P. Counter-Espionage Section, Halifax," it begins. "There is a man using the name Clyde Dawson whom you will probably find at the Nova Scotia Hotel. I have reason to believe he is engaged in activities counter to the Defense of Canada Regulations. If you work fast, serious harm of a nature I will disclose later may be averted. He is a cunning and dangerous type. By the time you get this my ship will be en route to St. John's, Newfoundland, from whence I shall contact you."

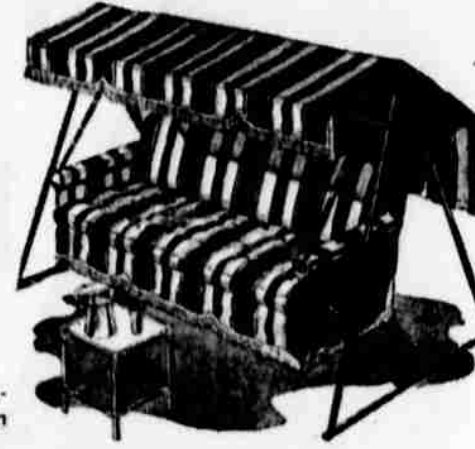
It was signed, "Carole Fiske," and, in brackets below, "an employee of the War Supplies Department, Chicago."

Dawson laughed shortly. "That's easy to explain. The girl thought I was a sort of international spy who sells to the highest bidder and decided it was time to end it. I'm now hurrying by R. C. A. F. plane to St. John's to head her off from a most distasteful discovery. An officials state-

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BEND FURNITURE CO. PHONE 271 "Central Oregon Home Furnishers" EASY TERMS

MORE ABOUT The Capitol

(Continued From Page One)

obtained priorities from WPB and increased the capacity of the line. PGE was serving the yard before Administrator Raver was aware of this new customer but when he did learn of the arrangement he demanded that PGE turn the power sale over to Bonneville. Not having a franchise for lines within the city of Portland, he insisted that PGE "wheel" Bonneville power to Swan Island over PGE facilities, a demand that was refused.

The Swan Island shipyard will require a heavy load of power and Raver wanted that load; he determined to get it away from PGE. The private company's rate for power to the shipyard was as low as that of Bonneville, \$17.50 per kilowatt year, so that, financially, it made no difference whether Swan Island bought from PGE or Bonneville.

Bonneville agents have already sought to take other customers away from this particular private company and are still working on two or three big concerns. The government-owned plant is furnishing power to the Oregon Shipbuilding corporation, located on Willamette river, of which Edgar Kaiser is manager and used some of the same tactics that have been invoked on the Swan Island yards—Kaiser was about to sign a contract with PGE when Raver put the "bee" on him.

Army investigators have been examining the coal deposits in Washington and Oregon as 180,000 tons must be supplied to the eastonments now being built near Medford and Corvallis. These inspectors were at Renton, looked at the coal at Bellingham and probed into the Coos bay field. From about 1889 to 1907 Coos bays coal heated San Francisco, colliers operating between Coos bay and the Bay city. So far as known this is the only coal deposit in the United States at the ocean side. As an experiment, the army men gave an order for 2000 tons but did not designate whether it would be used at Medford or Corvallis, nor did they fix a price. Conversations were also held with

the Washington mine operators for a few experimental tons. Eventually, whatever mine wins the contract it will be a big boost for the northwest industry.

Looking ahead at the possibility of bauxite being cut off from Dutch Guiana because of German submarine activity, the bureau of mines has sent survey parties into the northwest gathering samples of aluminum clay. The large deposit near Castle Rock has been checked and now a party is drilling 15 miles east of Cottage Grove. In case of a pinch the clay deposits will be used; the process is a trifle more costly than with bauxite, which is the principal reason aluminum ingot plants prefer the Dutch Guiana material.

Bureau of mines is also drilling again in the chromite deposits of the John Day country. Last year it explored a chromite deposit in Montana and when the production of steel was increased, the government was immediately ready to have that ore mined and concentrated; pays a royalty to the owner.

Admitting that synthetic rubber must be produced as rapidly as possible, Vice President Henry A. Wallace shocked a senate subcommittee by declaring that he does not wish to see this plastic continued after the war. Wallace maintains that unless the motor industry goes back to natural rubber there will come world war No. 3. He is not sympathetic toward using surplus wheat to provide tires nor of developing raw materials in the United States if they can be purchased abroad. He calls this the long range plan.

Chief Hamm, incidentally, has indicated that politics will be "out" so far as his handling the marshal's job is concerned. The position, he said, comes under the Hatch act, which bans political activity.

The chief is naturally appreciative of all that has been done for him, and has mentioned Congressman Pierce prominently in his "thank you" statements.

Others Say...

CHIEF HAMM AND POLITICS (Klamath Herald and News) The political implications of Chief Frank Hamm's appointment as U. S. marshal are not being overlooked, as witness an editorial from the Bend Bulletin appearing elsewhere on this page.

Probably Congressman Pierce hopes to help himself in this county through the Hamm appointment. He was badly beaten here in the 1942 primary by Klamath County Assessor Charles H. Mack, and it is believed that a substan-

ment releasing the R. C. M. P. from further responsibility in the investigation will be forwarded to you... O. K. The Mounties shook hands with Dawson and they all laughed good-naturedly over the comic side of the scene. (To Be Continued)

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FRECKLES AND HIS FRIENDS



By MERRIL BLOSSER