

Budget Reduction Due Next Year, Roosevelt Reveals

By Lyle C. Wilson
(United Press Staff Correspondent)

Washington, Jan. 8 (U.P.)—President Roosevelt's 1946 budget which is expected to propose a \$10,000,000,000 cut in expenditures is in final form today and will be submitted to congress shortly before noon tomorrow. No new tax proposals are foreseen.

If the \$10,000,000,000 reduction is made, the 1946 budget will call for expenditures of approximately \$90,000,000,000 in the 1946 fiscal year in comparison with the \$100,000,000,000 being spent in the current fiscal year.

This will be Roosevelt's fourth war time budget. It will be his 13th consecutive deficit budget since his first election in 1932.

Reductions Listed
Most of the reduction in expenditures would be in war spending and if effected, that item would aggregate about \$78,000,000,000 in the new budget. The president will report to congress, also, that for the 1946 fiscal year interest on the public debt will increase by \$275,000,000 to an annual charge of approximately \$4,000,000.

Interest on the public debt is the foremost item among the big annual drains on the treasury revenue that cannot be reduced by so much as a dime, except by retiring the obligations on which the interest is being paid. The obligations are represented by the public debt which now is approximately \$232,500,000,000—a sum so large as to be almost incomprehensible.

Sums Are Huge
The comparative size of the annual \$4,000,000,000 interest charge is indicated by the fact that during the 10 years, 1930-1940, the average annual government expenditures for all purposes was approximately \$6,800,000,000 less than twice the sum now required annually to pay interest on our debt.

This burden of interest and debt retirement was what Roosevelt had in mind in his annual message to congress when he said that through a postwar program of full employment—the 60,000,000 job program—we can maintain a national income high enough to enable us to retire the debt in an orderly manner and to obtain some tax reduction, too.

Tax Load Is Big
Roosevelt's associates have estimated that national income—the earnings of all of us individually and collectively—must be high enough to enable the treasury to collect about \$25,000,000,000 in taxes annually after the war. That is a high goal and implies some type of sustained but controlled inflation in comparison with prewar money values.

There is small prospect of tax relief before the end of the war, at least the end of the war in Eu-

rope. The president told congress in his annual message that no general tax revision could be undertaken until the war ends on all fronts. But he said congress should be prepared to provide immediate postwar tax modification designed to encourage capital to invest in new enterprises to provide jobs.

Allen and McNeal Cover Legislation

Salem, Ore., Jan. 8 (U.P.)—The United Press staff covering the 43rd regular session of the Oregon legislature opening today is headed by Eric W. Allen, Jr., Salem statehouse manager.

Allen is the son of the late Eric W. Allen, long-time dean of the University of Oregon school of journalism, and was honorably discharged from the army air forces last year. He has worked for the United Press in Salem, Portland, San Francisco and Fresno, Cal., and previously was a reporter on the Bend Bulletin and Astoria Budget.

Assisting Allen will be Ervin McNeal, former newsman at Bend and in Honolulu, transferred from the Portland UP bureau for the session.

John W. Dunlap, Pacific Northwest UP manager with former state-house experience in Sacramento and Salt Lake City, is in Salem for the opening days.

Is Noted Alpinist

Ervin McNeal, who is assisting Eric W. Allen, Jr., is covering the state legislature, is the son of Mr. and Mrs. A. D. McNeal, Bend. While attending high school here, McNeal won wide recognition as an alpinist, being a member of the group of Bend youths who made the first ascents of Mt. Washington and Three Fingers Jack, pinnacle peaks of the Central Oregon Cascades.

Ration Calendar

Processed Foods: Book 4—Blue stamps X5 through Z5, and A1-G2 valid indefinitely.

Meat, Butter, Cheese: Book 4—Red stamps Q5 through X5 valid indefinitely.

Sugar: Book 4—Sugar stamp 34 valid indefinitely, 5 pounds.

Shoes: Loose stamps invalid. Book 3—Airplane stamps 1-2-3 valid indefinitely.

Gasoline Coupons: Not valid unless endorsed. "A" 14 expires March 21, 1945. Each coupon worth 4 gallons. Write new license plate number on book cover or identification folder only.

Stoves: Apply local board for oil, gas stove certificates.

Wood, Coal, Sawdust: Delivery by priorities based on needs.

Fuel Oil: Period 4 and 5 coupons (1943-44 series) and period 1 and 2 coupons (1944-45 series) valid through August 31, 1945. Not more than 50% of season's rations should have been used to date.

Old Age Benefits For Region Gain

Klamath Falls, Jan. 8 — The number of monthly old-age survivors insurance benefits in force in the area served by the Klamath Falls office of the social security board increased by 47 1/2 per cent during 1944. It was announced by Charles L. Maginnis, manager, in a year-end statement.

Explaining that his figures are estimated, and subject to minor revision, Maginnis said that benefits of \$17,000 a month—or \$218,000 a year (including lump-sums) are being paid through the local office.

The service area of the Klamath Falls office includes Klamath, Jackson, Lake, Deschutes, Jefferson, and Crook counties in Oregon, and Modoc and part of Siskiyou in California.

The benefit rolls shape up approximately as follows, with monthly benefit amounts listed:

Retired workers, aged 65 or over, \$9,792.94.

Wives 65 or over, of retired workers, \$1,166.30.

Widows with young children, \$1,636.62.

Children of deceased or retired workers, \$3,358.15.

Aged widows of deceased workers, \$812.31.

(Monthly benefits are paid also to aged dependent parents of fully insured workers who die without leaving a wife or child.)

Is Family Plan

"That old-age and survivors insurance is truly a family insurance plan is demonstrated by the fact that more than three of every five beneficiaries are women and children. This proportion holds true among the nation's 1,120,000 beneficiaries," Maginnis said.

Summing up the situation on the social security front, Maginnis said there is one serious cause of concern to the board's field officers: Some people do not know their rights under the old-age and survivors insurance program, and so may lose some benefits through failure to act at the right time. To correct this he issued the following advice:

"Whenever a person, who has worked at any time in a job covered by the law, reaches the age of 65, he should come in to see us and find out how to protect his benefit rights, even though he does not plan to retire. Whenever a worker dies, after working for some period in jobs covered by the law, some member of his family should communicate promptly with the nearest office of the social security board. This is the only way to make sure that no benefits are lost."

Nazi Lines Yield

(Continued from Page One)

a round about way angling up from the Houffalize area.

Units of the second armored division stormed into Dochemps, five miles northwest of the key transport center of La Roche.

The towns of Jouvinel and Hobruval on the La Roche-St. Vith highway fell to the Third armored after a German delaying action was overwhelmed.

The hamlets of Waivne, Spinoux, and Wanneranval, clustered some three miles south of Stavelot along the Salm river, were under fire most of the day, and in a twilight charge the 30th division stormed and captured the latter two.

ZUFELT NOW IN NAVY
Lawrence Leroy Zufelt, son of Mr. and Mrs. George E. Zufelt, 126 Canal street, was enlisted in the United States naval reserve at the Portland navy recruiting station as an apprentice seaman last Friday, according to word received today by Chief Paul Cognet, recruiter in charge of the Central Oregon navy recruiting station. Zufelt's application for enlistment was processed at the Bend station. Zufelt will be transferred to a naval training center for indoctrination which will take approximately three months then he will be transferred to a school, a shore station or to a ship of the fleet, for active duty.

The first trans-Atlantic radio-telephone message was transmitted in 1915.

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Coyote pelts... No. 1s and No. 2s will run between one dollar and fifty cents (\$1.50) and four dollars and fifty cents (\$4.50) with a few exceptional pelts at higher prices. No. 3s and 4s are practically worthless.

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Dr. Pauline Sears
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(Graduate under Dr. A. T. Still)
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Bend Man's Cavalry Outfit Dismounts to Battle Nazis

With the Fifth Army, Italy—Private Lawrence A. Moran, rifleman, 606 Broadway, Bend, Oregon, is a member of the 34th Cavalry reconnaissance troop, whose men recently got down off their iron horses and fought 17 days as infantry on the Italian front north of Livernano.

These entrenched "recon" men turned back a series of determined German counterattacks with a comprehensive variety of weapons that included fists and withstood a 400-round concentration of fire from rockets, self-propelled guns and mortars.

The 34th cavalry "recon" normally operates as a screen for the 34th "Red Bull" division of the Fifth army, but it has frequently functioned as an infantry element and has operated also as artillery.

The "recon" men fought often as infantrymen during the Tunisian campaign and were doughboys for 30 days in the bitter contest for Cassino, Italy.

They helped take an important hilltop in the Gothic line, delivering effective fire from three-inch howitzers and machineguns.

The 34th reconnaissance troop performed in a more orthodox fashion on the beachhead around Anzio, where patrol action was paramount, in negotiating the Lavinio-Velletri buffer and in the mountain campaign between Florence and Bologna. The cavalrymen led a key attack near Lavinio in the face of fire from five self-propelled guns, wiped out 55 German soldiers and six machinegun nests. They have distinguished themselves more recently on audacious reconnaissance missions in which they penetrate deeply into enemy territory and purposely draw fire in order to locate enemy positions and determine strength of the enemy.

Their 375 days in combat includes action in bridging the Volturno river and fighting for Mount Pantano, Rome and Leghorn. They spearheaded crossing of the Tiber river and felt out the advance along Highway 1 as far as the Arno river.

The 34th "recon" was activated January 2, 1942, a few days before its initial contingent sailed for northern Ireland. The rest of the outfit came overseas in April, 1942.

Captain Ian F. Turner, Weymouth, Massachusetts, commands in "recon" troop.

Census Schools Dates Announced

Three-day schools for the training of enumerators to take the 1945 census of agriculture in Central Oregon got under way today. The first schools are being held simultaneously in Lakeview and Klamath Falls. R. L. Ackerman, supervisor for district 3 of Oregon, is conducting the Lakeview school in the Lake county courthouse, while E. M. Igl, assistant supervisor, is conducting the Klamath Falls school. As soon as the training is completed, enumerators will go into the field.

Ackerman will also hold schools for Deschutes county, in the Franks building at Redmond on Jan. 16, 17 and 18. In Prineville, he will train men and women to take the farm census in the Crook county courthouse on Jan. 19, 20 and 22. The last school will be held at Madras, in the Jefferson county agent's office on Jan. 24, 25 and 26.

E. M. Igl will conduct similar schools in the northern counties of Oregon.

War Briefs - - -

(By United Press)

Western Front—American tanks and riflemen spill through German defenses along north wall of Ardennes at three or more points.

Pacific—Tokyo reports one of four American armadas converging on Luzon has carried bombardment of beaches on Lingayen gulf north of Manila into third day and landing may be imminent.

Eastern Front—Red army siege lines west and northwest of Budapest buckle under German attack that carries vanguard of Nazi relief army within 15 miles of capital.

Air War—American heavy bombers and fighters resume assault on Germany in wake of double night raid by RAF on Munich.

Italy—British and Canadian troops continue slow advance up Adriatic coast north of Ravenna.

2 Local Airmen Baffled by Fog

Lieutenants Ollie Bowman and Larry Lermo of the local C.A.P. squadron, took off from the Bend airport runway one morning last week with a cargo of parachutes to be inspected and repacked in Portland.

The weather was good between Bend and Maupin but clouds began to form from there on. When the point that their instruments designated The Dalles to be reached there was nothing to see but dense clouds of fog below.

As it is necessary to make a flight plan from The Dalles to Portland and they were unable to land at The Dalles, the two officers turned back toward the Madras air base. The fuel gauge indicated

that the supply of gasoline was low and Lt. Bowman, who was piloting the plane, landed in a wheat field near Wamic.

At Wamic, a telephone call was made to The Dalles and the fliers were informed that there was a solid overcast of fog over The Dalles and that it would be impossible to land. Checking their fuel tanks they found there was enough gasoline to get them to the Madras air base. After refueling at Madras the officers returned to the Bend airport.

The two-place Army L-2 liaison plane assigned to the Bend squadron was used for the trip.

GIS CUT 'EM DEEP

Seattle (U.P.)—In the South Pacific, GIS really "cut the cards," according to Pfc. Jack Mecartea of Seattle. The critical scarcity of playing cards is remedied easily by cutting the decks in half. As each card has duplicate markings at each end, one deck becomes two.

CARS IN COLLISION
Bend police today had on file reports telling of the collision late Saturday between two cars on Wall street, near Minnesota avenue, Mrs. T. O. Livingston, 104 Irving avenue, reported that she was driving on Wall street when her car struck one being backed away from the curb by Orville W. Arzner, 720 Hill street. Slight damage to the cars resulted, the reports stated.

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GLASSES on Credit LIBERAL TERMS

First National Bank of Portland, Oregon

Condensed Statement of Head Office and 40 Branches

RESOURCES	December 31, 1943	December 30, 1944
Cash on Hand and Due from Banks	\$ 82,406,278.22	\$91,671,591.47
United States Bonds, including U. S. Government Agencies	218,019,965.56	\$300,426,243.78
Municipal Bonds	13,664,988.23	40,105,803.10
Loans and Discounts	50,916,522.34	60,054,804.76
Stock in Federal Reserve Bank	300,000.00	300,000.00
Bank Premises, Furniture and Fixtures	2,706,549.82	2,603,960.34
Other Real Estate	1.00	1.00
Customers' Liability on Acceptances	3,987.56	10,010.16
Interest Earned	1,283,672.53	1,888,162.76
Other Resources	156,364.07	252,213.32
Total Resources	\$369,458,329.33	\$452,875,087.46
LIABILITIES		
Capital	\$ 4,500,000.00	\$ 4,500,000.00
Surplus	5,500,000.00	5,500,000.00
Undivided Profits and Reserves	4,903,537.32	\$ 14,903,537.32
Reserves Allocated for Taxes, Interest, etc.	1,118,892.91	1,176,455.08
Acceptances	3,987.56	10,010.16
Interest Collected in Advance	125,843.18	109,741.63
Other Liabilities	231,115.62	227,283.69
Deposits (exclusive of reciprocal bank deposits)	353,074,952.74	434,008,733.49
Total Liabilities	\$369,458,329.33	\$452,875,087.46

Affiliated with The First National Bank of Portland are eight additional banks whose total Deposits, as of December 30, 1944 were \$22,909,800.43; and total Resources \$24,036,365.82. These figures are not included in the above statement of The First National Bank of Portland

The locations of these banks are as follows:
Sweet Home... Seaside... Silverton... Cottage Grove... Forest Grove... Prineville... Scio... Sellwood (Portland)

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