

AGRICULTURAL ACT IS INVALID STATES COURT

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dition, the tribunal killed the extraordinary new deal farm relief plan under which over a billion dollars has been paid to men of the soil since May, 1933.

Justice Roberts gravely read the majority opinion. The act, even as amended last August, was held an "invasion of states rights" and its taxes beyond the "general welfare" clause of the constitution on which the government relied.

Justices Stone, Brandeis and Cardozo dissented.

The packed courtroom was tense and silent as the historic opinion was delivered. The justices seemed calm.

"The suggestion of coercion finds no basis in the record," Stone said in his dissent.

The ruling appeared likely to doom other farm legislation such as the Bankhead cotton control act, the Kerr-Smith tobacco act and the Warren potato law.

However, the court had not announced its opinions in those cases. It took exactly one hour to read the main opinion and the dissent.

When Stone concluded the tenor of the audience eased. It shifted its collective position and whispered comments.

If the farm aid legislation were valid, Roberts said, it would be possible for congress "to regulate industry in its most meticulous forms."

The controverted general welfare of the constitution was held to be no warrant for the extraordinary new deal farm relief plan.

After reviewing the history of the case, Roberts said the processing tax was inseparable from the rest of the act and the Hoosac Mills of Massachusetts had the right to challenge the entire statute.

Noting that the government relied on its power to tax for the general welfare, he said:

"The clause does no more than provide for taxes for general welfare."

"We agree congress has the power to collect money for the general welfare," Roberts proceeded gravely.

"If congress may tax for general welfare it may appropriate."

"Otherwise the law would be nugatory."

"It doesn't follow that the power is unlimited."

"There is a limit to the power. It must be exercised for the nation—not local welfare."

Roberts, without looking up from his manuscript, called the AAA "an invasion of state's rights."

Roberts said the AAA amendments enacted last August made no difference as congress could not ratify something it did not have the power to do originally.

"Congress might redistribute the entire industrial population if this act were upheld," he said seriously.

"The United States government could destroy local self government."

The court majority flatly rejected the government's position that the AAA should, in effect, be considered two statutes, one levying a tax and the other appropriating public money.

"Passing the novel suggestion that the two statutes enacted as parts of a single scheme should be tested as if they were distinct and unrelated," the opinion said, "we think the legislation now before us is not susceptible of such separation and treatment."

"The tax can only be sustained by ignoring the avowed purpose and operation of the act and holding it a measure merely laying an excise on processors to raise revenue for the support of the government."

"... The tax plays an indispensable part in the plan of regulation."

"The whole revenue from the levy is appropriated in aid of crop control; none of it is made available for general governmental use..."

"The statute not only avows an aim foreign to the procurement of revenue for the support of government, but by its operation shows the taxation made upon processors to be the necessary means for the intended control of agricultural production."

As soon as he finished Justice Stone read the dissenting opinion.

"The present stress of widely held and strongly expressed difference of opinion of the wisdom of the agricultural adjustment act makes it important, in the interest of clear thinking and sound result," he said, "to emphasize at the outset certain propositions which should have controlling influence in determining the validity of the act. They are:

"1. The power of courts to declare a statute unconstitutional is subject to two guiding principles of decision which ought never to be absent from judicial consciousness.

"One is that courts are concerned only with the power to enact statutes not with their wisdom.

"The other is that while unconstitutional exercise of power by the executive and legislative branches of the government is subject to judicial restraint, the only check upon our own exercise of power is our own sense of self-restraint."

"For the removal of unwise laws from the statute books: appeal lies not to the courts but to the ballot and to the processes of democratic government."

"2. The constitutional power of congress to levy an excise tax upon the processing of agricultural products is not questionable."

The announced goal of the AAA had been to give farmers "parity" prices for their products.

Parity prices were considered those which would enable the farmers to buy now the amount of manufactured goods they could have bought with the cash their crops brought in on the average between 1909 and 1914. Parity prices also were

Church Brotherhood To Name Officers

Silverton—Election of officers will be the business feature of the meeting of the Lutheran Brotherhood Tuesday evening at the Immanuel Lutheran church. Dr. A. J. McCannell will be the guest speaker during the program hour and will discuss "Peace." The membership of the nominating committee includes H. N. Klev and Amos Corehouse. John Goplerud is the present chairman and Jonas Byberg is the secretary-treasurer.

NEW FORM OF AAA POSSIBLE

Washington, Jan. 6 (AP)—A new form of AAA or a new form of tax to finance the present AAA appeared today as the most likely action to be proposed by administration leaders should the supreme court invalidate the new deal's farm program.

Administration agricultural experts have several plans prepared, depending on the court's decision. In general, a substitute proposal could be divided into two classes:

1. Proposals for new taxes and distribution of benefit payments should the high tribunal's decision rule out the present processing taxes.

2. Proposals for an entirely new AAA set-up should the decision sweepingly invalidate the present farm aid structure.

In the first class, some legal advisors have expressed doubt as to whether processing taxes will be held constitutional if attacked on the grounds that they are not general taxes, but rather are levied purely for the purpose of helping a particular class of people.

Should the court rule out the taxes on these grounds, the administration is prepared to ask immediately for a law levying a general tax on processing of farm products, and a companion measure calling for payment of benefits to farmers.

The measure would be drawn up as much as possible to meet the court's objections to the present processing taxes.

Kyle Preliminary Hearing Tuesday

John Kyle, slayer of Hugh Jean Sloan, Broadacres farmer, pleaded not guilty when arraigned on a first degree murder charge in justice court at Woodburn Saturday. He will have a preliminary hearing tomorrow morning at 10 o'clock at Woodburn.

Kyle is held in the county jail. The killing occurred the night following New Year's day after the two men had attended the boxing matches at the Salem armory. Kyle said they had been drinking.

Continuation of—
New Farm Bill
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the secretary of agriculture would be made the sole administrator.

Under the export debenture, exporters of surplus crops would be given debenture certificates from the treasury equal to one-half the tariff on similar imported product, the debentures to be good for their face value in payment of import duties.

The equalization fee is assessed on each unit of a commodity as it moves into commerce, but may not be collected more than once. It controls production, not by imposing quotas of production, but by automatically increasing the size of the fee and consequently reducing the total net profit if overproduction is indulged in.

Under the allotment plan, the domestic consumption would be segregated from the export supply and the domestic portion purchased by handlers at not less than cost of production. The surplus would be sold at a lower price.

Hoot Owl Forestry Club Is Organized

Mill City—The boys of the Mill City English grade class have organized a Division I 4-H Forestry club with Prof. H. Aspinwall as club leader. The boys named the club the Hoot Owls. The boys are learning the description of the different kinds of trees, telling their heights, and characteristics. Club officers were elected. President, Frank Hamon; vice president, Pat Heron, and secretary, Robert Beeson.

BOOKKEEPING POPULAR

Scravelhill—Cecil Cox of Dever has organized an adult class in bookkeeping in this district, and plans to meet one night each week. Twelve members have enrolled and others are expected to enter later.

DICKSONS AWAY

Butteville—Mr. and Mrs. F. G. Dickson and daughter, Jean, are spending the holidays in Centralia, Wash., visiting Mrs. Dickson's parents. They will also visit relatives in Tacoma and Seattle before returning.

described as the "fair exchange value."

The supreme court adjourned today until next Monday without announcing decisions on TVA and the Bankhead cotton act. The rulings may come a week hence or later.

Mothers!

In treating children's colds, don't take chances... use VICKS VAPORUB

PROVED BY 2 GENERATIONS

BUDGET SHOWS RISING COST OF GOVERNMENT

(Continued from page 1)

and house. "I will need a total of \$5,000,000,000."

In a new expression of policy, Mr. Roosevelt moved federal public works, the civilian conservation corps and agricultural benefit payments from the category of "emergency" to "regular" federal activities.

"Success" justified the change, he said.

Even the new high level of "regular" expenditures, it was said, would leave a \$5,000,000 surplus of revenue (before relief costs) as a result of "increased earning power and profits throughout the nation and not from the new taxes imposed" last summer.

In defense of new deal financial policies, Mr. Roosevelt added:

"The credit of the government is at its highest."

"The average business men of the nation stand ready to do their share."

"It is to be hoped that the motives and attacks which spring only from the desire for political or financial power on the part of the few will not retard the steady progress we are making."

"Our policy is succeeding. The figures prove it."

"Secure in the knowledge that steadily decreasing deficits will turn in time into steadily increasing surpluses, and that it is the deficit of today which is making possible the surplus of tomorrow, let us pursue the course that we have mapped."

In his partial relief budget, Mr. Roosevelt estimated a \$1,103,000,000 carryover from 1935's billions of relief money.

By deducting the estimated \$5,000,000 surplus representing the difference between income and "regular" expenditures, he arrived at the partial estimate of the 1937 deficit—\$1,098,000,000.

This compared with an estimated \$3,234,000,000 deficit at the end of the current fiscal year on June 30—a difference of \$2,136,000,000. Mr. Roosevelt's nearest hint of how much future relief requests may be was:

"I do not anticipate that the need for additional relief funds will be as great as that sum (\$2,136,000,000)."

Especially evidencing expected business improvement was a forecast that 1937 income tax collections would increase half a billion over 1936's estimated \$1,434,000,000.

The new deal policy adopted in 1933 "to stop the downward economic spiral," the president said, was "predicated on two inter-dependent beliefs."

"First the measures would immediately cause a great increase in the annual expenditures of the government—many of these expenditures, however, in the form of loans which would ultimately return to the treasury."

"Second, as a result of the simultaneous attack on the many fronts I have indicated, the receipts of the government would rise definitely and sharply during the following few

Informal Evening Party Is Enjoyed

Aurora—Mr. and Mrs. J. M. Will asked friends to an informal New Year's eve watch party at their home in West Aurora. Guests included Mrs. Winnie Mulloy, Miss Vera Rocher, August Will, Mrs. Anna Scholl, Misses Lenore and Elvert Scholl, Hubbard; Miss Sarah Naftzger, Salem; Mr. and Mrs. Leonard Will and Miss Sarella Will, Jennings Lodge; Mr. and Mrs. L. I. Snyder, Miss Jean Snyder, A. C. Snyder, Carl Snyder, Mr. and Mrs. J. T. Smith, Mr. and Mrs. E. J. Snyder, Misses Emma Snyder, Clara Will and Bertha Stark, all of Aurora.

MIKE MIKULAK TO TAKE UP COACHING

Eugene, Ore., Jan. 6 (AP)—"Iron Mike" Mikulak, Oregon's powerhouse fullback from 1931-33 and this year selected as fullback on the coaches and players all-American professional football team, intends to give up his fullbacking job with the Chicago Cardinals and take up coaching next fall, he said there today.

Declining to state the particular position he has in mind, Mikulak, who is completing his college course here this term, said it would probably be in the big ten conference which only recently lifted the ban on coaches from professional ranks.

MRS. ROSE COLLINS CALLED BY DEATH

Woodburn, Jan. 6—Mrs. Rose E. Collins, 60, resident of Marion county for more than 25 years, died early today at her home five miles southwest of Gervais on the Salem-Newberg highway.

Mrs. Collins was born July 13, 1876, in Chillicothe, Mo., coming to Oregon and settling near Gervais a quarter of a century ago. Funeral arrangements are being made at the Beechler-Killian funeral parlors in Woodburn.

She is survived by her widower, A. L. Collins, two daughters, Mrs. Daisy Mills of Woodburn, and Mrs. Arnette O'Brien of Oakland, Cal.; one brother in Missouri, and one sister in Mississippi.

years, while greatly increased expenditure for the purposes stated, coupled with rising values and the stopping of losses would, over a period of years, diminish the need for work relief and thereby reduce federal expenditures. The increase in revenues would ultimately meet and pass the declining cost of relief."

"There is today no doubt of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed and with the results attained up to the present time we shall continue our successful progress during the coming years."

"The finances of the government are in better condition than at any time in the past seven years..."

"The budget reflects a substantial decrease in the spread between income and outgo."

\$8075 PAID TO SEE GRUNTERS

The Salem Boxing and Wrestling commission, a report of whose activities will be filed with the city council at tonight's meeting, operated at an expense of approximately one per cent of the gross income during 1935, according to statistics as compiled by Cliff R. Parker, commission secretary.

Gross income for the year from wrestling is fixed at \$8075.10 in the report. Boxing brought revenues of

\$1383.60 or a total of \$9458.70. Of the total the commission receives six per cent. Due to a substantial amount remaining on hand at the beginning of last year, the commission has a cash balance of \$395.37 although a check for \$500 will be turned over to the city tonight. The \$500 is the commission's contribution to local charity work, 60 per cent being used in the interest of veteran work and the balance in general relief. The largest expense of the year was the installation of a fan at the armory at a cost of \$65. Although keeping of the commission's records entails considerable work the secretary receives but \$5 a

month for his efforts. Members of the commission are Harry Levy, chairman; Dr. H. H. Olinger, Dr. J. H. Lynch and Walter Fuhrer.

HARMS GUESTS LEAVE
Middle Grove—Mr. and Mrs. A. A. Harms had as their guests during the holidays Mr. and Mrs. E. L. Hoodenpye. The Hoodenpyes were enroute to their home in Gooding, Idaho, after an extensive tour thru California. On their departure they were accompanied by J. P. Hoodenpye, father of Mrs. Harms, who has been a house guest at the Harms' home for the past six weeks.

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