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—May in Cleveland Leader.

THE FLAG AND THE MAN.

GOVERNOR HUGHES' VETO

Reasons for Vetoing Certain Bills While Governor of New York.

(Continued from last week.)

The next question is: "Why did the Governor veto the five-cent Coney Island fare bill?"

The memorandum upon this veto will be found in "Public Papers, 1908", page 93. In this memorandum the Governor said:

"It is plainly intended to affect charges over existing lines. It establishes a maximum rate of five cents without regard to the length of the route or the reasonableness of such a fare. In other words, it is an arbitrary maximum imposed by legislative fiat. But it is clear that if the rate is not a reasonable one and if the requirement would operate as a confiscation of the company's property, the Legislature cannot impose it. The attempt to enforce such a rate under such circumstances would be abortive, as a successful appeal could be made to the courts. It is idle to suppose that the companies can be compelled to reduce their fares to five cents merely because the Legislature says so.

"Whether a five-cent fare is a fair one depends upon facts and not upon sentiment, desire, or prejudice. Whether the result be agreeable or disagreeable, it inevitably will be reached only after the facts have been ascertained and considered. Justice requires this and under the Constitution the requirement will be enforced.

"The proper way to deal with these matters is to provide for investigation in which the whole subject can be considered, specious claims sifted out, and a result just both to the corporations and to the public arrived at.

"It may be said that the provision of this bill with regard to the Public Service Commission has this effect. But this is not the case. The bill provides for a flat rate of five cents unless the Commission consents to a higher fare. It does not provide that the Commission shall ascertain or fix a just and reasonable rate or that an increase shall be allowed because it is just and reasonable. Evidently the bill was drawn not to give the Commission power to fix a just and reasonable rate, but to fix a rate by statute with a provision for appeal from the Legislature to the Commission and without any proper indication of the conditions under which the appeal is to be heard.

"This can only result in confusion, affording as it would opportunity for protracted litigation over the validity of such a statute and postponing the proper

settlement of the real question involved.

"It is highly important that we should have transportation in our cities at the lowest fair rates. It is desirable that in New York city there should be low rates from the congested quarters to the breathing spots in the outlying districts and by the sea. The sure way, and the only way, to make real progress in this direction is through the ascertainment of the essential facts and the making of reasonable rates in accordance with the facts. This bill is wrong in principle and it is not adapted to secure the desired result. I cannot approve it."

The next question is: "Why did the Governor urge the Legislature not to approve the Income Tax amendment?"

His message on this subject will be found on Page 72 of "Public Papers of 1910": In that message the Governor said:

"I am in favor of conferring upon the Federal government the power to lay and collect an income tax without apportionment among the States according to population. I believe that this power should be held by the Federal government so as properly to equip it with the means of meeting national exigencies.

"But the power to tax incomes should not be granted in such terms as to subject to Federal taxation the incomes derived from bonds issued by the State itself, or those issued by municipal governments organized under the State's authority. To place the borrowing capacity of the State and of its governmental agencies at the mercy of the Federal taxing power would be an impairment of the essential rights of the State which, as its officers, we are bound to defend.

"You are called upon to deal with a specific proposal to amend the Constitution, and your action must necessarily be determined not by a general consideration of the propriety of a just Federal income tax, or of giving to the Federal government the power to lay such a tax, but whether or not the particular proposal is of such a character as to warrant your assent.

"This proposal is that the Federal government shall have the power to lay and collect taxes on incomes from 'whatever source derived'.

"It is to be borne in mind that this is not a mere statute to be construed in the light of constitutional restrictions, express or implied, but a proposed amendment to the Constitution itself which, if ratified, will be in effect a grant to the Federal government of the power which it defines.

"The comprehensive words, 'from whatever source derived' if taken in their natural sense, would include not only incomes

from ordinary real or personal property, but also incomes derived from State and municipal securities.

"It may be urged that the amendment would be limited by construction. But there can be no satisfactory assurance of this. The words in terms are all-inclusive. An amendment to the Constitution of the United States is the most important of political acts, and there should be no amendment expressed in such terms as to afford the opportunity for Federal action in violation of the fundamental conditions of State authority.

"I am not now referring to the advantage which the States might derive from the exclusive power to tax income from property, or to the argument that for this reason the power to tax such incomes should be withheld from the Federal government. To that argument I do not assent.

"I am referring to a proposal to authorize a tax which might be laid in fact upon the instrumentalities of States government. In order that a market may be provided for State bonds, and for municipal bonds, and that thus means may be afforded for State and local administration, such securities from time to time are excepted from taxation. In this way lower rates of interest are paid than otherwise would be possible. To permit such securities to be the subject of Federal taxation is to place such limitations upon the borrowing power of the State as to make the performance of the functions of local government a matter of Federal grace."

The next question is:

Why so many of the Governor's decisions "during his brief career on the United States Supreme Court Bench were in favor of privileged interests?"

The Governor's career on the bench covers six years. His decision were not "in favor of privileged interests". Critics should not make sweeping assertions but should be specific. The Governor's record on the Supreme Court Bench would be very greatly to his advantage if he would permit it to be used, especially with regard to organized labor. But he will not permit any decisions written by him to be used to advance his candidacy.

Of course, it would be proper to meet any specific attack upon this record by citing the facts.

GREAT RAILROAD STRIKE.

Before one condemns the one and commends the other they should inquire into the differences more carefully than the average newspaper publishers, who have been so radical in condemnation, have done. That a general strike on the railroads of the country would be a National catastrophe there is no doubt; but war is also a fearful thing, yet it sometimes happens that it seems inevitable. To arbitrate seems fair on the face, yet there are sometimes tricks in arbitration. It often happens that the court selects men who are professional referees just as it sometimes happens that professional jurors are selected. There are always two sides to any question. If the railroad men are dissatisfied with the conditions under which they labor there is nothing in the constitution of this free government that will prevent their quietly throwing up the job. The power to make or break the great railroad companies lies in the hand of labor and it might be well to give them their "day in court."

"MOOSE DRIFT TO WILSON APPROACHES STAMPEDE"

Declares the Democratic Campaign Committee. Below is the Stampede.

For Hughes	For Wilson
Theodore Roosevelt	Bainbridge Colby
Raymond Robins	Francis J. Heney
Oscar S. Straus	Ole Hanson
Gifford Pinchot	John Seymour
Hiram W. Johnson	
James A. Garfield	
Chester H. Rowell	
Albert J. Beveridge	
William Allen White	
George W. Perkins	
Harold L. Ickes	
George L. Record	
Henry J. Allen	
Charles J. Davenport	
Stewart Macdonald	
Horace S. Wilkinson	
Nephi Morris	
H. P. Gardner	
Elton H. Hooker	
F. J. Corrick	
Clarence F. Dodge	
Raymond McFarland	
Charles S. Bird	
W. W. Seymour	
William Hamlin Childs	
W. D. Stevens	
Everett Colby	
and etc.	

HOME TRADE AND THE COUNTRY PAPER.

"I've just been glancing over this paper from a little town down in southern Illinois," said the real estate agent.

"It isn't much of a paper, is it?" commented his prospective customer.

"That's where you're mistaken," corrected the agent. "This is a humdinger of a newspaper proposition and I'll prove it to you.

"I've met the editor personally and I'm acquainted with the town where he is located. I know its alleged business men. I know the citizens of that place as I know my family. And, putting my knowledge of the different elements together, I have a pretty fair idea of the proposition the editor of this sheet is up against. And, needless to add, I wouldn't trade him jobs.

"When the editor came to that town, five years ago, he hadn't a dollar to his name, but he has held his own. He has as much now as when he started.

"He walked into that town with an army press under his arm. When he announced that he was going to start a weekly newspaper, one man immediately subscribed for three months at 25 cents. Another paid for six months, but not without considerable misgivings. Still another, who was locally known as a desperate gambler, and dead-game sport, subscribed for a whole year.

"The merchants told him they didn't care to advertise just yet, but each donated half a dozen articles on the evils of patronizing the mail-order houses and told him that he had their permission to print them some time, when he wanted to fill up the paper. The first issue of that paper would have been entirely free of advertising if it hadn't been for a man whose wife died and wanted a card of thanks.

"That editor started in telling the business men what he thought of them and the result was such interesting reading that the subscription list grew by leaps and bounds. Then he took the list to progressive dealers in neighboring towns and got their advertising and then the local dealers had to fall into line.

"The editor does a good business and puts all his earnings back into his plant. He has put the town on the map. There are thousands of country editors just like him. But if you go into that town and talk about him to the merchants they will tell you he'd be a good editor if he told the farmers to patronize home trade. The idea of buying advertising space and telling the farmers themselves has not yet occurred to them."—Chicago Daily News.

Continuation of Sale

For another week Special Sale Prices will prevail on Ladies Oxfords at 1-2 price rubber soled shoes.

BATHING SUITS

SUMMER DRESS GOODS

An opportune time to buy your needs to finish out the summer at lowered prices.

SELIG'S, Cash Price Store,
"Meeting and Beating Competition".

That Vacation

trip should not be delayed

Newport

"Oregon's premier beach resort"
is not far away and is easily reached.

2 Daily Trains

from Albany and Corvallis. Low round trip fares are available. Good hotel accommodations. Fine surf bathing. Boating on Yaquina Bay.

SEASON FARE \$5.50

You can't beat Newport for a place to enjoy a vacation

Ask any local agent or write to

John M. Scott, General Passenger Agent
Portland, Oregon

SOUTHERN PACIFIC

The Sheridan Sun says that the thistle crop in that city is ready to harvest.

The car shortage appears to be a habit rather than a disease. Too bad that it can not be blamed to the European war.

A man in Washington is said to be making a bust of President Wilson. If he will only wait a little while Mr. Hughes will accomplish that little job for him.

Notwithstanding the great crisis on the Mexican border, and the strenuous efforts to catch Villa, Gen. Pershing and his "Flying Squadron" had time to "doll up" and have their pictures "took".

The Democratic papers are much worried for fear Hughes

has endangered the chances of his election by his exposure of Wilson's "Weary Wobbles." Doubtless Mr. Hughes fully appreciates their solicitude.

"Faith in Hughes still booms real estate in this section," says the Sheridan Sun. A \$15,500 real estate deal was pulled off.

The City Council of Beaverton have declared war on bicycle riding on the sidewalks and will prosecute all offenders. They appear to think that it is their duty to see that the ordinances are enforced as well as to make them.

Verle Courter attended the "Safety First" picnic at Salem Tuesday and then went to Jefferson and visited his sister.