The Sentinel

A GOOD PAPER IN A GOOD TOWN

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THE TARIFF IS THE PARAMOUNT ISSUE

A missionary from China was recently telling of the steel mills in that country where just as fine steel is produced as in our own mills at Pittsburg, Penn., or Gary, Ind. The point of his story was that the few cents paid labor per day in that country so reduced the cost of manufacture in China that the owners of the mill there could ship their steel rail across the Pacific, and thence by railroad to Cheyenne, Wyo., pay the tariff and still compete on even terms with rails produced in Gary and shipped to Cheyenne.

What would living conditions be in the United States if our manufacturers had to reduce their labor costs in order to compete with Chinese or any other foreign cheap labor, paying but a few cents a day for skilled labor The protective tariff does and has raised the working man's condition in this country and it should be maintained according to Republican principles.

The Hawley-Smoot tariff is not an embargo on imports. It did not cause the depression. It has not destroyed our export trade. And it has not resulted in foreign retaliation against us. Here is the proof of each of these statements:

(1) The Hawley-Smoot law was passed in June 1930 and finished its first two years of operation on July 1 of this year. During those two years we imported foreign merchandise valued at $4,141,600,000 and of this sizable total 68 percent came in duty free. Of our total imports, in other words, $1,323,400,000 paid duty and $2,818,200,000 came in duty free. The tariff is not an embaro.

(2) The depression began in the fall of 1929 and as we look back now we can see it was coming in the spring of 1929. The Hawley-Smoot tariff was not passed until June, 1930. The tariff did not cause the depression

(3) For the first two years of the Hawley-Smoot tariff our exports amounted to almost five billion dollars, $4,940,710,000, to be exact. The tariff has not destroyed our export trade.

(4) Foreign nations have raised their tariffs during the past two years and they have done so in order to protect their own producers and labor from foreign competition in their own markets. They have not raised their tariffs against us alone, but against all nations invading their markets which they regard as belonging first and foremost to their own producers. And note this: in the four years 1925-1928, in other words, before the Hawley-Smoot revision was even begun, thirty-seven big and little foreign nations made eighty-seven upward revisions in their tariffs. The tariff has not resulted in foreign retaliation against us.

So much for what the tariff has not done. What has it done? It has restricted the importation of foreign merchandise into this country and thereby kept American plants going which otherwise would have been idle and it has kept American labor employed which otherwise would have been walking the streets. That's what the tariff has done, and the man does not live who can deny it.

As bad as you think the depression has been, ask yourself if things would have been better or worse with increased imports coming into this country during the past two years.

President Hoover was given a gigantic reception in DesMoines, Iowa, Tuesday evening, when 200,000 people poured into the state capital of Iowa to see him. Only 4,000 could be accommodated in the auditorium where he spoke but loud speakers all over the city, and the national broadcasting assured that millions heard the greatest speech the president has ever made. That it was a sympathetic crowd was evidenced by the thunderous applause which interupted him so frequently. Mr. Hoover spoke for more than an hour and a half, covering all phases of our national life and policies, and giving much authentic information not generally known.

The need for maintaining a high tariff was the keynote of his address, and his outline of what has been done to break the depression has made a profound impression on the millions who heard him.

WEIGH THE POSSIBILITIES

What we are about to say will not appeal to those who wish to away with all prohibition laws, but it should cause those who are opposed to the return of the saloon to consider what the outright repeal of Oregon's bone-dry law will mean. It would mean that the state would have no police power or any kind, nor the counties nor the cities, in controlling the sale of intoxicating liquor Not only light wines and beer, but whiskey, moonshine, alcohol—all the hard liquors—would be sold anywhere in the state, with only the federal officers to fear, and there are not enough of them to make control effective.

It may be argued that liquor can be pretty generally purchased now, at any time and any where, but if there was no state prohibition law, the violation would be much more flagrant. Whatever the outcome may be nationally, Oregon can hardly afford to repeal its bone-dry law before congress has passed some kind of liquor-contolling legislation, in the event that the eighteeneth amendment is repealed.

In congressional action on the prohibition question, Oregon congressmen will naturally be guided by the state's vote on repeal next month, and this also adds to the importance of the vote this fall.

It is more than likely that all voters have their minds made up as to how they will vote on the wet and dry issue, but there is every reason for Oregon to wait until the national prohibition acts are repealed before throwing the state wide open to the moonshiners and bootlegger. And this latter class is naturally standing with the most ardent prohibition supporter in opposing repeal of the federal amendment and Volstead act.

Two million cattle south of the Rio Grande in Mexico are worth two dollars and a half per hundred weight, was the gist of President Hoover's statement at Des Moines, Tuesday evening. North of the Rio Grande they would be worth five dollars and a half and the only thing that keeps them out is the tariff wall at the international boundary. If it were not for that barrier how quickly those millions of head of stock would break the price of cattle in the United States!

Another tariff reference President Hoover made was that the foreign nations, which now have tariff laws of their own, would be mighty glad to reduce their schedules on manufactured goods could the United States be induced to lower its tariff on agricultural products. The protection of U. S. farmers irks and hurts the foreign nations.

ABOUT THE TWO BILLION TAX REFUND

"I would very much like to have you explain the so-called 'two billion dollar tax refund' made during the time Andrew Mellon was Secretary of the Treasury. I have heard much comment on this and have read a number of articles which severely criticize the Hoover administration."

Above was a letter written by an Oregon citizen to the Oregon Voter, and below is the answer which its editor, C. C. Chapman, published, and which should clear up the misunderstanding under which some people are laboring.

The refunds in question were not made during the recent session of Congress. They spread over a period of years, and were of overpayments of high-rate taxes levied during and immediately after the war, taxes levied on war profits, excess profits and other income. The reason for overpayment was that the treasury department interpreted the law against the taxpayers. Many taxpayers paid the full sums demanded, and put in claims for refunds of what they regarded as overpayment. It took many years to adjust most of the large claims. As to some points at issue, the outcome of contests in court had to be awaited.

When it became apparent, under rulings established by court decisions and on appeal, that the refunds of overpayments were likely to aggregate a large sum, Congress decided to have one of its own committees review and audit each refund allowed in a sum in excess of $75,000. The records in those cases were submitted to the congressional committee, and no refund was made in any of those cases until after the award was approved as a just claim.

Some of these refunds ran into large sums, especially those to U S Steel and other large corpoations. Among the large corporations claiming refunds were some in which Andrew Mellon was a shareholder. The income was received and the tax overpayments made chiefly in the flush times prior to 1920 and 1921, when Mellon was appointed secretary of the treasury. The Mellon corporations which had overpaid were just as much entitled to refund of overpaid taxes as were U S Steel and other corporations, small and large. The fact that Mellon was serving his country should not have been held against the justness of overpayment claims.

In the review and audit of these awards, Congressman Hawley as chairman of House Ways and Means was required to certify the report of the subcommittee which audited and reviewed in behalf of Congress. Congressman Garner was the ranking democratic member of Ways and Means. All of the subcommittee reviews and reports were available to him as well as to the chairman and other members of the committee, republican and democratic.

So large were the overpayments made by some of these large taxpayers that the awards were of large sums. The committee exercised great caution in approving these awards, as its members recognized the political dynamite there was in making large tax refunds to large corporations, even though the refunds were for proven overpayments and were proven to be correct.

Congressman Garner was quick to sense the possibility of making partisan political capital out of the large refunds and out of the aggregate of all refunds made through the years. He capitalized the amounts of big refunds and the total, and so distorted the facts that corruption was implied.

Neither Garner nor anyone else had the audacity to challenge the correctness of the refund in any case. These partisan critics simply set forth enough to excite popular prejudice.

Further investigation and examination proved that the refunds were of the minimum amounts that had to be allowed under law for tax overpayment; that the treasury department had construed against the taxpayers whenever possible under the law, and that the congressional committee had investigated the awards carefully and thoroughly before certifying their approval. The taxpayers were entitled to refund of overpayment just as you would be if you were to pay in full a demand which you believed to be excessive, making the payment pending determination by court of all points at issue, and then claiming and receiving your refund, with interest, as provided by law and stipulated clearly at the time you made the original payment.

One of the things which revolted our stomach when Garner was nominated by the democratic national convention in Chicago was his notoriously unscrupulous partisan distortion of the facts in these refund cases. He had full knowledge of these facts, but he perverted them for political effect

Garner's misrepresentations were exploited successfully by the partisan press to defeat Hawley at the spring primaries in Oregon. Hawley was wrongfully placed in the light of having favored the big corporations. They did him an injustice, and helped deprive our nation and state of the services of that veteran congressman.

The hypocrite with his mouth destroyeth his neighbor, but through knowledge the just shall be delivered.

Rumors of impending strife under the dome of the capitol when the legislature meets again are already current, although the session is still three months in the future.

Two years ago with Governor Meier just newly elevated to office on one of the largest popular majorities ever given a gubernatorial candidate in this state the lawmakers were inclined to listen to the voice of the people, and follow the new leader, regardless of where he might lead. The state police department was created at the request of the governor; the traffic force was wrested from Secretary of State Hoss and given into the governor's keeping; power bills were passed designed to provide "free power without cost to the taxpayers"; the three-man utility commission was wiped out and a one-man commission set up in its place and added utility regulations were written into the statutes.

Many of those who voted for these administration measures, unquestionably did so in the sincere belief that they were for the best interests of the people of the state. Others, just as surely, did so in the hope that by giving the governor plenty of rope he would hang himself politically.

In the two year interim many changes have taken place. The newness has worn off the leader. Many who were recognized as administration leaders in both house and senate are now definitely "off the reservation." Many flaws have developed in the power bills. There has been no noticeable reduction in electric or phone rates in spite of the dictatorship which the last legislature sought to establish.

Already new and most perplexing problems are showing themselves above the legislative horizon. These include tax relief, unemployment relief, lower motor vehicle license fees, reduced salaries for state officials and employees and a widespread demand for greater economy in public expenditures. All of which gives promise of much difference of opinion and a striving of forces which will tax the ability of the governor to control in the support of any program which he may have to offer. By all tokens there will surely be a tropical time in the capitol town when the lawmakers meet again.

Tax paying time is here again—at least for those with incomes big enough to be recognized by the tax department. More than $460,000 in income, intangibles and excise taxes was turned over to the state treasurer by the tax department Saturday and all this week the department has been swamped by a flood of returns, mailed in the last minute to avoid interest and penalty on the second-half payments.

Loans to world war veterans have been temporarily suspended by the State Bonus commission. The action of the Oregon commission is said to have a precedent in that of California's commission which suspended loans more than a month ago. Depletion of the cash balance of the commission due to failure of veterans to meet principal and interest on outstanding loans, is given as a reason for the suspension. Records of the commission show that they are now in possession of foreclosed properties valued at more than $2,000,000 for which there is no market with a present delinquency in current loans of $363,973. Legislative action and court rulings increasing the number of veterans eligible to the loan privilege under the bonus act is also blamed for the present situation. Oregon is one of the very few states in the union making such liberal bonus provision for its service men. Members of the commission were not in a position to indicate when loans would be resumed.

Max Gelhar, director of the state department of agriculture, reports that the state fair not only paid its way but left a healthy balance to apply toward whittling down deficits incurred in past years.

Little by little Oregon is whittling down its bonded debt. Last week State Treasurer Holman sent $3,669,671.59 to New York City to pay off maturing bonds and meet interest payments. Of this amount $1,937,500 went toward the reduction of the highway debt and $686,567.84 toward the payment of interest on highway bonds. Another $500,000 was applied on the payment of veteran bonus bonds and $545,603.75 went toward the payment of interest on bonus bonds. These payments have reduced the state's outstanding bonded debt to $57,015,010.

Voters of Oregon will have plenty of free reading when the new voters' pamphlet is issued. Forty-eight pages are required to describe the merits of the various candidates for public office and the many reasons why each of them is entitled to support in the November election.

Junior Hi Notes

In the past two weeks four new students have entered the Jr. Hi. In the eighth grade Rex Kelley came from Allegany and Dorothea Hahn came from Bandon. In the 6th grade Videlle Kelley came from Allegany and Donald Gardner from Missouri.

A second baseball tournament is now in progress. Up to date the 8B2 room is in the lead in both boys and girls' games.

On Wednesday at the noon hour the Junior Hi and the high school Freshmen played a baseball game, resulting in victory for the Jr. Hi, 7-3.

The Jr. Hi had two representatives at the state fair this year. Eileen Kendall went as county winner in the 4-H health club. She did not win a place in the state, however. Teddy Cadman was our farm representative. He brought back several ribbons.

The library is open now with four girls in charge. A number of new books were a welcome addition. Each room has access to the library one day each week with the privilege of keeping the book chosen one week. The librarians are Marilyn Compton, Kathleen Brady, Georgia Sherwood and Audrey Taylor. Marilyn was elected head librarian.

STATEMENT OF OWNERSHIP

The Coquille Valley Sentinel is published at Coquille, Oregon. H. A Young and M. D. Grimes are the owners and publishers. H. A. Young is editor and manager.

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H. A. Young, Editor.

Sworn and subscribed to before me this 24th day of September, 1932. J. J. Stanley, Notary Public for Oregon. My commission expires Dec. 4, 1935.