The Sentinel

A GOOD PAPER IN A GOOD TOWN

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DEBT RELIEF UNDER ROOSEVELT

Lincoln would have freed the slaves by federal purchase from their owners. He would finance the purchase with federal bonds, to be serviced and redeemed by federal taxpayers. If his proposal had prevailed, the families and finances of federal taxpayers would have suffered less than they did suffer under the sacrifices of blood and fortune that were involved in carrying the civil war through to a decision.

Roosevelt would relieve debtors by federal purchase of their mortgage debt from the insurance companies and other owners of bonds and mortgages. He would finance the purchase of farm mortgage debt by a two-billion dollar bond issue. Further billions of bonds would have to be issued to finance purchase of mortgages on city homes and bonds of railroads and other essential public service enterprises. Principal and interest of all this debt would have to be readjusted downwards to a point low enough to permit most debtors to pay out, else the federal government would have to take over and operate farms, railroads, public utilities and residential realty. The write-off of principal and interest would have to be made good by federal taxpayers during forty years by servicing and redeeming federal bonds.

If Roosevelt's leadship is followed, federal taxpayers may suffer less than they are likely to suffer if debtors are rendered desperate by loss of home and property along with loss of livelihood.

Against the Roosevelt policy of orderly relief from excess debt at federal taxpayer expense is the argument that under heavy federal taxes for debt relief, farm relief, unemployment relief and destitution relief, so much income and capital will be taken from federal taxpayers that taxpayer enterprise and federal credit will break down under the strain. If federal credit is lost, private creditors will face ruin.

The alternative is to refuse to follow Roosevelt's leadership and take a chance on what may happen to the social structure under repudiation, foreclosures, receiverships and bankruptcies that will transfer the bulk of debtor property to creditors who in turn will have to take heavy losses in trying to operate it and dispose of it. If this enforced liquidation involves too many debtors in ruin, momentous consequences may develop.

Roosevelt's policy is the policy of courage and hope, not of creditor laissez faire and debtor despair. If it is supported by Congress and is administered without too heavy losses, it may save the country from peril and give millions of deserving debtors a chance to survive. With that chance their enterprise may re-establish prosperity, win fortune and share the tax burden of bond redemption.—Oregon Voter.

Oregon's higher educational institutions are facing the stupendous task of reducing the budgets for next year at least three quarters of a million dollars under the going rate for this year, Chancellor W. J. Kerr told the university and college faculties at recent meetings. Means of savings outlined by the chancellor included reductions in offerings through elimination of duplicating courses and highly specialized subjects, elimination of small classes, increasing teaching load of instructors and reorganizations and reductions in administrative costs. The fundamentals of education, Dr. Kerr stated, must be maintained and the quality of the work given must be kept at its present high level.

What a wonderful difference the warm sunshine makes. Yesterday was a perfect spring day, and there were more people on the streets than there have been before in weeks. The stores all were busy, too.

TABLOIDS

By W. S. Sickels

"All I know is what I read in the papers."—Will Rogers.

Revolutionary Theories?

That there will be a complete breakdown of the present systems of taxation in this country seems imminent. From such a disaster—and I doubt it it would be a disaster—will arise a method of providing for the cost of government that will be based on reason and honesty. The most important thought in connection with a new system for raising revenues is the freeing of capital and labor from present imposts and others that threaten in the form of emergency expedients. Free capital and labor from taxes? Is it a wild utopian dream? Believers in the single tax maintain that it can be done.

It is throttling taxes that makes recovery from the depression more difficult. Every effort to promote business has to face taxes unparalleled in nature.

Just imagine the results from the announcement that business would no longer be taxed; that the huge financial load that business is now shouldering would be entirely removed.

The depression would be over in a month.

Every business man would breathe a great sigh of relief. He would increase his investments, his promotion activities, and would add to his force of employees and greatly augment his business.

And if labor were also freed from this incubus—yes, the average working man will say that he is now free from taxes, but he is laboring under a delusion. Every article he buys is increased in price because of the tax that all businesses are now paying.

But if capital and labor are to be relieved of all taxation, from what source will the government procure its financial needs.

From land values, the single taxers tell us, and by that they mean that users of land should pay rent for it into a community fund that would pay all of the cost of government, and the rent would be less than that now paid in taxes under the present system.

Great cities were formerly farms; cornfields were turned into city blocks. The value of this land was increased in some cases ten thousandfold. Who created these increased values? Certainly not the land owner. The citizens who built up the community created these values. I believe thoroughly in the principle that when anyone creates a value of any nature it is his personal property. Therefore, if we adhere to this absolutely just principle, the land values created by any community or city should belong to the citizens who created them.

That is the firm foundation upon which Henry George built his theory of single tax; that ground rent, instead of being paid to land owners, should be paid in place of taxes to the government.

Now you can call that principle single tax or give it any name you choose, but it is the simplest form of justice. What you create should belong to you; what the community creates should belong to it.

This is a great subject and much of the foregoing language is not my own. I have gathered it from much matter that has come into my hands of late. Henry George's book, "Progress and Poverty," has been in my library for twenty years, but I haven't given much thought to his philosophy until lately. The more I think about it the more I wonder that an enlightened people (in everything but taxation) can tolerate the penalizing of industry.

Lincoln would have freed the slaves by federal purchase from their owners, financed by the sale of federal bonds. This fact in history is recalled by Oregon Voter, followed by the statement that had Lincoln's proposal prevailed the families and finances of federal taxpayers would have suffered less than they did suffer from the sacrifices of blood and fortune that were involved in carrying the civil war through to a conclusion. This editor then refers to Roosevelt's program of debt relief with the thought that federal taxpayers may suffer less than they are likely to suffer if debtors are rendered desperate by loss of homes and property along with the loss of livelihood. Roosevelt's policy is referred to as a policy of courage and hope and that a refusal to follow his leadership is to take a chance on what may happen to our social structure.

The editorial referred to appears elsewhere in this issue of the Sentinel.

As a large section of the alphabet has already been used in designating and describing vitamins we will now begin using numerals for additional discoveries in the vitamin field, starting with 3.2.

White corduroy trousers! Look nice when they are clean. Not often clean. Mother and the wash-tub. What's the difference? Rah! rah!

The Liberty Theatre's special Saturday night offerings give the town the appearance of having some night life. The oldsters and the youngsters both are "stepping out" for a midnight frolic and parking space is scarce.

Forty states have received relief loans from RFC. Oregon has received $2,078,838. Illinois has received the greatest amount, the sum being $44,738,621, yet Chicago school teachers have not been paid their salaries for the past six months.

Amendments to Bancroft Act

The "Bancroft Act," the state statute which has long enabled cities to issue bonds for street improvements, sewer construction, etc., was amended by the last legislature to specifically include also "installation of ornamental street lights." This was passed as a hint to all towns like Coquille. The brilliant show windows of Mountain States Power Company's sales room are the only lights that can be noticed at night in Coquille's down-town district.

Another amendment to the Bancroft Act permits rebonding. The measure provides that a property owner who is delinquent in his street assessments may, with certain conditions, file a new application to pay the amount of his delinquent assessments in twenty semi-annual installments.

Another amendment permits cities to accept its bonds in payment of street assessments. Here is a present-day advantage: if, for example, you could purchase a bond for 25 per cent discount the city will accept it at par.

State Capitol News Letter

By A. L. Lindbeck

While general fund warrants are being indorsed "not paid for want of funds" and probably will continue to be so indorsed for the next 18 months, there has been a decided improvement in the condition of the state's finances during the past two weeks.

The $700,000 loan from the highway department has been repaid in full, and $730,000 of the $1,000,000 loan from the bonus commission has also been repaid. Against this retirement of $1,430,000 of obligations there is an accumulation of approximately $800,000 in unpaid warrants or a net gain of approximately $650,000 in the condition of the fund.

With the highway loan wiped out and the bonus commission satisfied for the time being State Treasurer Holman has announced that he will now turn his attention to the bank loan of $1,024,000 which he proposes to whittle down as rapidly as funds are available.

Retirement of the highway and bonus commission loans to the general fund were made possible through receipts from the income and excise taxes and insurance fees during April. The next sizeable contribution to the general fund will come in May when property taxes come due. These are expected to be sufficient to complete retirement of the bank loan and to make possible the calling of many of the warrants which are now being indorsed.

Not even the most optimistic statistician in the treasury and state departments, however, can see any prospects at this time for the state to go off the warrant basis until the latter part of 1934, unless a new loan is floated in the meantime to put the state back on a cash basis.

For the first time in more than ten years the state is not only living within its budget but is slowly but surely digging out from under the huge deficit which has accumulated in that time. Barring unforseen emergencies the deficit of $3,924,011 with which the general fund was confronted at the beginning of this biennium should be reduced to something like $1,000,000 by the end of the present two year period.

The new automobile licenses, in style after July 1, will be black and yellow—black letters and figures on a yellow background. Secretary of State Hoss placed an order for 250,000 sets of them this week at a price slightly under eight cents a pair.

The state fair will open on Labor Day, September 4, this year for a week's run. This will be the earliest date for this fair in many years. Horse racing will be the big attraction on the amusement program. Premium awards will be cut to 50 percent of those of previous years due to the fact that the legislature cut off the fair apropriation entirely.

State Treasurer Holman is absent on another vacation. Because his southern trip was marred by so many inquiries about state affairs he slipped away this time without telling the public where he was going or how long he expected to be gone.

While the legislature adjourned more than a month ago the presiding officers and desk clerks of the two branches completed their work only last Saturday. They have been on the job checking up the records of the session in preparation for publication of the House and Senate journals.

Probably the first race meet to be held in Oregon under the new act legalizing horse racing and the pari-mutuel system of betting, will be staged at the fair grounds, Salem, July 3 to 8, inclusive. Profits from this meet, if any, will be applied toward financing of the state fair in September.

Defeat of senate bill 19, the much discussed public utilities bill, in the last legislature, is laid at the feet of a powerful utilities lobby and utility controlled legislators, by Charles M. Thomas, public utilities commissioner, in his first public statement touching on this subject. Unless the complexion of the legislative body materially changes and the lobby activities are discontinued Commissioner Thomas declares there is no hope of satisfactory legislative action looking toward adequate protection of the consuming public.

At the same time as he takes this slap at the lobbying activities of the big utilities Commissioner Thomas warns that unless reasonable regulation can be brought about through legislation, public ownership is the only alternative.

Collections from income and excise taxes in Oregon this year are 40 percent below those for 1932. The tax commission in making up the state slump at 35 percent, which was not far amiss.

State House circles were shocked and saddened Monday by the sudden death of Charles T. Early, chairman of the industrial accident commission. Appointed by Governor Meier at the outset of his administration two years ago, Early had thrown himself wholeheartedly into the work of the department which has been going through the most trying experience in its entire history. He literally died in the harness, taking sick at his desk to which he had come early in the morning as was his custom.

More than $12,000 contributed by state employees last winter toward the relief of Oregon's unemployed still reposes in a Salem bank which is open under restrictions, it has been revealed. The amount represents the unexpended balance remaining out of a total of $85,122.49 contributed in the form of a days pay each month last winter.

Thirty lives lost and 100 persons injured in Oregon's average annual toll to the fire fiend, according to A. H. Averill, state fire marshall. Property losses from fire average more than $3,000,000 a year.

F. F. A. State Convention

The fifth annual state convention of the Oregon Association of Future Farmers of America will convene at Corvallis April 20 for a three-day session. Representing this organization are the Smith-Hughes agricultural students in thirty-five high schools in various parts of the state. According to Tom Willett, Wallowa, state president of the Future Farmers of America, there will be more delegates attending this convention than in any previous year.

While at the convenation, the Future Farmers will transact their regular business, elect ten outstanding boys in the state for the degree of State Farmer, select the "Keystone" chapters, and give special recognition to honorary members. The four winners in the sectional public speaking contests will compete for State championship. One of this group of four will be Bill Floten, of Coquille. Vocational agricultural contests and demonstrations will be of special interest to the 250 Future Farmers attending. Other events which will occupy the interests of the boys are: mock livestock auction, hog calling contest, radio broadcasts, banquet, tours and a leadership school for local officers of Future Farmers.

The fathers of the high school boys have been invited as the honored guests and special entertainment is planned.

Camp Fire Girls Notes

The Cheskchamy Camp Fire girls elected the following officers: President, Betty Brady; vice president, Alice Wheeler; secretary, Margaret Daniels; treasurer, Elois Wilson; scribe, Janie Ferbrache.

Vona Van Meter and Leona Belle Coy were voted into the group. The other members of the group are: Marjorie McGuffin, Margaret Daniels, Bernita Morris, Alice Wheeler, Betty Brady, Elois Wilson, Vivian Henderson, Jean Perroott, Janie Ferbrache. The guardian is Miss Rosabel Shone.

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