

The Sentinel

A GOOD PAPER IN A GOOD TOWN

H. A. YOUNG and M. D. GRIMES
 Publishers
 H. A. YOUNG, Editor
 Subscription Rates
 One Year \$2.00
 Six Months 1.00
 Three Months50
 No subscription taken unless paid for in advance. This rule is imperative.

Entered at the Coquille Postoffice as Second Class Mail Matter.

Office Corner W. First and Willard St.

Member
 OREGON PAPER PUBLISHERS ASSOCIATION

Timely Topics

By R. T. Moore

The convening of Congress brings to the fore the serious unsolved problems that menace our war economy. Among the questions foremost in the minds of returning Congressmen are those concerning the heavy tax burden and those to control expenditures by unaudited Government corporations. The latter are said to be spending over thirty billions of dollars this year with neither the consent nor knowledge of Congress.

In line with the question of higher taxes to maintain a safe ratio between war income and expenditure is the contract re-negotiation act. This is supposed to affect war corporations only. But the Palace Guard has issued directives which embrace practically every industry in the nation and gives arbitrary powers to panels of New Deal politicians to fix at their pleasure the income of every corporation. Because there is no standard policy of approach to the question of whether a corporation has earned reasonable or unreasonable profits these panels can set figures to suit themselves without regard to the corporate circumstances.

Danger in this set-up is pointed out by Senator Byrd who is leading the present Congressional trend toward forcing the annual audit of all Government corporations and a strong Congressional control over all Government corporations and agencies. The mere fact that such an able Democratic leader as Senator Byrd is on the side of free enterprise is comforting. It means that the necessary action will be taken to get the situation under proper control. The heavy tax burden now being carried by our people is having a very salutary effect on the functions of the Government because it is bringing into direct contact with, and interest in, their government the many thousands of low-income people who heretofore have had only sketchy interest in the matter of income taxes and how they are spent. The burden has become so great that only the combined effort of all of us can hope to sustain it. This is probably the fundamental reason for the sudden turn toward the right on the part of the Administration. The people are away ahead and the Administration is now trying to catch up.

Another danger menacing our economy, and one which now has the attention of Congressional leaders in both Houses, is the death of Venture Money to finance new business enterprises. The tax burden is so heavy that neither corporations nor individuals are permitted to retain and to accumulate funds which could be used for the financing of new businesses. Nor is the small post-war back-log, now allowable, sufficient to permit the accumulation of such funds.

It is feared by conservative leaders that since public opinion now sustains the free enterprise system, the National socialist planners are plotting diabolically to deprive individuals and businesses of the means with which to carry out the expected program of providing post-war jobs. The planners can then point to free enterprise as having failed in its task and can then offer National socialism as a working substitute. Whether this is actually the plan or not, high taxes are moving in that direction.

To protect small businesses and to foster the enterprising spirit that has built up our National economy to its present state, we may look to Congress for legislation that will provide an adequate cushion of venture money for both new enterprise and for reconversion after the war. The need for this is fully recognized and relief will probably come in some such scheme as setting up of post-war reserve funds in the form of bonds which can be deducted from taxable income and which can be used within a short period after the end of the war. Without this cushion of venture money a great many small businesses will go under.

During the closing days of the last session of Legislature a number of hasty bills were passed without proper study and without the proper background of hearing and investigation.

TWENTY YEARS AGO

(Taken from The Sentinel of Friday, September 21, 1923)

Dr. J. A. Burkett, of Portland, came down here yesterday afternoon to take the position of county health officer for the Rockefeller Foundation work formerly held by Dr. H. W. Irwin.

Dr. Burkett will be assisted by Miss Mabel Eisaman and Miss Ella Horn. Miss Eisaman has done county health work in Ohio for three years and served for five months in Red Cross nursing at Camp Devers, Mass. Miss Horn is also from Ohio and has done public health work at Cleveland and school and health work at Conneaut, Ohio.

Oregon's winter season began here last night with a gentle rain that relieves us of further anxiety about fires, which have taken such a tremendous toll this month down in our sister state of California.

J. L. Smith and E. R. Peterson left Wednesday evening for Salem in the latter's car, after shipping a carload of Coos county products and manufactures for the state fair.

A. C. Luken has been awarded the contract for building the playshed at the grade building. His bid was for \$985 with a shingle roof.

The First National Bank of this city now has deposits aggregating over half a million dollars.

The chickens are now coming home to roost in the form of the Industrial Safety Act and the juke box act being declared unconstitutional.

Every session of our Legislature, and possibly that of every other Legislature, ends in the same confusion. There is intense last-minute jockeying and forced plays intended to ram doubtful legislation down the throats of a tired Legislature. There is probably no way in which this can be entirely prevented and in some ways this last-minute procedure is advantageous. But it will always produce a mess of undigested legislation that will keep the Courts busy trying to decide what was intended.

One of the remedies which our Legislature is trying is that of closing the books to new bills after a certain fixed date. This is a big help but does not complete the job. After casting about for bright ideas on how all last-minute legislation can be eliminated and not finding any answers to the problem I am open to suggestions from the Electorate. This is another warning that people should do their shopping early when it comes to introducing bills which they wish passed in proper and effective form.

One of the War Babies to be left on the doorstep of the State of Oregon is the problem of what will happen to our Unemployment Compensation Fund if and when the shipyards and other war industries cease their present activity.

It was recognized that rates set up by the State Industrial Accident Commission for contributions to the Unemployment Compensation Fund were totally inadequate because of the huge number of employees involved and the probable short term of major contributions, making impossible the accumulation of adequate reserves.

There was a tendency in the Legislature to blame the Commission for lack of foresight in quoting rates to the Kaiser Company and others who used private companies to force down the State rates. The need for decision came up so quickly that, in fairness to the Commission, there was no time to give the matter much study and the Commission did the best they could at the time. Now it appears that the other large industries of the State, such as the lumber industry, will have to shoulder a large portion of this ship yard burden after the war along with their own normal unemployment burden. The result is apt to be increased rates which may be so high as to practically destroy the State set-up, or at least force a drastic curtailment of payments.

On the credit side is the possibility that much of the shipyard activity may be captured for an indefinite period after the war and that other war industries may be so quickly converted to peace time manufacture that the unemployment burden will not be as great as feared. I, for one, seem inclined to this latter view because I feel an era of intense business activity is ahead for the Pacific Northwest.

Whichever way you look at it, the State Industrial Accident Commission occupied a very hot seat and should not be too severely censured for guessing wrong. It may all come out in the wash later on, with no harm done.

While driving from Coquille to Marshfield this past week I picked up a Sergeant who was on his way back

Lloyd Krantz, 22-year old son of D. C. Krantz of this city, was injured in a logging camp eight miles this side of Powers, when a log rolled over him.

Donald, the nine-year old son of Mr. and Mrs. C. C. Farr, was taken to Myrtle Point Monday where he was operated on by Dr. G. Earl Low that evening for appendicitis.

Frank Wilson returned last week from Crescent City, where his race horse, Rogue River, won two first and two seconds, drawing down a tidy sum in the way of prizes.

All the children of the late A. T. Thrift have been visiting their brother, T. J. Thrift, here the past week. Those in the party were E. B. Roy and Alva Thrift, Mrs. Jane Canning and Mrs. Eva Dahlstrom, all of San Jose, and Mrs. Belle Lowe, of Portland.

Muri F. Pettit, who has been office man at the Standard Oil station here for a few months, received notice last week of his promotion to the Portland office, and he left Wednesday afternoon for there.

Eight hundred thousand ladybugs valued at \$5,000 were recently distributed to the orchardists of Rogue River valley. There were to be used to clear the orchards of scale and aphids.

From furlough. During the trip over I took the occasion to ask him how he felt about the question of taking care of returned soldiers and what he thought was the most important for them. I asked him particularly to give me his opinion on the proposed measures to make payments of cash to the soldiers as they were discharged from the Army. He looked me over before saying he didn't know what my politics were but that he had no patience with talk of gifts or doles to the soldiers. He said the one thing he wanted when he got out of the Army was a good, steady job with some stable private business so he could marry his girl and settle down in peace and comfort. He said that the politicians were not kidding him any in their proposal for cash payments for he knew that such payments would eventually and inevitably come out of his own pocket. He only wanted a chance to go to work and, as far as he was concerned, they could keep their doles.

I was quite astonished at the totally unexpected political acumen exhibited by this youngster and told him so. I went on to say that I thought he had the true American Spirit and was right in every particular. I said further that I didn't think that political faith was of any consequence in his attitude and that members of both major parties would readily agree with his views.

From what I am able to learn through meager correspondence with friends and relatives now in the Armed Services, this attitude is quite general among enlisted men. If so, I feel there will be little to fear in the post-war period because the spirit shown by this young man will carry us through anything.

The Sept. 15 tax declaration and payment brings the nation closer to a pay-as-you-go basis and brings millions of tax payers closer to their Government. Again the question of corporate profits is brought to the fore and we learn that some 340 firms have earned 14 per cent greater profits than in 1942. But we also learn that the vast majority of corporations have grossed less than in 1942, which would indicate that the corporate taxes are now so high as to yield diminishing returns. This is true notwithstanding the fact that the gross corporate income of the Nation exceeds the 1942 figure. The latter is, of course, because of very heavy profits of the 340 large firms mentioned above.

Because of the fact that the average corporate net income hovers around the 3 1/2 per cent average, many firms are being changed from corporations into partnerships to escape ruin. We have several instances in our County in which this transformation has taken place. It is an unhealthy atmosphere for business when small corporations are thus penalized and put out of business. Corporations have been the whipping boy for politicians so many years that the popular conception of them is that of a giant octopus reaching out and gathering in untold wealth to itself. This conception is being changed through force of circumstances to the proper one which is that a corporation is, on the average, what you see in the store fronts as you walk along the main street of any village or town in the Nation. It is unhealthy for us to think of a vast organization like the Standard Oil Co. when the word corporation is men-

Weekly Letter From Washington, D. C.

BY CONGRESSMAN HARRIS ELLSWORTH

Washington, D. C., September 18—When Congress reconvened Tuesday, after two months' recess, the session opened as usual at twelve noon, and since there was nothing ready to be considered on the floor, the House adjourned until Friday noon. The principal business of the Friday afternoon session was to hear the report of the President on the progress of the war, and it was an encouraging report.

Meanwhile, the regular legislative committees are working, and it is expected that next week action will be taken on the question of drafting fathers, and possibly the Fullbright Resolution will come up for a vote in the House.

The Ways and Means Committee has been holding open hearings on the subject of the Renegotiation of War Contracts. I have attended some of these hearings. There seems to be overwhelming evidence that the application of the Renegotiation Law has been entirely too broad. As now interpreted, manufacturers, and even retailers of ordinary civilian goods, that are governed by ceiling prices, and in many instances, manufacturers of products that are purchased by the government on bids below ceiling prices, are being put through the renegotiation process. Testimony given before the Ways and Means Committee tends to indicate that the money recaptured by the government from such concerns is insignificant in amount, but the trouble and expense the renegotiation process causes the business concerns is serious.

The Fullbright Resolution is a very brief, one-sentence piece of legislation, offered in the form of a House Concurrent Resolution, that reads as follows: "Resolved, That the Congress hereby expresses itself as favoring the creation of appropriate international machinery with power adequate to prevent future aggression and to maintain law, order, and lasting peace, and as favoring participation by the United States therein." The political dynamite in this Resolution is simply that a great many members of the House are reluctant to be put on record with a vote on that specific statement. The Resolution was reported favorably by the Foreign Affairs Committee, and in

Without much publicity several of the larger unions have come out lately dropping the feather bed tactics that have prevailed heretofore. One in particular, the Boilermakers Union, has taken such action in order to increase the manpower output of the shipyards.

The unions were in rather a hot spot in this matter because they have consistently argued that feather-bedding was not being practiced. Now for them to come and abolish it, it is to admit that such tactics were, in fact, being practiced.

Another large organization to adopt this plan is the Railroad Brotherhood group. They propose to eliminate much of the feather-bedding and duplication so prevalent in the big railroad systems. They have not taken this action without being subjected to heavy pressure by public opinion and by threat of drastic Congressional action.

Other transportation unions are sure to fall in line behind the Railroad Brotherhoods in this sensible and laudable action to increase the efficiency of their industry. It is tardy but nevertheless very welcome in the face of manpower shortage.

This so-called feather-bedding was resorted to in the hope of spreading the work among union members during the dark days of depression. Most employers rather winked at the idea because they were in sympathy with the humanitarian motives behind it. But in these days when the Nation's safety depends on hard work and efficiency it is good that the unions are voluntarily taking these steps which will forestall Governmental action in the same direction. It is better for the unions to clean their own houses than to have it done for them by force.

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spite of "behind-the-scenes" objections, I am inclined to believe the Resolution will be voted upon this coming week.

A few days ago, Chester Bowles, general manager of the Office of Price Administration, issued a statement to the effect that, by subsidizing seven commodities, namely apples, oranges, onions, potatoes, lard, vegetable oils and peanut butter, the cost of living could be reduced by 2.3 per cent, and the cost of subsidies would amount to only \$100,000,000.

Our Food Study committee immediately pointed out that the price rollback, suggested by Bowles, would cost \$25,000,000 at least, and, that, if even that amount of money is expended in subsidies on those seven commodities, it would still represent no where near a reduction of 2.3 per cent in the cost of living. The reduction would, in fact, be less than one per cent. Our figures further revealed that it would require \$1,800,000,000 to be paid in subsidies to do what Bowles says can be done with \$100,000,000.

We have confronted the Office of Price Administration with this statement, and we are now anxiously awaiting their reply, but Bowles seems to be having trouble with his arithmetic.

I wish I could have had more time to visit when I was in the district for these past forty days, but by the time I had carried out my intention of visiting every federal project in the district, and had responded to the invitations from various groups to appear before them, I had no time left for just visiting. I hope I have better luck next time there is a recess.

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