

The Sentinel

A GOOD PAPER IN A GOOD TOWN

H. A. YOUNG and M. D. GRIMES
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Fragments of Fact and Fancy

Personally we have been a great admirer of Winston Churchill and have thrilled to the majesty of his oratory but when he presumes to enter United States political squabbles, he is getting off on the wrong foot. His first public reference to the U. S. senators who returned home unsatisfied with some phases of the administration of the Lend-Lease did more to set Americans against Britains than did the report of the senators itself. If there is any foundation for the senators' story that the British are outsmarting us on goods loaned them and are building up their foreign trade with these goods rebuffed as from Great Britain, then the Prime Minister should have promised an investigation and correction of such mistaken zeal. None of us were worrying much about it until we knew how extensive the practice might be. A few isolated cases could not amount to anything compared to the billions of dollars worth of goods we are giving all our allies, near friends or grasping neutrals.

What does irk us, however, is that Churchill criticized our senators for revealing facts they had learned when he should have denounced the wrong they discovered. If he intends to enter the political fields of America, he will find his popularity here rapidly diminishing and he will help to create a schism between the two English-speaking allies which would be unfortunate for both of them. It is not his place to fight Roosevelt's battles on our home front.

The Co-prosperity sphere in East Asia, so named by the Japanese conquerors, is now being referred to in the Atlantic magazine as the Comiserity sphere.

Rationing of our food is becoming more all-inclusive every day. Indeed, having gone as far as we have, it would appear to be only fair to go farther and require ration coupons from those eating the restricted food at restaurants. As it now stands, when meat and butter become scarce on the family table, the forbidden food may be bought at any hotel or restaurant.

When coffee rationing first started and many felt the pinch, it did not make us any happier to think that the bureaucrats at Washington, D. C., who decreed one cup of coffee for the most of us, were free to continue drinking all they wanted at the government cafeterias in the federal buildings. It is a well-established custom among government clerks in the capital city to report for work in the morning and then immediately go out for breakfast on Uncle Sam's time. In fact several times a day do they step out for coffee or cokes, a habit not possible in private employment.

Occasionally we have to smile at some of the quirks of the Roosevelt personality. The president worries about the integrity of some of his successors. When the library to house official papers on his home estate at Hyde Park was built with government funds he put the U. S. on its honor to provide money in future years for its upkeep, yet his was the administration which spent thousands of dollars to change all documents bearing the name of Hoover Dam to that of Boulder Dam.

Recently the president has referred to what some future inhabitant of the White House may do to some pet project of his. The best policy for anyone is to be too busy being honest, straight forward and upright in all dealings with friends and foe alike so that those who follow will have the example of uncompromising integrity and to leave to them to decide all questions on their merit.

A quotation from Lowell comes to mind:
"Be noble, and the nobleness which lies
In other men, sleeping but never dead,
Will rise in majesty to meet thee
own."

TWENTY YEARS AGO

(Taken from The Sentinel of Friday, October 26, 1923)

An addition of fourteen in the Coquille schools is reported by Supt. Parr this week. With the congested condition in the schools the board of directors took prompt action toward relieving the situation by sending an inquiry to the state normal for a primary teacher.

District Attorney Fisher has given as his opinion to the Tax Conservation Commission that that body has no authority to insert an item of \$3,000 in the Coos county budget for the maintenance of county agent work. This project will therefore be dropped for another year.

There were light frosts here in Coquille Tuesday and Wednesday mornings; the second day it was heavy enough to blast cucumbers, squashes and tender vegetation.

The Ladies Aid of the M. E. Church South, which held its meeting at the home of Mrs. M. O. Hawkins yesterday afternoon, made it an event in the honor of Mrs. J. P. Messer, who yesterday celebrated her 89th birthday.

Timely Topics

By R. T. Moore

The subject of renegotiation of war contracts has been discussed several times in this column. Effort was made to show how far from the original purpose of the Renegotiation Act the bureaucrats have strayed in the enforcement of it. But it is difficult to interest the public in a matter that only remotely concerns them and it is doubtful whether the purport of these discussions really got home.

Now a golden opportunity arrives. The public, itself, is being renegotiated. The people of the lower Coquille Valley, in Port of Bandon, are asked to repay to U. S. a portion of the profit made in the sale of the Port's equipment to U. S. Army Engineers after commandeering at the outset of the war.

In case the reader is not familiar with the facts in this case, the Port of Bandon owned and operated a big diesel tug and a couple of heavy barges. The tug was used chiefly for towing shipping over Bandon bar. The barges were used to haul lumber from Coquille to Bandon for shipment via vessel.

After Pearl Harbor there was urgent need for such equipment in defense of Alaska. The U. S. commandeered both tug and barges and then the ships which they serviced, closing Coquille river to shipping for the duration.

The tug and barges were leased by U. S. at first. Then after eight months or so, when it became evident that they would be needed indefinitely, the U. S. made a purchase offer to Port of Bandon which the commissioners accepted and the sale was made. The price was calculated enough in excess of original cost to compensate for war inflation and enable the taxpayers to build new equipment if necessary. They would again have their tug and two barges without having to levy additional taxes to get them. This was a fair and proper method of setting up a just price. It was satisfactory both to the commission and to the U. S. officers making the deal.

Now comes some bright young bureau attorney to discover that the U. S. bought the equipment at a price that yielded considerable profit to the taxpayers of the lower Coquille valley, on paper at least. He certifies the case to the Army officer charged with the unpleasant duty of renegotiating war contracts in this district. The charge is that undue profit was made and the U. S. wants some of the money back. In other words, the Coquille Valley taxpayers are asked not only to give up their equipment for use of U. S., which they were very glad to do, but also to pay for the privilege of doing so. This is true because it has become certain that all of the funds received from the sale must be spent to rebuild the same equipment. Any kick-back to U. S. will have to be made up in additional tax levies.

Incidentally, the tug and barges could have earned far more than the profit from the sale if they had remained in the Port's service. They would have been used in transporting huge quantities of lumber from Bandon to rail head at Coquille and from Bandon to docks at Empire. It is likely that Port revenues would have doubled over those of peace times. We also hear that both barges have been lost in action and that possibly the tug has been damaged so severely as to make it unfit for Port use.

This case exactly parallels those involving private corporations. The renegotiators insist that only a "fair" profit is to be kept on war transactions but they refuse to define what

constitutes a "fair" profit. They claim that no general definition of the term is possible. In other words, each outfit is to be shaken down for what the bureaucrats think they can extract without too much squawk that might arouse the public.

The Renegotiation Act was intended to adjust prices on new manufacturing of war goods after sufficient experience had indicated the proper levels. It was intended to cover only those items which had to be produced in quantity without anyone knowing what the actual costs would be. It was NOT intended to cover all war transactions and more particularly those whose costs were well known and well established by years of manufacturing experience. Ceiling prices cover these cases and income taxes effectively prevent any undue profits.

No better illustration of the dangers to Democracy in bureaucratic government could be conceived. The Renegotiation Act has been twisted around in meaning until it comes close to being a shake-down racket. It is being used as a weapon to socialize industry under cover of the Army and Navy.

It is doubtful if the chap who certified the Port of Bandon case realized what he was doing. What looked to him like a nice juicy reputation-making tid-bit will turn out to be a booby-trap bomb that will wait him skyward in pieces. It is probable that the case will be withdrawn after a storm is raised. The people of the lower Coquille valley should let it be known through the press that they will not stand for any such flim-flamming. In so doing, they will not only protect the taxpayers rights but those of their industries as well.

The report of the Federal Deposit Insurance Corporation reveals the extent to which bank deposits have been invested in government paper. Holdings of the latter have increased, and loans decreased to show a trend in our banking system towards becoming merely a collection agency for the U. S. Treasury. Such a trend is normal in war times. But is has now proceeded far beyond reasonable expectancy even in the face of enormous war costs.

The banks were once the medium for financing industry. Reservoirs of capital stored up in them were used for creating new enterprises and preserving the old to maintain a steady march of progress. The banking business was looked up to as a superior occupation, worthy of the ambitions of our finest young men. Often an entire community depended for its prosperity on the good judgment of their banker. Many a great enterprise owes its beginning to the sound advice and unerring judgment of its banker. Too much can not be said in praise of the accomplishment of the nation's bankers in building up our great industrial system, the greatest in the world today.

But during the past decade a subtle change has come over our banking system. Enterprise can no longer look to banks for capital financing. Confiscatory taxes have driven most investment banks from the field. Their place is being taken gradually by Federal Corporations using the taxpayers money under direction of politicians. Restrictions and regulations are such that it is very difficult for a deserving person with small means to get a loan. The character loan, so instrumental in building up our great industries and in many ways the soundest loan of all, has about disappeared. One must now be in the position where he doesn't particularly need a loan in order to qualify for one. Or he must have

some gilt-edge security to back. All of this is bound to have a depressing effect on industry after the war and to reduce available jobs unless corrective steps are taken soon.

The government, and therefore the politician, is supplanting the banker as the important factor in national economic health. And because of the uniformly bad record of the professional politician as a business man the banking outlook is not good at this writing.

Casualties among small businesses have been heavy. The remaining courageous operators will be wiped out entirely if compelled to go hat in hand to some bureaucrat for operating money. The arrogant autocracy, the interminable delay, the difficulty in finding anyone with positive authority will break their hearts. The small business man simply won't take it. And why should he? But remember that all large businesses were once small. That is a good way to stop all industrial progress.

Private capital sources have been dried up by high taxes and can no longer be depended on to finance business expansion. Corporations are rendered helpless to accumulate needed expansion funds out of earnings. The field is left to government corporations with all of their red-tape and maddening delay. The professional politician has come into power. The future of the U. S. is in his hands.

As a first step in combating this situation, members of Congress in opposing the recent Treasury tax bill have insisted that unnecessary Federal expenditure be eliminated as an alternative to heavy increase in tax rates. The tax burden must be sharply reduced if private enterprise is to be saved. Adequate capital must be left to both individual and corporation for the creating of new jobs in the post-war period. Congress shows signs of recognizing this fact. There is a trend towards restoration of state and local governmental powers lately taken over by the Federal. There is indication that private enterprise is to be kept free and unshackled by Federal directive. This should include the banking system. Let the bankers be again free to use their trained judgment and expert counsel in the team work that builds up communities.

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County Tax Cost For Relief, Aged

Coos county, for 1942-43, budgeted \$11,000 for general relief of unemployed, and spent \$6,456, or 58.7 per cent of the taxes levied on property for this welfare purpose.

For the same fiscal year, Coos county budgeted \$26,000 as its match-money share of old age assistance cost and spent \$27,437, or 5.5 per cent more property tax money than had been allotted to care for the aged.

General assistance or relief cost Coos county \$10,525 in 1941. For the present 1943-44 fiscal year, \$8,500 for this purpose was budgeted, a decrease of 19.2 per cent. The number of relief cases in Coos county during May, 1941, was 508, during May, 1943, 220 unemployed persons were aided, a decrease of 56.6 per cent.

With respect to old age assistance, Coos county spent \$23,952 during 1941, but budgeted \$31,200 for this purpose for the present fiscal year. This is an increase of 30.2 per cent in proposed expenditures for old age assistance for 1943-44 over 1941, although the number of old age cases aided in typical month of May, 1941, was 493 and 504 for same month 1943, an increase of 2.2 per cent.

In addition to monthly grants to old age assistance cases on basis of need in Coos county, \$4,900 was spent for medical care and hospitalization during the first six months of 1943. In addition \$4,528 was spent

for medical care, etc., of relief cases, or a \$9,698 total for medical care for six months of this year, which amount was charged against the county's budgeted appropriation for general assistance or relief, according to State Public Welfare Commission records summarized recently by Oregon Business & Tax Research, Inc.

Insurance Specialist, F. R. Bull.

Howdy Folks:

Well, that time of year is with us again that brings lots of calls about hard starting.

Every year we caution motorists to wash the porcelain of their spark plugs, plug wires and top of the distributor cap with pyrene or gas and then dry with a clean cloth.

There is no extra gas for service trips to start cars now, so be sure you have taken this simple precaution before calling.

AMZY ERNIE
M & W Auto Service



From where I sit...

by Joe Marsh

"Keeping store," Sam Abernethy says, "can teach a person plenty about human nature."

"Now coffee rationing's lifted, folks ain't a-breakin' their necks tryin' to buy all they can. Knowin' they can have it if they want it, they ain't so all-fired anxious to get it."

Sam's right, as usual. I don't crave that second cup half as much as when I couldn't get it.

But that's human nature... Like allowing moderate beer in the Army's post exchanges. Instead of leading to more drinking, the OWI report says it

works out just the opposite—often as not the men choose soda-pop or milk, with beer right there and no restrictions on it.

But if it wasn't there, like in the last War, the story might be altogether different.

From where I sit, that's how it is with Americans. Tell 'em they can't have a thing and by golly, they'll find ways to get it. But admit their right to have it, and their own good sense will lead to moderation.

Joe Marsh

No. 74 of a Series

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At the request of its many Patrons the

ROXY FOUNTAIN

will be open at 7 o'clock each morning

except Tuesday, to serve

BREAKFAST

The new hour of opening goes into effect

Friday, October 29

Menu will include

Club Breakfasts, Hot Cakes, Ham and Eggs, Cereals, Toast, Coffee

This departure from our previous schedule is because of the constant demand for this service. It is an experiment on our part and if it does not work out satisfactorily the Breakfast feature of Roxy Fountain's service will be discontinued.

ALAN BAILEY, Prop.