

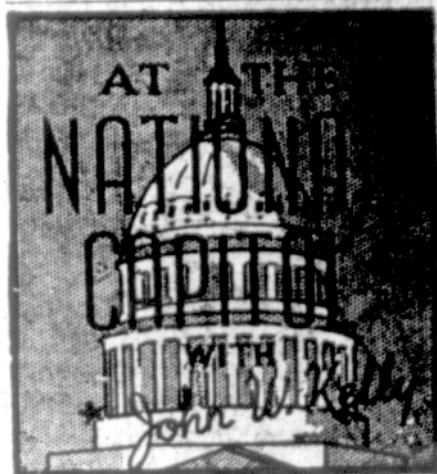
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Official County Paper



State Income Tax On Commodity Credit Loans

There appears to be some confusion over the state income tax treatment of Commodity Credit corporation loans.

The federal income tax law, as amended in 1939, specifically permits the taxpayer to elect to report such loans as gross income. The state law contains no similar provision. In the absence of special statutory authority, the state cannot differentiate between government and private loans.

However, the regulations of the state tax commission give the taxpayer all of the benefits derived from the 1939 amendment of the federal law. He may elect to report the government loans as inventory in his state returns, which has exactly the same effect as reporting the loans as sales.

If the taxpayer elects to report the loans as gross income for federal tax purposes, or as inventory for state income taxation, he must continue on that basis until permission to change to a different method is authorized.

Washington, D.C.—In the vicinity of Ontario are 11,600 acres of sugar beets and 10,000 acres devoted to onions, potatoes, etc. The ranchers there have requested that a camp of conscientious objectors be located in the vicinity, but the government has denied the request. There are three CCC camps near Ontario which are now controlled by the reclamation bureau, which is prepared to dispose of them. Ontario farmers say these camps would be ideal for housing agricultural labor and if nothing else is in sight they would like to have Mexican laborers imported to cultivate the fields. Last year the farmers had to depend on school children, townspeople and Japanese evacuees but they are now wondering about the status of these Japanese and hesitate to plant their full acreage until they know where the labor will come from. Beet sugar labor starts May 1. Farm security administration is working on the problem.

Pending action by war manpower commission, Sen. Rufus Holman has introduced a bill authorizing and directing the secretary of the navy, the secretary of war and the manpower commission, in cooperation with the secretary of agriculture, to conduct a survey to determine whether any men in military or naval forces, formerly engaged in agriculture, lumbering, mining, industrial or other essential civilian occupations, would be more valuable in the conduct of the war if they were separated from active military or naval service and returned to their civilian occupations. If the bill passes, if any such man is found in the armed services he shall be given a discharge and deferred from further military or naval service as long as he continues to be employed in such essential industry. While a farm boy or one in mining or lumbering has the privilege of asking for deferment from his local board, the average man dislikes to make such an appeal as he fears he may be regarded as a slacker; and not all local boards have used their best judgment in making such deferments on their own volition.

No one appears to know how large the army is to be, for estimates are constantly changing even when given to congressional committees by high ranking army officers who should know. The army has pushed up to 7,500,000 and next month induction will take place at the rate of 400,000 a month. Then there was an announcement that the army would be 9,000,000, and now the estimate is for an armed force of 11,500,000. Not all of these men would be sent overseas, for a few million will be retained for defense of this country. One of the highest of army officials informed the senate military committee a few days ago that 13 men are required to keep one soldier fighting in this country; 10 men in Britain, and eight men in Germany. Assuming that 11,500,000 men are in uniform and there are 13 men (and women) behind him at home, this makes 149,500,000 people. The estimate of the continental population of the United States is 131,000,000 or 10,000,000 less than an army of 11,500,000 would require. The 13 behind a fighting man include farmers, shipbuilders, airplane makers, munitions makers, powder workers—in short, everyone but civilians in non-essential activities.

The League of Oregon Cities has sent an inquiry to the national capital as to how municipalities can contribute to the social se-

Help Needed For Red Cross Sewing

Mrs. M. A. Bull, who is in charge of Red Cross sewing for the Moro district, asks that any organization, group, or individual who is interested in helping in that work contact her for information. Most of the material is furnished by the chapter, and Mrs. Bull is anxious to have all those interested helping to supply needed articles for our boys in the armed services.

Articles especially needed include unfilled kit bags, filled kit bags, bed-pan covers, hot water bottle covers, pneumonia jackets, cushions and cushion covers, bed-room slippers, and filled sewing kits. Instructions for making any of these articles may be obtained from Mrs. Bull.

The local sewing group meets every Wednesday afternoon at the Moro Woman's club building, and anyone interested is urged to attend.

Farm Loan Ass'ns To Hold Luncheon

Wilbur Carl, associate administrator, state war bond sales committee for the State of Oregon, and the Oregon Victory Girl, Miss Suzanna Buree, will be on the program at the luncheon of the National Farm Loan associations for Wasco and Sherman counties to be held Wednesday, February 24, at The Dalles civic auditorium. Also, Arnold Anderson, field representative of the Federal Land Bank of Spokane, will deliver an address of importance to the members and guests, announces Secretary-treasurer Victor G. Peterson.

A large number of reservations have already been made for this annual event, and from all indications the attendance will be larger than usual, he said.

CAR REGISTRATION LOWER IN 1942

Motor vehicle registration in Oregon totaled 424,777 vehicles at the end of 1942, a decrease of 2.56 per cent from the 1941 total of 433,970 vehicles, according to an announcement from the office of Robert S. Farrell Jr., secretary of state.

Private passenger vehicles totaled 341,367, compared to 353,213 in 1941.

Registration fees for the year amounted to \$3,352,722.68, a slight increase over the total of \$3,304,389.66 in 1941. The increase was attributed to the increase in the number of buses and diesel-fueled vehicles in use during the past year. Buses totaled 982 compared to 689 in 1941, while light trucks increased from 35,140 in 1941 to 35,334 in 1942. Heavy trucks totaled 42,907 in 1942, a drop from 43,193 in 1941.



State House, Salem—The boiling point of legislative activities arrived this week and hit both the house and the senate with a real bang.

Trucks, wine, small loans, taxes, fish and several other controversial measures made their appearance on the floor of both houses, which caused much oratory and close voting. These bills had been slumbering in committees ever since the first part of the session, and all came out with divided reports. The truck bill, which would increase weights and lengths, came before the house with an almost evenly divided report, for and against. The railroads and railroad brotherhoods have fought the bill to a standstill. Over in the senate the Burke wine bill and Senator Chessman's fish bill are causing the boys to get all lathered up. The Bull small loans bill, which would cut interest rates from 3% to 1 1/4% per month, has caused the loan sharks and the hock shop-gents no end of worry. The familiar three balls that usually dangle in front of a hock shop mean two to one you won't get it out, and it's almost a two to one bet this meritorious bill will fail to pass because of the strong small loans lobby which has been working against it.

House bill No. 315, introduced by the committee on assessment and taxation, but in reality a measure which was drafted by the state tax commission, takes a real sock at all classes of farmers. As the law now stands, farm crops are assessed at their true cash value as of January 1 each year, and provides that many classes of crops shall not be assessed if they were actually sold, warehoused or in transit on or before April 30 of the assessment year. The amended bill, if passed, would deprive the farmer of the April 30 deadline to sell or transport his crops and change that date to January 1. Since Washington has a law similar to the present Oregon law, adoption of the proposed bill would result in diverting shipment of large quantities of farm and orchard products from Oregon to Washington ports. Another argument being urged against H.B. 315 is the fact that government crop loans, generally, are due in April or May and the farmers have been advised to hold their grain until that time. Compliance with this government request would, under the proposed measure, impose an added tax burden on the farmer.

From what we have been able to gather here are a few predictions for you with reference to important bills now before the senate and house for final action: Oregon taxpayers will receive a reduction in state income tax payments. The big fish bill, which would give the fish commission added powers, will fail. The small loans bill will also fail, and likewise the truck bill, and the state employees civil service measure. We further predict that the vote will be close on all of these measures, some very close. Next week we'll tell you how good we are at predicting, as all of these bills are scheduled to come up for final vote in the next few days.

RATION OFFICE TO BE CLOSED NEXT WEEK

The office of the war price and rationing board in Wasco will be closed from February 22 until March 3, during the period while registrations for War Book Two are going on.

Don't Be Shocked—It's Horsemeat—and So Tender! Representative Sends News From Salem



In picture at left a butcher examines horse carcasses hanging on hooks at Linden, N. J., which is about one hour from New York, the only town in the New York area that supplies horse meat. At present most of the meat goes to five zoos, but human consumption is in the offing. A horse steak is shown at upper right. It is claimed that this meat tastes like beef filed once a person gets over his scruples. Lower right: The official government approved stamp is applied to cuts of horsemeat at the Linden plant.



Part of Wheat Surplus Being Used For Feed

Seven million bushels of Oregon wheat, or an amount greater than one-third of the 20 million bushel 1942 crop, have been converted into war-needed livestock, dairy and poultry products through the government's feed wheat program in the past 12 months, the state AAA office reported this week.

Half of the total amount sold, or about 3,710,000 bushels, went to Oregon feeders. In addition, 2739 carloads of Oregon wheat were shipped to other western states to fill feed wheat orders. Both the grower and the feeder have benefited from the program, AAA officials point out. The wheat grower's acute storage problem has been eased, and feeders have obtained abundant supplies of moderate-priced grain for production of meat, milk, eggs and wool.

A large part of the amount sold in the state went direct to farmers, both in carload purchases by large operators and through pooling arrangements participated in by 20 to 30 farmers. Prices varied somewhat during the year, but averaged between \$30 and \$32 a ton, depending on the location of the buyer.

Most of the wheat sold during the past year was grown in 1941 and turned over to Commodity Credit by growers in satisfaction of government loans.

The price of feed wheat in February is 98 cents a bushel in western Oregon, 94 cents in eastern Oregon. These prices are less than loan rates at most points. CCC is also offering to sell wheat for non-feed purposes, but the price is 23 cents above the loan value at the point of storage, or approximately parity. Because of the transportation situations, farmers ordering feed wheat are advised to anticipate their needs several weeks ahead. County AAA offices can supply full information on ordering wheat, and county agents have bulletins showing how wheat can best be used for feeding all classes of livestock.

TRAVELING EXAMINER TO BE IN MORO NEXT WEEK

A traveling examiner of operators and chauffeurs is scheduled to be on duty at the courthouse at Moro, Thursday, February 25, between the hours of 9:00 a.m. and 11 a.m., according to a recent announcement from the Secretary of State's office. All those wishing permits or licenses to drive cars are asked to get in touch with the examiner during these hours.

Moro High School Basketball Team Wins Over St. Mary's

In a fast-breaking game of basketball, the Moro Huskies made a clean sweep of the series with St. Mary's Gaels in the Kurt gymnasium Wednesday evening. In a nip and tuck battle, the Moro Pups took a game from St. Mary's seconds, 15 to 17. In the main game the first half ended 13 to 12, with the lead changing back and forth. In the second half Moro began to click and rolled up a considerable lead, going on to win 40 to 26. The few fans who saw the game contend that it was the best game of ball Moro has played this season.

Moro (40) St. Mary's (26)
Ziegler 11 Brookhouse 8
Bayer 9 Bird 8
Wilcox 4 McNab 2
Schilling 1 Conroy 4
Thompson 15 Conroy 4
Substitutions: for Moro DeMoss, Brisbane, Buether; for St. Mary's Hattrupp (2).

In a "dancing" basketball game at Kent last Friday the Moro Huskies went down to defeat 41 to 24. This gives Kent its first county basketball championship for many years. Moro outplayed Kent but didn't have a player tall enough to stop J. Wilson and J. vonBorstel on their tip-in shots. All but about 12 of Kent's points were made by catching the rebound and tipping the ball in.

Not only did Kent win the county championship, but they also earned the right to enter the sub-district tournament at Arlington February 25. This year there are only 4 "B" districts in the state, so this sub-district tournament takes the place of the old district tournament. The winner at Arlington will play the winner of the eastern division for the right to go to Salem. Kent received a setback when it was found that Glenn Sather would have to drop out of athletics because of a physical ailment.

Moro (24) Kent (41)
Ziegler 1 VonBorstel 10
Bayer 2 Sather 8
Wilcox 15 Wilson 15
Schilling 6 Bardenhagen 6
Thompson 9 VonBorstel 6
Lemley, D. Kelley

The death rate for the year was 8.9 persons killed per one hundred million miles of travel. In 1941, the rate was 11.7. The 1942 rate was the lowest point reached in this state since accurate accident records have been kept for the state.

Travel in Oregon last year, as measured by gasoline consumption, reached the astronomical figure of 3,017,916,780 miles. A total of 263,803,931 gallons of gasoline was used in the state in 1942. While the year's total represented a 11 per cent decrease from the total of 1941, it was higher than any other one year in the state's history.

Weather Mild; Road Conditions Better

The weather for the week was mild, with little variation in temperatures, which remained above the freezing mark for most of the period. Road conditions have been bad, some of the country roads having been practically impassable. However, with work being done on them by road crews, and the settling which is taking place, conditions are improving.

Temperature and precipitation figures are as follows:

Date	Max.	Min.	Prec.
Feb. 11	48	40	.13
Feb. 12	47	32	.06
Feb. 13	41	35	T
Feb. 14	37	33	.05
Feb. 15	38	32	.10
Feb. 16	37	31	
Feb. 17	35	30	

TRAFFIC DEATH RATE FOR OREGON IS LOWERED

While 1942 travel in Oregon was equal to 120,716 trips around the world, the traffic death rate dropped 23 per cent below the rate for 1941, Robert S. Farrell Jr., secretary of state, discloses.

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Discussion of Important Bills Which Are To Be Acted Upon Soon

The big bills are going to come out of the committees before long, probably this week. The reason they do not come out more quickly is that they are big bills because they have the interest of many of the members and each one insists that some amendment be made to them in committee. The committees either do or do not make this amendment, thus making an enemy or a friend for the bill. Before they come to the floor the adherents of the bill usually know just about how it is going to turn out. Sometimes they fail, usually not.

Big bills coming up between now and the end of the session include the truck bill which is due for its advent into the legislative limelight early this week. It will be settled before this is printed. The railroad birds say that it will be defeated again. Maybe they know; maybe they do not.

Then there is the civil service bill, now called merit rating, so called to give it a name different from civil service which is in bad repute all over the United States because of the national law. The merit rating bill is due to come before the house some time this week. It may make the grade, for it has been well represented before the committee. However, the prejudice against civil service and the expense entailed in its operation may mitigate against it and defeat it. It is seldom that so radical departure from normal state procedure about employees can be carried in one session. There have been no examples of gross favoritism in Oregon state employment, although some have been hinted about.

Then there are the tax bills. Farmers generally do not want any great reduction in the income tax. It is their cushion against higher property taxes after the boom days are over. If the income tax is cut now they know they will have to pay higher property taxes at some later time. Those of them who think the matter through do not favor any sizeable reduction in the income and excise taxes.

What reduction is made will go to the federal government in the case of those in the higher brackets anyway. As a matter of fact it is impossible for the state to give much aid to income taxpayers. The federal government takes so much from income tax payers that the little dab left for the state is of little consequence to the bigger taxpayers. The state is in the position of being teamed with the federal government and put in the same class as a demander of taxes, when it really is not.

The unemployment and workmen's compensation questions are of minor importance, as neither employers or employees are anxious to make a major effort for them. Labor would like to have occupational diseases included in the things that compensation is to be paid for. That is fair enough if anyone can write a good definition of an occupational disease. The employers would like to have unemployment compensation a better break but have so far not been able to stick together or to figure out any very good way to help themselves. Last session the workmen would have been glad to change merit rating, and this time it is the employers. It depends who is doing well at the moment.

The little stuff has been pretty well cleaned up in the house, including the salary bills, the code changes, the minor bills that concern one or more counties.

It looks as if the session could be finished in a couple more weeks.