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EDITORIALS

WISE FARMERS STICK TO FARMING

The fear has been expressed that the development of the agricultural cooperative movement will tempt the farmers to go into other lines of business—lines in which they are entirely inexperienced.

Commenting on this, the head of one of the largest and most successful dairy co-ops in the nation said that there is no reason nor any economic justification for farmers going into alien fields of endeavor on a commercial basis. And he added that, due to the high mortality in all business, there would be so many costly failures if farmers attempted to extend their "co-ops" to different lines, that the cooperative movement as a whole would be harmed and endangered.

It would be as unwise for a group of farmers to go into manufacturing, as it would be for a group of industrialists to go into farming. The farm cooperative movement, soundly conceived and administered, parallels the association activities of other lines of industry. To distort this movement, and change its fundamental purpose to embrace farmer-operation of businesses distinct from agriculture, would be a dangerous folly. In other words, let the farmer stick to his farming and the manufacturer to his factory.

BETTER SWAP YOUR AUTO FOR A HORSE

If foreign countries are destroying the wealth and the savings of their citizens with confiscatory taxes which make life a burden, why should the United States follow their example?

Ever so often the people are offered as an excuse for rapidly increasing taxes, the statement that they are not yet taxed as highly as the citizens of England or some other country. Well, why should we be? That question is never answered.

Now that the 1937 federal budget with an admitted billion-and-a-half deficit, has been knocked into a cocked hat by loss of processing taxes and an over-two-billion-dollar bonus obligation, plus an undetermined relief expenditure, the tax-raisers are looking for new sources of income.

One plan that reports say has been suggested in Washington, is for a tax levy on the horsepower of automobiles. It is pointed out that England, France and Italy have such a tax.

There are some 25,000,000 motor-cars in the United States. It is estimated that if they average 20 horsepower each, they furnish 500,000,000 horsepower available for taxation. A tax of 1/2 cent per day per horsepower, would yield \$912,500,000 a year, or \$1,825,000,000 a year if the levy were increased to 1 cent per day per horsepower.

Automobile owners are already paying approximately \$1,000,000,000 a year in Federal, state and local taxes. So what does another billion more or less amount to? A penny per day per horsepower, for a 20-horsepower car, would be only 20 cents a day, or \$73 a year on top of present taxes.

The scheme sounds wild and impossible but we already bid fair to be record breakers in other taxes, so why not trail along and become Europeanized on our automobile taxes? No matter how you figure public expenditures, they all come out of the common citizen's pocket.

DYNAMITE IN YOUR KITCHEN

Your kitchen contains everyday materials potentially as dangerous as dynamite! This was demonstrated recently in an apartment house, when a tenant decided to bake a cake. In gathering together the ingredients, she discovered that the flour, which she had poured out into a dish, contained bugs. She stepped over to the incinerator, the shaft of which ran up past all of the apartments, opened the door and emptied the dish.

As she closed the door, a volcano seemed to erupt. A terrific explosion shook the place and a sheet of flame swept from the shaft into the

kitchen, disfiguring the girl for life. The doors of the incinerator shaft were torn off in all apartments and great damages were done on each floor. Several persons were sent to the hospital. And yet, only a small quantity of flour was emptied into that incinerator—perhaps a pound and a quarter!

What happened to cause this great and unexpected explosion? The National Board of Fire Underwriters offers this explanation:

As the powdery substance was thrown into the incinerator, it separated and many minute particles floated in the air, causing a dust cloud that exploded as soon as it came in contact with the fire at the bottom of the incinerator shaft.

Corn starch acts similarly under certain conditions. Accumulations of dust, such as are removed from vacuum cleaners or carpet sweepers, unless compressed into a matted mass, are also hazardous. A shovel-ful of dry coal dust, if thrown loosely over a fire, could cause a devastating explosion and will, in any event, cause a dangerous flash-back.

The way to avoid dust explosions is to keep the material in a compact mass. When disposing of dust, it should be put in a bag or wrapped up securely. Then there will be no possibility of its separating and forming a dust cloud.

As the majority of the thousands of deaths annually caused by fire occur in homes, this recommendation should be placed high on your "Safety First" list.

ARE TVA RATES TOO HIGH?

A great deal has been heard of the low electric rates established by the TVA in certain Southern communities. It has been claimed that if the TVA program could be spread to other parts of the nation, it would create an electrical paradise, wherein we could use all the current we want, and pay next to nothing for it.

Maybe so! But, in a recent March of Time news-reel, which delineated TVA acts and objectives, Wendell L. Willkie, President of the Commonwealth and Southern Corporation, which has given a large part of the South improved electric service at declining rates, for many years, was called upon for his opinion. Mr. Willkie, who is generally regarded as one of the most progressive of utility leaders, and who is certainly not a man given to wild and unprovable statements, said: "TVA can sell power more cheaply only by charging the deficits to the federal taxpayer, which means everybody in the U. S., and by bookkeeping methods which so amazed the Comptroller General of the U. S. that he issued one of the most caustic reports of recent government history."

He then added the most startling statement of all—that if the government would give his company the same subsidies now received by TVA, it would promise to undercut the much-publicized TVA rate structure by at least 25 per cent!

Similar challenges have been made in the past—and it is a matter of record that not a single governmental official involved in this great socialistic experiment has clearly, factually and understandably refuted the criticism. That is something for citizens of the whole nation to think about. The government is undertaking many vast hydroelectric developments, and still others are proposed. Continuance and extension of the TVA plan will mean that the taxpayers must put up billions to erect unnecessary and subsidized federal electric plants to unfairly compete with private enterprises whose rates, it is claimed, could be materially reduced if they were given equal advantages.

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We DRIVERS

A Series of Brief Discussions on Driving, Dedicated to the Safety, Comfort and Pleasure of the Motoring Public. Prepared by General Motors

No. 7—SLIPPERY WEATHER

ICE AND SNOW always bring problems for drivers. These problems are the result of less friction. And that is interesting, because usually we are trying to reduce friction all we can. We use ball and roller bearings to overcome friction. We smooth and polish parts to reduce friction. We put oil in our cars to avoid friction. But we can't get along without friction, just the same.

For, after all, we couldn't start a car, we couldn't stop a car, we couldn't turn a corner, if it weren't for friction. The friction between the road and our rubber tires is what gives us traction. Most of the time we have plenty of traction. But in certain climates every year, winter comes blowing and blustering down from the North, and the first thing we know he has spread ice and snow over our roads, and our whole traction condition is changed. But automobiles are pretty well prepared these days to meet any conditions. All we have to do is to adjust ourselves to these changed circumstances.

For instance, many skillful drivers start their cars in high gear on very slippery, icy streets. Ordinarily this would be a bad thing to do. But when our tires have to start us going on slippery ice or snow, starting in second or "high" is harmless and it does help to avoid spinning wheels, side slipping and difficulty in getting under way. If you haven't tried this after stopping at intersections, you may be surprised to find out how much more quickly you get started again. Only remember to engage the clutch very slowly.

This business of starting in slippery weather can be quite a problem. But stopping is even more so. However, most good drivers agree on one method that they find quite satisfactory. First of all they begin to slow their cars down at quite a distance from where they want to stop. They press the brake lightly at first and release it almost at once. Then they press again and release quickly. By a series of brief, moderate brake actions, instead of one continuous pressure, they gradually reduce speed and can usually stop without skidding.

Many of the best drivers always make it a point not to disengage the clutch as soon as they apply their brakes, but to wait until the car has almost stopped. While this is their general practice, they say it is especially important on slippery roads, as they claim it reduces the chances of skidding. But if we use this method there is one thing we must look out for. We have to remember that on a slippery surface it is very easy to stall our engine by using our brakes when the clutch is still engaged.

Outside of starting and stopping, most winter skidding is at turns and curves. Many good drivers tell us that they treat every slippery curve or turn as though it were going to be a stop. In other words, they approach curves using the very same system of short, moderate brake actions. The result is that when they reach the curve they are going so slowly that they can actually give the engine a little gas and put some power in the wheels. With power turning the wheels, we are not so likely to skid.

After all, the main thing to do about driving in slippery weather is just what we do about walking in slippery weather. We are all pretty careful about that. The first thing most of us do when we go out on a slippery morning is to put out one foot cautiously and get the feel of the surface to see how careful we have to be. The best drivers we know do practically the same thing with their cars. The first thing they do after they get started, is to test the surface.

They make sure that there are no cars too near, and then they gently apply the brakes. If they don't skid they resume speed and apply the brakes again—this time a little more firmly. In this way they determine the surface and know the degree of caution they must exercise to be safe. This seems like a very sensible idea.

slow but steady recovery.

By and large, January business activity was the best in five years, even as 1935 was the best year to date since depression got its hold on American industry. The most accurate industrial barometers place business at around 75 per cent of "normal"—normal, in most cases, being established as the average for years such as '23, '24 and '25, when business was good, but not spectacularly so.

Business Week has reported that "confidence in the next few months' improvement continues strong." This is largely due to the appearance of earnings reports from many important industries. These reports are uniformly better than were anticipated—company after company which had broken even or suffered losses for five years, is now in the black again. Companies which discontinued dividends have resumed them, and others which cut dividends

Economic Highlights

Happenings That Affect the Dinner Pails, Dividend Checks and Tax Bills of Every Individual. National and International Problems Inseparable from Local Welfare.

Nothing startling has occurred in the business world of late. No important industry has made great gains as yet this year—none has experienced severe retrogression from the levels attained at the end of 1935. That fact has caused business commentators to feel considerable optimism. They are beginning to figure that the "visible" future will not be marred by major swings either upward or downward, and that industry as a whole is on a relatively even keel, and may look ahead to

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Why don't you?

have increased them. Some specific business items, taken from various authoritative sources, follow:

CONSTRUCTION: During January, heavy construction totaled almost \$290,000,000, as compared with \$150,000,000 in January, 1935. Public building still dominates the construction picture, but more and more private projects are coming to light.

TEXTILES: Wool prices continue the rise started last year, with sales good. It is said that stocks are low, and that heavy importing is imminent.

UTILITIES: Electric power demand is increasing beyond expectations, causing many companies to increase and revamp construction budgets. The industry has announced it will spend about \$400,000,000 for capital improvement this year—some think that figure is low and will be increased. Spokesmen for the industry say that if they were freed from fear of governmental "competition and persecution" utility budgets would pass the \$1,000,000,000 mark.

STEEL: Is operating at 50 per cent of capacity. Railroads and utilities are buying more of the essential metal, as are machine-tool makers and farm implement companies. Future of steel is obviously determined practically 100 per cent by the future of general industry, particularly heavy industry.

MOTORS: This is the off season for the car makers, largely because of weather. Even so, January was much better than the month has been for a number of years. Rumors of ambitious plans for 1937 cars are leaking out, and many car makers are planning extensive and expensive retooling programs. Used cars, with which all markets are glutted, constitute one of the industry's annoying problems. It is forecast that makers may carry on a campaign to rid the highways of "wreck", paying dealers bonuses for old cars that are completely junked.

EMPLOYMENT: The unemployed total is going down, but the figure is still plenty large. Business Week says that in December it fell below 9,000,000 for the first time since 1931, and though no end of other estimates are avail-

able, this is probably close to the truth. The tendency is still slowly downward. Political events, of course, can cause drastic changes in business conditions, and a general election is always unsettling. However, more and more of the commentators are saying that 1936 may disprove the old—and not always true—saying that an election year must be a bad business year.

The most accurate way to evaluate a country's tax burden is in the light of the relation of taxes to the national income. On that basis, the U. S. tax problem is becoming steadily worse.

A United States News' tabulation says that when our national income reached its 1929 peak of \$79,000,000,000, taxation accounted for 12.4 per cent of it. In 1933, national income touched its post-war low, dropping to \$43,500,000,000, and taxes took 18.6 per cent. In 1934 and 1935, taxes took 19 per cent and 19.1 per cent of the national income, respectively.

Highest taxed nation is England, where 25 per cent of national income goes of taxation. But England has a balanced budget, while in the U. S. government spending is far outrunning revenue and creating deficits which must be paid for in the future.

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