

BEAVERTON ENTERPRISE

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Spirit of 1776

We have today the same curse that our forefathers faced one hundred and fifty-nine years ago. "High Taxes" they fought the good fight and signed that immortal document the Declaration of Independence July 4, 1776, which everybody has been celebrating this week—And has this nation grown? The American people never did submit to excessive taxation—by the same token the taxpayers of Beaverton must fight to the last ditch this \$25,000 tax burden which the school board are trying to cram down our throats on July 24!

Presidents Tax Program

The President's new tax program was greeted with amazement by the nation—including practically all Congressmen, save for the Administration floor-leaders who had been informed of what was coming. The amazement was due less to the terms of the program, than to the fact that the President should put it forward for consideration at this Congressional session, which is already far behind schedule, is weighed down with half a dozen or so other proposals of first importance, and which seems to have little chance of adjourning before the middle of September, in spite of industry's devout wish that it would wind up its business and go home. Experts say it would take at least a month to properly draw such a bill as the President proposes and as much or more time to get through the Congress.

The President's plan belongs in the "share-the-wealth" category. It includes increased income taxes in the higher brackets, and stiffer corporation, gift, inheritance and estate taxes. And it would do away with tax-exemption of government bonds.

Of great significance was the attitude of the principal American newspapers, all of which expressed their views of editorials on the following day.

The more extreme opposition papers said that the President's proposal definitely aligned him with the left-wing Long-Coughlin school of national economy. Middle of the ground papers, for the most part, simply said they believed the bill was wrong in principle, and that the President was treading on dangerous ground. Some papers were non-committal, praising parts of the plan and criticizing other parts. Relatively few papers approved of the proposal in toto. Representative opinion was expressed by the Atlantic Constitution, which said that the plan "conflicts with the promise oft-repeated that there would be no tax increases during this session of Congress. . . . For Congress to remain in session for the length of time necessary to enact the program . . . would be a national calamity."

Many observers said that the higher taxes on income, etc., would simply stifle industrial initiative, frighten investors, and thus further retard recovery. On the other hand, the majority of commentators seem to favor the provision for taxing government securities. Senator Byrd of Virginia, a conservative Democrat, at once introduced a bill and a constitutional amendment to make that possible. All in all, response to the bill is not what the President might have expected—and it is extremely doubtful if he will be able to muster his usual Congressional support behind it. Congressmen are being deluged with letters protesting the existing burden of taxation, and they will be chary of increasing it further. In the opinion of the well-informed Wall Street Journal the bill will go into committee, will be treated as if it were on the "must" list for the current session—but will be put over till next year when it is found that it will necessitate too long a delay.

"Black Nighties" or "Knee Breeches"

In one of his latest explosions against the Supreme Court, which told him bluntly that he had written and administered an entirely illegal NRA, General Hugh S. Johnson cries aloud against the "blast from the nine ancients in black nighties."

The good general has always had a gift of words, and he has now put the

Constitutional issue on a basis that everyone can understand. The question before America is, "Shall we have the Constitution interpreted by distinguished jurists in black nighties or by phomore lawyers in knee breeches?"

An overlooked fact of more than historical interest is that the supreme court has declared unconstitutional only 60 laws out of 24,016 passed in the history of the country. The 60 include the NRA.

In the same period (1789 to 1935) presidents have vetoed 680 bills. Congress has overridden 48 of these vetoes. From this you can see the three branches of government usually get along amicably.—Paul Mallon, Oregonian.

The drifter may find life pleasant for a time. It is soft and easy to drift, to do nothing which you do not wish to do, to "let everything slide." But when it comes to lasting happiness, to real peace of mind, the struggle up stream produces vastly more than drifting.

Sharp politicians, gentle grafters, smooth crooks, unscrupulous diplomats are frequently called smart and clever. It is a highly inaccurate description. If any of these were really smart they would have discovered that to get results nothing is so productive as simple frankness.

In movement of any sort, we have come to realize that it isn't the size of a man in the fight that counts as much as the size of the fight in the man. News-Reporter McMinnville.

Babson Says....

Chain Store Taxes Short-Sighted

Babson Says Soaking the Chain Stores Means Soaking the Poor

Babson Park, Mass., July 5, 1935—After a mediocre spring season, retail sales are finally responding to the warm weather of the past two weeks. Mail order and chain store sales are showing the greatest improvement over last year. In fact, the chains have had an enviable record not only during the recovery period but throughout the depression.

The most unfortunate development in the chain store situation has been in the matter of special taxes. Twenty or more states have placed such taxes on the chains within the past year or two. There has been a rising wave of antagonism against the big retail groups, which has swept from coast to coast. In spite of the progress which the chain store has made in reducing the cost of distribution, its prosperity has made it a target for the politicians. Just as in the case of the public utility industry, short-sighted political persecution has been the reward for capable and progressive management.

FLORIDA PASSES TAX ON GROSS SALES OF CHAINS

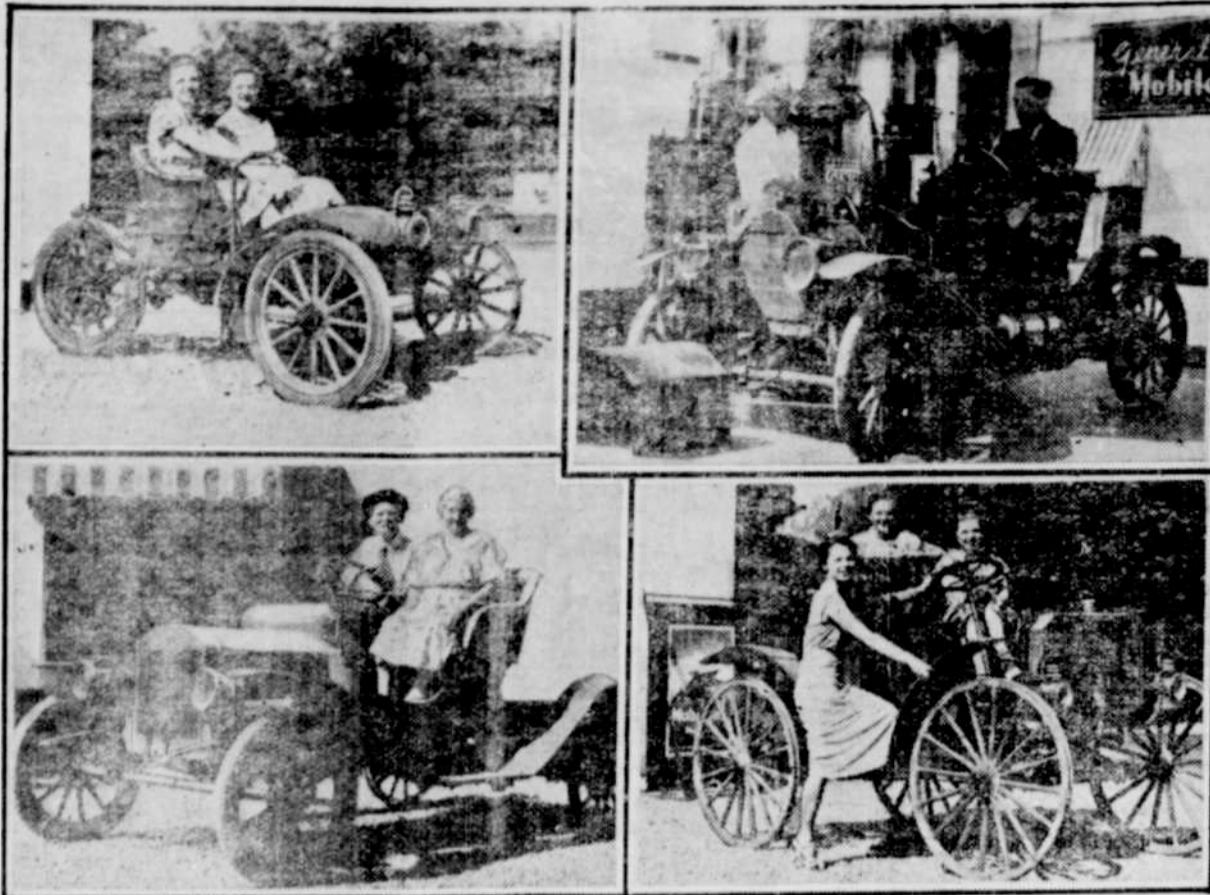
The most drastic chain store tax which has come to my attention is the one recently passed by the Florida legislature. The bill levies an annual occupational tax on retailers ranging from \$10 plus 1/2 of 1 per cent of gross receipts for single stores to a \$400 license and a 5 per cent tax on gross receipts each for chain stores operating as many as sixteen or more units.

Hence, this bill imposes more than a five per cent sales tax on those necessities of life sold by the big chains. In those states which levy fixed annual taxes according to the number of stores, the chains have been able to offset the added burden by increasing their volume. Under the Florida system, however, the tax grows as business grows so the chains will have no alternative but to pass the tax along to the consumer in the form of higher prices.

FLORIDA TAX FALLS HEAVIEST ON POOR

Many economists feel the best way for the treasury to get out of its present dilemma is to pass a general sales tax. I am inclined to feel that this is the right course. The enemies of such legislation however, have a very strong argu-

"Puddle Jumpers" From Out of the Past



These old "motor buggies," of about 1900 vintage, have been attracting widespread interest at the Clark and Gribble General service station in Salem, where they are on display. The General scout car caught the above views of visitors to the show while they were getting the "feel" of some of the old vehicles. (Top left) A three-wheel Motorette. (Top right) A Brush taking some Mobilgas in its under-the-hood tank. (Lower left) A Maxwell gives two Marion county old-timers a ride. (Lower right) Three modern young ladies try out the "Invincible" Schacht. All the vehicles are owned by M. L. Gottenberg of Silverton.

ment in their favor—namely, that a general sales impost would be very hard on those in the lower income brackets. A general sales tax would not only mean a duty on luxuries but a levy on the necessities of life. In fact, those in favor of such a measure have strongly advised the exemption of the necessities of life from its provisions.

Florida, however, in her hostility toward chain retailers, has gone to the other extreme. She has passed a sales tax which is not a general sales tax, but is in reality a duty only on the necessities of life. The brunt of this assessment must be carried by the poor people. While the average family in modest circumstances does not spend as much for food and other basic necessities as a family of considerable means, it certainly does pay out a larger percentage of its income on these items than a well-to-do family.

Hence, soaking the chain stores in Florida or any other state through a gross sales tax simply means soaking the poor.

SUPREME COURT SHOULD PASS ON THIS LAW

I assume that this new tax on chain stores' gross will be carried to the Supreme Court. It will be a healthy development to have a test case on this question not only to clear the air in Florida but in every state where similar proposals may arise. From a practical standpoint such a decision would be more important than the recent rulings on the NRA and on gold. In the latter two in-

stances the High Court's decision did not change anything. Naturally, I hesitate to make any prediction as to what the Supreme Court will rule on this retail case, but I believe that if it is upheld it will be very detrimental to the nation for the following reasons:

1. A tax on chain stores sales unfortunately is an "easy way" for politicians to raise money. It is similar to the tax on gasoline which has been an excellent revenue raiser. The chain stores, like the oil companies, will prove to be good tax collectors and the tendency will be for politicians to constantly boost the tax.

2. It unwisely pleases the local merchants as the politicians well know. Most readers realize that the growth of the chain store has ruined many a corner grocery and has seriously cut into the other independents. Hence, any proposal which hurts the chains gives the politicians the backing of the local merchant.

3. It places a burden on the people in the lowest income brackets whereas most sales tax proposals exempt foods and certain other necessities. Over the long run it also tends for more unemployment and lower wages.

4. It will be hard on owners of merchandizing stocks. A gross sales tax on big retail groups will have the same effect on merchandizing stocks as the various utility taxes have had on power company stocks in the last three years.

EVERYBODY SHOULD SHARE COST OF GOVERNMENT

On the other hand, if the tax proves to be legal, it will be a big help to the man who has all his money in real estate and other investments. Own-

ers of property, both tangible and intangible, today bear more than their share of the cost of government. That is one reason why I favor a general sales tax on all articles except food and other necessities. Such a sales tax will give every voter a direct financial interest in economical government, and it should cause an improvement in the character of the men who are elected to public office. I feel very strongly, however, that an assessment on gross sales of chain stores is the wrong way to go about either clipping the wings of the chain or raising public revenues.

These taxes on chain stores will probably run their course. The antipathy toward big retail groups today is similar to the hostility toward the power companies. It is only another card in the redistribution of wealth deck. But in the long run the people pay the taxes in both cases. Constitutional or unconstitutional, ultimately the people of Florida and every state that tries this system of taxation will have their eyes opened. Sooner or later they will repeal it by popular vote.

Business, as estimated by the Babsonchart, now registers 3 per cent below a year ago and 22 per cent below normal.

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Eugene Brookings
ATTORNEY

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Next "The Hoosier Schoolmaster."

\$50 REWARD for Vandals

To the Public:

A cash reward of \$50 will be paid for information leading to the arrest and conviction of any person or persons guilty of breaking windows or illuminated signs in any retail beer establishment in the city of Portland.

Through 52 years of honorable history the Brewery Workers Union has condemned violence. Our local union members particularly condemn the various acts of vandalism against property of local retail dispensers, none of whom are involved in controversy with organized labor. Our members wish to declare furthermore that they are not responsible for the destruction of windows and other violence and are doing their utmost to uncover the identity of those guilty of these unlawful acts. It is believed by them that others are taking advantage of the present situation to place this odium on the Brewer Workers Unions.

This reward of \$50.00 for information concerning such violence is offered as additional evidence of the Brewery Workers' earnest wish to apprehend the offenders. Any information you may have or may acquire should be telephoned directly to the police. The number is ATwater 6611.

Brewery WORKERS Union

LOCAL 320
Douglas Beach—Secretary

\$50 for INFORMATION and ARREST

To the Public:

With the object of procuring assistance of all citizens, Truck Drivers Union, Local 162 of Portland, hereby offers a \$50 cash reward for information that will lead to the apprehension of vandals, guilty of breaking windows and signs on properties occupied by retail dispensers.

These acts of violence and intimidations against dispensers are wholly unjustified. The dispensers are involved in no dispute with their employes; nor are they involved in any strike or controversy with any labor organization affiliated with the A. F. of L.

They deserve the complete support of all citizens and wholehearted aid of the public in efforts to run down the individuals who are guilty of these malicious and destructive activities.

If you witness any acts of violence, directed against a retail beer establishment or observe men acting suspiciously in the vicinity of one, telephone to the police immediately and report any identifying evidence you are able to secure.

Teamsters UNION-Local 162

A. E. ROSSER,
Secretary, Labor Temple

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Across from The Ritz Theatre

Choice Pot Roast	12c
Tender Short Ribs to Bake, 3 lbs for	25c
Juicy Sirloin Steak 2 lbs	35c
Our Special: Hamburger	10c lb
Boneless Beef Cubes	10c lb
Cheese	16c lb
Leg o' Lamb	16c lb
Lamb Chops Rib or Loin	18c lb
Lamb Shoulder	15c lb
Liver Sausage	
Mixed Ham	18c lb
Minced Ham	
Polish Sausage	10c lb

IT TAKES GOOD MEAT TO MAKE A GOOD MEAL—PHONE BEAV. 6405

E. L. Ross

ALOHA, ORE. Beaverton 4252

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