

BEAVERTON ENTERPRISE

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New Bread and Butter Tax

There are two particularly important points of public interest involved in the special chain store tax laws such as enacted in several states and proposed in many others.

First, is special or class taxation to penalize size in a specific industry, either desirable or in conformity with our constitutional ideas of government?

Second, is it wise or consistent to use an argument for class taxation, the statement that it can be passed on to the consumer?

The whole proposition is unsound because it seeks to establish a punitive system of taxation that limits initiative, limits size, raises prices, discourages low cost service to the consumer and subsidizes inefficiency.

The punitive tax system, once established, will be extended to other "group" businesses such as banks, newspapers, gas stations, etc. In each case the tax can be "passed on to the consumer" in higher costs thus constantly compounding the cost of living.

The chain store tax is only the beginning of an inequitable, unsound and un-American tax system. It is a camouflaged "soak the consumer" tax.

It is difficult to understand just where the "consumer's" interest can be served by driving up retail food prices.

Not only should the public oppose all new tax-increasing schemes, but it should emphatically demand tax reductions in substantial amounts.

There is no justifiable excuse for special punitive taxes of any kind.

Share Whose Wealth?

Much of the public support behind "share-the-wealth" tax measures has arisen from a misunderstanding of what would actually result—misunderstanding that has been largely caused by biased, exaggerated and altogether erroneous statements by enthusiasts and by politicians.

It is a statistical fact that an absolutely equal sharing of corporate earnings would make little difference in the wage earner's pay envelope. If all salaries, dividends and interest paid by American industry during 1928, a boom year, and 1932, a depression year, had gone to labor, the average worker would have received approximately \$10 per month more—two cents an hour.

In brief, those who believe that "share-the-wealth" schemes will make us all rich, are vastly misled. At present, the share of the national income going to labor is extremely high—and it tends to increase. The share that goes to capital—in the form of dividends and interest—is, on a percentage basis, extremely moderate, and is tending to decrease.

Industry, as a matter of fact, is voluntarily "sharing the wealth" in a sound way—through higher hourly wages, shorter working weeks, pension plans, and other benefits received by the worker.

Corporations and individuals of great wealth are much rarer than the politicians would have us believe—and depression has thinned their already small ranks. Further, the money invested in the average American corporation has been put there primarily by thousands of ordinary people, many of whom work for the company, or patronize it. Under the American system, the worker gradually becomes a capitalist in his own right, through home and security ownership—and it is these little capitalists, rather than the few men of millions, who earn and receive all but a small part of our total national income.

2 Days-115 Needless Deaths

Newspapers headlines show that little if any progress has been made in cutting down America's horrible automobile accident toll—a toll that took 35,000 lives last year.

Over the single week-end of August third and fourth, 115 people were killed in automobile crashes. Thousands were injured seriously. Property damage ran to a vast total. And that week-end was simply an average one—the same thing happens week after week.

The nation must take a more aggressive stand than it ever has in pursuing and prosecuting reckless and incompetent drivers, if innocent lives are to be saved. If the chance-taking motorist risked no neck but

Business is Improving

Most business charts show an improvement in business recently and forecast an even greater gain during the Fall. This is particularly interesting in the light of statements made after the Supreme Court threw out N. I. R. A. General Hugh S. Johnson and Donald R. Richberg shouted from the housetops that chaos would come in industry without Government control.

But industrial leaders pointed out that business had gone ahead for 150 years without Washington bureaucratic regulation and there was no reason to expect the demise of NRA to injure recovery. The recent economic advances are the proof of the pudding.

Is the President's prestige slipping? Answer, according to the view of most political experts, is Yes. Will he be re-elected in 1936? The answer is Probably—but not by anywhere near the margin of his 1932 victory.

Have the Republicans a chance in 1936? A fair one—if Mr. Roosevelt keeps on slipping.

A real test of New Deal power recently occurred in a Rhode Island congressional by-election. The district was carried by the Democrats last time, by a 30,000 majority. This time the Republican candidates took the plume by a 20,000 majority. Issues were clear cut—pro and con New Deal measures, with especial stress on Federal spending.

It is true that Republican leaders are more optimistic now than they were even a few months ago—and their attitude has changed entirely from the bitter defeated feeling they had after the Congressional rout of 1934, in which Republican Congressional representation dropped to one of the lowest points in history. Many Republicans, along with some unbiased publicists, feel that they can win next year—if they get the right candidate.

No outstanding candidate has appeared in spite of talk about a dozen different men. Chances are that the candidate will be a middle-of-the-road man, with liberal tendencies.

Under any circumstances the ether will burn when Mr. Roosevelt and his opponent step before the microphones—unless all are wrong, it will be the bitterest and the hardest fought campaign in generations.

This country has lost two truly fine and unselfish persons in the passing of Will Rogers and Wiley Post. It is with heavy hearts our shocked nation accepts the realization of their sudden death.

The Unions are riding to their ultimate fall, but meantime they will inflict years of oppression and depression on us unless public opinion supports courageous public officials, courageous employes and courageous employers.—Oregon Voter.

BABSON SAYS

Continued from Page 1
well as to stockholders.

OUTLOOK FOR RAIL SECURITIES
I should not be surprised to see railroad securities go up in price very soon. There is a comparatively small number of railroad shares outstanding the floating supply is small; and it would be very easy for Wall Street to give the "rails" a wail upward. On the other hand, the long pull outlook is unsatisfactory. Certain roads are bound to fall into government hands. Drastic changes in financial structures will probably be necessary. I have constantly been telling investors that the "rails" as an industry have seen their best days. Railroad stocks are not the kind of securities to leave to your children and grandchildren.

Business, as estimated by the Babsonchart, is now 19 per cent below normal, but 6 per cent above a year ago.

Send your want ads to this paper. All its readers are interested in its classified columns.

Statehouse Gossip

By ERNEST L. GRAY

The state board of control, particularly the governor, is becoming annoyed at the delay on the part of named committees in recommending definite sites for the new capitol building, while Senator Charles L. McNary is likewise becoming impatient. He wishes action before he leaves Washington which was expected the first of next week.

The federal government, he reports, is going out of its way to assist the state in obtaining grants and loans for not only a new capitol building, but would go further and loan and perhaps grant up to 20 per cent for additional land. The Willamette university campus is the projects best favored for purchase.

But as yet the board of trustees of that institution has neither made a definite order nor has it rejected one. The institution and grounds, it was reported, was carried on the institutions books at \$620,000, with the land at \$25,000. Dr. Bruce R. Baxter, president of the university, was known to be in favor of selling and rebuilding at another site.

One thing certain, and the governor is adamant on this. He states Oregon was building, not for today, but for the next century. More land, he declares, must be obtained, and it was up to the city of Salem and Marion county, who reap the greatest benefit, to assist. At the board session Monday he was visibly annoyed at the constant delays.

Speaking of a special session, the governor said he would not call the ninety members here until all details were straightened out. It would be folly, he said, to think of it at the present time. The soonest now would be the middle of October. A complete program will be prepared before the call is sent out.

While prices are soaring in some commodities, the state reported this week that flour had dropped 17 cents a barrel during the past six months. It reported further, however, the federal tax of \$1.35 a barrel may soon be lifted. It costs the state about \$30,000 for six months' supply of flour for the state institutions.

The board of control is bearing down on expansion of institutional industry which would compete in the open market. This was shown when a strict investigation of the broom industry of the blind trades school in Portland was ordered. A selling trip into California and buying trip south was cancelled pending the probe.

It was the opinion of the members that instead of teaching trades to the blind that the state was in the manufacturing business. A closedown may be ordered unless the inventory of supplies has been materially cut down and the school placed strictly on a basis of teaching trades rather than building up an industry.

Excerpts of Governor Martin's address to the reclamation congress at Corvallis this week will give an insight into his constant demand for action: "We have been too slow, rather than too fast in making use of our possibilities. . . . When I have called attention to the fact that Oregon has lagged behind her neighboring states in matters of state development, I have frequently been accused of belittling my own state. Instead I am pointing out that Oregon is a much greater state than most of us realize."

"In many respects we have drifted along year after year, content to take the easy way for the immediate present, and have complained when others passed us by. . . . The machinery is at hand awaiting our use. . . . Oregon now has approximately one million acres actually irrigated. This accounts for less than two per cent of the total area. . . . This two per cent of the area makes up 20 per cent of the total number of farms in Oregon, and the value of these is 25 per cent of the state farm total."

"I am told that when water was brought on to a farm of one of the pioneer residents a few weeks ago he said it was just 25 years ago that he first signed up for irrigation from this source. All these years the weather of the Willamette valley has been much as it is today, but the water has been allowed to flow unused from the mountains to the sea, when crops were thirsting for it. . . . Every indication points to a substantial increase in Oregon's population."

Old age residents of Oregon need not be concerned about the state getting in on the new federal social security act passed. The 1935 Legislature saw ahead and made available, contingent upon such action, \$1,000,000 state funds, to be matched by counties and \$2,000,000 from federal funds for the first biennium.

This means that Oregon leads the nation in being prepared for this and residents over 70 years of age will receive \$30 per month instead of the now average of \$11 paid by the counties. It will cost the counties less. The federal act provides for a minimum age of 65 years, while the state law calls for 70. This, however, was expected to be reduced by the state at a special session of the legislature.

And while on the subject of federal aid into Oregon, in addition to all loans and grants for projects as well as millions for highway work, the average relief fund poured into the state the first seven months of this year reached the staggering sum of \$1,187,119 each month. The total this year, including of course the liquor revenue in the state, was \$8,309,839.00.

Patriotic Groups to Hail Birthday of Constitution

Washington—(IPS)—Impressed by the new mood shown in recent months of preserving the sacredness of the Constitution, 50 or more patriotic and civic organizations composing the National Constitution Day Committee are laying plans for the most elaborate observance in history of the famed documents' birthday September 17.

The national exercises will be held in Boston, with nationally known speakers and coast-to-coast broadcasts. Last year the observance was in Philadelphia, national shrine being chosen each year.

Under the program of the Committee, Governors and Mayors are asked to issue proclamations asking consecration on that day to the American principles upon which the country has flourished, organizations everywhere will be urged to hold special ceremonies, flags will be displayed, and schools will be asked to plan exercises.

The Sons of the American Revolution first began the observance of Constitution Day nearly a score of years ago and the day has steadily taken on greater significance. This year, the Committee feels, the principles of the Constitution and its guarantee of human freedom, and State's Rights should be called to the attention of the people as never before because of devious efforts to undermine these principles.

Yamhill Seed Crops Inspected

McMinnville—First inspection for certification was made recently on 1092½ acres of clover, oats, wheat and barley by County Agent Rex Warren and D. D. Hill of the farm crops department at O. S. C. Of this amount

335 acres of T. A. R. clover, 225 acres of oats, 16 acres of wheat, 162 acres of barley, 23 acres of Ladino clover, and 3 acres of Highland Bent grass passed inspection. Before certification is complete, however, seed samples must be submitted for laboratory inspection by seed analysts at Oregon State college.

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It is a noticeable fact that in localities where there is no locally manufactured product to hold a commodity down in price, those shipping in from outside points take advantage of the situation and almost always boost the price.

It, therefore, is only good business on your part to patronize your local industries. Especially when the quality is equal and your local people will meet any temporarily lowered price by an outside concern.

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