



YOUR TAXES

by
HARLEY L. LUTZ
Professor of Public Finance
Princeton University

Postwar Budget Policy

The number one postwar fiscal problem is budget policy. Two closely related issues give this subject great importance. The first is the amount of expenditure to be authorized; the second is whether or not the expenditures, at whatever level established, are to be provided entirely out of taxes and other receipts, or in part out of loans.

In this writer's opinion, the correct decision on these matters is a plain, direct declaration that an annually balanced budget is to be the goal under any and all conditions likely to be encountered in the postwar period.

Good budget procedure requires that the legislative body consider, as one comprehensive over-all fiscal project, the program of spending and the program of taxation. Each part of the over-all program depends upon the other part. The amount to be collected in taxes must be fixed with reference to the proposed expenditures; and the amount to be spent must be fixed with reference to the burdens involved in providing the necessary tax revenue.

It is plain, of course, that the goal of an annually balanced budget means an effort to maintain this condition during depression years as well as in prosperous years.

The maintenance of a balanced budget during a depression involves getting the

revenue in such ways as are possible, and devising the tax system to this end.

The importance of diversity of revenue sources may be seen from a consideration of our experience with the income tax. The record shows that the yield of this tax is highly variable and uncertain. It can be enormous in prosperous years, or it can virtually disappear in depression years. On the other hand, taxes which are based in some way upon the spending of income for consumption purposes are more stable.

As part of the planning for a bright new world in which some things that have happened are to be prevented from happening again, we should take steps to assure that we shall not again create burdens of taxation or of debt repudiation for a future generation by borrowing our way out of our own troubles. We should have what it takes, morally as well as financially, to pay our debts as we go. We should be prepared, fiscally, as we plan for other ways. We should wear in and year out.

Mrs. Hugh Gaily received a telegram from her cousin Claude Snow saying he has arrived in San Francisco from Okinawa and will be seeing his family and relatives soon.

Oregon Banks Win Farm Service Award

For the 16th consecutive year, Morrow county's bank has participated with 65 other Oregon country banks to win the 1000 point award of the agricultural commission of the American Bankers association, according to B. C. Pinckney, who is county key banker of the Oregon Bankers association.

The award was made on a basis of constructive "regular" and "extra" services rendered by the banks in the interest of agriculture, and all banks in the state and the Oregon Bankers association share in the honor. Their exceptional work scored much higher than the

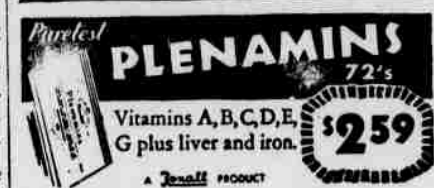
minimum 1000-points necessary to win it.

The work done in their home communities by the banks of Oregon contributed substantially to the success of the ABA national 1944-45 program, "Help Keep Agriculture Financially Sound," which aims at many benefits for agriculture. Its immediate goals are: (1) Help farmers build and maintain financial reserves through planned savings in War Bonds and bank accounts; (2) Work to prevent a farm land price boom; (3) Give all out support to make farm provisions of the G. I. bill workable by aiding the returning veterans whose desire, experience, and ability will support successful farm operations;

and (4) Keep farm debts at a safe level.

HAD FAMILY DINNER

Members of the R. E. Alstott family gathered at the Johnny Bray home in Hermiston for Thanksgiving dinner. Enjoying the dinner with the Brays were Mr. and Mrs. R. E. Alstott, Robert Alstott and family, Otis AAllstott and family and Mrs. Archie Padberg and family.



HUMPHREYS DRUG COMPANY

STAR REPORTER

Friday-Saturday, November 30-December 1

On Stage, Everybody

Peggy Ryan, Johnny Coy, Jack Oakie, Julie London, Otto Kruger, Esther Dale, Wally Ford

Radio's miracle show joins the merriest stars of the screen. A bright package of tunes and tomfoolery.

—PLUS—

Stagecoach to Monterey

Alan Lane, Peggy Stewart

SPECIAL!! Saturday, Dec. 1 2 P. M.—Children's Victory Drive Matinee

The picture is "My Friend, Flicka", a re-release of the great Technicolor story of a boy and his horse. Children are requested to buy both bonds and stamps at the bank or post-office. Tickets received with bond purchases are to be handed in at the show but stamps may be presented at the theatre door.

Sunday-Monday, December 2-3

A Bell for Adano

John Hodiak, William Bendix, Gene Tierney,

Henry Armetta

John Hersey's Pulitzer Prize-winning novel magnificently told in a great motion picture. A story based on the belief that only from the hearts of men can come a proper peace. You should see it...at least once.

Tuesday, December 4

Victory War Bond Premiere Thrill of a Romance

A beautiful Technicolor musical with Van Johnson and Esther Williams, with singing by Lauritz Melchior.

Admittance to this show is by war bond purchase only. Tickets may be procured from the bond issuing agency where your bond was purchased. Plans are being made for presentation of the Morrow County Victory Queen Contestants and for other entertainment.

Wednesday-Thursday, December 5-6

Salty O'Rourke

Alan Ladd, Gail Russell, Stanley Clements, Will Demarest, Spring Byington, Bruce Cabot

A thoroughbred racing picture from starting gate to finish line... plenty of suspense, color, action and a whirlwind climax.

PENNEY'S
J. C. PENNEY CO., INC.



Christmas tip...
Give her a slip!

Tip on how to please a girl this Christmas... give her a slip! A bias-cut, classic slip in rayon crepe, smooth and sleek. Or a soft-as-silk rayon, daintily embroidered, pretty-to-look-at! Low priced—as a gift to you!

95c 1.95 2.98

Uncalled-for Clothes

We have been holding a lot of uncalled-for clothes for several months and must dispose of them to make room for new orders. A few customers have had garments here from two to seven months, among which we have listed the following--

Allstott	John Foley	Inez Gentry
Ed Adkins	Walt Gilman	K. Kelly
Pete Curran	Grant	Monahan
Eloise Cox	Bob Gamble	Mollahan
Dundes	Gaskell	R. Patterson
	Rice	Tuttle

This does not include clothes we agreed to store

If owners herewith listed do not claim garments by JANUARY 1, 1946 we will be obliged to sell them for reason above stated.

Heppner Cleaners & Dyers

Box 266

HEPPNER, OREGON

Phone 259-2