

EDITORIAL



It Will Be An Historic Occasion

Dedication of the Pioneer Memorial hospital will mark another step in the progressive history of Morrow county. It will signify the culmination of several years of patient effort on the part of those who have been charged with the responsibility of planning and carrying the building through to completion, and will be a landmark to the courage and faith of the people who so readily responded to the requests for funds and gifts to provide the finest of facilities for caring for those who will find it necessary to seek the institution's services. There will be suitable ceremonies signifying the completion of the building, following which there will be open house when all who wish may inspect the building and equipment.

Attaining the dedication point has been a slow and somewhat arduous undertaking, not because of financial difficulties, for the people responded nobly both in voting taxes and in donating funds, but rather due to conditions resulting from the war. The first step was taken six years ago when the proposal to build a hospital was placed on the ballot. After passing a millage tax that would raise \$100,000 in five years—the time it was figured work could be started on the building—the people requested a second election to make the remaining four levies payable in one lump. This also carried readily and the county court was then in a position to begin making actual plans for construction. One of the financial hurdles that had to be cleared was the fact that the money already in hand was far short of the amount needed to build the type of hospital desired. Match money could be had from the government and although this method of financing had not been included in the original plan, it was accepted and in order to reach the estimated sum needed, an additional fund of upwards of \$30,000 was raised by subscription.

So Sunday afternoon, June 11, we will witness the dedication of a fine modern hospital, a ceremony which it is fondly hoped will mark the beginning of a long and successful service to the people of Morrow county and neighboring counties not now enjoying that kind of service.

Business Men Should Help

An opportunity to display civic spirit is afforded the business men of Heppner by turning out tomorrow (Friday) and lending a hand to pouring the concrete floor in the new exhibition pavilion at the county fair grounds. It is not unlikely that business men from other towns will be on hand and whether or not they show up, Heppner concerns should be well represented. The fair is not just a farmer-interest affair. The townspeople have an equal interest in it and the fact that it is located here should prompt our citizens to offer their assistance.

And The Rain Came!

An acquaintance of former years was wont to comment "if it doesn't rain there'll be an awful long dry spell." It began to look like that was about to happen in this section of Eastern Oregon, but this is Rose Festival week and we can usually count on some showers.

It is appropriate to remark that the showers were timely. The brief heat wave of Saturday and Sunday offered a threat to light soil crops and some damage may have resulted, although overcast skies Monday relieved the situation and the rainfall Tuesday evening may have been sufficient to carry the grain over the crucial period.

Timber and grazing interests have reason for rejoicing, for the mountain areas are drying rapidly and forest fires have gotten off to an early start this season. Several days of showers will lighten the work and anxiety of the forest crews. Let it keep fallin', we sez.

A Point Overlooked

Perhaps by the time the Gazette Times gets into circulation the second election on the county school budget will be settled. As to which way it will be settled cannot be stated. There has been no showing of hands prior to opening of the polls but if we were to hazard a guess we would say the results will be about the same as in the first election and then the several districts will be left to their own devices.

That there is opposition to the rural school district setup must be admitted. Just how much opposition has developed can not be determined by the results of the first budget election because there were some elements of defection that can't be charged directly to opposition to the rural district so much as a desire to act independently in the matter of special improvement programs. Once these programs are completed or well on their way, those districts might stand in line with the county setup.

If the opposition is something that will grow rather than diminish, the opponents should bear in mind that the rural school district is a result of legislative action and will continue to function until the legislature takes action to nullify the law or to refer it to the people. That is something that may take years and in the meantime the schools would undoubtedly fall below required standards of instruction and plant maintenance, should the voters continue to vote down the district budget.

The Country Press Says

Kingstree, S.C., County Record: "We hear about the proposed socialization of medicine. But we are already well on the road to socializing the power industry in this country. Tax free power plants are built with taxes, to compete with tax-paying power companies. Part of the costs are often allocated for some high sounding purposes, the benefits of which usually fail to materialize."

Waldboro, Maine, Press: "The boys up in Washington are jumping around like grasshoppers on a hot stove, regarding a policy on China, Russia, India, etc. and can't seem to agree on one for any of them. However, when they start getting dizzy, they can always take time out and get in agreement on one thing and that is to spend more money, and create more Bureaus."

Arcadia, La., Bienville Democrat: "Most of us in the older generation—but not so very old, at that—can remember when neighbors came from miles around to see the first bulb turned on and marvel at the light it gave, hanging there at the end of the cord from the center of the ceiling. Farm life has become lighter in more ways than one since the private utilities and the co-ops started extending their lines down the rural roads and across the fields to the farm home."

Clayton, Alabama, Record: "Until the American people realize how costly it is for the government to do things, and begin to refuse the largess, subsidy, etc., offered by the Government we cannot expect much reduction in government expenses."

New Taxes Would Hit Low Income Groups

If all personal incomes in excess of \$10,000 a year were confiscated by Uncle Sam, it would barely give him the additional money needed to wipe out the \$1 billion deficit and finance the \$1 billion first year's cost of the new Federal spending programs proposed in the 1951 budget.

Since the nation faces a choice of submitting to higher taxes or reducing Federal spending if Uncle Sam is to live within his income, the Council of State Chambers of Commerce today pointed up some of the difficulties in increasing Federal revenues.

This study revealed that if, for instance, the Federal Government set \$50,000 as the maximum income that could be retained by individuals and took outright all income above \$50,000, it would get only about \$843 million more than it gets now from present taxes on those incomes. This \$843 million would be enough to run the Federal Government only one week.

Or suppose Uncle Sam called \$25,000 the most anyone could have and took everything made above that figure. That would give the Government a little over \$2 billion in additional revenue. This is just a little less than the Government intends to spend on

agricultural activities and subsidies alone in 1951.

But, of course, Uncle Sam would never think of taking such a big tax bite because he knows he would destroy all personal incentives to earn that much again.

The survey showed further that in spite of the high taxes on incomes of \$100,000 and over, Uncle Sam collected only \$1.2 billion from 10,844 persons with such incomes in 1947 which is the latest year for which complete statistics are available. This total was only 6 1/2 per cent of all income taxes paid that year. And tax rates on incomes over \$100,000 that year ranged from 67 per cent to as high as 91 per cent.

On the other hand, 51 million taxpayers reporting incomes of less than \$5,000 in 1947 paid 8 1/2 billion which is 48 per cent of almost half of the income taxes collected that year.

The Council said, "There is no getting around the fact that any additional burden of taxes must fall on the lower income groups. They have only two choices: submitting to more taxes or demanding cuts in present spending with a halt to new spending."

Mr. and Mrs. Kemp Dick and sons are attending the Rose Festival in Portland. During their stay they are visiting Mrs. Dick's sister and brother-in-law, Mr. and Mrs. Ross Holliday.

Delegates to State Convention Named By AL Auxiliary

At the June 6 meeting of the American Legion auxiliary, Mrs. Kemp Dick and Mrs. William Labhart were elected delegates to the department convention in Grants Pass. Mrs. W. A. Blake and Mrs. Jack Bailey were chosen as alternates.

Officers for the new year were installed by Mrs. Loyal Parker.

Mrs. Kemp Dick, president, named committee chairman for the year: Mrs. W. A. Blake, Americanism; Mrs. Otto Steinke, child welfare; Mrs. James J. Farley, community service; Mrs. Henry Aiken, constitution, by-laws and national security; Mrs. Charles Hasvold, Girls' State; Mrs. Labhart, junior activities; Mrs. Jack Bailey, membership; Mrs. Al Huit, music and Pan American; Mrs. Gene Ferguson, past presidents parley; Mrs. Don Walker, poppy and poppy poster; Mrs. Jerry Daggett, publicity, and Mrs. Alex Thomson, rehabilitation.

Hostesses were Mrs. Basil Burnstad, Mrs. Douglas Drake and Mrs. Carl Vincent.

This was the last meeting before the summer vacation.

The American Way

OUR CAPITALISTIC SYSTEM

By George Peck

If our American System of Capitalism or Free Competitive Enterprise is to survive, we must be thinking and talking about it. Most certainly its defamers are quite vocal. Also, we must constantly seek to improve this system which has given America the world's highest standard of living. To do this we must first understand it—know its weaknesses as well as its strong points.

In a collectivist society such as Socialism, Fascism or Communism, complete power over the lives of people is centered in the hands of a few individuals because they control all the wealth. Under Capitalism wealth is so widely divided that no individual or group of individuals can regiment the people.

Capitalism tends to place the wealth of a nation in the hands of industrious, capable people who are able to use it to produce still more wealth. This would seem to contradict my former statement about division of wealth were it not for the fact that here in America there are a great many people who have the ability to use capital wisely enough to produce more wealth.

This constant production of new wealth by the individuals who are most expert at doing it, constitutes the strongest argument for Capitalism. Increase of wealth is the chief factor in bettering the standard of living of a people.

In recent years Capitalism has lost some of its efficacy, but this is not due to any inherent defects. Rather, government regulations have interfered with its efficient working. A great part of the incentive to produce wealth has been destroyed because too large a percentage of what a man makes during his lifetime is taken from him in taxes.

It might be contended that in the future it should not be necessary for individuals to amass such fortunes as in the past, but income and inheritance taxes

have mounted past the safety level. In addition, it does seem unfair to penalize and smear businessmen who produce the wealth for themselves and others, and who provide the jobs. Certainly they do not merit the abuse that has been heaped on their heads during the past seventeen years.

Before we tax away all the incentive for individuals to save, invest, work and worry, let us remember that the man who builds his factory from one employing ten men to one employing a thousand, receives, even before a taxation, a very small percentage of the wealth he has created. The major part of the wealth goes to 1,000 employees, 990 of whom were put to work due to the vision, industry and executive ability because he was owner, and also because he was willing to risk his savings.

Let us stop transferring the management of wealth from those who have demonstrated their ability to create and increase it, to any group of politicians. In general, a politician is a smart salesman, but lacking in executive ability.

The creators of wealth should be, as a matter of fact most of them are, willing to give a reasonable part of their gains to the government to permit it to perform its legitimate functions without adding to the Federal debt.

At the same time these creators of wealth have a right to demand that the Government treat this tax money as a public trust—not as a fund to be used to entrench and perpetuate those already in public office, but to be administered for the general welfare of all the people.

In the past our Capitalistic System has done wonders for us—it will carry this nation to even greater heights if it can get Government off its back. Federal Government must resume its former role of simply umpiring, instead of attempting to participate as a player in the game.

GRAPHIC ILLUSTRATION

By Dewitt Emery

(Editor's Note: Dewitt Emery is president of the National Small Business Men's Association.)

Everyone, business man, farmer, wage earner, white collar worker and everyone else, has in one way or another felt the devastating effect of excessive taxation. A graphic illustration of how far this has gone, almost to the point of confiscation, is given by the current newspaper advertisements of the Union Oil Company of California.

In 1949, Federal, state and city taxes took 183 1/4% of the total income of the company. In other words, out of every dollar in sales 183 1/4 cents had to be used to pay taxes.

Stockholders, the real owners of the business (in fact, there wouldn't have been any Union Oil Company if these people hadn't put up the money to finance it), received only 5 cents per dollar of sales.

The employees of the company did almost three times as well as the stockholders, but still had to take a back seat to the tax collector. The employees received 14 cents per dollar of sales.

Could anything be more absurd or, for that matter, any more dangerous to our free enterprise system and our American way of life than for taxes to take almost exactly the same amount from the total revenue of the company as is paid the stockholders and the employees?

It's perfectly true that the services rendered by the various agencies of government which are supported by taxes do contribute something to the operation of the Union Oil Company or any company. But is this contribution worth as much in dollars or in any other measurement of value as is the contribution made by the stockholders who finance the company and the employees who run it?

The Union Oil Company has 37,245 stockholders. These people are the ones and the only ones who brought the company into existence and who keep it going with their investments.

Where did these stockholders get the money they put into this company? The chances are that in practically every case the money came from savings which were made possible by industrious, thrifty, even frugal living. These people put their faith in themselves and in our free enterprise system. They definitely do not belong to the group which spends every dollar it gets hold of because the government owes them a living and will take care of them, come what may, from the cradle to the grave.

Of course, what the tax collector takes from the company doesn't by any means tell the whole tax story. The employees have to pay taxes individually on the salary of wages they receive and the stockholders have to pay taxes on their dividends, which materially increases the government's take.

The whole point is how much more of this can business and industry take without cracking wide open. If it cracks, what happens to all of us, wage earners, salaried employees, stockholders, professional people, in fact, our entire population?

That, my friends, is the \$64 question.

The excessive taxation we are laboring under is based on extravagant, wasteful, unnecessary governmental expenditures. I have said before and I repeat with even more emphasis, if that's possible, that unless the big spending program of our Federal Government is drastically reduced in the immediate future, it can only result in a national collapse which would bankrupt you, me and everyone in the United States.

30 Years Ago

HEPPNER GAZETTE TIMES June 10, 1920

The program for farmers and townspeople on Saturday is complete. The morning will be given over to street sports and a band concert, with a big lunch at noon. The speaking will begin at 1:30 and will be followed by a ball game at the depot.

The home of Mr. and Mrs. J. H. Frad was the scene of a pretty wedding on Sunday morning, June 6 when their daughter Erda became the bride of Arnold G. Piper, a prominent young farmer of the Lexington district.

All ex-service men of Morrow county will meet in the council chambers in Heppner Saturday evening, June 12 to complete the organization of a local post of the American Legion.

Howard M. James of Enterprise has been chosen to succeed D. W. Boitnott as superintendent of Heppner public schools. Mrs. James also teaches and will be employed by the board as a teacher in the lower grades. A successful school year at



LIVE LONG IN OREGON

Want to live a long time? Then stick around Oregon. It is the healthiest state in the nation.

These are not just chamber of commerce blurbs. They are plain statements of facts from federal records.

For years Oregon has been at or near the top of the list of states for low birth rate mortality, eradication of tuberculosis and venereal diseases.

Loa Howard, state welfare administrator, has reminded members of the state board of control that 10.3 per cent of Oregon's population consists of persons 65 years of age or older, as compared with the national average of 7.5.

A greater per cent of the people of Oregon live beyond the average life span and a greater number of them have provided for themselves in their old age. In Oregon, only one in six are old age recipients. In Louisiana, more than eight out of every ten receive state pensions.

Governor Douglas McKay quoted the U. S. Bureau of Labor statistics as anticipating that Oregon would continue to lead in the percentage of people 65 years old and older and that the ratio would advance to between 12 and 14 per cent by 1960.

Oregon's average monthly payments for old age assistance is \$52.92 or only five cents lower than that of New York. Only nine states provide higher pensions.

DOOR-TO-DOOR LICENSE

A Salem insurance agency has been receiving a flood of letters from firms in other states who employ doorbell-ringing solici-

tors. The writers want to know what will become of the case of an insurance solicitor working for the Salem agency who has been found guilty of soliciting without a permit from the city.

The solicitor is appealing the case to the supreme court and to higher courts if he loses. Municipal governments are also interested. If the Salem ordinance is upheld other cities will want to adopt it to replace untested laws they may now have.

PROSPECTIVE LAWS

While indicating some of the matters he will include in his message to the 1951 legislature, Governor Douglas McKay said Wednesday he would insist that "all budget items be placed on necessities rather than governmental frills." At a meeting of state department heads the governor admonished them to reduce rather than increase their expenditures.

The governor declared he would ask that legal status be given the state board of natural resources which is composed largely of department heads. This board, instituted by the governor, is a voluntary group.

Governor McKay believes a paid state parole board will, by full time work, be able to save money for the taxpayers and the public as well. He predicted that taxes again will be a paramount issue in the next legislature.

CAPITOL CALLOPPE

The late primary election cost \$200,000, spent by taxpayers, candidates, backers . . . Questionnaires have been sent to 1500 Oregon firms to list salaries of employees to enable state civil service commission to compare wages with those of private enterprise. . . Secretary of State Earl Newby will be the speaker at the annual Pioneer Mother banquet June 16 during the Phil Sheridan Days celebration at Sheridan. . . Could be six women members of the 1951 legislature; there is one holdover and five are up for election—the five are democrats.

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Meets First Monday Each Month
Citizens having matters for discussion, please bring them before the Council. Phone 2572

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