

The Evening Herald

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 FRANK BENKINS Editor
 MALCOLM E. EPLBY Managing Editor
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WASHINGTON

NEWS BEHIND THE NEWS
 The Inside Story From
 The Capital
 By PAUL MALLON
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WASHINGTON, Feb. 13.—Phantom trumpeters of the new deal have been blowing in here and there, and the words have been coming out that there will be no bonus taxes.
 That one will be held up until after congress has grappled with and has been thrown by the problem of raising two hundred million dollars for the so-called farm relief program.

When the farm tax grappling match is over and settled, congress will get a little note, directly or indirectly from the White House, reminding it that there is a matter of amortizing the bonus yet to be disposed of. Just make a note of that. The amount of money which will be requested is \$135,000,000 a year.

PROGRAM
 This seems to comprise the whole inside legislative program of the new deal for the remainder of the session. A wide variety of assorted excise taxes to pay the farm bill is known to have been prepared secretly by the treasury department. These will be submitted to congress, when congress asks for them, but not before. The administration wants to back into that situation cautiously, avoiding stress on it as much as possible and ducking direct recommendations wherever possible.

Less caution will be displayed later in regard to the bonus taxes, because the new dealers half-expect congress to walk out without enacting bonus taxes.

But the important thing now is that the new deal program has been privately concluded, that it contemplates approximately \$635,000,000 of new taxes and no more (no income, sales and corporate increases). No additional legislation will be requested. No pending legislation is considered important, except routine continuance of neutrality and routine government appropriations bills.
 That is all business men and politicians need to expect.

PULSATIONS
 Hottest inner discussion now concerns President Roosevelt's sincerity in curtailing expenditures.

New deal moderates are jubilant. As they describe it, the "public pulse" is right for a sharp curtailment. It was not right when the budget was drawn up last fall. They assert Mr. Roosevelt is taking hold of this issue more enthusiastically than anything in his deal history. They promise a real effort, and not just a political effort, to establish a better campaign front.
 The change on the inside has come, they say, within the past week.

What wrought it is clear. The bad reaction to farm and bonus taxes encouraged an economizing line of thought, but the growth of the Landon campaign must not be and has not been overlooked. Governor Landon's thrift record has struck a popular chord.
 Nobody's word on the extent of the curtailment will be worth much, however, until the savings are laid down officially on the dotted line.

CO-OPERATION
 Senator Pittman said some sharp things about Japan out in Nevada before congress opened. Upon his arrival here shortly thereafter, he indicated he had been misquoted by the press.
 The speech he delivered in the senate Monday was about the same one he made in Nevada with a few fancier trimmings. There will be no assertion of misquotation this time.
 You may deduce that this indicates Pittman must have spent the intervening six weeks finding out what a good speech he had made in Nevada. There is more to the reputation than that.
 Pals on Capitol Hill say he let the state department have four days' advance notice of his speech and its contents. The department made no effort to tone him down. Apparently it shares some of the senatorial displeasure at certain unmentioned Japanese propaganda circulated recently in this country by an able Japanese spokesman. To quiet this gentle-

man was one of the hidden purposes of the speech.
FINANCING
 Mr. Hoover's frank court testimony about the necessity of investors hedging against inflation caused some uneasy moments among governmental financing authorities. But only a few. For the present their inner situation is encouraging—the inflationists in congress have been defeated. The outward movement of gold recently threw a scare into the Frazier-Lemkeites from which they are not due to recover before congress adjourns.
 This and the president's promise of spending curtailments have caused a much better feeling all around.

NOTES
 Treasury Secretary Morgenthau did considerable casting about for a conservative undersecretary of treasury, but found few eager applicants for that job. Financing the new deal debt is hardly one of the softer government positions.

The Black committee has run into constitutional trouble trying to collect answers to questionnaires from various business corporations. Private attorneys have advised several corporations to resist, under the fourth amendment. There will be a peck of trouble about this when the committee starts hearings.

Congressmen do not remember it, but they passed a law in 1921 preventing government officials from recommending new taxes. The statute specifically states that "no recommendation as to how the revenue needs of the government should be met shall be submitted to congress by any officer or employee of any department, unless at the request of either house of congress."

Both J. P. Morgan and Mrs. Roosevelt, in their definitions of the leisure class, neglected to mention the 11,000,000 unemployed.

He favors a better law than

SIDE GLANCES—by George Clark



"Thanks, grandma! I probably won't need more than half this. Some of the girls pay their own way on dates, nowadays."

present one, he wrote the first congressional district Townsend club convention in answer to a direct question. His answer met disapproval from Townsend leaders in session here.

PORTLAND, Ore., Feb. 13. (AP)—Carl F. Gould, Seattle architect, said rules for the contest on drawing architectural plans for Oregon's new capitol will be published about March 1 and the judging of designs will be about May 15.

ALTON Bassett, executive secretary of the capitol reconstruction commission, said 50 architectural firms have asked about the contest. It will be nation-wide.

Gould said the new statehouse probably would be completed and ready for occupancy in April 1938. The architect receiving the contract probably will be able to provide working drawings for the \$2,500,000 structure by December 15 of this year.

PENDLETON, Ore., Feb. 13. (AP)—Apparently authentic reports to state police told today of large numbers of ducks, quail and pheasants starving to death in the Pilot Rock and Ukiah districts.

It was said deer carcasses also were in evidence. The section has been snow-covered several weeks.

ASTORIA, Ore., Feb. 13. (AP)—The Clatsop county voters of the 49th district announced completion of a campaign for early diagnosis of tuberculosis. The Von Pirquet test, given to 1990 Clatsop county school children, indicated about 10 per cent were positive reactors.

BEND, Ore., Feb. 13. (AP)—A postal sixties boom sold cheered the "entire" populace of the one-man town of Millican.

W. A. Rahn, mayor, sole resident and postmaster, said proudly today that money order receipts the last quarter were \$379.54—three times as great as for the same three months last year, and continue high.

But sale of stamps last year was not very brisk, said Rahn as he stood in his combined store, service station, postoffice and city hall. Most high desert people appear to carry their own mail, he said.

CORVALLIS, Ore., Feb. 13. (AP)—Dr. E. O. Sisson of Reed college addressing the home interests conference, in session here today, scored the practice of keeping the "American temple of education" filled with European material.

"We must put this old world stuff in its place so that American ideas can come in," he said. Julius Caesar has been studied in high school more than Lincoln, Washington and Jefferson combined, he pointed out.

Telling the Editor

Decreased Purchasing Power
 KLAMATH FALLS, Ore.—(To the Editor)—Facts and figures affecting our own lives are more easily comprehended and infinitely more interesting to us than abstract principles, and for this reason we are going to give facts and figures taken from a community in our own county, and show what effect the Townsend plan in operation will have on this locality.

In Townsend Booklet No. 2, page 8, paragraph 9, we read: "Section b provides that for all pay rolls the employer shall deduct the tax and make the return," which means that all employees shall have 2 per cent deducted from their wages each pay day. The average Algoma pay roll, not including the woods, was \$27,983 per month in 1935. Under the Townsend plan \$41.46 would be deducted from the Algoma pay roll every month.

Leading Townsiders, including Economist Doane, Radio Announcer Kiefer, and many others, place the increased cost of living due to the transaction tax to be from 5 to 25 per cent, so this would mean, at the least, an additional \$2,798.30, or a total of \$30,781.30 which the workers of the Algoma Lumber company will pay in taxes each month to support the Townsend plan.

There are seven people now employed by the company who are eligible to receive the pension, which means, if these people actually receive \$200 monthly and remain in this community to spend it, there will be \$1,400 monthly coming into the community in pensions, and \$3,249 going out in transaction taxes. This means that the purchasing power of the Algoma workers will be decreased \$5,249 each month, or \$38,958 yearly. This means that there will be going out of this community each month \$1,849 more than there will be coming in in pensions.

Yes, we know exactly what you are thinking: All the people of the community who are over 60 are not employed by the Algoma Lumber company. Allow us to remain you, also, that the Algoma pay roll does not represent the total income of the community. There are prosperous farmers in the community whose incomes are not to be sneezed at, and there are others employed whose incomes were not counted in the Algoma pay roll, and from all these sources transaction taxes will be paid in excess of the total pensions, which will remain in the community. If you don't believe this, make a survey of the community and do your own figuring.

Business men of Klamath Falls will receive from the Algoma community and employes \$1,849 monthly less business than they are receiving now, provided the elderly stay here to spend their pensions. It is quite possible that most of them will move to a warmer climate, and Klamath Falls will get something over \$3,000 less business monthly from this one locality. We imagine that Los Angeles will welcome the elderly at the border with brass bands, if they have a little money to spend. Los Angeles won't mind getting prosperous off the hard-earned money which the workers of this and other communities will send there in the pockets of the elderly.

But what becomes of this and other similar communities? Decreased purchasing power means decreased buying, and decreased jobs and decreased wages. This sounds like there will be more money available for pensions than can be used, but look for our next article. We have an answer for that one.

Sincerely,
 Mr. and Mrs. George Lewis,
 Algoma, Oregon.

In New York City, the lower East Side is inhabited by the Jewish race; the Chatham Square district by Chinese; lower West Side by Armenians; Yorkville by Germans; northeastern part of Manhattan by Negroes, and the section from Park Row to East River by Spaniards.

A horse cannot gallop with all four feet off the ground, except when flexed beneath the body.

In Memoriam

HORIZONTAL
 1. The 16th president of the U. S. A.
 13. To observe.
 14. English coin.
 15. Native metal.
 16. To emulate.
 17. Pile.
 19. To debate.
 21. Desert fruit.
 22. Chum.
 24. To scatter.
 25. Snaky fish.
 26. Spain.
 28. Rumanian coin.
 30. Eccentric wheel.
 31. Affirmative vote.
 32. Protest.
 36. Male child.
 37. Still.
 38. Bed lath.
 40. Street.
 41. Guided.
 42. Measure of area.
 44. Helper.
 45. Pronoun.
 46. Force.

Answer to Previous Puzzle
 KANGAROO PLANTS
 MOA ARBOR TOGO
 AUNT ABBOT
 USE PASSERS
 SENSES I LEA
 T TOD STYER
 RAIL ROYAL
 ALTERED REPOSAL
 LAY INSIDER EGO
 IS LAT DRAT ON
 A PAL DON MAR G
 HEM AILED LAW
 LEADING DOUGHES

29 His most famous speech.
 21 Passed by request.
 23 Lion.
 25 To devour.
 27 Golf teacher.
 29 Within.
 30 Puss.
 31 Data.
 34 To soak flux.
 35 Ancient.
 36 Most important issue of his administration.
 39 He was assassinated at the ———.
 41 Cover.
 43 Heated pin.
 44 Bronze.
 45 Steel.
 47 Can group.
 49 To parolote.
 50 Female horse.
 52 Payment demand.
 53 Fitter.
 55 Musical note.
 57 Part of "be."
 58 Nay.

Ten Years Ago
 In Klamath

assembly at Klamath county high school was addressed by R. C. Grosbeck, who gave a stirring talk on Lincoln, his life and qualities.

P.-T. A. Notes
 By Geneva Glenn
 The success of the last P.-T. A. dance has prompted Keno to have a Valentine dance this Friday night at the high school. A large crowd is expected. A dance supper will be arranged by the committee.

Contributions to the Founders' Day program was favored and a sum voted at the business meeting last Friday night.
 The summer round-up committee named was: Ora Burkes chairman, Beattie Seaver, Mrs. Iona Summers and Geneva Glenn. Ora Burkes served as chairman last year, and Geneva Glenn for the two years previous. This will be the fifth summer round-up of the Keno P.-T. A.
 At the next regular meeting the men will arrange for refreshments.

NEW YORK, (AP)—The Countess of Cathcart, divorced wife of the Earl of Cathcart, today was ordered excluded from the United States. The execution order was made by the special board of inquiry at Ellis Island which has investigated the countess' case since her arrival Tuesday.
 Admission of the Countess to the United States was denied on grounds of "moral turpitude."

A dominant personality, a courageous yet kind leader who guided the nation through the shoals of civil war to the solid footing of peace and prosperity was uppermost in the minds of Klamath citizens Wednesday, when general observance of that day, 117 years ago, when Lincoln was born in Hardin, Ken. Lincoln day exercises were held in every school, and the general

DELICAN
 Now Playing
 ENDS FRIDAY
 RHYTHM RUNS AWAY WITH A REGATTA!
FRESHMAN LOVE
 with Warren HULL Patricia ELLIS Frank Mc HUGH Geo. E. STONE Nick FORAN Mary TREEN
SATURDAY
 One Day Only
THE LONE WOLF Returns

Punitive Tax Void

THE late Senator Huey Long's punitive tax on newspapers of Louisiana has gone the way of other unconstitutional legislation. The United States supreme court in a unanimous decision, invalidated this attempt to hamstring the press because it did not conform to the wishes of a political power.

Plainly and fairly enough, the court held that newspapers are not immune from ordinary forms of taxation for the support of government. There is no reason why they should be.

But in the case of the Louisiana tax, an effort was made to exact a tax from newspapers as a reprisal for their criticism of the Long regime. It was a direct attempt to abridge the freedom of the press, and all members of the supreme court, conservative and liberal alike, agreed that "informed public opinion is the most potent of all restraints of misgovernment" and condemned the "suppression or abridgment of publicity afforded by a free press."

There may be a few exceptions, but on the whole, American newspapers present their news with impartiality, their editorial convictions with honesty. A free press is not permitted under dictatorships such as Senator Long sought to establish. But it is essential in a democracy.

Which Road?

THE only living ex-president is Herbert Hoover. He is in a position to speak from the pedestal of authority and experience on the problems and issues that face the people of this country.

Hence his public addresses at this time, such as the one in Portland on Lincoln's birthday, command widespread public attention, and deserve the careful consideration of the citizenry, whether there be universal agreement or not.

In his Lincoln day speech, Mr. Hoover made a number of telling criticisms of the New Deal. He cited the concentration of bureaucratic power, the threat of inflation and the questionable fiscal and monetary policies of the administration, the steady cracking up against the rock of the constitution of what Mr. Hoover asserts are assaults upon liberty. He charged that all of this, and other things he mentioned, led to a confused state of the nation.

Mr. Hoover was right when, in his introductory remarks, he denied the truth of President Roosevelt's recent statement that the issue before us is "the right of the average man and woman to lead a finer, better and happier life."

That is not at issue, because it is, of course, the objective with which we all agree. We need not now decide whether that is the thing we want. That was decided long ago—it is the American dream. But what we must decide in the coming months is which of the roads ahead really holds the greatest promise of sound progress toward that objective—a finer, happier, better life for us and our children.

He Serves Well

OCASIONAL inquiries or pleadings for assistance in matters of importance to this community go from Klamath Falls to members of the Oregon congressional delegation at Washington. No member of that group is more prompt in his answers or more effective in his efforts than Senator Charles L. McNary.

Many another community in Oregon has had similar experience with Senator McNary. As an example, The Dalles Chronicle this week in an editorial tells of the quick response given by Senator McNary when depositors in the defunct First National Bank of The Dalles indignantly protested the unjustified removal of the receiver of that bank.

Here are the final paragraphs of the Chronicle's editorial:

The value to Oregon of having a man in congress of the seniority, ability and prestige of Senator McNary is tremendous. True, he is a republican in a democratic congress, but even then his influence is enormous. The administration more than once has needed republican cooperation and McNary, as republican minority leader, has given it. In return McNary has been able to obtain for Oregon such vital projects as the Bonneville dam, sea lock, and now he will obtain an appropriation for our channel.

Any man, regardless of party, who runs against McNary at the next election is due for disillusionment. Oregon is going to return its senior senator to congress by another overwhelming majority, and the Mid-Columbia is going to do its utmost to show its appreciation of his work by giving him all the votes at its command.

This is an example of general recognition in Oregon of Senator McNary's usefulness at Washington to his state.

Adolph's Observations
 WOMEN folks are all right but you can't teach them anything. When they get to a certain age they either can't learn or else they won't.
 I've been scrapping with my old lady for years about keeping a budget book. I thought that if we would put down what we spend, and what it goes for, maybe we could finally figure out some way to save a little on certain items.
 Well, on the first of November we got started. I got a nice little book and I explained that she should put on one side what she received and list on the other side what it went for.
 Today I took a look. On the right hand page it says, "Received from Adolph \$200." On the other side is written, "Spent it all."
 —Today—
 China-Ware
REX
 "LAND OF MISSING MEN"
 "JUST LIKE HEAVEN"
 "WIKES Murder Mystery"

Edmund LOWE
 The Great Impersonation
 ENDS TODAY
 DAILY 2-7-9 V25¢ X Continuous Sunday
 Starts TOMORROW
 THUNDERING WESTERN ACTION!
 A gun fight' fool puts renegade rustlers on the run and reaps romance as his reward!
Buck JONES
 in
"Sunset of Power"
 with

HURRY! IT MUST END SATURDAY!
 THERE IS LITTLE WE CAN ADD TO THE MANY FINE THINGS PEOPLE ARE SAYING ABOUT THIS PICTURE!
 WRITTEN FROM ACTUAL EXPERIENCE BY LIEUT.-COMM. FRANK WEAD
 DIRECTED BY THE FAMOUS WAR ACE HOWARD HAWKS
James CAGNEY **Paulette GODDARD**
 in
"CEILING ZERO"
PINE TREE