

Herald and News

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NEWS BEHIND THE NEWS

By PAUL MALLON

WASHINGTON, July 18—It sounded a little like the reichstag when the house ways and means committee unanimously decided on the strongest of gag rules for house consideration of the tremendous new tax bill.

It meant that these terrific taxes were, in effect, levied by 25 men, that the representatives of the people in the house must either take their handiwork as a whole or reject it. No changes could be made. Only three days of useless discussion was possible.

But even the rip-snorting ultra-new dealer representative Knute Hill, of Washington, voted for such a strenuous restriction of this occasion for the first time in his life.

All the leaders well knew that if this tax bill was opened for normal floor consideration, the house would tear it apart. They had to exclude the house practically from considering the measure in order to save it.

No tax bill is ever satisfactory, but this one came out of committee with a slightly heavier odor than usual, due to some fast last-minute trading.

It seems that Mr. McKeough, of Illinois, and some of his new deal associates, schemed that final five per cent hoist in corporation taxes by trading off their votes privately on the joint husband and wife return proposition.

There are eight community property states which were determined to kill the joint-return proposition made by the treasury, and their representatives were naturally eager to lend their votes to the corporations increase in return for new deal support for their pet interest.

But the bill as a whole represents a general compromise all the way through.

The top tax-makers in congress, like Committee Chairman Doughton, were determined that business should not be driven down by these taxes to the point of impoverishment. They did not want that last five per cent increase in corporation tax.

It meant the government would take nearly half (45 per cent) of all business profits and 87.5 of what might be considered excess profits, in addition to social security taxes, state, local and other taxes.

Certainly no corporation now could possibly make any more than 6 or 8 per cent, if that, even if it has been running a deficit for many years. And even if it makes 8 per cent, this amount is distributed to individuals who must pay terrific income taxes, so that the government now is near taking everything business makes in one form or another.

The suspicion naturally evolves that some of the extreme new dealers want to impoverish business thus, in order that it may be easier taken over for socialistic operation. No proof of this contention exists.

The new dealers expect private enterprise to continue to exist and private initiative to be maintained, under this bill. But no one can deny this much:

If anybody wants a socialistic system, taxation is the way to get it. Government cannot possibly seize profitable business. It cannot pay for successful private enterprises. It has insufficient resources to acquire by purchase. But it can easily control, manage and even take over business which is sick or weak.

This bill edges up to the line of impoverishment, and up against the question of whether individual ambitions to make money can be maintained, which of course is the root of the profit system.

But from the standpoint of treasury necessity, the bill is still insufficient. It will make annual tax revenues about \$23,000,000,000 and leave about \$50,000,000,000 a year to be raised by floating bonds.

Of itself, therefore, it will not prevent or greatly hinder inflation. It merely increases to an extreme point the old orthodox methods of new deal taxation, offers no new ones.

Everyone knows these rates cannot be repealed after the war is over. This is not a war tax bill, but a permanent one.

It will be necessary to maintain some such scale to carry the huge war debt which will be \$130,000,000,000 at the end of the next fiscal year and perhaps two or three times that much by the time the war is over.

Most peculiar aspect of the situation is that the CIO and other labor groups do not think these corporation taxes are high enough, although their wages must come from corporation income. They can only get wage increases from increased corporate earnings.

It is a prize example of shortsightedness of labor leadership—and a typical sign of the times that labor advocated further government confiscation of the

SIDE GLANCES



"I wonder what we're supposed to do—shoot the enemy or trample them to death!"

From Other Editors

PIERCE, POLITICS AND FORESTRY

Frank Hamm, police chief of Klamath Falls, has been named United States marshal for Oregon. The political interpretation of the appointment is that Charles Mack, also of Klamath Falls, came so near to beating Walter Pierce for the democratic nomination for the house of representatives that Walter secured the appointment to build his fences in the Klamath region.

Chief Hamm is well spoken of by the republican Klamath Falls Herald and News and without doubt he is a competent police officer. He will be the first U. S. marshal from east of the Cascades in our memory and as such he represents Representative Pierce's political influence with the administration. Being the one democrat in Washington representing the state of Oregon Walter should have some influence.

Taking into account the interests of this congressional district rather than the personal political fortunes of Representative Pierce we venture the wish that he were able to secure some of the legislation more important to the long-time future than is the name of the representative. We have particular reference to a forestry program.

Walter Pierce is a member of the house committee on agriculture. He served on the special forestry committee. He can get his man named U. S. marshal but he seems unable to get anywhere with even a sustained yield bill to say nothing of an all-over forest program.

What is more important—politics or the forest future of eastern Oregon?

NAZIS SLAIN
LONDON, July 18 (AP)—Reuters Friday quoted the Stockholm paper Ny Dag as reporting that 50 German policemen, including a local gestapo chief named Wald, had been killed in a fight with Polish guerrillas at Lublin.

pot from which its earnings are derived.

RAINBOW ENDS TODAY

"Women in War" and "Down Texas Way"

COMING SUNDAY

Scatterbrain's Back!

Sleepy-time gal with JUDY CANOVA

Billy Gilbert - Tom Brown Skinnay Ennis & His Orchestra

SECOND FEATURE

"MEN OF SAN QUENTIN"

WAR QUIZ

1. Insignia of one division of the United States army is a cobalt blue arrowhead with khaki "T" superimposed, all on a khaki disk. Arrowhead represents the union of Oklahoma and Texas in arms. What division is this?
2. What was the important mission of the Swedish liner Drottningholm?
3. American aviators, after a successful mission in the South Pacific, messaged their carrier: "Scratch off a flat top." What did they mean?

ANSWERS TO WAR QUIZ

1. The 36th division, which served in the Champagne sector in France during World War I, is represented by this insignia.
2. Drottningholm is the liner which carried German and Italian diplomats and newspapermen to Lisbon, Portugal, where they were exchanged for Americans who returned to this country on the same boat.
3. Navy pilots were advising carrier they had sunk a Jap aircraft carrier.

WAR DEVELOPMENT

OMAHA, Neb., (AP)—District Judge Herbert Rhoades, who has been requiring women suing for divorce to furnish an affidavit declaring their husbands are not in military service, has taken cognizance of the W.A.A.C. Now he requires husbands to furnish similar affidavits that the mates they are suing are civilians.

SPRAGUE OPENS WORK ON STATE WAR BUDGET

By PAUL W. HARVEY JR. SALEM, July 18 (AP)—Governor Charles A. Sprague said today that he and his budget director, George Aiken, have begun preparation of the state's "streamlined war budget" for the two years beginning July 1, 1943.

"We have several serious problems facing us," the governor said. "One is that institutions will need more money for food and clothing because of the increased cost of living, but this will be partially offset by lower salary outlays. Institutions which are unable to get adequate labor supplies are not spending money for salaries. Some salaries will have to be increased because of increased living costs. On the other hand, some departmental appropriations may be lower because the war has curtailed the activities of those departments. In this latter connection, I might mention the state police, state board of health, and the state engineer."

New Buildings
"While we will be unable to spend money for construction of new buildings, purchase of new cars and typewriters, etc., I will recommend that the money for new buildings be appropriated."

"We won't be able to build these buildings now, but as soon as the war is over, we could go right ahead and help take up the slack that will result by men losing their war jobs."

Governor Sprague said Oregon must do its full part in helping the government during and after the war.

"States, to justify their existence, must not lean on the government. They must contribute their full share of effort."

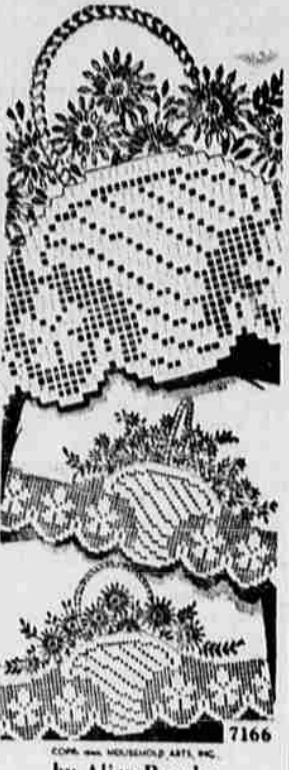
The governor, who said in his unsuccessful campaign for republican renomination that state income taxes should be reduced 20 per cent, said he would make no recommendation to the legislature as to the disposition of the \$2,500,000 to \$3,000,000 income tax surplus that will have accumulated by next January. That is a job for the legislature, he said.

Three Alternatives

But he did say that the legislature has three alternatives:

1. It can spend the money for any purpose it sees fit, but the governor said this would violate the principal that the purpose of the tax is to provide property tax relief.
2. It can keep the surplus to be used when economic conditions are poor.
3. It can use the money to offset property taxes, but this might benefit large corporations and absentee property owners. He added that this is a complicated problem, because it must be decided which local governmental units—schools, counties or cities—should get the money.

Colorful Stitchery And Fillet Crochet



7166 by Alice Brooks

A bride-to-be will treasure linens if they're edged with this fillet border with lazy-daisy flowers. Pattern 7166 contains a transfer pattern of 12 motifs ranging from 5x15 to 2x4 inches; chart and directions for crochet; materials needed.

To obtain this pattern send 11 cents in coin to The Herald and News, Household Arts Dept., Klamath Falls. Do not send this picture, but keep it and the number for reference. Be sure to wrap coin securely, as a loose coin often slips out of the envelope. Requests for patterns should read, "Send pattern No. _____ to _____ followed by your name and address."

June Lend-Lease Total Hits All-Time High

WASHINGTON, July 18 (AP)—President Roosevelt disclosed Friday that lend-lease assistance to the United Nations and other countries eligible for aid reached \$708,000,000 in June, the highest monthly total yet.

This compared with \$662,000,000 in May and brought the total since lend-lease assistance was inaugurated, March 1, 1941, to \$5,205,000,000.

The president told a press conference that of this latter sum, 59 per cent was accounted for by goods actually transferred, that is, exported or at points of embarkation in this country. Articles in process of manufacture accounted for 24 per cent and services here and abroad represented 17 per cent.

BIRTH CERTIFICATE MEASURE OPENED

WASHINGTON, July 18 (AP)—Rep. Mott (R-Ore.) guided through the house Wednesday a bill (HR7339) designed to authorize the census bureau to furnish a birth certificate to citizens who are unable to obtain such a record.

Mott presented the matter to the house census committee previously and urged the house to approve the measure.

He told the house that existing law provided that government jobs could be given only to citizens and no one could be employed by a private firm doing government work unless he is a citizen.

He said applicants for such jobs were required to show they were native American citizens or were naturalized.

"Until the beginning of the present century most of the states had no provisions for recording of vital statistics," Mott said.

Under the law anyone who is not able to prove the fact of his birth by legally recorded statistics may apply to the census bureau for a "certified birth record."

The bureau, using its own census records, will ascertain the facts and issue a certificate showing the applicant's birth record.

Radio Day by Day

(Pacific War Time)
NEW YORK, July 18 (Wide World)—On Saturday night list, NBC—6:30, Iowa Music festival, 7:15, "Labor for Victory," CBS—7:30, Cleveland orchestra.

Sunday brings: Dmitri Shostakovich's Seventh Symphony—NBC, 1:15 to 3, Arturo Toscanini and NBC Symphony, program dedicated to Russian war relief.

Talks—MBS, 8 a. m. Reviewing stand, "Education in War Time"; NBC, 11:30 p. m. Roundtable, "Must We Hate Our Enemies?" MBS, 12:45, Postmaster General Walker, "What We Are Fighting For"; CBS, 3:15, Wendell Willkie from Los Angeles, CBS, 4, Roundtable, "Books As Weapons"; MBS, 5, forum, "Equal Rights Amendment."

CBS, 7:30, Report to Nation, Paul V. McNutt.

Monday expectations: BLU—1, Opening Women's Army Auxiliary corps from Des Moines, MBS, 8 a. m. Sidney Mosefey, new comment series.

CLEANUP NEEDED

ST. LOUIS, (AP)—Public school children in St. Louis face the prospect of ending the school day with dirty hands and faces—or bringing their own towels.

Only one laundry has bid on the public school towel laundering and its bid runs \$4 more per hundred hand towels than last year's contract. The bid was rejected but—no new bids have been received.

Indian Lore May Come to Rescue of War Shortages

SAN FRANCISCO, July 18 (AP)—Indian lore may help to overcome some of the raw material shortages growing out of the exigencies of war.

An authority on the subject, Dr. Erna Gunther, director of the Washington State museum, was appointed Friday as a member of the latent natural resources committee of the California academy of sciences this committee was formed to devise ways of utilizing potential resources which in peace time ordinarily were ignored or wasted.

Dr. Gunther already has found that northwestern Indians used the small branches of red cedar to make ropes strong enough to tow whales. This may yield a substitute for hemp, which comes from the Philippines.

Rope also can be made of willow bark and of hazelnut branches, she said, citing other Indian achievements. The shredded inner bark of the western red cedar will make clothing. Blankets can be woven from duck feather or mountain goat wool plus cotton from the fire weed, a plant which grows persistently in burned-over areas.

Dr. Gunther additionally has accumulated Indian knowledge on the use of plant roots for food. These include the Sword fern, the Lady fern, the Bracken fern, the Tiger lily and the Camas. Horsetail shoots were eaten by the Indians much as we eat asparagus. And the

Redskins made palatable dressings of whale oil and seal oil, she said.

Students Will Be Eligible for Government Loans

CORVALLIS, July 17 (AP)—Juniors and seniors in some technical courses will be eligible this fall for government loans not to exceed \$500 a year to enable them to finish college. Acting President F. A. Gillilan of Oregon State college has been notified.

A bill passed recently by congress provides such loans at 2 1/2 per cent interest to students able to complete degree work in two years in engineering, chemistry, physics, medicine, including veterinary, dentistry or pharmacy.

The borrower must agree in writing to engage in such work following graduation for the duration of the war as may be designated by the government. If he should be called under selective service before completing the course, the loan is cancelled.

FOURTH SON
LONDON, July 18 (AP)—The Duke of Kent, fourth son of King George V, registered his 2-week-old son today as Prince George. The royal wife and mother is the former Princess Marina of Greece.

POLICAN
Now Presenting

Together they look up with hope... when Hell breaks loose, they desire Love above all! The Year's greatest picture from the Year's greatest book!

TYRONE POWER ★ **JOAN FONTAINE**

"THIS ABOVE ALL"
Thomas MITCHELL • Henry STEPHENSON • Nigel BRUCE

PINE TREE
Last Times Tonight

MEXICAN VELEZ
SPITFIRE
sees a GHOST ERROL

Also
The East Side Kids
in
"Let's Get Tough"

STARTING SUNDAY

From the Bronx... to Broncs!
Two terrified tenderfeet in their roaringst rodeo of mirth and melody!

BUD ABBOTT
LOU COSTELLO
"RIDE 'EM COWBOY!"

THE MERRY MACS
Dick Foran

Added Joys:
"Shooting Mermals"
"Information, Please"
"Brave Little Bat"
Latest World Events

RAINBOW
ENDS TODAY

"Women in War" and "Down Texas Way"

COMING SUNDAY

Scatterbrain's Back!

Sleepy-time gal with JUDY CANOVA
Billy Gilbert - Tom Brown Skinnay Ennis & His Orchestra

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