

Herald and News

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MALCOLM EPLEY
Managing Editor

News Behind the News
By PAUL MALLON

WASHINGTON, June 8—The government these people want ever larger public debts, and labor are proposing (Wagner-Dingell bill) to bring security to the people of this country by taxing them \$8,000,000,000 a year on a promise to pay unemployment, old age, medical and maternity assistance to those who need them in uncertain future years.

This \$8,000,000,000 of taxes would be invested in government bonds. Thus it is evident that the scheme will provide no more insurance to anyone than the security of government bonds.

But the people of this country already have invested their savings patriotically in government bonds not only toward the winning of the war but to provide for themselves just exactly what the AFL-government plan proposes—security against old age, unemployment, ill health, and maternity if such a matter develops.

It is also clear therefore, that a far greater assurance of security could be attained today for all members of the AFL and all other citizens by government steps to assure the repayment of war bonds in dollars worth just as much in the purchase of bread, meat and clothing, as the dollars they have poured into these bonds.

These are the primary steps to gain security, although they are not mentioned by the liberals promoting the taxing-insurance will o' the wisp. The liberals pursue a distant utopia, while ignoring the abyss in front of them.

Philosophy of Debt

THIS abyss is pointed out in all its dark depths and immediate nearness in a new book by the impartial authority, Harold G. Moulton, of the Brookings Institution. It is entitled "The New Philosophy of Public Debt." It sets forth the policy being schemed within the government by the national resources planning board, Federal Reserve Board Advisor Alvin Hansen, and advocates of the Keynes endless debt theory (including apparently also the capitalist Fortune magazine).

These people want ever larger public debts, apparently without limit, built on and on up by the deficit financing of vast public works budgets. They even believe the debt is not a debt as it is owed "by the people to the people."

They call it an asset, not a liability, and the more unpayable it becomes the more they like it. The only limit even suggested by Hansen is that the debt can safely go "beyond double the national income if necessary"; Keynes mentions none.

Dr. Moulton rightly concludes such fantastic finance would destroy the solid financial foundation of this country, that international reconstruction would then rest on quicksand—and he could have said that all the security of all the people would thus be destroyed.

Mr. Roosevelt and Treasury Secretary Morgenthau have taken the Moulton view. I had not noticed it at the time, but Dr. Moulton has discovered that Mr. Roosevelt said in his 1944 budget that this prospective war "debt of \$210,000,000,000 can and will be paid."

Moulton also quotes Morgenthau: "The rise in federal debt means . . . that both principal and interest must be paid later out of higher taxes."

The implication of Moulton's book is that Messrs. Roosevelt and Morgenthau must be held to their promises and not allowed to fall victims to the Keynes theorists in their midst.

Alertness Needed

PEOPLE in the street do not think of these things in connection with social security, although they are the primary essence of it. Unless the people are alert to the manner in which their dollar can be depreciated by price increases and their bond investment dissipated by spending, it is easily conceivable this nation will eventually face financial difficulties.

Nations do not go bankrupt. When their debts have grown so vast that they cannot raise the money to pay the interest on it by taxation, they issue paper currency or inflate the price level.

By such inflationary processes, they can wipe out a debt, and indeed everything of

Food Administration Needs Not So Many Lawyers, More Farmers, Says Grange Head

EUGENE, June 7 (P)—The Grange is presented with an unprecedented opportunity to render "important service to our country and to the world," Morton Tompkins, state master, declared today in his annual message to the Oregon grange at the 70th annual session of the group.

The master called upon the grangers to give serious thought to many problems confronting the country, noting that "never before in history have we met under similar conditions of world upheaval . . ."

Tompkins' messages covered a variety of topics, from the grange in wartime, on through the farm labor problems, power, the Japanese in America problem, taxation, and other items.

value in the country. If they depreciate the value of the dollar to 25 cents by a 75 per cent increase in prices, they wipe out three-fourths of the burden of the debt.

Thus, if the liberals will consider first things first in seeking security, they will banish from their counsels, and the government's, the theories of Mr. Roosevelt's planning board and the Keynes promoters. They will safeguard the social security the people have already provided for themselves in the purchase of government bonds by working for three objectives:

- 1—A good job, a good wage for all who will work.
- 2—A stable price level which guarantees the security of wages and war bond buying.
- 3—Repayment of the war bonds in which the savings of the people are now largely invested.

The War Today
By DEWITT MacKENZIE

WHAT justification is there for the German claim that even though the allies invade southern Europe they will find the axis armies unconquerable?

That assertion was made in a Berlin broadcast picked up by The Associated Press. A commentator was discussing invasion articles in the German army organ Die Wehrmacht. He admitted that the allies might make a landing somewhere but declared they "would not have the slightest chance in battle against the axis continental armies with their millions of well-trained and well-equipped troops."

Well, the answer to that is the key to the defeat which the United Nations are now in process of administering to Herr Hitler.

The Boche are arguing from a premise which might have been sound a year ago but no longer holds good. They're clutching at straws which already have been swept past them down the stream.

Wear and Tear

IT is a fact—and one not to be overlooked—that the fuhrer's most powerful weapon is his army, although what once was the mightiest fighting-machine ever put together is now showing many signs of wear and tear. It's true, too, that the allies would be up against a terrific task if they were faced with the necessity of smashing that Nazi army with land forces alone.

The point is that Hitler would be sitting inside a great defensive circle. His communications would be short and he would be able to fling his forces in any direction quickly to meet attack. All his war industries would be safe inside that ring. The allies, on the other hand, would be striking them from the outside of the huge perimeter, and their communications would be long and difficult. Such a German defensive position would be just about impregnable.

However, that's one of those "might have been" situations. As things stand, the allies aren't compelled to crush Hitler entirely with land troops. In fact, they can do a goodly portion of the job in a much easier way. That's by bombing.

You will note that the Berlin commentator assumed his master's troops would be "well equipped." He overlooked the fact that Hitler's iron ring, for defense against a land army, renders his entire set-up vulnerable to bombing in view of the shift of the balance of air-power to the allies.

Arms Supply in Jeopardy

THE United Nations now can reach Hitler's communications and war industries across all parts of the circle. When they achieve their invasion of southern Europe they will add further to their facilities for reaching every axis manufacturing center and line of communications. Air bases in northern Italy, for instance, would be a tremendous asset.

The day and night blasting which the Anglo-American and Russian forces are administering to the reich is stripping Hitler of his ability to keep his army "well equipped." One of these days the cumulative effect of this aerial offensive is going to hit him all of a sudden—and he will find himself with a wehrmacht which still will have great strength in manpower but will lack the arms with which to defend itself.

Then will be the time when the allies will send their own armies marching against the Hitlerian forces.

the session, mentioning particularly the holdings the Japanese have in the northwest section of the state and the problem of what is to be done with them following the war.

"We must be positive in accomplishing our aim. We must not need and need not, insist upon a policy we will not grant in return," Tompkins declared.

YIPPEE!—AT 47

ABILENE, Tex., (P)—Bob Crosby, 47, Roswell, N. M., rancher, has his \$25,000 insurance policy and fun, too.

Three-time winner of the all-around cowboy award at the Cheyenne, Wyo., and Pendleton, Ore., rodeo Crosby took out the policy several years ago, signing an affidavit he'd never compete in bronc riding or steer bulldozing again. Then he discovered the policy didn't cover roping events.

So, in his 24th season of competition, he managed to finish second in an event at Hardin-Simmons university's rodeo.

SIDE GLANCES



"This summer school course for seniors may be a good idea, but I hope I don't get a nervous breakdown before it's time for me to be drafted!"

LIVESTOCK

SOUTH SAN FRANCISCO, June 7 (AP-FSMN)—Cattle: salable 350. Steady; load fed 128 lb. Idaho steers \$15.75, around three cars 1280-1330 lb. well wintered grass steers \$15.00; few loads fat grass cows \$11.00-12.00, aged low-medium mostly \$9.00-10.50, bulk canners and cutters \$8.00-8.50, light common to medium bulls \$8.00-10.50. Calves 10. Slow, about steady, few good vealers \$14.00-50.

Hogs: salable 125. Package 206 lb. Oregon \$14.50, bulk California barrows and gilts \$14.40; odd good 456 lb. sows \$13.25.

Sheep: salable 1500. Spring lambs steady to 25-50c higher; two deeks good to choice \$13; good ewes \$8.00, culls \$2.00, steady.

CHICAGO, June 7 (AP-USDA)—Salable hogs 14,000; total 20,500; active, mostly steady with Friday's averages; good and choice 180-360 lb. \$14.20-40; generally \$14.25-40; top \$14.40 paid freely; good and choice 150-180 lb. \$13.50-\$14.25; bulk good 360-550 lb. sows \$13.90-\$14.15.

Salable cattle 17,000; salable calves 700; fed steers and yearlings steady to 25c lower; medium weight and weighty steers graded good and better showed most decline; receipts largest of year to date; steers predominated in run; bulk \$14.50-\$16.25; early top \$16.75, some held higher; yearling steers scaling under 1000 lb. and fed heifers mostly steady; choice 962 lb. heifers \$16.75; bulk \$14.00-\$16.00; cows acutely scarce; steady; cutters \$10.50 down; most beef cows \$11.00-\$13.00; strictly good kinds to 14.00; bulls steady; practical top weighty sausage bulls \$14.00; medium to good 700-850 lb. averages \$13.50; \$15.25; good to choice 750 lb. averages \$15.40.

Salable sheep 2500; total 9000; fat lambs opened fairly active; native spring lambs in small bunches \$16.00-50; with mostly bucks at \$15.00; just good to choice western fed clipped lambs with No. 1 and 2 skins \$14.00-\$15.00; best held higher; no early action on woolled offerings; sheep about steady; good to choice native clipped ewes available at \$7.50-\$8.00.

Poe Valley

Mr. and Mrs. Levi Griffith and son of Tulelake were callers in the valley on Decoration Day. They also visited at the Clarence Webber home.

Mr. and Mrs. Kenneth Doak and daughter Lucille were visitors in the valley when they returned from Portland where Doak worked on a street construction job.

The Bean Tucker family went to Ashland to spend Memorial Day with relatives and friends.

Mr. and Mrs. Donald Roberts and daughter Joyce were callers in the valley over the weekend. Vic Brown and Bean Tucker have finished planting their spuds.

Mary Louise Haines was a caller at the Benedict home Thursday.

Mr. and Mrs. Jim Glover were business callers here from Langell Valley recently.

The valley was visited with a wonderful rain over the weekend.

Word was received here from Mrs. Clarence McCarver that she is on her way to Texas to visit her husband who is stationed in a training camp there.

Arbee Warren Roberts and John Work were callers in Klamath Falls over the weekend.

Pauline Roberts was a Merrill visitor from the valley Sunday.

MARKET HITS SLUMP AFTER EARLY GAINS

By VICTOR EUBANK

NEW YORK, June 7 (P)—Light selling of rails and pivotal industrials put a fair-sized dent in today's stock market after a number of favorites had touched new tops since late 1939.

Beginning of hearings on the demand for a 30 per cent wage boost for the railway operating brotherhoods touched off initial losses in this department and leaders elsewhere followed suit with declines of fractions to more than 2 points. Transfers were around 1,300,000 shares. Few recoveries were in sight near the close.

Encouraging business news was without much influence. Chrysler retreated despite March quarter net of \$1.46 a share against \$1.13 in the comparable stretch last year.

Closing quotations:

American Can	86
Am Car & Fdy	42 1/2
Am Tel & Tel	155 1/2
Anacosta	28 1/2
Calif Packing	27 1/2
Cat Tractor	49 1/2
Commonwealth & Sou	1
General Electric	38
General Motors	55 1/2
Gt Nor Ry pfd	32 1/2
Illinois Central	144
Int Harvester	69 1/2
Kennecott	312
Lackhead	22 1/2
Long-Bell "A"	17 1/2
Montgomery Ward	40
Nash-Kelvy	14 1/2
N Y Central	18 1/2
Northern Pacific	16 1/2
Pac Gas & El	28 1/2
Packard Motor	49
J C Penney's	81
Penna R R	104
Republic Steel	30 1/2
Richfield Oil	11 1/2
Safeway Stores	42 1/2
Sears Roebuck	77 1/2
Southern Pacific	27 1/2
Standard Brands	27 1/2
Sunshine Mining	61
Trans-America	20
Union Oil Calif	29
Union Pacific	89
U S Steel	151
Warner Pictures	14 1/2

GRAIN TRADE HAS UNEASY UNDERTONE

CHICAGO, June 7 (P)—Wheat moved within a narrow range today, showing an easy undertone most of the session on moderate hedging and some selling caused by reports of more favorable weather in the winter wheat belt. Trade was restrained in view of uncertainty regarding the loan rate on the 1943 crop.

At one time rye moved up above Saturday's finish on unfavorable crop news, but the rally ran into considerable profit-taking and prices soon dropped back. Oats displayed independent strength, aided by strong demand for all feed grains and a slow movement to market.

Wheat closed at about the lows, off 1-1/2, July \$1.44 1/2, September \$1.44 1/2, corn was unchanged, July \$1.05, oats were 1/2 lower to 1 higher and rye finished 1-1/2 lower.

Potatoes

CHICAGO, June 7 (AP-USDA)—Potatoes, arrivals 90; on track 88; total US shipments Saturday 880, Sunday 132; supplies very light, demand good and exceeds available supply; market firm; California Long Whites US No. 4, \$4.30; Alabama Bliss Triumphs \$3.90-4.10; Louisiana Bliss Triumphs victory grade \$3.90-4.00; Mississippi Bliss Triumphs victory grade \$3.90; Texas Bliss Triumphs \$4.00.

Dairy

Lloyd A. Swanson arrived here Friday, June 4, to spend a two weeks' furlough with Mr. and Mrs. E. B. Schmoer and friends in this vicinity. Lloyd is stationed at Camp White, Medford, as a military policeman of the 91st division.

Deepest sympathy goes to members of the I. W. Hare family of Klamath Falls in the recent loss of their daughter, Grace Custer.

Grace attended high school in Bonanza and was a former resident of this vicinity.

Most of the nation's homeless men are re-employable, and we can find use for them in agriculture, in their own trades and in non-skilled jobs. Some of them could be used for the training of young people and even for the replacement of men needed for military service or war work.—Dr. Siegfried Kraus, New York City College sociologist.

This is the time for doing jobs, not holding them.—House committee recommending OPA shakeup.

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Trade News
Interesting Notes of Herald and News Advertisers, Their Products and Activities

What would you do if serious threat to life or property made it necessary for you to get gasoline immediately without the use of ration coupons? If you should lose your ration book what steps would be necessary to replace it? What should you do with your ration book if you dispose of your car? Can you now have your tires recapped without a rationing certificate?

These and scores of other questions pertinent to the operation of an automobile under war emergency regulations are answered in a new booklet now available without charge at the local Firestone store located at 527 Main Street.

"Although this new booklet is small," said George Kingan, head of the local Firestone organization, "it covers the phases of government regulations that are of greatest concern to the average car owner. In addition it contains much important information essential both to efficient automobile performance and maintenance, and to increasing tire mileage."

Wheat Penalty Held Valid

WASHINGTON, June 7 (P)—The supreme court reaffirmed today the constitutionality of legislation imposing a 49-cent-per-bushel penalty on wheat produced in excess of AAA quotas and either sold or consumed by the grower.

In a one sentence order, the court affirmed a decision by the District of Columbia court of appeals on a new challenge of the legislation brought by Representative Lemke (R-N.D.) as attorney for a group of farmers in Ohio, Pennsylvania, Michigan and Kansas.

ESCAPES

WALLA WALLA, June 7 (P)—Washington state prison officials announced the escape of Herbert Allen, Spokane murderer and bank robber, from the prison print shop early Saturday morning. Allen, convicted in 1938 with LeRoy and Stanley Knapp for the fatal shooting of a Spokane bank patron during a robbery, was serving a life sentence.

LeRoy Knapp died of gunshot wounds which he received when the trio tried unsuccessfully to break from Spokane county jail, and his brother was executed after he confessed firing the fatal shot. Allen's death sentence was commuted to life imprisonment by Governor Clarence D. Martin after Stanley Knapp confessed.

The problem of the United States after the war will not be "what can I sell" but "what must I not sell." America must buy back goods to the volume of her exports. There are a number of basic exports which rank long before motor cars. Cotton, tobacco, wheat and meat.—Lord Perry, British auto manufacturing magnate.

They (far east allied forces) are like a shirt of nettles on the body of the emperor. They are not enough to kill him, but they go on, day and night, burning him, irritating him, stinging him, infuriating him—and he cannot get it off.—Winston Churchill.

INSTALLATION SET FOR SCOUT TROOP 2

Installation of Troop 2, Boy Scouts of America, will be held Wednesday evening at 7:30 in the First Church of God on Altamont drive, K. G. Klahn, Modoc area council president, will make the charter presentation to the new group. Lloyd C. Prock, district commissioner, will join with the scoutmaster in investigating the tenderfoot scouts.

Following the installation ceremonies, the scouts will demonstrate knot tying, and will explain the significance of the scout oath and law, and the meaning of the Boy Scout tenderfoot badge.

Scoutmaster of the newly-organized troop is Glenn McCullough, formerly assistant scoutmaster of Troop 3 of Klamath Falls. The troop committee consists of James R. Neely, chairman; W. A. Carpenter and J. D. Kernutt, pastor of the church. Scouts to be installed are Don Brown, Robb Grover, Frank Wryn, Herbert Smith, Billy Van Cleave, David Grover, Robert D. Dodson, Bill Harsey, Jimmy E. Rutledge and Ben Sheppard Jr.

The public is invited to attend the installation, and all scouts in the neighborhood of the troop are invited to become members. Meetings are held regularly on Tuesdays at 7:30 p. m.

High Dutch Nazi Leader Killed

LONDON, June 7 (P)—Aneta, Netherlands news agency, reported today that Dr. Folkert E. Posthuma, described as one of the most prominent Dutch nazis, had been shot and killed.

Posthuma was a member of the puppet "secretariat of state" set up by Anton Mussert, the leading Dutch Nazi. He specialized in agricultural and fisheries affairs.

He was 69. During the first World War, Posthuma was minister of agriculture.

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