

FRANK JENKINS Editor MALCOLM EPLEY Managing Editor

Today's Roundup

By MALCOLM EPLEY A YEAR ago, when the army engineers were considering a scheme to divert water from the Klamath basin to the California Central valley, the thought was advanced here and elsewhere that the best answer to diversion proposals is to make full use of Klamath water within the basin as quickly as feasible.



EPLEY

It was recognized that so long as there is a surplus of this water, greedy eyes will be upon it. The quickly prepared studies of the groups opposing diversion indicated the great possibilities of extending water use within the area to which this resource belongs by natural and moral law.

In the Upper basin alone, an engineering estimate showed the possibility of extending irrigation to a total of more than 600,000 acres. People down the river emphasized the importance of Klamath water for commercial and sport fishing, other recreational purposes, etc., while power development and power potentialities on the Klamath itself were cited.

Going to Work

IT is good news that the reclamation bureau is ready to launch just such a survey as has been urged in the basin. It has the congressional authority, it can now find competent men for field and office work, and it recognizes the urgency of the job in this basin, placing it ahead of some others of not such immediate importance.

Dropped?

INCIDENTALLY, there has been a notable lack of news from the army engineers concerning their final report on the water diversion question. When this matter was hot a year or so ago, it was indicated the engineers would make their report in the late summer or early fall. We have seen nothing of it. The customary rumor among engineers and others interested is that the army engineers dropped this hot potato, at least for the time being, in preparing their reports.

News Behind The News

WASHINGTON, Feb. 27 — The Truman-Bowles "nut cracker" economic control plan proposes that wages be increased 30 per cent or more over pre-war. That price increases be allowed only to permit business a pre-war profit, as I explained in my last column, promising to answer today the question: Will it work? I do not believe it will or can. I think some-

one sold Mr. Truman a destructive bill of economic goods, and I will tell you why:

Something must give in this kind of a nut cracker. Business will not, and cannot be expected to operate with dollar earnings limited to pre-war, (because the dollar had a much higher value in purchasing power then,) while labor and the rest of the economic world lives in the current era of the inflated dollar and its depreciated purchasing power.

My information from the inside suggests the administration thinks business can change its books and values around so it can survive and will be willing to produce. The administration also may point out that the limitation of profits to pre-war levels will affect only the industries which cannot absorb the 15 to 20 per cent proposed wage increase without increasing their prices, and therefore not many may be affected.

Does Not Make Sense

THIS does not make sense. A super-mathematician might be required to spend a few months finding out how each individual business would fare under this proposition, but the general condition is quite apparent. Only the richest industries could possibly take this 15-20 per cent wage hike, atop the 15 per cent of the little steel formula, and all the labor cost boosts effected during the war (vacations, portal-to-portal, reclassifications) and the increased cost of materials, including basic steel which is up \$5 a ton—I say few businesses could absorb all this increased cost without doing something about it, if any could. The nut cracker then must eventually squeeze production generally.

What will producers do? If they cannot increase prices, they will be compelled to allow the quality of their production to deteriorate. They will use inferior materials, which cost less. The deterioration in the quality of both goods and services which developed during the war will continue. This, of course, is a secret price increase and a further decline in the purchasing power of the dollar because the consumer gets less and less for his money. They may do other similar deteriorating things.

But who will want stock in a company which measures profits in pre-war dollars (now worth a fraction of their former purchasing power) and which is limited to earning that same amount of dollars, while individual earners are allowed to take in more and more dollars because of inflation? No wonder the highly inflated stock market nosedived at the news. Its people fathomed the proposal better than the public. These factors I have cited would be destructive to production.

What Should We Do?

THEN, what should we do? Should we rush the other way and follow the advice of the big business organizations which want all price controls removed? This would get production, which Mr. Truman says we so vitally need, while the Bowles program would not, in my opinion. But it might also, as Bowles says, cause a short boom and then depression. Certainly it would start a varied price fluctuating era. Prices in competitive goods would fall as soon as production is obtained. In non-competitive industries, price might be arbitrarily maintained.

What would seem logical, sound and fair would be the substitution of an orderly, non-social, non-revolutionary government control program to cushion, but not specifically control, every item in the reconversion period. Congress can kill the project to limit business to pre-war dollars and profits. This would eliminate the suicidal quality of the program. Simple general controls over prices and materials distribution could be continued during the shortage period to prevent chaotic fluctuations in important lines. A price increase policy could be followed to encourage production in certain needed lines. The proper principle for management of prices is universal justice, not these political arguments, social revolution, absorption of business, etc.

This alternative would no doubt cause some further inflation, but Mr. Truman has only himself to blame. He called for his wage increases at the wrong time economically. This time was logical politically. The unions wanted to keep their wartime earnings. But the right time economically would have been the coming moment when business starts to lag, when purchasing power is threatened, and needs stimulation. He pushed the wage increases when inflation had already gone too far from sound values (witness the stock market and every other market,) and when purchasing power was already too large for the amount of goods available.

SIDE GLANCES



Have you noticed when he tells us to do something he gets sore if we don't hop to it right away? Being a sergeant in the army sure spoiled Pon!

The World Today

By DeWITT MacKENZIE AP World Traveler

NUERNBERG, Germany, Feb. 27—Quietly but persistently attorneys for the Nazi leaders on trial here for war crimes before the allied tribunal are preparing a case calculated to prove that Germany's aggression was forced upon her by warlike designs of other nations.



MacKENZIE

That is to say, the attempt will be made to show that the reich was in effect acting on the defensive—a type of white-wash that's as old as war itself. Of course, this line of argument is part of the defense of the score of individual chiefs like former Reichsmarshal Herman Goering and ex-Foreign Minister Joachim von Ribbentrop, for the absurd myth that the reich was peace-minded must have the corollary that the ministers of state also were bent on preserving the peace.

Justification Still, one gets the definite impression that justification of the German nation is the main issue in the mind of the defense and that the fate of individuals is secondary. It's now, as ever, "Deutschland Uber Alles." These defensive tactics keep cropping up. For example, I was present at the session in which Dr. Horn, the smooth-spoken and punctilious attorney for Von Ribbentrop, made his extraordinary plea that the tribunal permit him to call former British Prime Minister Winston Churchill as a witness to testify about a conversation which the defense says took place between

Churchill and Von Ribbentrop before the war.

Pressed to state what useful purpose this would serve, Horn made this startling claim:

Destroy Germany The witness (Churchill) can testify that on the occasion of his visit to the German embassy, Von Ribbentrop talked with him about the necessity of the creation of friendly relations between Germany and England and that he mainly told him that a strong "Germany," which was now about to become a reality, represented the strongest support for England's empire. At that time (Horn said) Churchill replied to the statements that England was intelligent and experienced enough to get other powers on England's side if Germany should become too strong. On this occasion Churchill stated unmistakably that England would destroy Germany if she should become too strong.

Insurance Firm Seeks \$20,031.77

SEATTLE, Feb. 27 (AP)—The insurance firm of Wolfstone, Kessler and Laurie filed suit in superior court yesterday against Mrs. Anne Ilesman, demanding the return of \$20,031.77. Mrs. Ilesman, the firm's former bookkeeper, has pleaded guilty to grand larceny in connection with the alleged taking of more than \$12,000 in the firm's money to be used in gambling.

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Vets' Secretary Defends Bradley

PORTLAND, Feb. 27 (AP)—A northwest field secretary of the American veterans committee declared here last night attacks on policies of the veterans' administration were "purely opportunistic." Leslie D. Renninger, Spokane, declared "Gen. Omar N. Bradley has performed miracles" and said critics of the administrator are being shown "he can run it without any help from them."

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Klamath Changes To Cattle Country In Past 10 Years

In the past 10 years Klamath county has gradually changed from a sheep country to a cattle country, but horses as a means of transportation and equipment for sport are just as popular now as 10 years ago, figures available at the county tax assessor's office show. In 1935 there were 80,962 sheep grazing in the county, and only 28,349 head of cattle declared for taxation. Five years later the number of sheep had dropped to 46,077 and the cattle figure was 30,506, and the 1945 estimation was 29,195 sheep and 44,654 head of cattle.

The figures for the number of cattle are way short of the number actually grazing in the county part of the year. If a rancher's cattle graze part of the year in Oregon and part in California, only half are taxed in Klamath county. In other words, a cattleman having 100 head grazing in the county during the summer and moving into California in the winter, is assessed for only 50. As for horses, there were 2949 in the county 10 years ago, 3084 five years ago and the figure for 1945 was 2762. Those figures also include a very few mules. In 1935 there were only 945 hogs, as compared to 1672 in

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Telling The Editor

Letters printed here must not be more than 500 words in length, must be written legibly on ONE SIDE of the paper only, and must be signed. Contributions following these rules, are warmly welcomed.

POSTWAR CONSIDERATIONS

KLAMATH FALLS, Ore. (To The Editor)—I know that many will criticize this article and say I am not a true American. I am a native-born American and love my country. "Nuf sed" on that score.

Why is Germany occupied by four nations? What will be the outcome with four ideologies trying to run Germany? No, the British system does not correspond entirely with the American, as the British have a nobility and a king which is not tolerated here. The British house of lords does not correspond to our senate, as many think.

France is an unstable government and cannot handle her share of changing Germany into a fair government.

We have our hands full with Japan and our own domains. Why not turn Germany over to Russia? What do we care if she communizes her? Why should we care if Russia has control of the Balkans? We will be able to take care of ourselves. The same can be said of Britain. Russia would disarm Germany and give her a better government than the nazis did.

Britain and the United States want a hand in German control because they are afraid Russia will abolish capitalism, and that might effect capitalism later on in Britain and the United States.

The British election last July put her forward a step and if she would abolish the nobility and the king she would be more like the USA.

In regard to industries, we are coming to the time when they will be controlled. Furthermore, the unions will not control either. There will be compulsory arbitration. Big business has no right making millionaires. They were afraid to show what they were making as Mr. Truman suggested in the fact-finding commission. On the other hand, unions ask too much. Cut down profits in big industries and cut down union demands. That would save us from inflation.

Union labor represents a minority in labor in the United States. The Saturday Evening

Wednesday, Feb. 27, 1946 HERALD AND NEWS-70 8:00 Fresh-Up Show 8:00 Glenn Hardy, News 8:30 Music That Sparkles 9:45 Dance 10:00 News Roundup and Current 10:10 Music As You Like It 11:00 Let's Dance 11:10 Organ Recitals and News 11:30 Music That Sparkles Thursday, February 28 8:00 Wake-Up Tunes and Varieties 9:00 Glenn Hardy, News 9:30 Music That Sparkles 10:00 News Roundup and Current 10:10 Music As You Like It 11:00 Let's Dance 11:10 Organ Recitals and News 11:30 Music That Sparkles 8:00 Glenn Hardy, News 8:30 Music That Sparkles 9:45 Dance 10:00 News Roundup and Current 10:10 Music As You Like It 11:00 Let's Dance 11:10 Organ Recitals and News 11:30 Music That Sparkles 8:00 Glenn Hardy, News 8:30 Music That Sparkles 9:45 Dance 10:00 News Roundup and Current 10:10 Music As You Like It 11:00 Let's Dance 11:10 Organ Recitals and News 11:30 Music That Sparkles 8:00 Glenn Hardy, News 8:30 Music That Sparkles 9:45 Dance 10:00 News Roundup and Current 10:10 Music As You Like It 11:00 Let's Dance 11:10 Organ Recitals and News 11:30 Music That Sparkles

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