

Herald and News

FRANK JENKINS
Editor

BILL JENKINS
Managing Editor

MEMBERS OF THE ASSOCIATED PRESS

The Associated Press is entitled exclusively to the use for republication of all the news printed in this newspaper, as well as all AP copy.

Entered as second class matter at the post office of Klamath Falls, Ore., on August 20, 1908, under act of Congress, March 3, 1879.

SUBSCRIPTION RATES:
By mail — month \$1.25 By mail — 6 months \$6.00
By mail — month \$1.25 By mail — year \$10.00

WORLDWIDE BIBLE READING TEXT FOR TODAY: The new Paradise and its river of the water of life, Revelation 22:1-17.

And He showed me a pure river of water of life, clear as crystal, proceeding out of the throne of God and of the Lamb.

In the midst of the street of it, and on either side of the river, was there the tree of life, which bare twelve manner of fruits, and the leaves of the tree were for the healing of the nations.

And there shall be no more curse; but the throne of God and of the Lamb shall be in it; and His servants shall serve Him.

And they shall see His face; and His name shall be in their foreheads.

And there shall be no night there; and they need no candle, neither light of the sun; for the Lord God giveth them light; and they shall reign for ever and ever.

And He said unto me, These sayings are faithful and true; and the Lord God of the holy prophets sent His angel to show unto His servants the things which must shortly be done.

Behold, I come quickly; blessed is he that keepeth the sayings of the prophecy of this book.

Make Ends Meet

By DEB ADDISON

A YEAR ago today, citizens were wallowing in wet snow and digging out of what was then called the worst storm of the winter. Fourteen inches of wet snow at the airport stopped United; buses were five hours late; the railroads were using flangers; farmers and sportsmen started feeding grain to the wild birds. . . . Eight years ago today the weather was good—but that was all that was good. The Japs struck Pearl Harbor. . . . Eight years ago today, a Sunday, there was no wage-hours law and everybody at the H&N worked getting out the Pearl Harbor Extra. . . . Everybody but yours truly who was blissfully mucking around in the tules. There was no split-season on ducks then.

THERE'S lots of talk these days, in high circles and otherwise, along the lines of economy and budget balancing. Terms like "inflationary potential" and "distinflation" are batted around like yesterday's football scores.

All this falls in the same category as sin, and beating your wife. Everybody is against inflation and everybody is against going in the red. The fur doesn't start to fly until you get down to ways and means.

Obviously there are two ways to make ends meet. One is to spend less. The other is to take in more.

President Truman (yes, we're talking about the federal government, in case that hasn't been made clear)—President Truman, the administrative head in charge of spending the money, takes the latter way. He has said that the only way he knows of making ends meet is to take in more. The naughty congress that lowered taxes took the stand that there's only going to be so much, so don't spend any more.

It's easy enough to yank a spendthrift son into line. You just cut down on the allowance; say, boy, that's all there is; and after the yowl subsides you stand firm and that's that.

At Washington that won't work because the national executive isn't the child of congress. If congress now did want to follow the line of lowering taxes again and saying, that's all there is (which isn't likely) it would be more like shutting down the bank account on your wife. Then the complications start.

It's not all as simple as that, of course, because congress does OK the expenditures for national defense, international payments and veterans bene-

Business

Why Are Americans Shying Away from Business Risks?

By SAM DAWSON

NEW YORK, Dec. 7 (AP)—There seems to be something about a business risk these days that makes it poison to many Americans.

Brokers have been battling their brains out over that one for some time, and now even congressmen are getting curious: Why are Americans, with record savings piling up, putting their money into almost everything but business investments?

A senate-house economic subcommittee opens hearings today on possible reasons. The Investment Bankers association, meeting in Hollywood, Fla., is taking stock of the situation.

The congressional subcommittee is likely to hear testimony from financiers pointing up some of the things they think government is doing which hobbles stock sales—the rules and red tape concerning selling which gives some investors the idea that the government isn't anxious for business to prosper for the stockholders' benefit.

The committee might even hear from some present stockholders who grumble about the small dividends some companies have paid. "Why risk your money," they ask, "if you don't reap big gains when times are good?"

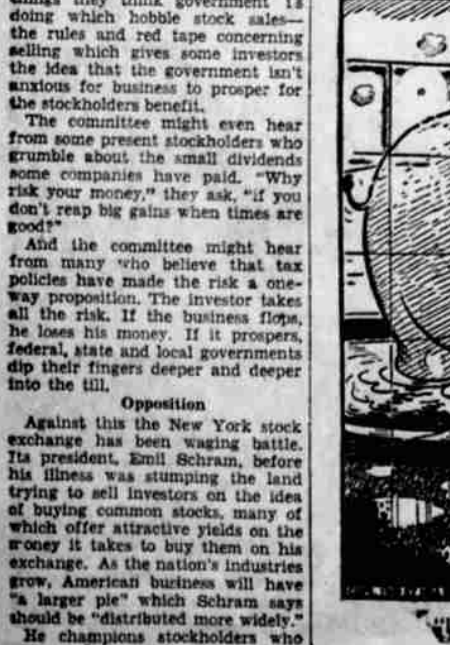
And the committee might hear from many who believe that tax policies have made the risk a one-way proposition. The investor takes all the risk. If the business flops, he loses his money. If it prospers, federal, state and local governments dip their fingers deeper and deeper into the till.

Opposition

Against this the New York stock exchange has been waging battle. Its president, Emil Schram, before his illness was stumping the land trying to sell investors on the idea of buying common stocks, many of which offer attractive yields on the money it takes to buy them on his exchange. As the nation's industries grow, American business will have "a larger pie" which Schram says should be "distributed more widely."

He champions stockholders who

FUNNY BUSINESS



filis, which, with interest on the public debt, takes up the big chunk of the tax money.

Ways of spending less through proper administration have been shown pretty completely, though, in the so-called Hoover Report. Herbert Hoover is in Washington now, carrying the torch for reorganization of the administrative end of the government.

Maybe, if taxes continue to bring in a billion and a half dollars less annually than the government pours out, as at present, it will put some meaning in the word economy. Or, will it just keep raising the public debt, which will necessitate higher taxes to pay the interest?

World Today

By DEWITT MacKENZIE

CHINA'S big island of Formosa, which has been equipped by Generalissimo Chiang Kai-shek for the Nationalists' last-ditch stand against the Communists, is becoming another international hot potato.

Senator Smith (R-N.J.) stated the other day that General MacArthur recently told him Formosa is essential to the security of America's Pacific defenses. The senator said he believed MacArthur would favor sending U. S. troops to the island to head off any Communist invasion. The Chinese Reds, by the way, are said to plan occupation of Formosa by next summer.

AND why should Formosa be essential to America's defenses? Well, the military experts say this island in hostile hands would flank the U. S. defensive arc in that vital area, including our great base of Okinawa.

Formosa lies athwart the entrance to the China sea, between China and the Philippines. Its Southern tip is only 250 miles from the Northern shore of Luzon, chief Philippine island containing Manila and Uncle Sam's base at Cavite. Formosa also is about 650 miles from Japan proper, and some 400 miles from Britain's big colony of Hong Kong.

Formosa (or Taiwan as the Japs call it) is about the size of Massachusetts, Connecticut and Rhode Island combined. Its population is some 6,000,000. The island is oblong in shape—245 miles long and 88 miles across at its greatest width. It has a good harbor and modern transport, though it has a mountainous backbone upon which, incidentally, live savage head-hunters. It is rich in natural resources.

This island was ceded to Japan at the end of the Sino-Japanese war of 1895. You get an idea of how important the Japs regard it from the fact that they were very strict about foreign ships entering the harbor. Captains were fined or imprisoned for taking refuge there without permission even in a storm.

So there you have the island which is causing global heartburnings. At first glance it would seem that its occupation by the Communists would be a serious thing for America. However, the situation has to be viewed from both the political and the military angles, and on inquiry we encounter differences of opinion.

Some military greats insist that American control of Formosa is imperative. Other greats incline to the view that it would be a good thing for the United States to control the island but that it isn't essential since we have control of the sea and the air.

Politically, American control of Formosa is widely regarded as undesirable. Exponents of the hands-off program hold that occupation by the United States would raise the cry of imperialism. The effect on the Asiatic world would be bad.

Moreover the political situation on the island is not good. For one thing there are many Communists there, and it is reported that some 2000 inhabitants have been shot for collaboration with the Reds. This has caused much bad feeling. Discontent has been increased by a deterioration of the general economic situation which followed an influx of nationalistic refugees. Many people are out of sympathy with the nationalist cause.

THUS far Washington hasn't made a declaration of policy regarding Formosa, though one hears many unofficial expressions pro and con. The situation hasn't yet reached a critical stage. Generalissimo Chiang Kai-shek has an army of some 300,000 on the island, and he has American equipment for defense.

Therefore close observers rather expect Washington to pursue a course of watchful waiting for the time being. It's not the sort of thing that can be rushed.

52 upward revisions in taxes, and in addition six states found new major taxes to add to their lists.

The federal reserve board says about six million Americans own some corporate stock or stocks. Sales have picked up this year over last. In the 11 months of 1949 so far, corporations have sold 196 new issues of common stock for \$573,084,000, the investment dealers digest reports. In all of 1948 they sold 245 issues for \$497,937,000. But back in 1929 common stock sales almost reached \$4 billion. And this year the public has a larger income available for investment.

What has scared the public off? First of all, of course, was 1929 itself. Many people still remember the stock market collapse. Another thing is the current concentration on security. People buy insurance, annuities, government bonds, and deposit in insured banks. They also prefer corporate bonds with a fixed return to taking the risk of getting dividends on common stock.

Views expressed by the voters interviewed fall into the following: Against it, don't like it.

Oppose any increase — 46%
Taxes already too high — 22%

General approval: raise if needed, Truman probably right — 68%
Cut gov't. expenses — 14%
Raise taxes on rich and corporations only — 3%
Miscellaneous — 3%

SIDE GLANCES



"The television set isn't working—funny, but I just told George I'd be glad to see almost anybody drop in!"

Boyle's Column

Keeping in Shape With King-size Sunday Papers

By HAL BOYLE

NEW YORK (AP)—If you are trying to lose weight, don't overlook reading a good Sunday newspaper. This is the cheapest and best form of exercise available to modern man.

It not only tones your mind. It takes away sloppiness and replaces it with firm, solid muscle. Lifting barbells can be dangerous. If one slips and falls it can bury your toes an inch deep in the flooring. Tennis, handball, and bowling are sometimes too strenuous for the middle-aged frame. And they are forms of exercise that require taking a journey.

For the home-loving man who wants to keep fit, however, nothing beats reading a king-size Sunday newspaper. It'll tune you up like a tier, and you'll wake up Monday morning refreshed and eager for the week's work.

I learned this lesson some 13 years ago. I was feeling weak and run down. Anything that required energy was anathema.

It chanced that I complained of this lassitude to an elderly acquaintance I met in the New York public library.

Muscles

"Feel my muscles," he said, curling his arm. I did. They were like coiled springs.

"Now feel my stomach." It was like a brick wall.

"How do you keep in such fine shape at your age?" I inquired.

"Very simple. I read all the Sunday newspapers. That is the finest kind of workout for the muscles."

Then he gave me a list of exercises and cautioned:

"Don't overdo it by trying to lift the paper all at once."

This was unnecessary advice. When I tried to bring in the newspapers the following Sunday, I found I couldn't budge them. I tied a rope

Gallup Poll

Tax Boost Plan Heavily Opposed in Opinion Poll

By GEORGE GALLUP

PRINCETON, N. J., — President Truman's plan to boost income taxes next year seems likely to run into stiff public opposition.

The president pointed out recently that some way must be found to pay for the federal government's program and cut down the deficit. Although he suggested more taxes as the way out, political observers generally believe that congress is unlikely to impose higher levies in an election year.

To find out how the general public view a tax boost at this time, interviewers for the institute put the following "open" or "free answer" question to cross-section of voters in all 48 states:

"President Truman says the U.S. government is spending more money than it is taking in and, therefore, federal income taxes must be raised next year. What is your opinion about raising federal income taxes next year?"

Views expressed by the voters interviewed fall into the following: Against it, don't like it.

103%
The total exceeds 100 per cent because a few voters made more than one suggestion.

Public Often Willing

Of course no citizen enjoys paying high taxes. But an interesting discovery made by institute surveys in the past is that people are not habitually against higher taxes. In fact, Americans have in the past actually voted to increase the levies on themselves — when they felt the cause was justified and the need pressing.

For example, in the early days of the war when treasury officials were reluctant to put stiff income levies on millions of families who had hitherto been exempt, institute studies showed very substantial willingness on the part of all classes of people to pay higher taxes.

Public reaction against high income taxes did not set in until more than two years after the end of the war. Then institute surveys began to find an increasing proportion saying that they did not consider the amount of taxes they had to pay "fair."

Earlier this year, when President Truman was urging a \$4 billion tax boost, a substantial majority (75 per cent) of voters questioned by the institute opposed such a step. It was subsequently shelved by congress.

Where to Cut

Each person questioned in today's survey was also asked:

"Do you have any ideas about how the U. S. government can cut expenses?"

Four principal suggestions were offered by voters as follows:

1. Cut out unnecessary bureau cut payroll.
2. Cut down on aid to Europe.
3. Follow the Hoover recommendations, reorganize the government.
4. Cut appropriations all across the board.

Phone 3111 . . . ask for "classified." Save time, trouble, money—get quick results with a Want Ad!

Indicator

Major Labor Test Seen In Aussie Votes

By RALPH MORTON

NEW YORK, Dec. 7 (AP)—The people of Australia vote Saturday on whether they want more, or less, socialism. The whole English-speaking world will be watching the outcome. So will some nations where English is not spoken.

The big question is: Has a definite trend against socialism set in within the British commonwealth of nations?

Tracers of this trend point to the defeat last week of the labor government of New Zealand, tossed out by the free enterprise nationalist party after 14 years of rule.

Tories Ticked

British Tories, chucking behind their newspapers, predict the empire's labor governments will go out in the order they came in, first New Zealand, second Australia, third the United Kingdom.

Although the basic issues, pro and anti-labor, seem the same in the three countries, it has yet to be accepted as a political maxim that as New Zealand goes, so goes the empire. Apart from the surface similarity there are many important issues peculiar to each of the three empire nations.

Let's put ourselves in the place of the Aussie voter. Right off, you know, you must go to the polls. It's compulsory by law. If you don't go, you get haled into court and may pay a fine.

More Votes

That means, probably, that more people proportionally vote in Australia than in New Zealand and Britain. Labor politicians say that means more votes for labor. They say that much of the working class in New Zealand stayed away from the polls.

The government on trial is that of Prime Minister J. B. Chifley, whose labor regime has been eight years in power.

The Australian can vote for a labor candidate, or the candidate of the Liberal party of Opposition Leader Robert G. Menzies or the candidate of another anti-labor group, the country party.

If labor is defeated, Menzies undoubtedly would be the next prime minister. But he would have to depend on support of the country party to form a non-labor coalition government. Labor argues such a coalition might prove weak. Australians decided three years ago to cling to labor rather than this two party coalition.

Plagues

However, since the 1946 elections Australia has been plagued by mounting prices and increasing government controls. Australia and New Zealand are both bound closely to Britain by economic ties, as well as sentimental and political ones. The financial crisis in Britain and the devaluation of the British pound have made it hard for the governments of New Zealand and Australia. Their currencies have been devalued too.

Government controls requiring licenses for this and that, restrictions, and red tape have infuriated many people. The opposition parties say they will reduce these controls and make it easier for people all around.

Tough Fight

There is no doubt this is the toughest fight Australian labor has ever faced.

The Australian labor party is a tightly organized trade union party. It is pledged to a policy of gradual socialization.

Its nationalization plans, however, with the exception of airlines, have been nibbled in the bud by constitutional bans and organized opposition.

For one thing, the labor government rushed through parliament a bank nationalization act, far more daring than anything proposed by socialists in Britain and New Zealand. But the act was declared unconstitutional by the highest courts of Australia and the empire.

Further Difference

There is a further difference between the election situation in Australia and New Zealand. The New Zealand labor government just defeated had only a majority of four in parliament. Australian labor has 43 seats out of 75 in the house of representatives. It holds 33 of the 36 seats in the elected senate. Even if labor lost many senate seats being contested (half the chamber) it could still control the senate.

The Australian voter will give the answers to major political questions when he names his rulers for the next three years.

CARNIVAL

By Dick Turner



"I wish I'd known you were coming—the best I can offer you now is a couple of singles in the library alcove!"

Nation Today

No Congress, No Truman, Things Quiet, then BOOM!

By JAMES MARLOW

WASHINGTON, Dec. 7 (AP)—Here we were, having a kind of nice, quiet time, looking forward to Christmas, taking a deep breath before congress comes back in January, kind of relaxing.

News wasn't much although every day one or two things happened around here and managed to squeeze onto the front pages of the nation's newspapers.

A couple of the government's financial experts got into an argument, or Secretary of State Acheson had something to say about China, or Congressman J. Parnell Thomas was on trial.

But the great rush that goes on day after day when congress is around was missing. In short, we had no sensations on a day-by-day basis.

Boom!

Then all of a sudden a former air force major, George Racey Jordan, started talking about atom bomb material being sent to the Russians during the war.

Then Fulton Lewis Jr., a radio commentator, said Henry Wallace, former vice president, overruled atomic officials during the war and ordered atomic stuff sent to Russia. Wallace retorted: "Sheerest fabrication."

This put a little pepper in the news in these parts, and more can be expected, since the house-American activities committee now is taking a hand in the major's story after being quiet a long time, and the congressional atomic committee is going to dig around a bit, too.

Whether anything comes of all

this remains to be seen. If not, at least it provided a brief sensation.

News Cooking

But it was President Truman, sunning himself in Key West, who was preparing some of the biggest news material, although he won't spring it until 1950.

He was beginning work on his "state of the union" message and his economic report, both of which he'll deliver to congress when it comes back in January.

Then we'll really be off to the races, since 1950 is an election year for all 435 members of the house and one-third of the 96 senators, a situation of which the president is not unaware.

He's a cinch to plug again for his civil rights program, federal aid to education, a compulsory health program, and maybe higher taxes to keep pace with government expenses. And, probably, once more he'll ask congress to repeal the Taft-Hartley labor act.

Talk-fest

Since the stand taken by congress—and congressmen—on all these issues will have something to do with whether they're re-elected in the fall of 1950, we'll have to listen to a lot of talk in 1950 and—depending on how you look at it—a lot of talking for doing or not doing.

But all that will get under way after congress returns in January, although almost at once we can sit back and watch a lot of men running for office right from the time the session starts.

Until then, barring any sensations, this place may be fairly quiet and peaceful.

Doctor Says

Don't Expose Others When You're Carrying Cold Germs

By EDWIN P. JORDAN, M. D.

Some people who complain most bitterly about colds and similar infections are, themselves, among the worst offenders when it comes to spreading germs around. This thoughtlessness consists in unnecessary attendance at public places, like the movies, when in the middle of a bad cold, sneezing and coughing all over the place exposes everyone nearby to millions of germs.

Especially to be condemned is the dangerous and filthy habit of promiscuous spitting. The health hazard of spitting is recognized by municipal governments and health authorities. Spitting in street cars, elevated trains and similar public places is generally prohibited by ordinance and violation is subject to fine.

Spitting Spreads Germs

Spit contains millions of germs. A person who steps on the place where someone else has just spit carries the germs into the office, the home, or wherever he is going. Their germs are not killed when the spit dries. Indeed, after drying the germs can be picked up by the air and breathed into the nose, throat or lungs particularly easily. This is one way disease germs are carried from one person to another.

The habit of promiscuous spitting is certainly not beautiful. It is also an actual health hazard and seems to be getting worse. A more strict enforcement of city ordinances and a campaign of education against spitting would certainly cut down some of the colds and other infections which are spread in this way.

Children

EVERYWHERE PREFER THE "SPECIALIZED" ORANGE FLAVOR

Mothers prefer giving it—because, using ST. JOSEPH grain tablets eliminate guesswork, assure accurate dosage. 25¢

ST. JOSEPH'S ASPIRIN FOR CHILDREN

"DROP" HEAD COLD STUFFINESS

2 drops of Penetro Nose Drops in each nostril, cool, shrink—open stuffy nose. You breathe easier quickly this 3-drop way.

ST. JOSEPH'S PENETRO NOSE DROPS

Annual Turkey Dinner and Bazaar

Turkey and Dressing
Mashed Potatoes and Gravy
Scalloped Corn Cole Slaw
Cranberries Rolls
Pumpkin Pie and Coffee

Thursday, Dec. 8
Starting at 5:30 P. M.

Adults, \$1.50 Children under 12, 75c

Klamath Lutheran Church
Cross and Crescent Sts.

Fewer Replacements with CHAMPION BRAKE BLOCKS-LININGS FRICTION BLOCKS

Dependable Products that are "Kind" to Your Equipment and Overhead.

CHAMPION FRICTION CO.
RUSSIA, OREGON