THE KLAMATH NEWS

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Taxes Mount as Income Slumps

It was inevitable that state governors, meeting in San Francisco, should devote much of their time to a discussion of taxation. The problem is perennial, but it has never been more important than now, with public expenditures absorbing a continually increasing share of a reduced national income.

The tax burden has attained such proportions that it constitutes a genuine barrier to recovery. Even with all sorts of new tax sources tapped, and levies increased in many instances, revenues are inadequate, and many people believe the limit in capacity to pay has just about been reached.

States and local jurisdictions are finding it difficult to operate schools and other public institutions, to pay public employes, interest on their debts, and to meet their running expenses. Many areas are wholly unable to care for their destitute unemployed, and must rely on the bounty of the federal government.

Figures tell the story of how the tax collectors during recent years have been taking a bigger and bigger share of income.

In 1890 the per capita tax, federal and local, was $13.56. By 1913 it had reached $10.24, and in 1929 passed $100.

The national income of the United States in 1929 was estimated at around $81,000,000,000. The total tax bill for that year was about $16,000,000,000, or roughly 12 per cent of the national income.

Last year it was estimated that the national income had shrunk to about $40,000,000,000. The tax bill, however, decreased by only about 10 per cent, or to $9,000,000,000. The consequence was that taxes took about 20 per cent of the national income.

City governments took the largest share of the total, about 39 per cent. The federal government roughly collected 25 per cent, state governments 16 per cent, and local units the remainder. Thus local taxes comprised three-fourths of the burden.

The size of the tax burden, however, is only one of the problems. There have been innumerable sales of farms and other property because owners could not pay taxes.

Billions of tax exempt securities enable big fortunes to escape payments.

There are more than 200 instances of overlapping state and federal taxes. The states have invaded income and death tax fields, and other federal sources; and the federal government has imposed taxes in fields heretofore reserved for the states, such as the gasoline levy.

Back of this is the question, particularly in some of the local communities, of whether the citizen is getting a dollar's worth of value for his tax dollar. And the still bigger problem of the many tax inequalities, which are admitted to exist.

Many state legislatures this year reduced taxes and instituted economies. The federal government is giving attention to duplicate taxation. But only a beginning has been made. The solution will require time and a vast amount of serious study.

Good News From Cuba

GOOD news comes from unhappy little Cuba, which for so long has been troubled by political violence and terrorism, and threatened by revolution. President Machado has issued a decree restoring constitutional guarantees, and has signed an amnesty bill to free political prisoners.

Cubans have been under virtual military rule for two years and a half, without the rights of free speech, free assembly, habeas corpus, and a free press. Political assassinations have been frequent, and there have been sporadic uprisings which were put down by force.

The mediation of Sumner Welles, the new United States ambassador to Cuba, between Machado and his political enemies is credited with ending the reign of terror. Cubans are pleased at having had an opportunity to solve their own political difficulties; intervention by this government need no longer be considered as a possibility.

Reassuring Consumers

SECRETARY WALLACE'S warning that the federal government will attempt to keep farm prices from going too high, as well as from remaining at ruinously low levels, will reassure consumers who have been watching the upward swing in the prices of foodstuffs with some misgivings.

Wallace aptly recalled the experiment of the British, under which prices of crude rubber were forced from 14 cents a pound to more than a dollar, only to collapse later under the burden of stimulated production.

This problem of keeping prices at a level that will not unbalance the law of supply and demand is a delicate and difficult one.

At an early age, girls of the Ubangi tribe, of Africa, insert small wooden discs in their lips and gradually increase the size of these discs until, at maturity, a prize beauty has lips a foot in diameter.

Sir John Millais painted Lily Langtry with a Jersey lily in her hand and gave the painting the name of "The Jersey Lily"; the name was later applied to the famous actress.

Airplanes are forbidden to fly over federal and state prisons at an altitude of less than 1000 feet by air regulations.

WASHINGTON

NEWS BEHIND THE NEWS

The Inside Story From The Capital

By PAUL MALLON
(Copyright, 1933, by Paul Mallon)

Tactics

WASHINGTON, Aug. 1.—Walter C. Teagle is not the only heavyweight industrialist edging quietly away from President Roosevelt's program.

You will shortly hear the names of others unless inner conditions change. They are even more widely known than the Standard Oil (N. J.) chief.

So far their opposition has been confined to private trade conferences. Their strategy is to delay action. That might be classified merely as good business judgment, except for the private comments they are making about General Johnson and the recovery scheme.

Johnson knows about it.

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Subtleties

There is no reason to expect an open break.

Johnson has plans which may bring most of the doubters around. He is relying almost entirely on shrewd publicity.

What happened in the Teagle case may give you a rough idea of how it works.

The N. R. A. crowd knew long before the news came out that Teagle opposed their program while James A. Moffett approved it. They also knew the only way to get that situation out publicly was to have Moffett resign from Teagle's company and state his reasons. When Moffett did, Teagle was left on the spot.

It served as an advance warning to other oppositionists. Their board members may resign at any time and expose their opposition to the administration program.

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Cotton

The way the government handled its cotton recently was peculiar. The day before the market broke the agricultural adjustment crowd authorized the sale of 748,000 bales. At least that was the effect of its authorization to foreclose on spot cotton and buy futures. It appears only 80,000 bales were dumped on the market. Also the authorization was kept secret for four days.

Whether or not this had any influence in the market break is a matter for argument.

The government maintains that it did not and has a fairly convincing case. Nevertheless some persons believe it proves that the government lent at least tacit approval to the recent readjustment of prices.

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Gold

Only the experts here realize that the treasury will make a large profit out of revaluing the dollar.

If the contents of the dollar are cut from 23 grains to 14 grains it will have a surplus of six grains for each dollar outstanding.

That will amount to enough to amortize the vast expenditures now being made. No paper currency need be issued.

That is why you may expect a tax reduction next year. Also a very substantial reason for expecting dollar revaluation early in the fall.

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Mr. Roosevelt makes it a point to tell most of his callers how ill Treasury Secretary Woodin has been.

The president informed one recent guest that Woodin nearly died twice from the streptococcus infection in his throat. He also denies all rumors of Woodin's resignation at every opportunity.

That does not change the situation. It should make the resignation easier when it comes.

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Restraint

Huey Long is not breaking with the administration just yet. The Roosevelt coterie found that out during his recent visit.

They have it figured out that Long is too smart a politician to break with a man as popular as Mr. Roosevelt. At least not until the auspices are more favorable.

Huey would rather make it appear that the president is coming around to his views.

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Headlining

Johnson's Detroit trip was not exactly a case of the mountain going to Mahomet. He knew he could sign the auto manufacturers any time he wanted. The trip merely afforded greater publicity.

The New York bankers statement was in the category. No one here believes the banks will grant easier credits to N. R. A. members. They could not afford to.

The only concrete effect of their agreement will be in publicity.

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Entertaining

Mr. Roosevelt has another little indirect way of showing confidence in subordinates who are mopping or under criticism. He makes a display of inviting them somewhere with him.

When Mr. Woodin's connection with the Morgan stock lists first broke, Mr. Roosevelt invited him on a weekend yachting trip.

Now State Secretary Hull is to be entertained with Mrs. Hull at Hyde Park.

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Notes

The move against Teagle brought chuckles from the government officials who have found it difficult to get an oil production agreement. They have long blamed most of their troubles on him.

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The baby bond issue scheme is being tried out as an experiment if the public wants a substantial amount of $50 allotments in the current $500,000,000 issue, there will be plenty of them offered in later issues. The treasury has been leery of the baby bond plan since it failed in the Hoover administration.

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Two senators had an excellent chance to take a free junket to the far east, but backed out at the last minute. Politicians have to be careful these days.

Editorials on News

(Continued from Page One)

the common run of people, have run out of the wherewith to buy, and as a result markets have failed, factories closed and unemployment descended upon us.

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"IN the past," he says, "we have gorged and regurgitated."

Again he uses big words. What he means is that in periods of prosperity we have eaten too much, making ourselves so sick that later on we threw up.

It was the throwing up that brought on the hard times.

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ANYWAY, we got sick—terribly sick, as everyone knows.

We got sick because the great majority of people ran out of buying power, and when we ran out of buying power markets failed, factories closed and unemployment came along.

With people out of jobs, they had no money at all with which to buy, and so things got steadily worse. We know all about that.

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WE come now to the nub of the subject:

If we got sick because people ran out of buying power, the way to make us well is to RESTORE BUYING POWER.

That is what the national recovery act, with its codes of procedure, proposes to do by shortening hours and so making more jobs, raising wages, and eliminating wicked and chiseling practices in business and industry so that employers may MAKE PROFITS with which to pay wages.

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MARK that statement: "So that employers may MAKE PROFITS with which to pay wages." It is TREMENDOUSLY important.

Wages can come only OUT OF PROFITS. There is nowhere else for them to come from. If the employer can't make a profit, he can't pay wages, for there is nothing to pay them with. If you ever worked for a man who went broke, you know that.

When your employer went broke, you LOST YOUR JOB.

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SO, if the national recovery program is to bring about increased purchasing power by raising wages, it must make it possible for the employer to earn a profit so he can PAY BETTER WAGES.

Don't ever forget this: If your employer can't earn a profit, he can't pay you good wages. So don't grudge him the chance to earn a fair profit. It is his FAIR profit that enables him to pay you fair wages.

The President and his advisers know this, and that is why they propose to make it possible for employers to earn a fair profit. The industrial recovery program proposes to bring about fair profits, just as it proposes to bring about fair wages.

One can't exist without the other.

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YOU READ in this column the other day about the two donkeys and the two shocks of hay.

As long as the donkeys fought against each other, they WENT HUNGRY. But when they GOT WISE and worked together, each helping the other, they got the hay and fed fat.

That is the way it will be with this industrial recovery program. If we spend our time fighting each other, each fearing that the other will benefit, we will get nowhere and the program will fail—and we will ALL go hungry.

But if we WORK TOGETHER, we have a mighty good chance to get somewhere.

Let's do it.

Some People Say

No wonder there is a lot of knowledge in the colleges—the freshman always brings in a little and the seniors never take any away.—Dr. A. Lawrence Lowell, Harvard.

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I can see! And look, look—the flowers on the wall paper! First words uttered by E. A. Griswold, 84, of Dallas, Tex., upon recovering sight after 50 years blindness.

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The church today needs a new baptism of faith, religious zeal and evangelistic effort.—Rev. P. N. Welshimer, Canton, O.

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Golf is the only thing I've ever been in love with—Phyllis Buchanan, 22, Trans-Mississippi golf champion.

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There's no harm in exposing the human body. It is a beautiful work of nature. . . . Some people would want to put pants on a horse.—Judge Joseph B. David, Chicago, on nudism.

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Never in the past was it so impossible to be an atheist as it is today.—Rev. John Haynes Holmes, New York.

Opticians report use of glasses in this country is increasing. Yes, we've noticed quite a few more glasses being used since the return of beer.

SIDE GLANCES— by George Clark

"Well, personally, I wish you hadn't sold your drug store."

Wise Cracks

"I was just Aimee's pet poodle," wails Mr. Hutton, now suing the evangelist for divorce. Maybe that's what comes from all that puppy love we were reading about just after their wedding.

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We take it that President Roosevelt's rapid recuperation from his recent cold was merely a part of the Roosevelt recovery program.

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Scientists declare June 21 is the longest day in the year, but the average man no doubt will insist that it's the one just before his vacation begins.

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A pugilist's life is one of clinches and breaks, judging from the record of Jack Dempsey, thrice married and twice divorced.

Earlier Days

(From Files of the Klamath Republican of August, 1908).

Alice Selvey, a waitress at the Lakeside Inn, came near ending her life Monday morning shortly after 1 o'clock, by drinking a large quantity of wood alcohol.

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At Houston's Opera House next Monday evening, the Snell-Aldridge company's dramatic organization characterized by the press of the larger cities of the west as one of the best ever visiting the Pacific coast, will inaugurate a week's engagement.

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A barge load of 31 hogs belonging to Jack Kimball was dumped into Klamath Lake Friday afternoon resulting in three being drowned.

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W. W. Pritchett and S. E. Pritchett, who came here from Bend, Oregon are going to put in a steam laundry at this place. They have purchased property from J. W. Hamaker and have commenced building their plant.

HELP FOR TIRED WIVES

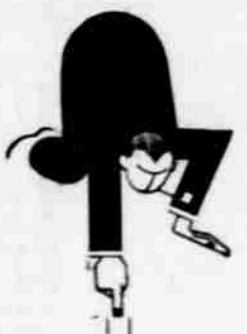
Take Lydia E. Pinkham's Vegetable Compound

When you get tired during these hard times. There are the ones who must bear the burdens of the family. When the husband comes home with less money in his pay envelope . . . it is the wife who must struggle along and make the best of things.

If you are tired . . . worn out . . . nervous, try Lydia E. Pinkham's Vegetable Compound. What you need is a tonic that will give you the strength to carry on.

98 out of every 100 women who report to us say that they are benefited by this medicine. Buy a bottle from your druggist today . . . and watch the results.

Give the Kid Credit



READ AND Use the WANT-ADS

SELL! Through the WANT-ADS

BUY! Through the WANT-ADS

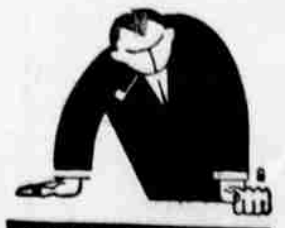
RENT! Through the WANT-ADS

SWAP! Through the WANT-ADS

THEY REACH THE GREATEST NUMBER OF READERS AT THE LOWEST POSSIBLE COST . . . . TRY ONE TODAY . . . YOU WILL BE DELIGHTED WITH THE RESULTS.

Sell . . . buy . . . rent . . . swap—if you have one of these little problems that's too small to go to much trouble or expense about, or too big to transact through your neighbors and friends, use the News and the Herald want-ads. They will bring you results at small cost.

And here's a tip. Describe your article fully the first time and it will save you further expense. A woman wishing to rent a five-room house, the other day, used several lines describing the furnishings and accommodations—and had her pick of a number of prospects, the first time her ad ran.



WANT-ADS GIVE Results at MINIMUM COST

The Klamath News
and
The Evening Herald

Klamath Falls Own Daily Papers