

THE FRONTIER

D. H. Cronin, Editor and Proprietor

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Republican Ticket General Election

- For United States Senator:**
Robert G. Simmons, of Lancaster county.
- For U. S. Senator, (Short Term):**
J. H. Kemp, of Nance county.
- For Congress, Third District:**
Karl Stefan, of Madison county.
- For Governor:**
Dwight Griswold, of Sheridan county.
- For Lieutenant Governor:**
C. W. Johnson, of Cheyenne county.
- For Secretary of State:**
Frank Marsh, of Madison county.
- For State Auditor:**
George W. Marsh, of Lancaster county.
- For State Treasurer:**
T. W. Bass, of Custer county.
- For Attorney General:**
Richard O. Johnson, of Lancaster county.
- For Land Commissioner:**
Leo N. Swanson, of Douglas county.
- For Railway Commissioner:**
Robert J. Marsh, of Holt county.
- For State Senator:**
Frank J. Brady, of Holt county.
- For State Representative:**
L. G. Gillespie, of O'Neill.
- For County Treasurer:**
J. J. Kraska, of Atkinson.
- For County Clerk:**
C. P. Hancock, of O'Neill.
- For Register of Deeds:**
Esther Cole Harris, of Emmet.
- For Clerk of the District Court:**
Ira H. Moss, of O'Neill.
- For Sheriff:**
Henry D. Grady, of O'Neill.
- For County Attorney:**
Julius D. Cronin, of O'Neill.
- For County Surveyor:**
M. F. Norton, of O'Neill.
- For County Assessor:**
Chauncey D. Keyes, of Inman.
- For Supervisors, First District:**
J. C. Stein.
- For Supervisor, Third District:**
C. W. Porter.
- For Supervisor, Fifth District:**
Ezra Cooke.
- For Supervisor, Seventh District:**
Ed. J. Matousek.

Economic Highlights

Newspaper readers have received big money's worth during the last two or three weeks. Headline news has been dramatic, colorful, important. High spots: The burning of a great passenger liner with rumors of sabotage and criminal negligence; the textile strike, which now affects 400,000 workers and is bringing about major political repercussions; the Senate investigation of the great armament manufacturers.

So far as the long view is concerned, the last of these is easily the most vital. Nothing costs the world so much, measured either in dollars or lives, as does a great war. The economic cost of the World War is estimated at about \$400,000,000,000. In every nation the cost of wars represents the largest item in the tax bill. In the United States, army and navy maintenance, charges on war bonds, pensions and war incidentals are over 60 per cent of the federal government's operating budget.

Last spring the magazine Fortune ran an article entitled "Arms and the Men." Heavily documented, the article charged that the motto of the armament dealers is to keep a war going once it is started, to attempt to start new ones in time of peace. The article did not confine itself to generalities but made specific charges against famous firms, and mentioned names, dates, places, incidents. It was republished in pamphlet form by a large eastern publishing firm, and hundreds of thousands of copies were sold at ten cents each. Then, a few months later, two long books appeared, dealing in greater detail with the same subject. The present Senate investigation was the direct result of all this.

The executives of a United States submarine manufacturing company have produced the most dramatic testimony—letters from their files

show that the arms companies constitute a tremendous international combine which takes no sides, knows no boundaries. As Fortune said, it is the only business where a concern likes to see its competitors make sales, because it knows that these sales must inevitably lead to increased business for all concerned. Here's how it works, to use a mythical illustration: The Republic of Sylvania buys a brace of destroyers from the A Armament Company. The neighboring Republic of Arcady becomes frightened, wonders if Sylvania is planning an invasion. A representative of the B Armament Company, Limited, shows up, presents his sales talk, "contacts" high officials—and Arcady buys three destroyers. Sylvania retaliates by purchasing two more—and so it goes, with each country trying to out-buy the other.

Honored names have been involved in the investigation. Example: One letter said that King George had personally interceded in an effort to bring certain buyers to the English arms market. Other letters said frankly, when talking of possible South American business, that graft was essential.

There is growing sentiment in favor of nationalization of the arms industry—but those who aren't easily swayed by emotion feel that would avail little. American manufacturers are small frogs in a very large puddle—foreign concerns such as Skoda, Vickers-Armstrong and Krupp are the really big shots. If the government took over every American armament and munitions maker it would affect the international situation to only a minute degree.

The textile strike started slowly—where union leaders expected to practically bring the industry to a stand-still in a single day, less than half the workers responded to the strike call immediately. At this writing, however, most mills have finally closed, and it looks as if half a million men will be out within the near future.

The strike has been marked by violence, misunderstandings, bitter hatred. A number have been killed, scores injured. The government arbitration board has failed—neither side seemed willing to submit to a decision it might make.

General Johnson, in a radio address, said the strike was a breach of faith on the part of labor—and the instant response was a demand by labor leaders that the General either resign or be fired.

There is a growing belief that only one man in the country has a chance to effect an agreement—the President. He has almost unlimited power. He has said little as yet, except that he would send federal troops to beleaguered sectors if state legislatures passed the enabling acts.

The President does not want to act directly—it would be a great blow to his prestige if he failed to achieve results, and there is always the danger that he will be accused of favoring one faction or the other. However, he may be forced into it before long—every day the strike continues costs the country a million or so dollars in purchasing power, and enhances the chance of strikes occurring in other industries.

WHEN INDUSTRY STARVES

In 1913 the cost of all governmentments in the United States was slightly under \$3,000,000,000. The national income was \$35,500,000,000. Taxes thus took around ten per cent of our earnings. In 1933, according to a recent estimate, the cost of government was about \$20,000,000,000. The national income had sunk to the abnormal low of about \$60,000,000,000. At that ratio taxes required 33 per cent of it, said J. B. Johnson, Vice-President of the Ohio Public Service Co., of Elyria, Ohio.

In brief, the cost of government has risen 700 per cent while the national income has risen less than 100 per cent. The probability is that figures for 1934 will show still further distortion of the relationship between income and the cost of government.

Here is one of the main reasons why we are finding it so difficult to effect recovery. Money that, if taxation were reasonable, would go for jobs, dividends, purchasing of supplies and industrial expansion, goes instead to government. It is kept out of the normal channels of trade. Bureaucracy eats it and grows fat—business starves.

Based on the above estimate, one-third of the average family income is now taken to pay the cost of government, directly or indirectly. The price of everything purchased, from a lead pencil to an automobile, is made higher because of the tax burden.

The seriousness of this problem cannot be overemphasized. We are reaching the point where government must adjust its cost to a rea-

sonable percentage of the national income, or business will continue in the doldrums.

TAXES COST MORE THAN FOOD

Last year, according to the United States News, the American people paid \$1,035,000,000 for medical services, \$2,160,000,000 for fuel and light, \$3,600,000,000 each for clothing and home rental, \$7,650,000,000 for the most basic necessity of all, food—AND \$9,000,000,000 FOR TAXES!

The increase in taxation—local, state and national—is the most startling and menacing economic development since the world war. It was not so long ago that we used to pity overtaxed European countries, in the belief that we were escaping their experience. Today, with the cost of all forms of government soaring in the face of diminishing taxable assets and earnings, we are very close to the European level. Recently England, one of the heaviest taxed countries, enjoyed a general tax reduction, made in the interest of industrial recovery. The United States, unhappily, has no such prospect.

A great part of the tax money does nothing to encourage industry—some of it is actually used for projects and experiments which discourage and throttle private initiative, retarding employment, rather than increasing it. It is a bar, not a spur, to purchasing power. It stands in the way of investment, industrial expansion, farm and home ownership. It is creating a vast, wasteful and inefficient bureaucracy which waxes fat while the public which supports it starves.

Industrial recovery and employment are inextricably bound up with the tax problem. Until government retrenches, all our efforts to go forward will be largely futile.

WATCH OUT FOR PEDESTRIANS!

Here is something that every automobile driver should keep constantly in mind: The pedestrian must always be given the right of way. He is, by comparison with the motorist, in a precarious position—when a crisis occurs, his only chance to escape unharmed often depends upon the driver of the car which is in danger of running him down.

The pedestrian accident toll constitutes one of the worst phases of our disgraceful automobile accident record. In 1933, 37.14 per cent of all motor accident involved pedestrians. These accounted for 30.83 per cent of all injuries, and 44.95 per cent of all deaths—showing that when a pedestrian is in an accident, the chance of his being killed is greater than in any other type of automobile mishap.

This year the automobile fatality record is rising over the 1933 level, and if the present trend continues the death toll will reach a new high. And, as usual, the pedestrian continues to get the worst of it. There is a legion of motorists who believe that as soon as the "go" light flares they are entitled to dash across an intersection, whether or not people on foot are still in it. It is an interesting commentary on this that the courts have held that once a pedestrian has stepped into a street under traffic light protection, he is entitled to a safe passage across, whether or not the light changes.

Every automobile driver should regard every pedestrian as being his personal responsibility. You may save a fraction of a second by dashing across intersections thronged with pedestrians—but is it worth it in view of the fact that "saving" may cost a life?

TAX BURDEN TO MOUNT DESPITE NEW DEAL BLUFF

Washington, Sept. 26.—It was made perfectly plain by Senator Harrison of Mississippi, chairman of the senate finance committee, and by Senator King, of Utah, another member of that committee, after both had conferred with President Roosevelt, that the passage of a new and more burdensome tax bill is on the administration program for next winter; revision of the tax laws will be one of the first jobs undertaken by congress when it meets in January. Democratic leaders seek to avoid discussion of the tax issue. Pressed for the truth, they have been compelled to admit that taxes must go up or new taxes must be levied or both.

It is perfectly apparent from a report issued by the Commissioner of Internal Revenue that the tax burden of today is a tax on every household. While income taxes hit a small proportion of the people the greater part of the revenue is derived from taxes that invade every home, perch on every grocery bill, invade my lady's wardrobe, and even make it a bit harder for the children to enjoy the movies, their candy, chewing gum and soft

drinks. All these things are going to continue to bear their burden, but an increased burden, when congress gets through revising the tax law, upwards.

It appears from the Internal Revenue Commissioner's report that individuals and corporations, for the past year, paid income taxes aggregating \$817,025,339.

If estate taxes be disregarded, every other tax levied by the federal government invades the home. The federal tax of one cent a gallon on gasoline, last year yielded \$202,575,034, more than half as much as the individual income tax, and this tax was paid by rich and poor alike, at a uniform rate. Mr. Average Man paid his share of the \$22,608,263 tax on tires; his share of the 3 per cent tax on electric light bills, which yielded \$33,134,407. The women contributed the \$7,001,426 raised by taxing perfumes, \$3,812,044 raised on other toilet articles, the \$7,654,990 tax on furs, most of the \$4,668,557 tax collected on jewelry, not to mention \$4,216,482 raised from a tax on candy. Even the kiddies paid their share, both of the amusement tax, which yielded \$14,613,414, and the tax on soft drinks, which produced \$4,746,732. The total tax on yield of the manufacturers excise tax, which included radios, electric refrigerators, sporting goods, etc., amounted to \$390,037,946, and every cent of this was paid by the consumer; this tax was a part of every household expenditure. Telephones alone yielded a tax revenue of \$18,094,685, and telephones have become a necessity. In the past year the tax on distilled spirits yielded \$85,960,064, wines \$3,991,683, and the beer tax brought in \$168,959,585. The heaviest part of this burden fell on the man who had to be content with the cheapest drink.

In the tobacco field which, in the aggregate, yielded \$425,168,897, cigarettes bore the brunt of the burden, that tax yielding \$349,661,945; cigars the balance. Every cigarette smoker contributed something to this total. One of the best revenue producers, among the so-called nuisance taxes, was the little two cent tax on bank checks; that tax aggregated \$41,383,198.

Washington, Sept. 24.—Secretary Morgenthau's recent order regarding partisan activities by Treasury employees is interpreted as an invitation to a political field day. In a list of "don'ts" for federal workers, Morgenthau provides such leeway for political work that it is questionable if some of them will find time to carry out the business of the government. Specifically, the secretary invites them to "express opinions, privately or publicly on political subjects;" to "contribute to the party of his choice;" to "introduce speakers or to make speeches on public questions;" to attend "county, state or district conventions as a member or a delegate," but not to display "offensive" partisanship or to "cause public scandal."

MORGENTHAU "FORBIDS" POLITICS

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AMERICAN SERFDOM

Northside News, Jerome, Idaho: The contract which the federal administration is placing before those from whom it buys cattle in the drought-stricken areas, should be read and pondered well before signing. Particularly should careful consideration be given the following paragraph in the contract in which the signer agrees: "To cooperate with further general programs pertaining to the adjustment or reduction of production and or for the support and balance of the market for cattle and or dairy products which may be preferred by the secretary, pursuant to the agricultural adjustment act, as amended. To execute the agreement necessary to participate in

such programs and necessary to share in the payment that may be made by the secretary for performance thereof, and the producer agrees that the total or any part thereof of the "benefit payment" for the cattle described in Table A hereof may be applied to and deducted from any payments he may become entitled to under any such agreement or agreements."

Now if that is not "buying a pig in a poke" what is it? The farmer or livestock producer who has signed that contract is bound by it—bound likely until the courts have an opportunity to declare it null and void.

TAXES EAT INTO INCOME

Salt Lake Tribune: The United States News, in a recent issue, dissects the incubus of taxation under which a patient people are staggering along, wondering where and when the road will turn. Adding up the amounts expended for food, clothing, rent, taxes, amusements and incidentals there is little left for the proverbial rainy day. In all this outlay the biggest single item is taxation.

From expert tabulation and careful computation, it is conservatively estimated that every dollar of income, salary or wage spent by the average citizen meets daily demands in the following proportions:

Taxes, 20c; food 17c; clothing, 9c; rent, 9c; automobile, 6c; fuel and light, 5c; household furnishings, 4c; insurance, 3c; medical attention, travel and recreation and the movies, about 2c each; tobacco and laundry, 1c each. This leaves about 19c for miscellaneous expenses and savings.

"HOME, JAMES"

United States News: The Washington Taxpayers' Protective Association found that of 6,000 receiving relief funds in the national capital 570 arrived or drove away in automobiles and two used motor cycles.

This didn't shock Washington relief officials, who knew all about the situation. As a matter of fact, they replied, they try to conserve their clients' cars as assets in job-hunting or income producing.

Of course, they realized that chiseling goes on, and they are trying to stop it. But, they pointed out, many drive to relief headquarters in friends' cars or club together on a taxi.

COMPARISONS

Brookings Register: Robert Babson, noted statistician, congratulates Canada because it is not riding along in a recovery automobile bought with borrowed money. He states business in the United States is lower now than a year ago while Canadian activities are 50 per cent above their depression low. Canada has had no artificial stimulation. She is paying \$4.21 this year per capita for relief, the U. S. \$26.00. Canada knows where she is going; the U. S. hasn't got its bearings.

GYPPED AGAIN

Sioux Falls Argus Leader: Senator Nye charges that China used a \$10,000,000 loan from the United States last year for the purchase of munitions and airplanes. The loan was extended for the purpose of buying American wheat.

If the Senator's assertion is correct—and it seems to be well substantiated—we have further evidence to show the lack of wisdom displayed in such loans.

Our record in this respect is almost 100 per cent to the bad.

WADGE
HOTTER—CLEANER
COLORADO COAL

HOUSEHOLD HAMMERS	25c
LEATHER SHOE SOLES pair	10c
RUBBER HEELS, per pair	10c
RUBBER SOLES, per pair	10c
TUBE REPAIR KITS	10c
TIRE PATCHES	5c & 10c
HACK SAW BLADES, 3 for	10c
ACID CORE SOLDER, spool	10c

BOWEN'S VARIETY
THE STORE OF TEN THOUSAND ARTICLES

Our foreign loans have created ill-will, and, as a rule, we have lost both the original sum and the interest.

CREDIT NOT UNLIMITED

San Francisco Chronicle: Recent financing operations of the government are a reminder that credit which is "good" is not necessarily unlimited. There is a limit to the capacity of the market to absorb even good securities, and there are symptoms that we are approaching that limit. * * It is too easy to jump at the conclusion that whatever the government can do on a one billion dollar scale it can do on a ten billion dollar scale.

NEW DEAL MILESTONE

"We have made no headway whatever this year in putting the unemployed to work in industry," says William Green, president of the American Federation of Labor, "Unless industry re-employs a substantial number this fall, we shall even be losing ground. * * We cannot indefinitely support one-sixth of our population on money borrowed against future taxes."

REED OF MISSOURI SPEAKS AGAIN

One old fashioned statesman who does not seem to fear that he may win the appellation "Tory" by criticism of the New Deal is former Senator James A. Reed, of Missouri, who in a recent interview in the Detroit News is quoted as saying that "if the government would only realize that the people of this country have brains—business

brains—then we might have a chance to get back to normal times."

The former Missouri senator is also quoted as stating: "What the government should do is to repeal these stupid laws and discharge the boards and bureaus interfering with business and give the people a chance to run their own affairs. If they can't solve their problems, they are unsolvable. The present administration went into office promising to take government out of business but it has put government into business to a greater extent than ever was the case under any tyrant."

Mr. Reed is quoted as adding that little improvement in business has been in spite of what the government has done and not because of it, stating: "If there has been any improvement, it has been wrought by plunging the country into debt, by broadcasting money. It's just like a man who borrows money and, for a time, has some to spend, but who in the end must bear the burden of his borrowing."

County Judge John Berney, of Bartlett, who also edits the Wheeler County Independent, was transacting business in this city last Friday. Since highway No. 281 has been built and kept in condition, this city has received a great deal of business from the northern part of Wheeler county. As one Wheeler county resident remarked to us a couple of months ago, "O'Neill is our natural trading center; it is much closer than any other town anywhere near its size; you have good stores here and it is a nice place to trade."

SOME people avoid a bank as they do a dentist. They don't go to either until they have to do so—and the price they pay for neglect is sometimes awful.

THE O'NEILL NATIONAL BANK
Capital, Surplus and Undivided Profits, \$125,000.00
This bank carries no indebtedness of officers or stockholders.

GREATER MOTOR PROTECTION AND LOWER OIL CONSUMPTION

CONOCO
GERM PROCESSED MOTOR OIL

Proved

IN the Indianapolis Destruction Test, one fill of New and Improved Conoco Germ Processed Motor Oil carried a car 4,729 miles—1,410.2 miles farther than the best of five nationally known oils tested against it. Let this convincing proof of performance guide your oil buying!

New and Improved
CONOCO
GERM PROCESSED MOTOR OIL
(PARAFFIN BASE)
ONE OF THE PRODUCTS OF CONTINENTAL OIL COMPANY

Sold By
Arbuthnot & Reka
and
A & R Service Station