VETO THOUGHT SURE FOR VET LOAN MEASURE

Senate Crams Bill Through With No Debate

WASHINGTON, Feb. 20.—(AP)—Jammed through the senate by a majority as overwhelming as that of the house, the veterans loan bill was made ready today for President Hoover and an almost certain veto.

Signing of the bill by Speaker Longworth, upon convening of the house at noon, was the last formality before the measure could be taken to the president. The senate passed it last evening 72 to 12. Only four more members, absent, were recorded against the bill by pairing.

Although the legislators most concerned still are somewhat worried concerning the pocket veto possibility—even the parliamentarians were divided as to when the ten-day period begins during which a president may kill a bill by failing to return it before congress adjourns—the leaders understood Mr. Hoover would act within 48 hours.

Both house and senate expected to get the bill back for a vote upon the presidential rejection. The sponsors were confident on the showing already made, that the two-thirds needed to override a veto would be available in either branch. When the house passed it Monday the vote was 363 to 39. When congress passed the compensation act now in force over a Coolidge veto in 1924, the house voted 313 to 78, the senate 59 to 26.

If the pending measure is made law the 3,400,000 ex-service men holding adjusted compensation certificates will be able to borrow from the government an average of $500 each at 4 1-2 per cent interest. That is about half the face value of most of the certificates.

President Hoover already has told congress of serious objections he sees to the measure. Secretary Mellon has said it will entail grave difficulties for the treasury.

The senate considered the bill all day yesterday. But from the outset the opponents conceded the hopelessness of their position; conceded they could change no votes and consented finally to a ten-minute limit of debate which brought the final roll call right after six in the evening.

Must Countersign Drainage Vouchers

(Special to The Herald.)

EDINBURG, Feb. 20.—All checks and vouchers drawn on the funds of Drainage District No. 1 will not be valid unless signed by the county treasurer, the county judge, and three drainage commissioners of the district, according to an order passed by the commissioners' court late yesterday.

One other order was passed by the court in connection with the drainage district, appointing W. Drummond as commissioner, as R. G. Murrow refused to qualify.

Drummond is one of three commissioners of the district, the other being R. R. Ohls and G. E. Langford, who accepted their appointments several days ago.

Sings His Song, Heart Gives Way

COPENHAGEN, Feb. 20—(AP)—Immediately after singing a tragic song in a fashionable cabaret last night the popular singer, Knute Bergstrom, flung himself across the table.

The public at first took no notice, supposing the singer to be acting a dramatic end to his song. They were horrified later to discover that he was dead. His heart apparently had given way under the strain.

BASEBALL 'LABOR' STARTS AT HOT SPRINGS

Associated Press Photo

This scene in the "tough" life of professional baseball players finds two "bath-house quartets" in Hot Springs, Ark., getting ready for spring training. Seated, left to right: Ralph Shinners, Buffalo International league outfielder; George Pipgrass, Yankee pitcher; Jimmie Burke, Yankee coach; George Earnshaw, Athletic pitcher; Jack Quinn, newly-signed Brooklyn pitcher, and Joe Boley, Athletic shortstop. Standing: Al Simmons, Athletic outfielder, and Johnny Mostil, Toledo outfielder.

TAXING SYSTEM OF TEXAS IS MARKED BY GLARING INJUSTICE

SAYS WRITER IN 1ST OF SERIES

(Editor's note: This is the first of three articles on state taxation. The articles present in composite form views of leading tax authorities in Texas. This sets out glaring inequalities and injustices and present reform tendencies. The second elaborates views of foremost thinkers on the subject. The third presents views on a fair, co-ordinated federal-state-local tax system.)

By RAYMOND BROOKS

AUSTIN, Feb. 20.—"No tax system is complete unless based on ability to pay; otherwise it is a stranger to equity."

With that principle as a starting point, I have secured the views of several of the leading tax authorities in Texas. Among those whose matured reasoning appears in the composite conclusions here reached are:

John G. Willacy, former senator and former state tax commissioner.

F. C. Weinert, former senator and former state tax commissioner, leader in taxation matters in the present legislature.

Rep. Dewey Young, chairman of the house committee on revenue and taxation.

Charles W. Hobbs, San Angelo banker.

Rep. Victor B. Gilbert, member, former chairman, of the house revenue and taxation committee.

William Cameron, widely known Waco business man.

Sen. W. A. Williamson.

Geore M. Craig, Port Arthur financier.

Published views of Gov. Ross S. Sterling and Former Gov. Dan Moody are alluded to.

The statement that a complete tax system must be based on the ability to pay is that of Former Sen. Willacy.

All of those quoted agree there are injustices in the present system. What are the main inequalities and injustices of the present system?

1. Principal levies come from property—primarily homes, farms and ranches—regardless of whether it is revenue producing.

2. Much property escapes taxes altogether.

3. Other property is confiscated by taxation.

4. Occupation, production and excise levies are sporadic and inequal. One industry is taxed, another is not. No basis is fixed for a tax return on either value or wealth production.

5. Irreplacable resources, such as oil, gas, timber, sulphur, lignite, are being exhausted without return to the government that provides them and protects the ownership in their depletion.

Prefacing analysis of these points, it may be said that many affirm the theory that a direct income tax is the ultimate ideal of just levy upon the basis of ability to pay. Two income tax bills were offered in the legislature. But none of those of mature experience and familiarity with taxation from whom this summary has been compiled believes the income tax, in lieu of all others, is either just or possible in Texas within the next several years. It is a theoretical goal, some have said, toward which the state may move in calculated, gradual strides. Economic reasons against its immediate adoption are outlined fully later in this series.

Ability to Pay

Texas is directly in line with thought of national leaders of business, industry, agriculture and women's organizations, evolving from a nation-wide conference in Chicago Feb. 6, to be followed by another conference this spring, committed to a joint study of taxation "with a view of revamping the present system of the theory of ability to pay."

Farms have decreased in value. Homes, occupied by owners, are not revenue-producers. Much real property is mortgaged, yet the one in posession must pay taxes on it all, even with small equity.

Farms and homes at present pay the cost of building highways. This an outstanding injustice, has a remedy proposed in shifting the burden to road rent, letting him pay who benefits, and is before the legislature in the Woodul-Hubbard constitutional amendments. Past and future unjust levies upon physical property are adjusted by repayment and remission of required contributions to designated highway construction.

Injustice Serious

What tax economists call the "remainder theory" is a fundamental injustice cited by Sen. Willacy. It is that accruing and unallocated levies are tagged wholly on convenient real property taxes.

The basic cost of government is spread over the taxing range. Then all the complex, overload bracket of special activities and functions, such as rural aid, is imposed, as a "remainder" directly on the farms, homes and physical property that can't escape assessment, instead of being spread over all the wealth. As a starting point, Sen. Willacy advocates that the "remainder," all the special levies and assessments for all corellary, incidental and ancillary functions, should be against other sources of revenue as well as physical property.

Save Money,

Instead of making the property tax, within constitutional limits high enough to cover all this, it has been suggested that the legislature can, and should, fix the property tax first, then meet the special needs, the special money it grants for special purposes, by the broadest possible range of fair taxes from other sources, such as intangibles, occupation, excise, production, severance levies.

Economy measures will go hand in hand with the adjustment of taxes. Two outstanding measures to save money in government are those of Sen. Walter F. Woodul, Houston, and Rep. Walter Beck, Fort Worth, to extend the home rule system and joint city-county government to the counties that want them, destroying half of the parallel, duplicating set-ups of local government. The manager plan of state government as a whole is the goal of reforms being worked out by Moore Lynn, state auditor.

Intangible levies upon all corporations, as upon railroads now, have been advocated by Former Sen. Weinert as a practical substitute for an income tax. Practical working of this has been questioned by others. Objections to an income tax that it would put a premium on industry and capital's leaving the state, rather than to attract them as is needed in Texas now, would apply to this practical income tax on corporations.

Admittedly at present there is neither justice in the tax division between real property and productivity, nor in the maladjusted indiscriminacy of special levies on special objects. A broad, level, fair basis of taxing the profits of taking natural resources and products should be the first substantial step toward tax equity.

Bridge Marathon Stops After 21 Hours

CHICAGO, Feb. 20—(AP)— The time has come for men to stop worrying, if they ever did, about picking out a good restaurant because their wives were engaged in a bridge marathon.

The four women who started a marathon bridge game quit yesterday after 21 hours of play. It seems there were two reasons for abandoning play. One was the fact that the husband of one of the women started a poker game and vowed they would play as long as the women. The other was because the women, as one of them put it, "got pretty tired." The highest score was 20,000 points.

EUROPE LASHED BY HIGH WINDS

Traffic Disrupted, High Seas Cause Many Accidents

LONDON, Feb. 20.—(AP)—High winds with accompanying rain, sleet and snow, lashed a large part of Europe today, disrupting traffic and in many places hampering communications.

A heavy choking fog which spread over England cleared today and residents of the southern counties were comparatively comfortable, but Sapin, France, Belgium, Northern Italy, Germany and Scandinavia were hard hit.

High seas caused a number of shipping accidents. The Mauretania ran aground off Southampton but was refloated.

The British steamer Cheldale and the Danish ship Fionia collided in a heavy fog which hung over the Elbe estuary and off Jutland.

The Cheldale was towed to Cuxhoven, badly damaged. The Fionia was only slightly damaged.

Communications from northern Spain were almost impossible by heavy snow drifts.

Mrs. Victor Bruce, British aviator, flew through the fog across the English channel from Havre, France, to Lympne airdrome, England completing a world tour by airplane and steamer. She will fly to London today, having been absent since Sept. 25.

There were 465 deaths from influenza in the larger cities of England during the week, an increase of 125 over the week before. There have been 1,585 influenza deaths in the larger cities since the first of January, compared with 434 in the same period last year.