

THE PEOPLE'S VOICE

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A Real Tax Source

Twenty-two years ago, the people by a referendum vote, passed initiative measure No. 28, which supplanted the license tax on the net proceeds of metalliferous mines, and is popularly known by the title of "Metal Mines Tax". Under this law, the metalliferous mine operators were to be taxed on the gross proceeds of their mines, with the values of the ores based on the average quotations of price of "such metals or mineral products, in the City of New York as evidenced by some established authority or market report . . . giving the market reports during the calendar year immediately preceding". One of these market reports considered authoritative in quotations of price was the Engineering and Mining Journal of New York.

It was expected that the passage of this act by a popular vote, would eliminate for all time the controversies which constantly arose over the proper items of expense which the operators should be allowed as deductions under the net proceeds tax. However, this was found to be an over-optimistic conclusion and did not take into consideration the influence of the Anaconda Copper Mining Company on the State Board of Equalization, and finally on a majority of the Montana Supreme Court.

The State Board of Equalization was found to have been granting the Anaconda Copper Mining Company and other concerns, generous differentials on the market quotations, on the grounds that it was inequitable to fix the price of the proceeds of the mines in Montana on the basis of the market quotations in New York, for taxation purposes. So on April 21, 1932, a group of taxpayers applied to the State Supreme Court for a writ of mandate to compel the State Board of Equalization to review the reports of the metal mine operators in the state filed during the years 1925 to 1931 and to re-assess the gross mine products.

The action was brought because it was found that the State Board of Equalization had assumed authority to grant certain differentials in fixing the value for taxation purposes, though the law appeared to be as clearly prohibitive of such assumption of authority as the English language could make it. The Act provided that the gross returns in dollars and cents, shall be "without any deductions for costs of smelting, reduction or treatment, or otherwise, (emphasis ours) based upon the average quotations of the price of such metals, or mineral products in the City of New York".

A majority of the supreme court on July 7, 1932, in effect, rewrote the section of the law fixing the method of arriving at the value of the metals. The majority held that the Board of Equalization had some nebulous authority which superseded the provisions of the act passed by the people and were warranted in allowing differentials despite the plain wording quoted above. As a sop, presumably to the people of the state, and perhaps as a relief to their own consciences, the majority of the court directed the State Board of Equalization to accept arsenic, crude and refined or arsenious oxide as taxable, which the Board had previously generously refused to do.

In a strong dissenting opinion written by Associate Justice Angstman and concurred in by Governor Ford, then an associate justice of the supreme court, attention was called specifically to the law as already quoted above, and stresses that "the Act as a whole simply recognizes but one 'market price', viz, the New York price regardless of the place of sale."

The dissenting opinion also calls attention to the circumstance that at the time the Act was before the people for approval or disapproval, the members of the Board of Equalization at that time as well as "the Anaconda Copper Mining Company construed the Act as allowing no deductions whatsoever from the New York price".

We recommend that Governor Ford take steps, now that the legislature is in session, with a strong majority of his own political party in control, to get whatever amendments may be needed to the Act to make it serve as the source of revenue to the extent that he once asserted it should when he was a member of the supreme court. To the layman who reads the law it appears to be an example of clarity in its provisions. Perhaps the Governor can suggest to the legislature some means of compelling the State Board of Equalization to follow the law as enacted and as interpreted by him in the dissenting opinion.

It was estimated at the time the action against the State Board of Equalization was started in 1932 that the state board at that time, through its generosity, and without any authority under the law governing the assessments which it had made, had saved the poor Anaconda Copper Mining Company some half million dollars. The law had only been in operation then for about seven years and 14 years have elapsed since then, and undoubtedly the annual "savings" provided for the ACM by

SHACK SWEEPINGS

By BILL

"Headed For A Smash-up" . . .

Some weeks back Sam Grafton, Chicago Sun column, remarked that the American people seemed to be preparing for New Year's festivities in a most fatalistic attitude of " . . . one last fling before the debacle. . . ." This seems to sum up the attitude of many of us—we're certain we're headed for another depression, a depression which probably will be many times worse than that of the early thirties, and sad to say, under our present "production for profit" system, we do not see any way out of it.

For many months now labor unions, the Farmers Union, and many other progressive groups have been warning the nation that letting inflation go unhindered it was only a matter of a short time until there would be a "bust".

The accuracy of these warnings is now beginning to become apparent—the man who works for wages is broke—his buying power, outside of the bare necessities, is gone.

The same, to a lesser degree applies to an increasing number of small merchants, and while the real impact has not as yet hit them, they are for the most part going into a declining business spiral with insufficient capital reserves to carry them for any great length of time.

Farmers, while presently in a pretty fair financial condition, are already becoming jittery over the first signs of instability of the grain, livestock and the dairy products markets. Those farmers who have not indulged in the luxury of investing in price-inflated lands may be able to stick another slump out for a considerable period of time.

The only ones who have a real chance of riding out a recession are the very ones responsible for bringing it on—the long-profit-taking tycoons of large industry and finance.

The nearness of disaster, during the last few weeks has also begun to make itself felt among those who are, or represent the thinking of big business. I have on my desk at the moment two editorials—the writers of which in years past have served as "weathervanes" of the viewpoints of two of our major western industries—lumbering and construction.

"DON'T GO 'HOG-WILD'!" . . .

One—editorial from Western Construction News, published in San Francisco—while showing great elation over the resurgence of the Republican party, carries a grim undercurrent of fear for the future. Editor J. M. Server in an editorial captioned "Don't Go 'Hog-Wild'!" warns:

" . . . We're strong for 'em and want to see them make good. We're just warning them that plain obstructionist policies; that pampering of any social group, be it labor, farmers, veterans, bankers, internationalists, or any other special interest; that maintenance of non-essential bureaus, or on the other hand, curtailment of essential services; that allowing politics to slow reconversion and full production; . . . that in short if they regard their elevation to power as an invitation to run as wild to the right as their predecessors did to the left, they'll lose the 1948 elections, they'll lose all the respect of the voters for generations to come, and the nation will probably go openly Communist . . ."

"HEADED FOR A SMASH-UP" . . .

The other editorial—from Crow's Pacific Coast Lumber Digest, Portland, a publication never noted for reflecting any except the most conservative of views, is more specific. Editor C. C. Crow in lamenting the way the lumber industry has renegotiated prices the way " . . . an armed robber sticks a gun in your ribs", warns the industry in no uncertain terms that their short-sighted grab for unjustified profits will wreck the lumber market. One paragraph from his editorial "Headed For a Smash-Up" is sufficient to convey the uncertainty he sees for the industry in the future:

"The sorry part of the whole picture is, this wild-cat market is certain to be short-lived. It will be easy enough to put wages up, but—when the market takes a nose dive and goes in the ditch on account of having crowded prices up to where the consumers will quit buying—then some of these folks who are drunk with pressure prosperity will sober up and discover what rotten judgment they have used."

HERE AT HOME . . .

Recent impromptu surveys conducted by various Montana people check with the warnings noted above. In practically every interview one thing has stood out—there's going to be a crash. Further, those interviewed, irrespective of political faith, have been unable to see any way out when we once again hit the bottom. Those that are up on statistics estimate that when goods once again become plentiful, under our present system of monopoly capitalism, a working force of 35 million will be able to produce all that American consumers will be able to pay for. This figure contrasted with approximately 60 million now working. Simple arithmetic points out that will mean a 25 million unemployed—a figure much too large for

the generosity of the Board have been as large as in each of the first seven years.

Why don't you prove your independence of the ACM Company Governor, and get your fellow party members to do the same and get the thing straightened out as it should be according to your opinion in 1932? The State needs the money far more than the ACM.

our nation's economy to maintain as a dead load. Again, these same people fear that such a pool of unemployed can result in one thing only—the advent of either big business fascism or proletarian communism, and certainly a drastic curtailment of the liberties we have so long taken for granted. These people, while many voted republican last November, are now concerned over the "vacuum" program of that party.

There seems to be only one way to avoid going either far to the right or to the left. That is for our congress to immediately begin taking steps to "nationalize" our major basic industries—steel, meat processing, aluminum, electrical, mines, lumber, oil, power, and most particularly our banking and insurance businesses. Only through nationalizing and making these industries produce for use for all the people can we avoid the certainty of a crash and a probable headlong dive into fascism. Only thus can we preserve true "free enterprise" (not the monopoly capital version) and the freedom of action that all of us in America cherish.

Capitol Personalities . . .

Associate Justice Lee Metcalf getting settled in his new office in the east wing of the capitol—Stillwater Rep. E. A. Blenkner setting some kind of a record by introducing 23 bills in one day, all related to clearing away "deadwood" from Montana statutes—Beaverhead senator and 1946 GOP state chairman George Gossman seen in frequent consultations with Lobbyist Al Wilkinson—Wheatland's able senator E. F. McQuitty reviewing drought conditions of the middle 30's with your reporter—First term Missoula county Rep. Ira Head, and an active member of the Missoula Carpenters Union, getting acquainted with the life of a legislator—Carter Senator Frank B. Buck, who replaced the late Senator Peck from that county, is one of several GIs now serving in the legislature. Before the war Senator Buck was in dam construction work. Since returning to civilian life he has gone "on his own" in the livestock game—Rep. Ralph Cook, Cascade County Farmers Union prexy, and a fledgling member of the house, would like to see something done about the "rubber tire rustlers" and their practice of marketing cattle other than their own—"necktie" parties solved the problem very effectively in the old days, Ralph—World War II veterans in the house include: Guy Rogers, Missoula, disabled Vet of the battle of Germany; Henry Loble, Lewis & Clark, former member of the Army Air Force, and Cascade representatives Fritz Roll Jr., R. H. Bell and Robert Pappin. J. Rusty Larcombe, Malta, will love this—one of the legislative "stage hands" (chairmovers, that is) calling his PHILLIPS COUNTY NEWS a "communist sheet".

"All Thy Conquests" . . .

Most of us, when we think of the devastation wrought by war, picture that devastation in terms of ruined buildings scorched fields, shell pocked earth. But, of course, these are only physical reminders of what war does to a country. War causes other destruction of far more lasting effects.

These other phases of destruction are brought out very forcibly by Alfred Hayes, ex-GI of the Italian theatre, in a new book "All Thy Conquests", which is the Book Find Club selection for January.

"All Thy Conquests", with a setting in Rome four months after its liberation by the Allied Forces in 1943, brings out in all its horror the despair of a people floundering around in an uncertainty with which they seem unable to cope; the collapse of moral standards; the hunger and the hopelessness of the masses; and, the contributions of Allied troops in bringing about these conditions. Should you be interested, may I suggest you avail yourself of this book. It will give you a broader picture of the background of unsettled conditions now prevailing over all of Europe, and some understanding as to what Europeans are up against as they start the physical and spiritual rebuilding of their war-ravaged lands.

Voice of the Valley . . .

Elsewhere in this issue you will note an appeal for subscriptions for "Voice of the Valley"—the new official monthly publication of the Missouri Valley Association. A copy of this eight-page fact sheet has just come into the office, and may I assure you it is a "dandy"—well made-up and loaded with effectively-written articles on the need of the Missouri valley for a regional authority, the difficulties proponents of the Pick-Sloan "piece-meal" plan are having "selling" their program, and general news on the TVA, the campaign for a CVA, etc. A year's subscription will cost you a buck—half a bushel of wheat that is—and, once you subscribe, I'll bet you'll agree it is an A-1 investment. Send 'er in right away on the handy "cut-out" at the bottom of the ad.

"Free Enterprise" Again . . .

No, this "monopoly-control" business isn't the 23d Psalm of your columnist. To the contrary, it is important that every reader realize the extent to which an infinitesimal fraction of our population has succeeded in building up an economic dictatorship.

Adding further fuel to the fire—here is the gist of a report recently released by the smaller war plants corp.: less than one-tenth of one per cent of all corporations own or control 52 per cent of the total corporate assets of the nation; less than four per cent of all manufacturing earned 84 per cent of all net profits of manufacturing corporations. The report also shows that one or a few companies dominate the following industries fields:

Steel, aluminum, copper, agricultural implements, refrigerators, sewing machines, washing machines, electric motors, automobiles, rubber tires, petroleum, chemicals, meat packing, liquor, sugar, cereal products, tobacco, aircraft.

Think it over—that pretty much takes care of our American industrial scene—only agriculture, clothing and a few industries such as radio manufacturing, today contain any of the elements of the "free enterprise" republicans prattle so vociferously about.