

The News-Review

Published Daily Except Sunday by the News-Review Company, Inc.
Entered as second class matter May 1, 1920, at the post office at Roseburg, Oregon under act of March 3, 1879
CHARLES V. STANTON Editor and Manager
Member of the Associated Press, Oregon Newspaper Publishers Association, the Audit Bureau of Circulations
Represented by WEST-HOLLIDAY CO., INC., offices in New York, Chicago, San Francisco, Los Angeles, Seattle, Portland, Denver
SUBSCRIPTION RATES—In Oregon—By Mail—Per Year, \$12.00; six months, \$6.50; three months, \$3.25. Outside Oregon—By Mail—Per Year, \$13.00; six months, \$7.00; three months, \$3.50.
By News-Review Carrier—Per Year, \$13.00 (in advance), less than one year, per month, \$1.25.

FAVORABLE PROSPECT

Charles V. Stanton

It was our great pleasure this week to have a personal interview with Captain Irving Larson, recently appointed to head the Game Division of the Oregon State Police. Captain Larson, given his new assignment the first of the year, is making a tour of the state to familiarize himself with problems and facilities. He is meeting with the men of his command, regional and local game department officers, heads of State Police offices and local citizens. "I'm a good listener," Captain Larson said concerning himself. "While on this swing around the state it is my desire to let other people do the talking. I want to learn the problems of each area that we may better design our program to meet local needs." The captain speaks with great sincerity. We believe he will be diligent and honest in his effort to improve game law enforcement. He appears determined to bring his department into closer cooperation at the higher level with the management and conservation work of the Game Commission. If he succeeds in this purpose, as we believe he will, he will perform a most valuable and needed service.

Familiar With Southwest Area

We were particularly pleased by the fact that Captain Larson is personally familiar with the problems of the Southwestern Oregon region. His early work in the department was as a game law enforcement officer at Gold Beach. His ability brought him advancement to the rank of sergeant and transfer to command of the district office at Coquille. Fourteen of his 20 years with the State Police were spent in Southwestern Oregon.

We have in this area a tremendous law enforcement problem. We have an exceedingly large land area, with comparatively sparse population. We have hundreds of miles of water furnishing unexcelled angling. We have two major rivers, the Rogue and Umpqua, from which commercial fishing is barred, both rivers drawing heavy tourist patronage. All this leads to severe hunting and angling pressure with a very limited surveillance because of the shortage of manpower available for law enforcement.

The area, however, has been exceptionally fortunate in the fact that game law enforcement has received the utmost cooperation from all State Police officers and men. In some other parts of the state complaints have been heard that traffic officers are not always cooperative in enforcing game laws, except on special assignment. While we personally discount some of these complaints, we have observed that there has been little room for such criticism in this area.

Harmony Anticipated

Cooperation has particularly improved since the Game Commission established regional offices. State Police game officers were assigned to each of these districts, thus providing a close working relationship, which in this area especially has been very effective.

There has been much demand in late years from some organized sports groups that game law enforcement be removed from the State Police and placed under the direction of the Game Commission.

Good arguments exist for such change. The State Police are organized along military lines. The job of the State Policemen is the apprehension of law violators. His work, it is claimed, does not begin until a law is violated. Proponents of a separate game law enforcement body contend that a game "protector" could include the work of a police officer with that of game management, public education, etc., thus serving to reduce the number of law violations.

It is our opinion that the suggested change of authority is not necessary and that, perhaps, our existing system is in many respects more efficient than the one proposed. Efficiency, however, demands that there be a high degree of harmony and cooperation between the State Police and the Game Commission.

We believe Captain Larson will do his utmost to coordinate the work of his department with the policies of the Game Commission. He has a foundation of training in game law enforcement, something previously lacking in the high command. He also has the utmost respect and confidence for the ability of his officers at regional levels and will, he states, give them much latitude in working on local problems.

It is our prediction that if he follows the policy he now has in mind, demands for transfer of authority will soon diminish.

Hal Boyle

WASHINGTON (AP) — Leaves from a capital visitor's diary:

The Republicans took power politically in the nation's capital a year ago but socially they haven't been able to knock the Democrats off the ramps.

The Democrats refused to don sackcloth and ashes after their defeat. This has led to some grumbling that under the Eisenhower regime the minority party members, gay as jaybirds, still rule the social scene. Certainly it is true that few have retired to hermitages.

One disgruntled lady, who obviously regards Democrats as irresponsible grasshoppers and Republicans as earnest ants, wrote to a local newspaper:

"Why aren't they (the Republicans) throwing more and better shindigs with gin, orchids, mink and caviar? . . . They have taken over the serious side of running our government and are not so concerned over entertainment and the social whirl."

"Let the Democrats dominate the scene; that's one of the reasons they were relieved of power."

Another lady, perhaps more neutral in her politics, told me:

"This should be one of the most active seasons socially since before the war. The biggest difference I have noticed under the present administration is that the

parties are smaller and more formal."

But nobody in a responsible post foresees an early doom to that famous institution—the Washington cocktail party.

The recipe for one of these is: Take 30 assorted politicians, military leaders, diplomats and their wives; garnish with bourbon, Scotch, gin and sherry, seaweed with assorted canapés. Let stand on one foot for two hours in a crowded, smoke-filled living room while airing political views and exchanging inside information on government. Most often opens front door to the whole group into the night, takes aspirin and goes to bed.

If all has gone well, the host later should receive at least five invitations to attend similar parties. The main thing is not to vary the recipe by introducing ribald old party games such as postoffice or pin-the-tail-on-the-donkey.

The exodus of Democrats and the reduction in the number of federal employes here is solving the Washington housing shortage. You no longer have to trade a

"Don't Worry, Sonny Boy! I Love You!"



Bruce Bossat

In The Day's News

(Continued from Page One)

By any realistic election-year measure, President Eisenhower's farm program embodying the principle of flexible price supports has very little prospect of approval. The existing policy of high, rigid farm price supports is obviously an unsatisfactory solution to the agricultural problem. Most farmers themselves will admit that, privately if not otherwise. The outstanding feature of present law is that it encourages farmers to produce, not for the market, but for storage. Government warehouses are bulging with a variety of commodities taken off farmers' hands in keeping with the support program. These surpluses constitute a travesty on economic planning.

Yet many years of operating under the high, fixed support arrangement have led most farmers to identify this plan tightly with their personal well-being. With all its faults, they prefer it to some other, untried system—whatever its advertised virtues for them and the general public. Politicians understand this mind, indeed, often seem to encourage it. So it would be the height of folly to expect Congress in an election year to risk the political peril inherent in any new farm policy.

At the very best, one might hope for some kind of compromise that might contain rigid supports for a time but lead gradually into a more discriminating flexible system at a future date. After all, Mr. Eisenhower's administration has given a year's intensive study to the farm problem, and has emerged with a detailed program drafted scrupulously—crop by crop—to provide a saner result for all concerned. It would seem a great pity for all this intelligent effort to be wasted simply because Congress has the standard, election-year trembles. Whether or not Mr. Eisenhower's flexible plan makes a headway, Congress will find itself virtually compelled to attend to one part of the President's farm program: the disposition of huge surpluses now accumulating. The President is firmly opposed to destroying any food or fiber. Likewise he understands the danger to world trade relationships that would lie in any wholesale dumping of stored products. He proposes that these surpluses be "insulated" from normal channels of distribution. Translated into plain English, that seems to mean disposing of stocks of butter, eggs, grain and cotton by extraordinary devices unrelated to regular trading. These could include use of food in disaster relief here and abroad, in school lunch programs, and the like. Some materials could be stockpiled for war or other emergency.

landed a key to Ft. Knox in order to get a key to an apartment. One lady told me there were five vacancies in her building. Before he could even move into an apartment he had leased, a newcomer here was given a new lease by his landlord cutting his rent 33 1/3 percent.

The falling federal payroll has many businessmen worried. An organization of 100 small firms has started a campaign to lure new industries here in an attempt to make the Washington area less dependent on Uncle Sam's paychecks.

Hurdles to be cleared are the lack of trained factory labor here and antiquated zoning laws. Naturally, many of the older residents don't want the Washington Monument to be mistaken for a smokestack.

Best-Anecdote-I-Heard-In-Washington: An elderly public servant recently retired after 49 years on the same government payroll.

But soon his wife complained she found him unattractive whenever she tried to do a household chore.

"I told my husband he should have rounded out a full 50 years before quitting," she confided to a neighbor. "But you know him—always so impetuous."

Agency. And some could be carefully applied to programs of foreign aid, especially in underprivileged lands. If the Congress would grapple with even this much of the President's carefully wrought program, we could take it as a sign that America's politicians have realized at last that they cannot forever run away from their fundamental problems. And we could hope that in another year—free of the voter's hot breath—they might get to the heart of the matter.

Congress Chat

By HARRIS ELLSWORTH, M. C., 4th Oregon District

It takes a while after a Congressional session convenes for legislation to reach the House floor for action. In other words, the first three weeks of January will probably not develop activity on the floor but the committees are busy. The reason for the slow start of a session is obvious. It is always the practice to bring up and act on nearly all bills that are ready for floor consideration before a session adjourns. We pretty well cleaned the slate in August so it takes some time for the committees to get some more bills ready for action.

Meanwhile what seems to be a joll certainly does not mean an ease in the Congressional process. It could not possibly be any busier than I am right now and have been since I arrived back in Washington, D. C. A member of Congress, particularly a member from the West, has much more to do than floor consideration before a session adjourns. We pretty well cleaned the slate in August so it takes some time for the committees to get some more bills ready for action.

Its uses are practically limitless. Here are a few of them: Television cabinets, auto parts, underlayment for floors, mirror backs, furniture panels, drawer bottoms, lining cabinet doors, display racks, core materials for veneers and metals and other plastics, die-cut boards, template boards, tiling, millwork items, toys, novelties, containers, window valances, home radiator covers, window seats, car table tops, bed headboards, waste-baskets, door panels.

That is not the list of products that can be fabricated from this material is limited only by the range of the imagination.

That suggests another vision. This versatile material is available RIGHT HERE in our own State of Jefferson. If we have imagination enough and energy enough, we can interest people with KNOW-HOW in establishing here plants for manufacturing the wide range of consumer goods that can be made from this new material.

That is no new and radical idea. It is strictly in the pattern of industrial development that has been worked out in the industrial areas of the East and the Midwest.

Steel, for example. Steel is a versatile material. Around the steel mills of the East cluster hundreds upon hundreds of smaller fabricating plants that convert the steel into consumer goods.

We can do the same with this new wonder material IF WE HAVE THE IMAGINATION, THE ENERGY AND THE DETERMINATION TO GO ABOUT IT EFFECTIVELY.

That is what this new era of WOOD PROCESSING as distinguished from merely cutting down trees and sawing them up into rough lumber can mean to us.

laws: "The Allied Veterans Council of Jackson County received definite assurances Friday night from Congressman Harris Ellsworth that the needs of this district for a hospital center at Camp White will be presented conclusively to the Veterans Administration upon his return to Washington." I hope a substantial number of general medical hospital beds can be established at Camp White without it being necessary to resort to legislation. Accordingly, I have been reexamining the necessary facts and have conferred with V. A. officials. I plan to take the matter before the Administrator soon. In a future letter I will discuss the various bills I have pending in the House and make a progress report on each.

President Eisenhower Declares Reduced Federal Budget Adequate To Meet Needs

BUDGET HIGHLIGHTS

WASHINGTON (AP) — Highlights from the text of President Eisenhower's message to Congress on the budget for fiscal 1955:

FIRST GOP BUDGET

This new budget is the first prepared entirely by this administration. It provides adequately, in my judgment, for the national defense and the military strength of responsibility of the nation—responsibilities which we must undertake as a leader of the free world. On the success of this leadership depends our national security and prosperity.

NATIONAL DEFENSE

The recommended budget continues the strengthening of our military posture; our progress in the development and production of atomic weapons; the expansion of our system of continental defense; assistance in the development of the military strength of friendly nations; and programs for rapid mobilization in an emergency should arise.

ATOMIC ADVANCES

Authority is recommended for new and advanced work on the peaceful uses of atomic energy. In the earnest hope that present international relations can be improved and the wonders of nuclear power can be turned gradually to the development of a more abundant life for ourselves and all mankind.

TAX REDUCTION

The reductions in expenditures already accomplished, together with those now proposed, justify the tax reductions which took effect Jan. 1 and the further tax revisions I am recommending. . . . The amount of the savings is being returned to the public in tax reductions and tax relief.

BOLSTERING PROSPERITY

These lower taxes will encourage continued high capital investment and consumer purchases. Despite the substantial loss of revenue caused by these reductions, we have moved closer to a balanced budget.

ESSENTIALS

NOT DESIRABLES' — In preparing this budget the administration has directed its attention to essential activities and programs rather than to those which some might consider desirable and appropriate, at this time, for the federal government to undertake.

FUTURE BENEFITS

But as we continue to reduce and eliminate the less desirable or unnecessary government expenditures, it will become possible to turn to other purposes which are more desirable in terms of their benefits to all of the people.

PARTNERSHIP

NOT PATERNALISM — This budget marks the beginning of a movement to shift to state and local governments and to private enterprise federal activities which can be more appropriately and more efficiently carried on in that way. . . . In those cases where federal participation is necessary, the effort of this administration is to develop partnerships rather than an exclusive and often paternalistic position for the federal government.

THE BUDGET

(IN BILLIONS OF DOLLARS)
Receipts (Truman's) 1954 1955
Expenditures 68.0 67.6 65.2
77.9 70.9 65.7
9.9 3.3 2.9

1954'S RECORD

The current estimates of the 1954 budget show that the requests for new appropriations were reduced about 12.5 billion dollars, new obligatory authority was reduced about 1.1 billion dollars, and expenditures were reduced 7 billion dollars below the totals estimated in the 1954 budget document of the previous administration.

1955'S OUTLOOK

Similar reductions continue in the budget recommended for the fiscal year 1955. I recommended new obligatory authority of 4.1 billion dollars less than the current estimate for the fiscal year 1954, 15.5 billion dollars less than recommended for that year in the 1954 (Truman) budget document, and 23.9 billion dollars less than in 1953.

SAVINGS

Thus, new obligatory authority has been reduced 15.5 billion dollars and estimated expenditures have been reduced 12.3 billion dollars since this administration took office.

FIVE BILLION DOLLARS

Without tax reductions, a budget surplus was in sight for the fiscal year 1955. Together these tax reductions will total nearly 5 billion dollars for the fiscal year 1955.

DEFICIT

We will still have a budgetary deficit of slightly less than 2 billion dollars for the fiscal year 1955, as now estimated. But we will continue determined efforts for economy to reduce that deficit during the 1955 fiscal year.

CASH SURPLUS

Furthermore, despite the loss of cash revenue from the tax reductions and revisions, the total cash transactions of the government with the public are now estimated to show a small cash surplus for the fiscal year 1955. This cash surplus represents the difference between the conventional budget deficit and the cash surplus.

DEFENSE COSTS

Security expenditures for major national security programs, including the military functions of the Department of Defense, the mutual military program, atomic energy, and stockpiling of strategic materials—dominate the budget and are estimated at 44.9 billion dollars for the fiscal year 1955. This compares with a presently estimated 48.7 billion dollars in 1954 and 50.3 billion dollars in 1953.

MORE DEFENSE, LESS COST

Proposed reductions in major national security expenditures in 1955 represent the largest single element of reduction from the current year's level of expenditures. I emphasize, however, that these savings result from revisions in programs, from shifts in emphasis, from better balanced procurement and from improved management and operations. Our security is being strengthened—not weakened.

ATOM AND AIR POWER

Proposed 1955 expenditures for the Atomic Energy Commission and for the mutual military program will be at the highest levels since the initiation of the two programs. Expenditures on behalf of our airpower will be the largest since World War II. Allotment of expenditures for our continental defense program will be greater than in any previous year.

TAX PROGRAM

I am anxious to have taxes reduced as fast as that can be done without building up inflationary deficits. . . . The objective will be to return to the people, to spend for themselves and in their own way, the largest possible share of the money that the government has been spending for them.

STARTING POINT

The start toward tax reductions is justified only because of success in reducing expenditures and improving the budgetary outlook. . . . These proposals are directed toward removing the most serious tax hardships and tax complications, and reducing the tax barriers to continued economic growth.

STOPPING POINT

I do not believe that the budgetary situation will permit further reductions of taxes at this time. . . . Hence, I repeat my recommendation in the general corporate income tax that be deferred for one year; that the excise tax rates, scheduled to be reduced on April 1, including those on liquor, tobacco, automobiles, and gasoline, be continued at present rates; and that any adjustments in the other excise taxes be such as to maintain the total yield which we are now receiving from this source.

NATIONAL DEBT

Nearly three-quarters of the debt incurred by the consumer matures within less than five years or is redeemable at the holder's option. Too large a proportion is in the hands of banks. These policies contributed to cheapening the dollar.

DEBT LIMIT

The national debt is now close to the limit of 27.5 billion dollars. . . . In the second half of the calendar year, when tax receipts are seasonally low, there will be no way of operating within the present debt limit. For these reasons, I recommend my request to the Congress to raise the debt limit.

PART II

TAX PROPOSALS — Our whole system of taxation needs revision and overhauling. It has grown haphazardly over many years. The tax system should be completely revised. THE OBJECTIVES — Revision of the tax system is needed to make tax burdens fairer for millions of individual taxpayers. . . . It is needed to restore normal incentives for sustained production and economic growth.

TAX REVISION

I believe that this proposed tax revision is the next important step we should take in easing our tax burden. . . . As it is completed further reductions in expenditures can be applied to our two objectives of balancing the budget and reducing tax rates.

1. Children Earning Over \$600 — I recommend that a parent should be permitted to continue to claim a child as a dependent regardless of the child's earnings if he is under 18 or away from home at school.

2. Heads of Families — I recommend that widows and dependent children be allowed to split their income as now done by married couples. This same tax treatment should be authorized for single people supporting dependent parents.

3. Foster Children — At present dependent children and children in process of adoption may not be claimed as dependents. I recommend that such children be allowed as dependents.

4. Expenses of Child Care — Some tax allowance can properly be given for the actual costs of providing care for the small children of widows or widowers who have to work outside the home. The same tax privilege should be given to working mothers who, because their husbands are incapacitated, provide the principal support of their families.

5. Medical Expenses — I recommend that a tax allowance be given for medical expenses in excess of three per cent of income instead of five per cent as at present. I recommend further that the present ceiling of \$1,250 for a single person with a maximum ceiling of \$5,000 for a family should be doubled.

6. Sick Benefits — Insurance and other plans adopted by employers to protect their employees against the risks of sickness should be encouraged by removing the present uncertainties in the tax law.

7. Pension Plans — The condition for qualification for special tax treatment of employer pension plans are too involved. Such plans are desirable. I recommend that they be simplified and that greater discretion be given in establishing plans for different groups of employees.

8. Taxation of Annuities — I recommend that tax treatment of annuities be determined on the basis of the life expectancy of the person receiving it. This will benefit people who buy annuities to cover their life expectancies.

9. Double Tax on Dividends — At present, business income is taxed to both the corporation as a stockholder and to the millions of dividends. The double taxation is bad. I recommend that a start be made in the removal of this double taxation by allowing stockholders a credit against their own income taxes as a partial offset for the corporate tax previously paid.

10. Estimated Returns — The burden on those required to file estimated tax returns should be reduced by increasing the number of optional ways in which an individual can estimate his tax

. . . I recommend also that the penalties resulting from underestimates be simplified.

11. Filing Date — To reduce the burdens of preparing and filing returns in the early months of the year, I recommend that the March 15 filing date for individuals be changed to April 15.

12. Business Taxes — Particular attention should be given to the revision of the law to the problems of small and growing business concerns. A liberalization of the tax treatment of depreciation would have far-reaching effects on all business, and be especially helpful in the expansion of small business whether conducted as individual proprietorships, or corporations. . . . Faster depreciation, it should be noted, will merely shift the tax deductions from later to earlier years. It will not increase total deductions.

13. Development — I recommend that all companies be given an option to capitalize or to write off currently their expenses arising from research and development work.

14. Accumulated Earnings — The penalty tax on excessive accumulations of corporate earnings. . . . Is necessary to prevent avoidance of individual taxes by stockholders, but I recommend that the law be changed to make the government assume the burden of proof in the event of earnings being so accumulated.

15. Partnerships — The tax law applicable to partnerships is complex and uncertain. I recommend that it be simplified and made definite.

16. Optional Tax — I recommend that corporations with a small number of active stockholders be given the option to be taxed as partnerships and that certain partnerships be given the option to be taxed as corporations.

17. Corporate Reorganization — The penalty tax on excessive accumulations of corporate earnings. . . . Is necessary to prevent avoidance of individual taxes by stockholders, but I recommend that the law be changed to make the government assume the burden of proof in the event of earnings being so accumulated.

18. Loss Carryback — At present, losses may be carried back and offset against prior earnings for one year and carried forward to be offset against future earnings for five years. I recommend that the carryback be extended to two years.

19. Soil Conservation — At present, only limited and uncertain tax deductions are allowed for soil conservation expenses on farms. I recommend that such deductions be allowed up to 25 per cent of the farmer's gross income.

20. Accounting — Tax accounting should be brought more nearly in line with accepted business accounting by allowing prepaid income to be taxed as it is earned rather than as it is received, and by allowing reserves to be established for known future expenses.

21. Corporate Taxes — I recommend that the law be tightened to remove abuses from the use of multiple corporations in a single enterprise. I also recommend that the penalty tax on consolidated returns and inter-corporate dividends be removed over a 3-year period.

22. Foreign Earnings — Our tax laws . . . within reasonable limits should encourage private investment (abroad) which should supplant government economic aid. Business income from foreign subsidiaries and inter-corporate dividends should be taxed at a rate 14 percentage points lower than the regular corporate rate.

23. Payment Dates — The irregularity of tax receipts increases the problems in managing the public debt. . . . I recommend that, beginning in the fall of 1955, a start be made in smoothing out corporation income tax payments by requiring advance payments in September and December before the end of the taxable year. Each of these payments should be made at 5 per cent of the amount due for this entire year in 1955, rising to 25 per cent each in 1959 and later years.

24. Administration of Tax Law — I recommend that the parts of the law covering assessments, collections, interest and penalties, the statute of limitations, and other administrative provisions be simplified and brought together in one place. The regulations and administration of the tax laws are being tightened to prevent abuses by which a small minority of taxpayers avoid their fair share of taxes by misuse of expense accounts and other improper practices.

25. General Simplification — The entire internal revenue code needs rewriting and reorganization. Jointly, the Treasury Department and the staff of the congressional committees have developed many recommendations for changes other than those which I have described here.

PROBLEMS AHEAD — They still remain heavy national security requirements. Sustained expenditures are by law relatively un discretionary. The far-reaching activities of the federal government are extremely complex.

PROGRESS TO DATE — Despite these inherent difficulties, we have made great progress. Federal expenditures have been cut substantially, tax reductions have been made justifiable, and the budgetary deficit has been sharply reduced. We have, furthermore, made appropriate provision for our national security and for our international obligations.

CONCLUSION — I firmly believe, therefore, that this budget represents a plan of government which will not only show our way of life but will also strengthen our economic base and enhance the welfare of all our people.

Dwight D. Eisenhower