

The News-Review

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By Charles V. Stanton

THE END OF ECONOMY

Within a comparatively few more days we should have a much better idea about what the verdict is to be regarding state taxes. The legislature is getting around to adoption of a budget and ways and means of raising the millions of dollars necessary to carry on state government.

We can be certain at this time that more taxes will be required for the next biennium than were spent during the past two years. If we are to spend more money, we must raise taxes. Several formulas are proposed. Because of the demagoguery connected with the tax issue at the last election, every possible effort will be made to soft-pedal tax increases and to make collection as painless as possible.

During the campaign candidates for office were promising more money for schools, larger welfare checks, pensions, increased workmen's compensation, higher unemployment benefits, and so on, while blasting the Republican surtax, demanding its repeal, and pledging lower taxes for everyone.

That was the platform upon which the present administration was elected. Did voters actually believe such a program could be obtained? Regardless of what voters believed, it now is evident that there are to be fewer and smaller benefits than promised, and much higher taxes. All of which was to be expected.

Softer Blow In Prospect

Every effort will be made, I presume, to convince the voter that he is getting a tax bargain. The surtax will be cancelled, exemptions will be raised and, even though the Dooley formula doubtless will be adopted in compromise form, the blow will be softened by increasing the withholding rate and the average taxpayer will be happy.

There are two ways to look at taxes. One way is to make taxpaying a hardship on the theory that the more difficult it becomes to collect taxes the more economical government will be. The other way is to recognize that we want things from government and that, so long as we want things from government, we must provide government with the money with which to furnish those things, so we should make paying taxes as easy as possible on the taxpayer.

The latter theory currently is in general practice. People demand expensive government services. That means government must raise huge sums of money by way of taxes. If individuals had to dig up their federal and state taxes out of their pockets once each year, they would quickly start an economic revolution. So the tax load is distributed over the year. The taxpayer working for wages seldom gets his hands on his tax money. When the amount of his taxes is deducted from his take-home pay he demands a new wage contract which ups his take-home pay as much as the deduction or, as in most cases, considers it more than that amount. Thus, in actual practice, the employer pays the tax for all his employees.

Inflation Encouraged

If every employer in the United States could find it possible every payday to put into the hands of each of his employees the full amount in cash of that worker's paycheck, then require the worker to peel off from his roll of bills the amount of his withholding taxes, both federal and state, it wouldn't take long to get some drastic changes in the spending programs of government. But, because the worker's concept of taxes is generally confined to the difference, if any, he has to pay between the amount withheld and the amount owed, comparatively few persons are concerned with present day extravagances of government.

But the employer, who must pay the taxes owed by his employees, charges off those taxes as a part of his cost of doing business. So he adds the tax cost to the goods he manufactures, the merchandise he sells, or the services he performs. That puts the tax back on the worker in the form of higher prices for everything he buys. Then, because the cost of living has stepped up a notch, the worker demands more wages. Higher wages adds more dollars to the amount withheld for taxes, which added amount must be put back into the cost of doing business. So the cycle continues, each time at a little higher level on the inflationary ladder.

It is a vicious cycle. We should not be ignorant of the danger that accompanies the easy tax program. It is like taking dope to alleviate pain. The pain is eased temporarily but is never cured until the cause is eliminated. We'll never get economy in government while taxes are collected the easy way.

Another Negro Gets Unintended Chamber Invite

RICHMOND, Va. (AP) — Another "unintended invitation" to a distinguished Negro cropped up Saturday just as the state Chamber of Commerce thought it had emerged from 10 anxious days of trying to correct a guest list to its well-publicized dinner next month.

Edward R. Dudley, a domestic relations court judge in New York, former ambassador to Liberia and a member of the NAACP legal staff, confirmed the report that he was the fourth Negro to receive an invitation to the dinner party.

Three others whose invitations were rescinded said they would not attend although the state chamber finally indicated that if any non-whites did show up they would be treated courteously and seated.

But Judge Dudley told the Richmond News Leader by telephone he might come down to the May 17 affair but had not reached a final decision. The 48-year-old judge is a native of South Boston, Va.

State chamber officials viewed the latest development unhappily and commented only that the policy remained the same. The invitation will be recalled, they said, since, like the three others, it was issued by mistake.

Milk Distributors Must Go Before Grand Jury

PORTLAND (AP) — Portland milk distributors disclosed Thursday they have been told to appear before a federal grand jury here April 29.

The distributors said they had been told to bring their records. Trade speculation was that the government is contemplating action because of a recent price increase agreed upon by distributors.

Subpoenas have been issued for the distributors, signed by Lyle Jones of the San Francisco regional office of the anti-trust division.

Federal officials would not comment.

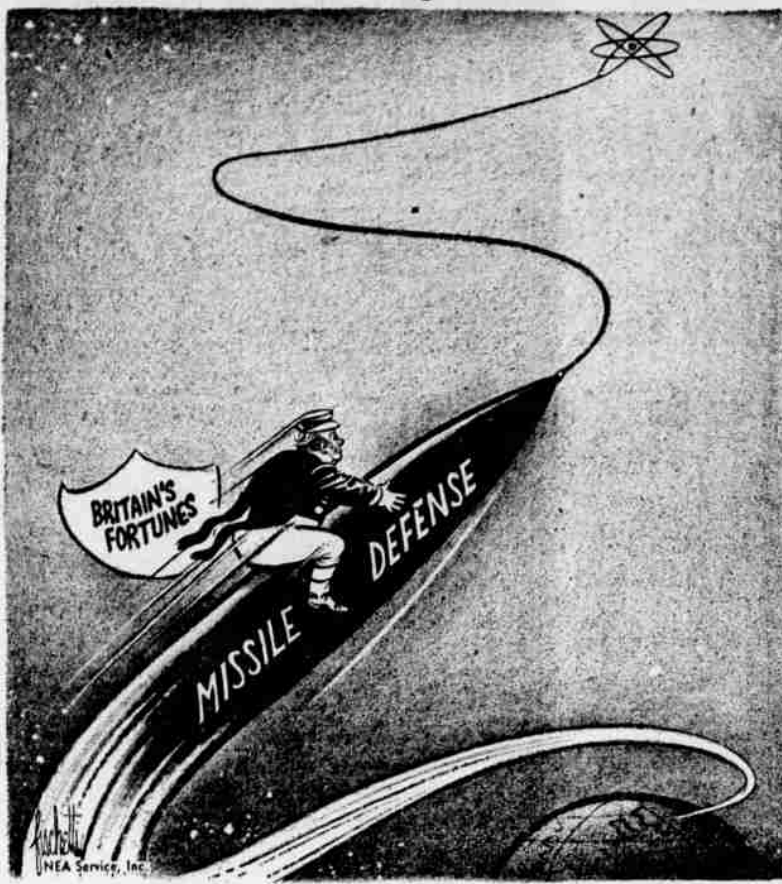
Commission Calls Bids On Parallel Bridge Span

SALEM (AP) — The Oregon Highway Commission called for bids Friday on construction of a steel arch bridge on the Pacific Highway over the Santiam River, 9 miles north of Albany.

The bridge, which will parallel the existing bridge, is part of the construction of a second highway alongside the existing route between Salem and Albany.

The new highway will be used for northbound traffic and the other for southbound traffic. The bridge will be 910 feet long. Bids will be opened in Portland, May 17.

Hitched His Wagon to a Star



Hal Boyle

NEW YORK (AP) — The business world is buzzing with a proposal that has stirred the canyons of commerce more than anything since some unknown invented the expense account.

The proposal is to protect the business executive from wrinkling cares by forcing him to take every seventh week off with full pay.

Bart Schwartz, a textile company president, has just put the executives of his own firm on this program of compulsory leisure after testing it for four months himself.

"It works," he said, "we'll all live longer, work harder, be happier, make more money."

The idea of a week of vacation for every six weeks spent on the treadmill sounds like seventh heaven to the ordinary office employee. It may please the wives of executives, too. But how about the executives themselves? They are excited by the thought of getting paid 7 1/2 weeks out of the year for doing nothing except their health. But they are inclined to look for the thistle hidden beneath this latest fringe benefit.

Great suggestion," said one executive I talked to. "Our work load is terrific. I'll keep a lot of us from killing ourselves if it becomes widespread in industry. But in my own case, I don't feel that I really need it or want it." That is a typical reaction. Every executive is sure that a vacation every seventh week is fine medicine for the other fellow, not him.

Why? Let's explore the situation. The proper care and feeding of his heroes has been a problem with all civilizations.

But in the old days, when the warrior was the hero, the solution was simple. If the hero won a crucial battle, he was rewarded with a big slice of the defeated enemy's tax money, a palace or two, and a couple of dozen girl grape-fetchers to enlarge his harem.

Today we have a different brand of hero. The real hero of 20th Century America is neither the warrior nor matinee idol, neither Gen. Douglas MacArthur nor that troubled troubadour with the talented sideburns, Elvis Presley.

IN THE DAY'S NEWS

By FRANK JENKINS

(Continued from page one)

Since the creation of the state of Israel the situation has changed. The Israelis are militarily potent—as are all peoples who feel they are fighting for their lives and their homes.

The Arabs fear them. Fearing the Israelis, the Arabs HATE them—and yearn to destroy them. But they lack faith in their ability to destroy Israel. In every armed clash, Israel has won decisively. That adds fuel to the fires of Arab hatred.

The Arabs hate the British. And not without reason.

In World War I, the Turks were allied with the Germans. Seeking to defeat Turkey, the British enlisted the aid of the Arabs. There was an implied promise that if the Turks were humbled the Arabs would be given the Middle East. So the Arabs joined up with the British—under Lawrence of Arabia.

The Turks were beaten.

Then the British broke their implied promise. In 1917, with the Turks beaten, Lord Balfour, British foreign secretary, wrote to Lord Rothschild, a leading Zionist, that Britain sympathized with Zionist hopes. The Zionist hope was the re-creation of a Jewish national home in Palestine. Out of the Balfour Declaration came eventually the state of Israel.

That did it. The Arabs suspect us of having it in mind to TAKE OVER where the British and French leave off. Before we can work with them to keep communism out of the Middle East, we must GAIN THEIR CONFIDENCE.

That isn't going to be easy. It is going to take almost super-human tolerance and wisdom and friendliness. But we've tackled the job, and having tackled it we'll have to stay with it.

Florida's Governor Says Resolution Makes State Foolish

TALLAHASSEE, Fla. (AP) — Florida Thursday adopted an interposition resolution which Gov. Leroy Collins said makes the state look foolish.

The Florida Senate, in adopting the resolution which previously had passed the House of Representatives, joined Florida with several other Southern states in declaring rulings of the U.S. Supreme Court to be "null and void and without effect."

"This action nullifies our state," Collins said after the Senate vote. "It can do no good whatever, and those who say it can perpetrate a cruel hoax on the people."

Atty. Gen. Richard Ervin, however, said the declaration of interposition.

1. Tells the U.S. Supreme Court it exceeded its constitutional authority in interpreting the federal Constitution to call for integration of public schools.

2. Tells the court that compliance with its decision by Florida "is a factual impossibility at this time and that therefore Florida schools will not be integrated even though they are required to do so by court order."

State Hospitals' Budgets Approved By Committees

SALEM (AP) — The legislative Ways and Means Committee Friday recommended approval of the biennium budgets of the Eastern Oregon Hospital at Pendleton, and the Oregon State Hospital and Fairview Home in Salem.

Their total 18 1/2 million dollars, or 2 1/2 million more than the current biennium.

The committee approved a budget of \$4,142,069 for Eastern Oregon, \$4,915,476 for Fairview, and \$9,446,187 for the State Hospital.

Eastern Oregon Hospital had asked for \$4,726,711, but former Gov. Elmo Smith's recommendation cut this to \$4,303,853, and the Ways and Means Committee reduced it by another \$87,736.

It included an item of \$26,000 in salary savings because of decreasing use of the outpatient clinic. The budget is 12.4 per cent more than the current operating costs.

Fairview Home sought \$5,883,420, which the governor's estimate reduced to \$5,168,532. The committee trimmed this by \$253,036. As recommended, the budget is an increase of 19.2 per cent over 1955-57.

The Oregon State Hospital budget is an increase of 16.8 per cent over the current biennium. The governor's budget recommendation reduced the hospital's request from \$10,807,000 to \$9,635,169, and the committee cut off another \$188,892.

The hospital anticipates an increase from 3,400 to 3,700 patients during the next two years, and the budget provides for the employment of six more doctors.

Failure To See Each Other Blamed For Crash

WASHINGTON (AP) — The Civil Aeronautics Board says failure of the pilots to see each other's planes in time probably caused the collision of two airliners over the Grand Canyon last June 30.

This crash, four miles in the air, killed all 128 persons aboard. It was the worst civil air accident on record.

Reporting on its investigation of the crash, the board found it "impossible to determine why the pilots did not see each other." But CAB suggested, among other explanations, the possible interference of clouds above the 21,000-foot altitude.

The report also spoke of "pre-occupation with matters unrelated to cockpit duties, such as attempting to provide the passengers with a more scenic view of the Grand Canyon area."

Hypnosis Fails To Learn More About Hit-Run

SAN FRANCISCO (AP) — First attempts by a psychiatrist to question witnesses under hypnosis have failed to yield any new clues to the brutal hit-run slaying of a San Francisco man.

The doctor, who insisted he remain unnamed as a condition for doing the work, Friday told police further efforts "might produce better results."

Lloyd V. Stephens, 62, was struck down at a San Francisco intersection and dragged 1,200 feet by a car. The car's path was traced in blood as the driver sought to dislodge the body by alternately speeding up and slamming on the brakes.

Some fifty horrified persons saw the grisly episode. One witness, Bonifacio Silverio, gave police a partial license number. He was one of four persons questioned under hypnosis by the doctor, who sought to discover the entire number from Silverio's subconscious mind.

Cornelius Lynch, a city fireman, who chased the car in vain, also was questioned.

Police Lt. Edward Moody said the questioning revealed "no significant new information."

Dr. Wilson Van Dusen, chief psychiatrist at Mendocino State Hospital, suggested the use of hypnosis in a letter to Lt. Moody. He said he thought witnesses saw everything but focused their attention on the dying man.

"But it is a matter of attention," he said, "they centered on what was happening to the man. They also registered other facts of what was going on, but they were probably rather vague. Hypnosis would aid in the complete recall of what happened."

Dr. Wilson said that because "the scene is so vivid and so important" to witnesses the questioning is likely to be successful.

Accused Slayer Is Apprehended In Louisiana

MONROE, La. (AP) — Authorities Saturday held a 22-year-old man wanted for questioning in an April 14 murder in Riverside, Calif.

An off-duty state trooper arrested Clyde J. Campbell Friday night as he walked along U.S. Highway 80, hitchhiking through the city.

Trooper I. H. Otwell said he recognized Campbell from a "wanted" message. Officers said a .32 caliber automatic pistol was found in Campbell's suitcase.

Riverside Sheriff's Lt. Robert Presley said Campbell, an airman at March Air Force Base, was sought in connection with the slaying of T.Sgt. Chester Tuttle, 26, also of March AFB.

Tuttle's body was found in a taxicab last Sunday. Tuttle had been working part time as a cab driver.

Presley said another airman who left the base with Campbell, absent without leave, returned and reported he last saw Campbell heading east. The airman told officials Campbell planned to hitchhike to Georgia, North Carolina or Florida.

Tuttle's body was found slumped on the front seat of the cab on a lonely road five miles east of Riverside. The victim was shot in the back with a .32 caliber bullet. Presley said Tuttle was robbed of an estimated \$40.

Tuttle resided in Sunnymead with his wife, a Japanese war bride, and four young children.

MISDEMEANOR

SANTA MONICA, Calif. (AP) — Edward G. Robinson Jr., son of the famous actor, has been convicted of misdemeanor drunk driving.

Robinson, 24, was charged with felony drunk driving in connection with a June 21, 1956, accident in which a companion lost an eye. However, a Superior Court jury yesterday found him guilty of the lesser offense.

Governor Holmes Defends Appointments, Gives Views On His Administration

(Editor's Note: This is the first of two articles on Gov. Robert D. Holmes, Oregon's first Democratic governor in 20 years.)
By GORMAN HOGAN

SALEM (AP) — Gov. Robert D. Holmes believes his Democratic state administration will stand or fall to a large extent on the "ability of the people it can attract to government service."

But these capable public servants must be guided by a "realistic appraisal of conditions," the dapper chief executive adds. "We must have a fair tax program, which will level out the load; we must economize without crippling our service to the people of the state; we must increase the efficiency of our departments."

Gov. Holmes feels that so far this has been accomplished in the three months since his inauguration and the start of the legislative session.

"We have had almost no criticism of the quality of men appointed to office," he says, and he believes the tax program just reported out by the House Taxation Committee, where the Democrats have a majority, will work out "in the fairest way for business, industry and the wage earner."

This is not to say there has been no criticism of appointments. But the governor says it has been based on politics and not on the qualifications of those named.

For example, Holmes declares that Avery Thompson, Democrat recently appointed Douglas County district attorney, was the ablest man available to hold the post. Republicans argue that Holmes violated the law which says a Democrat can't be appointed to succeed a Republican in office. But the governor says that while the former district attorney, Robert M. Sults, was a Republican, he also had the Democratic nomination in the last election. Atty. Gen. Robert Thornton ruled the governor could thus appoint either a Democrat or a Republican.

"I'm sure the people of Douglas County will be happy with the appointment," Holmes says.

In reply to some contentions that he is trying to "throw the Republicans out" the governor says that of 41 appointments he has made to boards and commissions, 15 are of Republicans.

"In fact," he says, "some Democrats complain that I'm appointing too many Republicans."

Holmes believes the Republicans, after 20 years of control of the governor's office and the Legislature, "have not yet learned to act as a minority," and have demonstrated "far more obstructionism than the Democrats ever did as a minority."

"I have never seen such party discipline as the 15 solid Republican votes in the Senate," he says. "I hope these will change when the more important legislation comes to a vote."

While Republicans are learning to become the minority party the Democrats are learning to be the majority party, "and I think we're learning faster than they are," the chief executive says.

So far the governor's program has made little headway in the Legislature, where Democrats hold a majority in the House and are split evenly with Republicans in the Senate.

But Holmes isn't particularly discouraged. He doesn't expect to get from the Legislature all the things he asked for.

"We'll now have to see how close the legislators come to it," he says.

Holmes thinks that as chief executive, the Legislature should know how he feels about things "but in the end it's their judgment finally to determine the need."

When the Legislature has completed its work and is seen from the viewpoint of overall accomplishment on taxation, schools, labor and the like, "all will agree that it has done a creditable job," he predicts.

He attributes the Legislature's slowness in acting on major legislation to a "careful, studious, methodical approach."

Members are aware of the economy wave evident in the country today and want to make sure they are not wasting money," he says.

U. S. Agreeable To Limited Open Skies Proposal

LONDON (AP) — The United States says it will go along with the Russian proposal that President Eisenhower's open skies plan for disarmament inspection be launched over a limited area — if the Russians will agree to expand the aerial checkup as time goes on.

Informed sources said the American willingness to negotiate for limited aerial inspection was expressed to the U.S. Disarmament subcommittee Wednesday by U.S. Delegate Harold E. Stassen. But the sources said Stassen made clear Russia must agree to enlarge the scope of the plan in the future.

There was no indication of the Russian reaction, which presumably must await word from Moscow.

Eisenhower first proposed that the United States and Russia let each other send aerial inspectors and photographers over all the other's territory to check against arms buildups and preparations for aggression.

The Soviets countered with a suggestion that the plan be tried out over a European zone extending about 500 miles on each side of the Iron Curtain.

Sec. Benson Proclaims Wheat Marketing Quotas

WASHINGTON (AP) — Secretary of Agriculture Benson Friday proclaimed continuance of federal marketing quotas on wheat in 1958. He also cut the crop's support value the equivalent of 198 million dollars or more.

Growers would be limited, as during the past four years, to the planting of 55 million acres free of penalties under legislation designed to hold down production in times of surpluses. The country has an extra year's supply, most of it in government surplus stocks.

The support rate for the 1958 crop—much of which will be seeded this fall—was set at a minimum of \$1.78 a bushel compared with \$2 for the 1956 and 1957 crops.

PLAN GRANDSTAND

PENDLETON (AP) — The Round-Up Assn. Friday reported a new \$53,000 grandstand will be erected here in time for the Pendleton Round-Up this fall.

The steel structure, for which contracts have been let, will replace the old wooden grandstand.

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