

IRS Seeks To Collect Back Taxes On War Damage Claims Paid Nisei

SAN FRANCISCO (UPI)—There wasn't much left of the nursery founded by his grandfather when Tosh Nabeta returned home from a relocation center for West Coast Japanese-Americans in 1945.

Not only were the greenhouse windows shattered, but most of the inventory and good will were gone.

Nabeta put in a claim for \$60,000 in wartime damage to his property. He was awarded less than a third, which he used to build a new nursery in Richmond, Calif.

Now Nabeta is being asked by the Internal Revenue Service to pay several thousand dollars in back taxes plus interest and penalties for not having reported part of the award, which the IRS considers income.

Nabeta is one of several hundred San Francisco area Japanese-Americans who are being dunned by the IRS for taxes on awards granted under the 1957 Japanese Evacuation Claims Act.

Brown Protests

Disclosure of the situation brought a promise from Gov. Edmund G. Brown that he would confer with the White House in an effort to prevent "this unfair action."

"Congress acknowledged after the war that an injustice was done to California's Nisei when it enacted the compensation measures," Brown said. "I refuse to believe Congress intended to add this insult to the injury."

Officials of the Japanese-American Citizens League called it a "dirty trick" and threatened to go to court.

In the face of the uproar, an IRS spokesman emphasized that while some cases were "unfortunate," the taxation of part of the awards was based on precedent.

The controversy goes back to early 1942. World War II had just broken out and great numbers of West Coast Japanese-Americans were moved hurriedly to relocation centers. Many were required to sell their property at great loss.

Capital Gain Taxed

In 1957 Congress passed the Evacuation Claims Act, which granted partial compensation to Japanese-Americans who had suffered losses.

The IRS said then that the grant itself was not taxable. But

Kennedy To Open San Luis Dam Job

FRESNO, Calif. (UPI)—President Kennedy will participate in groundbreaking ceremonies for the \$400 million San Luis dam and reservoir project this year.

Interior Secretary Stewart L. Udall telegraphed Ralph M. Brody, general manager and chief counsel for Westlands Water District, that the President would appear. Brody is in charge of arrangements for the ceremony.

The ceremony is expected to take place after the middle of August.

Also expected to attend the ceremony were Gov. Edmund G. Brown, U.S. Sens. Thomas H. Kuchel and Clair Engel and Udall.

The reservoir and 300-foot high earth fill dam will be one of the key units in the project to transport Northern California water to the San Joaquin Valley and Southern California. The dam will be completed by 1966.

the difference between the grant and what the Nisei originally paid for the property was to be considered a capital gain. Thus it would be subject to a capital gains tax of up to 25 per cent.

"There was no provision in the claims act for making these awards free from tax," said IRS Former Rep. Patrick Hillings, R-Calif., author of the bill, said that even though the bill contained no tax immunity, he had not intended that the awards

should be taxed. He suggested that Congressional action would be the most appropriate means of correcting the situation.

Most of the Nisei involved asserted that they never received more than one-third compensation under the Evacuation Claims Act. Meanwhile, Tosh Nabeta was holding off paying the taxes on the award. But unless Congress calls off the IRS, he said, "I guess there's nothing else to do but pay."



'UNFAIR ACTION' FOUGHT — Tosh Nabeta, shown giving his son, Dale, a haircut, faces taxes and penalties imposed by the U.S. government which moved him off his land into a relocation camp during World War II. He was awarded \$20,000 damages on which the Internal Revenue Service wants taxes. Attempts are being made to get Congress to prevent "this unfair action." (UPI Telephoto).

Kennedy Signs Bill On Welfare Reforms

WASHINGTON (UPI)—President Kennedy today signed a bill that contains most of the reforms he requested in welfare programs under which the federal government aids more than six million needy adults and children.

Kennedy said in an accompanying statement that the measure marked "the real turning point in this nation's efforts to cope realistically and helpfully with welfare problems."

"The problems which gave rise to this bill affect every community in this country," he said.

The new law liberalizes federal assistance for the state-administered programs. At the same time it puts new stress on rehabilitation services aimed at enabling recipients to get off relief rolls.

The most costly single feature, which was not recommended by the administration, will require the federal government to give states an extra payment of at least \$4.20 a month for every one of the 2.8 million needy aged, blind and disabled persons on the relief rolls.

The new law, as requested by Kennedy, provides federal matching grants to encourage establishment of day-care centers for children of working mothers. It also contains numerous provisions designed to encourage those on relief to seek permanent or part-time work.

States will be encouraged to expand counseling and vocational guidance for the needy. States whose welfare services meet specified new federal standards will be reimbursed for 75 per cent, instead of the regular 50 per cent, of the cost of these services.

Although the new law carried a \$300 million price tag, almost one-third of that is to cover the cost of underwriting retroactively wel-

fare programs which lapsed on July 1. It adds \$110 million to Kennedy's welfare budget for the current fiscal year which began July 1. This raises the total to \$2.8 billion.

Kennedy said the bill "makes possible the most far-reaching revision of our public welfare program since it was enacted in 1935."

He said the objective "is to prevent or reduce dependency and to encourage self-care and self-support—to maintain family life where it is adequate and to restore it where it is deficient."

ARMY ANNOUNCED PLANS

WASHINGTON (UPI)—The Army Wednesday announced plans to rotate combat units to Europe for six-month tours—without their families. The Army said the plan, part of an effort to reduce the drain of U.S. dollars into foreign countries, will start about Oct. 1.

Shrine Club Plans Circus Parade

Downtown Roseburg will be the scene of a parade this year, too. A real, old-fashioned circus parade will course through the downtown streets Saturday, Aug. 18, complete with elephants, bands and marching units.

Planning the event, to start at 10 a.m., is the Roseburg Shrine Club. It will be part of the appearance of the Shrine Circus at the Douglas County Fair Aug. 15 through 19.

Parade Chairman Leland D. Bloom has asked all organizations and groups interested in taking part in the parade to contact him at Bloom's Chevron station in Roseburg.

Trophies and prizes for floats and marching units in several categories will be donated by downtown merchants.

Among groups already registered for participation are seven units of the circus itself, Shrine units from Medford, Eugene and intervening points, including the Hillah Temple Band and the Eugene Scout Patrol. Also taking up positions in the parade will be the queen of the fair and her court and a large number of units from other fair attractions, reports Fair Manager Bert Allenby.

Test Set For New Cancer Treatment

ST. LOUIS, Mo. (UPI)—An experimental treatment based on transfusing white blood cells from the bodies of healthy persons to patients incurably ill with cancer will be tested soon at St. Louis' Barnes Hospital.

Plans for the test were announced Wednesday by Washington University researchers. "We are going to move very cautiously," Dr. William T. Newton said.

Newton and fellow researchers Drs. Frank Pfeifferberger and Khurshed Ansari said the process will involve little more risk to donors than a common blood donation. However, the risk to recipients has not been determined.

Newton believes it may be possible to give a cancer patient resistance to the disease by giving him billions of white blood cells from a normal person.

White blood cells are known to participate in certain immune reactions that seem to require the cell, or another antibody, on its surface, according to the researchers.

Newton said it may be possible to provide a cancer patient with an abundance of resistance by giving cells from a normal person.

NEGOTIATIONS TO BEGIN

BONN (UPI)—Negotiations on further West German aid to the United Arab Republic (U.A.R.) will begin here shortly, the West German Economics Ministry said Wednesday.



SHRINE CLOWN taking part in downtown parade Aug. 18 is just one of the features to be offered by fun-loving Shrine Club. The Shriners' parades are always filled with antics and surprises.

Hospital News

Visiting Hours
2 to 3:30 p.m. and 7 to 8 p.m.

Mercy Hospital

Admitted
Medical: Mrs. Bascum Page, Mrs. Elaine Heidenrich, both of Roseburg; Mrs. James Tenbrook, Sutherlin.

Surgery: Mrs. Edward Mendenhall, Roseburg; Nancy Moore, Mrs. Henry Butler, both of Sutherlin; David Crawford, Oakland.

Douglas Community Hospital

Admitted
Medical: Gary Jacobs, Mrs. LeRoy Scott, Mrs. Virgil Woodruff, Carol Zuber, all of Roseburg; Shirley Stienon, Glide; Mrs. Floyd Arant, Idley Park; Gladys Primmer, Winston.

Surgery: Glenda Gadow, Garnet Isham, William Wonch, all of Roseburg; Jesse Fox, Sutherlin.

Discharged
James Bradshaw, Mrs. Robert Ervin, Jimmie Gertson, Patricia Gertson, Ralph Harding, Vernon Most, Elliot Peterson, Mrs. Earl Plummer, all of Roseburg.

Now You Know

Sitting Bull, the Dakota Sioux chief who fought against Gen. George A. Custer, was the son of Jumping Bull.

Thur., July 26, 1962 — The News-Review, Roseburg, Ore. 3

Court Confirms Bengston Verdict

SALEM (UPI)—The Oregon Supreme Court Wednesday affirmed the Josephine County embezzlement conviction of O.H. Bengston, former Medford attorney and state legislator.

Earlier this year the high court affirmed a similar conviction in Jackson County, and Bengston began a three year sentence in the Oregon Correctional Institute here. Superintendent Paul J. Squier said Bengston was shifted to the state penitentiary Feb. 20 because of crowded conditions at OCL.

The court, in a decision written by all seven justices, said the appeal in the Josephine County case presented the same issues of law decided in the Jackson County case.

The decision, affirming Josephine Circuit Judge Orval J. Millard, said the trial in Grants Pass was conducted with "meticulous care and fairness" and there was no doubt of Bengston's guilt.

Bengston was convicted of taking \$3,701 from the Medford Escrow Co., Inc., in 1959. At that time, he was the firm's secretary.

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