

The Oregon Statesman

"No Fear Sweeps Us; No Fear Shall Awe"
From First Statesman, March 28, 1851

THE STATESMAN PUBLISHING COMPANY

CHARLES A. SPRAGUE, Editor and Publisher

Member of the Associated Press

The Associated Press is exclusively entitled to the use for publication of all news dispatches credited to it or not otherwise credited in this newspaper.

Tax Reduction in Sight

Both houses of congress have passed a tax reduction measure. The two versions will go to a conference committee where differences will be ironed out. These are not vital, and an early agreement may be expected.

Both bills provide tax reductions for individuals and corporations and for purchasers of specially taxed articles. However the distribution is not the same. The Associated Press gives this comparison of the two bills:

INDIVIDUAL INCOME TAX

Senate: Puts 3 per cent normal tax on same exemption base as surtaxes; cuts 3 percentage points off surtax rate in each bracket; taxpayer pays only 95 per cent of tax figured under this formula. Estimated cut, \$2,844,000,000.

House: Puts normal tax on same exemption base as surtaxes; cuts 4 percentage points off surtax in each bracket; no individual to receive less than a 10 per cent tax reduction. Estimated cut, \$2,627,000,000.

Under both bills, 12,000,000 low-income individuals would be swept from the tax rolls.

CORPORATIONS

Senate: Excess profits tax repealed as of January 1, 1946; capital stock tax and declared value excess profits tax repealed; reductions ordered in graduated surtax rates on small corporations with annual income less than \$50,000. Corporations allowed \$25,000 minimum in credits and exemptions on excess profits tax on 1945 income. Total reduction \$2,934,000,000.

House: Reduce effective rate of excess profits tax from 85.5 per cent to 60 per cent next January 1, repeal the tax January 1, 1947; repeal declared value excess profits tax and capital stock levy; reduce combined normal and surtax from 40 per cent to 36 per cent. Total reduction, \$1,888,000,000.

AUTO USE TAX

Both senate and house bills repeal the \$5-a-year use tax on automobiles and boats next July 1. Estimated cut \$140,000,000.

EXCISE TAXES

Senate: No reductions in wartime levies on luxuries and semi-luxuries.

Repeal of 1941 excise taxes on sporting goods, stoves, electrical appliances, business machines and photographic apparatus, \$70,000,000.

House: Cuts back excise taxes next July 1 to their 1942 rates on such articles as furs, jewelry, toilet supplies, liquor, admissions, rail, bus and air travel, luggage and light bulbs. Estimated loss to treasury in last half of 1946, \$695,000,000, including refunds on floor stocks.

SOCIAL SECURITY TAX

Both senate and house bills freeze Social Security payroll tax throughout 1946 at its present rate of 1 per cent each on employers and employees. Without such a provision, the tax automatically would advance to 2½ per cent next January 1.

VETERANS' TAXES

Senate: Enlisted personnel in armed forces forgiven all federal income taxes on service pay for war years; extension of time given officers to pay back taxes without interest.

House: No special veterans provisions.

This offers substantial relief for individual taxpayers and for corporate business. It is fully as far as the congress ought to go in view of the state of the treasury. However, if it provides stimulus to enterprise the results may be highly gratifying from a treasury standpoint as well as from the viewpoint of the taxpayer.

We cannot expect low income taxes for a long time to come. Not only is there a huge debt hanging over the government, but the spending psychology has such a grip that no one yet can make a definite promise the budget will be balanced.

This reduction is just one step in the whole problem of the government's fiscal policy. It is taken with very general agreement among the groups in congress. The real tests will come when congress takes up its peacetime budgets.

Reconversion Retarded

Even the Oregon rains have the habit of coming to an end, and so do labor disturbances. Oil workers are back on the job, under a navy takeover, while the companies and unions renew negotiations. The bus strike finally ended. The prolonged movie workers strike at Hollywood has been called off while the rival unions thresh out their differences within AFL council chambers. John L. Lewis got his coal diggers back in the mines. About the only remaining tie-up of consequence is the lumber workers strike in the northwest. Both sides seem to be marking time; but eventually they will get together and once again the saws in the mills will begin to whine as they bite into the heart of logs.

Looming are strikes in the motor industry and labor difficulties in steel mills. General Motors and U. S. Steel are taking a firm stand against the 52-40 formula of the CIO unions. These disputes may result in a long deadlock. That is especially true in the motor industry where the companies and unions are exceedingly hostile in their statements. But there again the shut-down will terminate some time. Workers must eat and companies must operate. In the end they get together on some basis for resumption of operations.

Without doubt these labor disturbances have seriously delayed reconversion. Industry instead of swinging fast into civilian production has been so hampered by troubles and fears of troubles that the gait has been sadly slowed down. The automobiles in October may not be showing up for months. All of this has a damaging effect on the business cycle. While demand accumulates, today's loss of consumption is never fully recovered. Full employment suffers retardation. We will be fortunate if the damage from the disturbances does not seriously impair the postwar economy.

News Suppression in Middle East

Throughout the war probably the tightest censorship of news was in Cairo, Egypt. Major General Giles, the American commander there, imposed the most rigid kind of censorship on news stories cleared through Cairo from all over the middle east—Egypt, Greece, and countries of Asia Minor. The accusation has been made that the news control was in behalf of British interests in that area of the globe; and it does seem that the United States has been an active or acquiescent supporter of British policy there.

A recent incident draws fresh attention to news suppression in the middle east. Constantine Poulos, correspondent of Overseas News agency, was expelled from Palestine on British orders. He had gone into Palestine on a 30-day permit signed by Gen. Giles, stayed there six days, written but one story, when the British kicked him out, routing the expulsion order through the American public relations office in Cairo. Just a few days before a Reuter correspondent was expelled from Lebanon.

So it isn't Russia alone which closes its doors to free observation and reporting. The middle east under the British-American combination is still controlled, with British policy apparently directed toward suppressing free reporting in that trouble-area.

Our state department has been working hard to get Russia to admit American reporters into Bulgaria, Jugo-Slavia and others of the newly liberated countries within the Russian orbit. It might make representations to General Giles at Cairo and to the British in the middle east, to see if news freedom may not be restored there.

The next war's weapons, we are told, will travel with "supersonic" speed. That means they go faster than sound which travels at the rate of 1090 feet a second. Surely our scientists and inventors will not stop at that snail's pace. Why not shoot for the rate of light—186,000 miles per second? Then rockets would really be going places. The death rays of the Sunday supplements of course travel at light's speed.

Interpreting The Day's News

By JAMES D. WHITE

SAN FRANCISCO, Oct. 25. (AP)—Nothing is simple in the Dutch East Indies and it is getting less so daily.

The equatorial sun is very hot right now, but political tempers seem to have cooled to the extent that the Indonesian leaders trying to wrangle independence for 70,000,000 Indonesians now talk of mediation as desirable.

They continue to make frightful noises, however, about the bloodshed which will follow if the Dutch send any more troops.

In their bid for allied mediation, the Indonesians say they would welcome the efforts of American, Chinese and Russian officials. There is no indication as to why they omitted mentioning the British, and this is a curious thing as the British are the only allied troops who have entered Indonesia in force. They now hold the four main port cities. Behind them have come small Dutch forces, with more on the way.

British troops went in, following Japan's collapse, under the allied arrangement whereby that part of the southwest Pacific which had been under General MacArthur's command was handed over to Admiral Lord Louis Mountbatten.

No Dutchman has said so publicly, but privately some Dutch say they think things might have developed differently otherwise. They point out that whereas Mountbatten reoccupied the British Malay bastion of Singapore with an unmistakable show of force, he sent forces to both French Indochina and the Dutch East Indies (because the French and the Dutch didn't have the shipping to get their own troops back fast enough) and that these British forces, mostly Indian Gurkhas, were unable to stop outbreaks of native violence against the return of their former masters. These outbreaks had some Japanese support.

You ask Dutchmen what the British motive, if any, might be, and they reply only that British tin and rubber from Malaya is likely to get a head start in reopening world markets over Indonesian products.

Dutch Refuse to Be Quoted
These Dutchmen refuse to be quoted and express their anxiety that the Indies be kept quiet so that the Amsterdam policy of giving Indonesia dominion status under the announced program can get going and further bloodshed be avoided.

How much of this and similar talk has reached British ears is unknown, but one can surmise that one British answer would be that the British sent what they had available at the time.

On Oct. 5 the London Daily Telegraph said: "It would have been preferable if French and Dutch troops could have been sent to take over their respective territories, but since that was not possible, the duty has had to fall on British troops whose rule is strictly limited to two objectives: first, to accept the surrender of the local Japanese, and secondly, to maintain law and order."

Those at home and abroad who make it their business to discover sinister motives in British policy have been as active as usual on those occasions.

Anyone who imagines that Britain enjoys the role of policeman in other people's territories is completely wide of the mark. It is a thankless task.

A political advisor to Admiral Mountbatten now has arrived on the scene in Java, where violence appears to have subsided during the past week.

If the Indonesians really want mediation of their claims against the Dutch they probably will get it. In the meantime it is up to them to control their own forces and create an atmosphere where mediation can work.



All At Sea

Distributed by King Features Syndicate by arrangement with The Washington Star

The Literary Guidepost

By W. G. ROGERS

THE GAUNTLET, by James Street (Doubleday, Doran, \$2.75).

James Street is known as a writer who knows about boys and dogs and Southern history. On the basis of "The Gauntlet," he also knows about religion—at least as the Baptists see it.

Street goes far out of his previous path here, in the story of London Wingo and his trials as a small town, small church, pastor. Yet he writes with a sound, sure hand of theology and creed, of practice and preaching. Maybe the answer is that Street himself once was a Baptist preacher, and left the seminary just as London Wingo did and for the same reason: "I was broke and we were expecting our first baby."

Naturally that raises the question: How much of "The Gauntlet" is autobiographical? Street says he "never knew a preacher like Wingo. I made him up out of several preachers." But I'll bet one of the several was James Street.

H. Allen Smith, of "Low Man on a Totem Pole" fame says this book is "A Protestant 'Going My Way.'" It would be more apt to say that it's a Baptist "One Foot in Heaven."

For one thing, as Street himself points out, London Wingo "is not trying to persuade people to go his way, but is trying to find the way he wants to go." But the parallel with "One Foot in Heaven" is inevitable to anyone who remembers Hartzell Spence's account of the Methodist small-town, small church, pastor.

Street's story lacks the free, deft humor of the Rev. Spence's story. Perhaps that is because, by the author's admission, London Wingo is several men rolled into one while the Rev. Spence was burdened by no personality but his own.

Again, the reader of "The Gauntlet" feels some times that the author is leading him unduly by the hand, especially in those paragraphs which obviously are Street's own observations on what his characters should or should not do. The result is a loss to objectivity.

But "The Gauntlet," November Literary Guild selection, is an engaging, authentic story for all that. There probably are

News Behind the News

By PAUL MALLON

(Distribution by King Features Syndicate, Inc. Reproduction in whole or in part strictly prohibited.)

WASHINGTON, Oct. 25. (AP)—The papers amply reported what congressmen said about Mr. Truman's youth draft plan, but more important was what was not said.

Normally the democratic leaders rush to say any message from their president was a great speech, often the greatest ever.

This time, House Leader McCormack told inquiring newsmen he wanted time to read the message thoroughly and Senator Leader Barkley could not be found although he was around.

A similarly significant void was evident all down the line of both democratic and republican ranks, where the men know the youth draft is not popular. Actually, only those congressmen who had already committed themselves on both sides of the question chose to comment.

Action Based on Russia
Any rush for action likewise was missing. Acting Chairman Johnson of the senate military committee, a democrat who is against the Truman idea, said the matter could not be considered until about January 15 when the chairman returns.

The Truman proposition thus did not change votes or arouse supporting sentiment. His basic between-the-lines idea, plainly was that Russia has not joined wholeheartedly in the peace, is the only competitive world military power to us, has announced plans for a youth draft of her own—and we should do likewise.

Argument Unseaworthy
This unspoken part of the presentation was the most impressive. The written argument of the president cannot hold analytical water.

He says, for instance, he wants a small army and navy, a big

people like London Wingo's parishioners right in the next page to you.

national guard and a youth draft for reserves. His defense then would rest entirely on how big and good he made the national guard, because he admits the drafted youth would only have basic training—not the specialized training essential for modern war.

He claimed the rockets and atom bombs have robbed us of time to prepare in the future. But he said the army and navy could not use the youthful reserves until time was taken out to get an act of congress passed. By that time the nation might be destroyed.

Sea Defense Destroyed
He claimed our geographical ocean defense had been destroyed (directed missiles would come winging over the icy frontier of the arctic to our midwest), but his plan would risk our defense to "a small" army and navy, and a national guard, which hardly sounds like adequate defense and completely abandons attack possibilities which are often the best defense.

Frankly, it seems to me, Mr. Truman was sold an obsolete youth draft system by the old-time crowd in the war department, and he dressed it up with his national guard enlargement idea, and presented it as an answer for a job it will not do. From his own evidence, we will have to be ready to act faster than his plan would allow action.

Conscription Dressed Up
Then again he said "universal military training is not conscription," assuming apparently that conscription applies only to direct service in the army and navy.

Conscription means "enlisted by compulsion" for anything, whether civilian service, youth camps or the democratic party. It is the Russian way, the communist way, the objection that will unquestionably sway congress against it is that there are many democratic ways of doing the same job better.

What we need for defense is a scientific army for this scientific age. First there should be a single department of the armed forces with a co-equal air force to fight the very things which Mr. Truman envisaged.

Fossilized Ideas Needed
Fossilized ideas like youth drafts should be shovelled out with the fossils, and a new enlightened spirit generated throughout our defense system. This armed force should not be "small" or "large" but enough.

Behind this armed force, a better system for more reserves could be built in a democratic way. We are a democracy favoring utmost liberty for the individual and should practice what we preach.

By the youth draft, the armed forces would only give basic training to a little more than 1,000,000 youngsters a year, taking them from their homes, their lives, the development of their talents and delaying their economic contributions as workers in the nation by a year.

Training Needed in Schools
If military training were brought to them in the schools in their home towns, millions of youngsters could get basic training and be kept trained throughout their high school and college years. Indeed they could get specialized training in scientific warfare subjects—at a fraction of the cost of the draft program, because their families would be supporting them instead of the government.

For those who do not go to school, the national guard development is logical. They can get basic and specialized train-

Importance of Money in War Told in Hollywood Lions Talk

Importance of money in waging war was explained and emphasized by Fred McKinney, assistant cashier of the Salem branch of the First National Bank of Portland as he spoke Wednesday noon before the Hollywood Lions club. Even before the U. S. entered the recent war, the currency of this country had been partially frozen and import or export of money was rigidly controlled, with only cash which it could be proved had not passed through Axis hands allowed to enter.

McKinney told how quantities of currency were supplied in North Africa imprinted with a yellow seal instead of the common blue seal of this country's paper money. As the Allies moved on into lands which had been occupied and stripped of money by the Axis, the temporary "mints" went to work. In France and Germany bills in the prevailing style were imprinted with A. M., a guarantee by the military government. Hawaiian currency, like that of the U. S., except that the seal is brown instead of blue, was all called in and overprinted "Hawaii" on both sides. All money in the Philippines was called in and receipts given the owners; copies of the receipts put in safe keeping in this country.

Invasion money loses its value if its sponsoring country is driven out, but it must be printed with care to avoid counterfeiting. Currency of this country never fully dries; its ink, even when a bill is old, will make a mark on a white surface, McKinney said.

Hi-Y Initiates To Be Inducted

New members selected at the meeting of the three senior Hi-Y chapters Wednesday night will be inducted during a public ceremonial scheduled for St. Paul's Episcopal church Sunday, November 4.

Elected were:
Harrison Elliott chapter—Hugh Bellinger, Eldon Shafer, Jim Techants, Dwight Quisenberry and four boys whose last names are Adams, Miles, Rankin and Johnson.

Able Gregg chapter—Dave Chamberlain, Harold Cullberton, Kennard Adams, Delwyn Klee, Carlos Houck, Frank Prince, Joe Westphal, Bud Michaels and Paul Niewander.

Arthur Cotton chapter—Dale Cleaver, Dick Stewart, John Griffith, Bob Neys, Cole Stephens, Harold Litke and Howard Hill.

The committee in charge of the induction ceremony consists of Phil Welling, Dick Maje and Clarence Hammer.

Credit Policies For Salem Are To Be Discussed

The Salem Credit association will meet at noon today in the luncheon room of the credit bureau, with Guy Hickok, manager of the Salem branch of the First National bank of Portland, as principal speaker.

Hickok will lead a discussion on "The Salem Community Credit Policy." Chief question to be discussed hinges around the maximum credit terms which should be allowed consistent with the prospective government full-employment program. Credit on home appliances and other durable goods, as well as on perishable products, home repairs and new construction, will be discussed.

Bolivia's Lake Titicaca, at an elevation of 12,500 feet, is the highest lake in the world on which steamships regularly ply.

The Safety Valve

LETTERS FROM STATESMAN READERS

ADJUSTMENTS ARE NEEDED To the Editor:
Headline in the "Statesman" today, BUS STRIKE SETTLED. Port of the story reads—"The strike started at midnight Sept. 5, after wage negotiations broke down. Drivers drove their busses to the nearest station and left many passengers stranded, some of them in isolated communities with no other means of transportation available."

Adjustments in pay-take-home and in price control are desperately required nor can these adjustments be long delayed. The best minds of the country should be at work on these problems in the public interest. Present methods seem to have been out-moded with war's end. We have something, about to burst, which is a second atomic bomb—and this one is not a secret. Labor leaders, and employer representatives, and official Washington do something about this in the public interest and do it without loss of any more time!

William H. Crawford.

ing at nights, on weekends, in summer, maneuvers without quitting their jobs, lives and families.

Would Require Course
These two steps would cover the entire youth of the country with a truly democratic kind of compulsion, by making military service a required subject in the schools and national guard or army service obligatory for those who do not go to school.

For officer personnel, Annapolis and West Point should be duplicated to whatever extent necessary.

There is need for haste as Mr. Truman said. A long time will be required to get these things going efficiently. Many bills to carry out some phases of such a democratic training program are pending in congress, but there is no democratic program as a whole. This is the gravest fault of current situation.

BUILT LIKE A BATTLESHIP

Waterproof Watches

We have a nice selection in stainless steel or 14-kt. gold cases.

Reasonably Priced

Budget Terms

STEVENSON & SON

333 Court St.

GRIN AND BEAR IT

By Lichty



"We can list this stuff from a previous emergency as surplus war material, Major—I believe adequate counter-measures for this weapon have been developed!"