

Lifting of Wartime Taxes to Break Business 'Shackles'

WASHINGTON, Dec. 23.—(AP)—At the turn of the year two words that danced to the jingle of billions of dollars in wartime will bow out of the intricate drama of tax law.

These simple words, "excess profits," inserted into the statutes in 1941, brought about \$40,000,000,000 into the treasury during the war years. It might be well now to take a look at the magic they worked and what their repeal may mean.

By the testimony of Fred M. Vinson, treasury secretary, this levy could be justified only as a means of curbing "war profiteering." So congress struck them out, effective Jan. 1, 1946.

Two major implications of this and other tax revisions now are engaging the attention of Washington tax authorities. They are: **Withholding Removed**
1. Persistent rumors, reported

to congressional committees, that some manufacturers in the excess profits brackets are withholding reconversion goods from the market until January.

For any such companies any further profits this year will be taxed up to 85.5 per cent, whereas after Jan. 1 the maximum rate will fall back to 38 per cent; the new combined normal and surtax rate. The civilian production administration, however, has report-

ed no large tendency in this direction.

2. Concern that recent tax revisions may damage the future competitive positions of various corporations. Some experts are arguing that companies that had huge profits during the war will be able to weather virtually any foreseeable financial storm, while new concerns and businesses with small wartime profits may not do so well. The experts attribute this condition to the unused excess profits credit "carry-backs" and loss carry-back and carry-forward provisions of the tax law.

Stock Tax to Go
In clipping \$3,136,000,000 off the burdens of business next year, congress also voted to repeal next July 1 the capital stock tax and the declared value excess profits tax.

This will leave the 260,000 taxable corporations subject to three levies: (1) normal tax, (2) surtax on income, (3) surtax on "improper accumulation of surplus."

The normal tax and surtax are graduated as to the size of corporate income. The recent tax reduction law cut the combined normal-surtax rate on businesses earning above \$50,000 from 40 to 38 per cent. It gave a graduated 2 to 4 per cent cut on earnings below \$50,000.

The surtax on "improper accumulation of surplus," which remains in the law, is a penalty imposed on corporations that retain earnings and profits in excess of reasonable needs of the business. This would permit their stockholders to avoid the individual income taxes on dividends.

On not more than \$100,000 of excess undistributed income the rate is 27.5 per cent. Above \$100,000 the rate of 38.5 per cent.

South Dakota Woman Visits In Cloverdale

CLOVERDALE — Mrs. Dick Vickers of Ethan, South Dakota is visiting her daughter, Mrs. Floyd Pence, and family. Mrs. Vickers plans to remain here until the middle of January, and will also visit in Salem with another daughter and granddaughter Dorothy and Bonnie Bartell.

Mrs. Frank Schampier, who underwent a sinus operation three weeks ago, is getting along nicely although still under a physician's care and has to go to Salem for treatments each week.

Laretta Starr arrived on Saturday from Detroit on the Santiam where she is a teacher, to spend the holidays with her sister Mrs. Nellie Hamilton.

Mrs. Wesley Goodlander has been confined to her bed for several days. She fell on the icy street in Salem last Thursday and injured her leg and hip. She is reported as improving slowly.

Edith Schifferer, a student at Oregon State college, is at home for the holiday vacation with her parents, Mr. and Mrs. Fred Schifferer.

Rickey School Holds Christmas Program

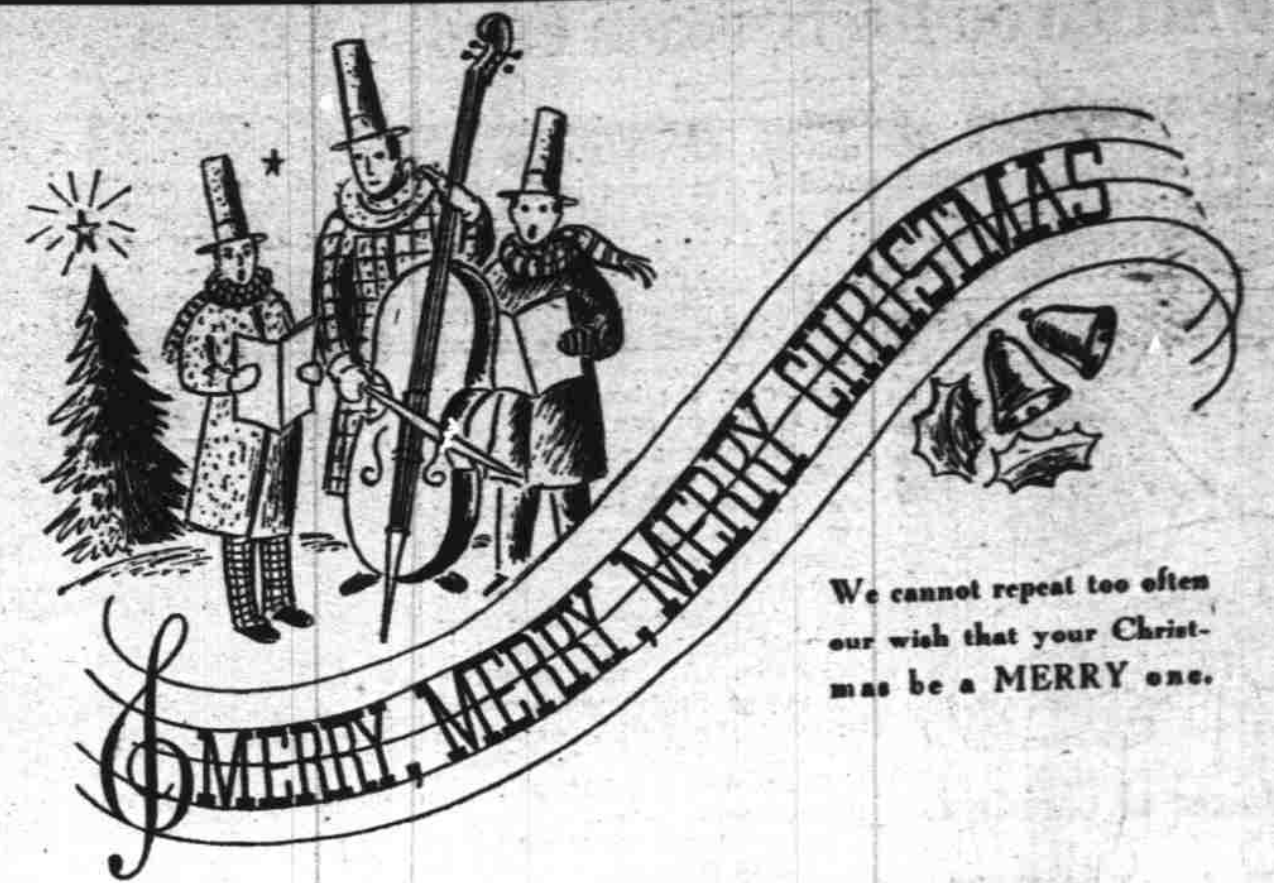
FOUR CORNERS, Dec. 24—(Special)—Rickey school held its program Friday night. The teachers, Mrs. R. B. DeLapp and Mrs. Guilespie were in charge and Mrs. Frank South assisted at the piano.

Building Permits Given for Houses

Two new residences (or gift certificates for same) were under the Christmas tree for the house-short capital city today.

Permits were issued Monday by the city building inspector's office to E. B. Houser to erect a \$5700

dwelling at 2095 N. Liberty st., a permit to repair a dwelling at 1716 S. High st. at a cost of \$1500. 915 N. 18th st. was issued to W. J. Fair, who indicated he would spend \$250. A permit to reroof a dwelling at



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Monitor School Program Given

MONITOR—The annual Christmas program of the grade school was given Thursday night at the I.O.O.F. hall.

Recitations were given by Jane Pacquin, Thelma Bitkofer, Arlene Sprague, Duane McHolick, Myron Mohn, Wilma Hanson, Shirley Ann Homan, Bobby Versteeg, Delores and Erna Lee Brayles. Songs were sung by Bobby Sprague, Thelma Bitkofer and Arlene Sprague.

A group of four presented "Dopey's Christmas Fish". They were Thelma Bitkofer, Joe Cole, Arlene Sprague and Clifford Davis, and others presented two other Christmas plays. Ugene Rushold played a piano solo.

After the program Santa Claus distributed presents and treats to all the children. Mrs. Georgia Versteeg and Mrs. Viola Nybakke are the teachers.



A Very Merry Christmas!

The fragrance of the evergreen; the holly wreaths bidding welcome in the windows; the mirth and gladness in our hearts; the gay laughter and happy words that fill the air... these are the ingredients of a merry American Christmas. And this is the kind of a Christmas that we want everyone to enjoy. A very merry Christmas to one and all.

METROPOLITAN

136 North Commercial

Christmas 1945

It's Christmas and peace has once again returned to the world... our men are coming home... the little people of the world are binding up their wounds... some of these wounds will be a long time healing... men of good will are striving for a world without war... they are trying to cast out greed and envy from the minds and hearts of men... that they may succeed is our hope at this Christmastide.



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