

The Oregon Statesman

"No Favor Sways Us, No Fear Shall Ave"
From First Statesman, March 28, 1851

THE STATESMAN PUBLISHING COMPANY
CHARLES A. SPRAGUE, Editor and Publisher

Entered at the postoffice at Salem, Oregon, as second class matter under act of congress March 3, 1879.
Published every morning, business office 215 S. Commercial, Salem, Oregon. Telephone 2-2441.

Why Did Pearson Want the List?

In the last legislature a bill was introduced, SB 263, by Senators Marsh and McAllister. In due time it was passed and signed by the governor. The bill permits corporations or individuals who have had their war contracts renegotiated by the federal government to have their state taxes based on income to be refunded. Thus if on renegotiation a firm's profit was scaled down he can come to the state to get a refund for any overpayment of state taxes. A similar law was passed in 1945. The new one goes clear back to cover returns for the year 1940. Though the need for the law is hardly apparent it does not appear to be inequitable.

In May after the bill was signed but before it became effective State Treasurer Walter Pearson wrote to Earl Fisher, chairman of the tax commission:

"Since it is my understanding that Senate Bill 263, enacted by the recent legislature provides for refunds which will affect the disbursement of public moneys, I desire certain information relating thereto.

"As accurately as possible from your files and records please supply me with the names and addresses of each person entitled to a refund under S.B. 263 together with the amount of such refund."

"I desire this information as soon as possible so that I may obtain some idea of the amount involved. If a complete list entails considerable work, please send me a preliminary list disclosing the larger claims."

"That seems a curious inquiry. If the treasurer's interest was simply in the amount that would be paid out why didn't he just ask for an estimate of the sum required? Why would he want a list of names and addresses; and what was the urgency for a list of the 'larger claims'?"

The treasurer collects inheritance taxes but most war contractors were corporations which leave no inheritance, and the inheritance tax department would have no interest except when individuals had died.

Of course a person who was set up in business as a tax counsellor might make use of such a list, but the state treasurer isn't a tax counsellor.

It is conceivable that such a list might make a good "prospect" list for some one like Mike De Cicio, the lately embattled treasurer of the state democratic committee. He might make the rounds and remind contractors about war profits during the Roosevelt administration with just a hint that it was time for some of the broad cast on the waters to be coming back. One thinks of the quotation from "The Mikado":

"His name is on the list; There'll none of them be missed."

But isn't it a bit too early—or is it—to pass the hat for campaign contributions for 1950?

We do not imply that passing on the list was Pearson's purpose in asking for it, though we do not want to overlook possibilities. Frankly we don't figure out what his purpose was, if any.

Did he get the list? Well, no. Fisher wrote him shortly before he stepped out of office saying that the law wouldn't go into effect until July 15th, that he had no means of telling what contractors would file claims for refund or how much they would get. Only 127 holders of war contracts asked for refunds under the 1943 act and they have nearly all been settled, he said. The inducement to claim a refund isn't very great because the government then comes along and captures a sizable chunk by way of additional tax. Anyhow it doesn't look as though the treasurer need start worrying over the draw-down made by this new law in the state's estimated \$50,000,000 surplus.

Another official had a curiosity about such a

list. That was Governor John Hall. He got one in October, 1948, each sheet being marked "secret" prepared for the governor at his request, in accordance with Section 110-1635(3), OCLA.

As in Alice-in-Wonderland, officials seem to get "curiouser and curiouser."

Moonshining Shows Increase

Repeal of prohibition was urged as a way of stopping moonshining and bootlegging, but the illicit liquor operations manage to persist. The treasury department's alcohol tax unit whose "revenooers" hound the moonshiners and bootleggers because of their tax evasion says that seizure of stills is at a rate 25 per cent higher than a year ago and the capacity of the stills seized is 36 per cent greater than in 1947.

The tax saving gives the illegal maker of whiskey such a profit margin that he yields to the temptation and takes the risk. It costs him around \$1 a gallon to distill his moonshine, but he escapes (unless he is caught) the federal tax of \$9 a gallon on spirits and the state tax which averages \$1.43. As legitimate jobs grow harder to get we may expect this business to increase; and as money gets a little tighter customers anxious to get their liquor at a cut-price may increase.

In monopoly states like Oregon the law is more easily enforced. The state has a substantial stake in the profits of the trade, and is as anxious as the federal government to put the moonshiner out of business. The zeal though is almost wholly financial, not moral.

Poor Handling in Batory Case

It would have saved injured pride at least if the government officials who bore down on the Polish ship Batory had made plain just what their errand was. Lacking that statement wild rumors got started, helped along by some official comment, that the government was seizing the vessel because it had been the means of escape for Gerhard Eisler, communist accused of violating our laws. What developed was an examination of the papers of the incoming passengers and a quizzing of the captain and four crewmen to see if any had helped Eisler get aboard as a stowaway. Neither examination was improper but the publicity attending the proceedings couldn't help but arouse the feelings of the Poles who felt the U.S. was taking revenge on the ship because Eisler slipped through the fingers of American police.

Harry S. Dorman, named budget director by Governor Douglas McKay, is well known in Portland and over the state, having been active in business and in public affairs for many years. He is respected as able and honorable and is a veteran of two world wars. While new in state official life he served as a special assistant to the governor during the legislative session and has general familiarity with state affairs. His appointment will strengthen the governor's official family for Dorman, who managed the governor's campaign in Portland last year, is thoroughly loyal in addition to being well informed on the political lineups of the times.

Billy McSwain was long an operative of the secret service in this area, chasing counterfeiters, guarding presidents and doing the jobs that fall quietly to the lot of this self-effacing service. He died last week at Medford, after a comparatively short time in retirement. He had many friends and enjoyed the confidence of all.

Kwangsi Defenders Need U.S. Silver

By Stewart Alsop

CANTON, June 6.—It is not pleasant to watch a nation in defeat and decay. It is not pleasant to realize that this defeat and decay in China, which constitute a disaster for the United States, could have been prevented by wise, forehanded American action. But the important thing at the moment is not to bewail the disaster that has occurred here, but to try to find out what should now be done about it.

American policy in the Far East can now have only one primary aim. The aim must be to stop the threatened absorption of all of Asia into the Soviet sphere. As this correspondent reported from Tokyo, even Japan and the Philippines will be in immediate danger, if the communist tide washes out of China into Indo-China, Siam, Malaya, Burma and Indonesia. The disaster in China will thus become a world catastrophe. The first task is to prevent this.

The task will not be easy, since the communist movement of Ho Chi Minh is already strongly established in northern Indo-China, while the harassed Burmese government is being challenged by two, simultaneous communist rebellions. The task will be almost impossible, if the Chinese communists gain the southern border of China and link up with their Burman and Indo-Chinese brethren. Hence the Chinese border provinces of Yunnan and Kwangsi, remote, backward, mountainous and impoverished though they may be, are now one of the vital strategic areas of the modern world.

It must be said that very few official Americans in China believe that Kwangsi and Yunnan can be kept out of communist hands, to become an insulating

zone between communist China and southeast Asia. But then, the consistent defeatism of responsible Americans has already caused us to miss every other, earlier opportunity to get the Far Eastern situation in hand. Whatever is done now, will be a gamble. But the stakes upon the table are now so enormous, that a gamble is justified.

The conditions that permit a gamble for Kwangsi and Yunnan have been described at length in a previous report. Very briefly, Kwangsi is the private domain of China's Acting President, Li Tsung-jen, and Li's partner, one of the ablest Chinese military leaders, General Pai Chung Hsi. The province has always been well governed by Li and Pai. It is loyal to them. And it is defended by their large army, which they have now concentrated in their home territory.

Yunnan, on the other hand, is in turmoil at present. But it has, no communists, are the Yunnanese problem. For the present, moreover, Yunnan is sealed off from the communist armies by Kwangsi, which lies to the east. And even if the communists quickly penetrate the high natural barriers, and capture Szechuan province to the north of Yunnan, they must still fight their way into Yunnan down one of the most difficult roads in the world.

Thus if Kwangsi can be held, the whole strategically vital area can be held—for a time. The time thus gained may then be used to organize a better situation in Yunnan. It may even be used to explore the possibility of aiding the non-communist groups in Szechuan and the Chinese northwest, which would be a far more ambitious project.

Holding Kwangsi will not be so difficult as one might suppose. In this strange war, there has been very little real fighting since the fall of Peking. Even Nanking, the capital, was taken because the generals of three Nationalist divisions and the defenders of Kiang Yin fort sold

out to the communists. The communists have merely poured into a vacuum left by the economic and moral collapse of the Nationalists.

There has been no moral collapse in Kwangsi. The approaches are forbidding. There are troops there in plenty, ready to fight. But President Li and General Pai are disastrously short of funds, which in China, more even than anywhere else, are the sinews of war. For a long time, they have been pleading fruitlessly with Generalissimo Chiang Kai-shek for some of his hoarded silver from Formosa.

The first step, therefore, if the gamble for Yunnan and Kwangsi is decided upon, is to forget the fiction that we must have dealings only with the National government in China, which has ceased to exist for all practical purposes. We must continue to do business with Generalissimo Chiang, because he holds Formosa, which is also strategically vital to us. But without regard for Chiang, we must begin to do business directly with President Li and General Pai as well.

Only self-confidence deriving from assurance of direct American support will sustain Li's and Pai's will to resist. Fortunately, not much support is immediately needed. A manageable quantity of arms, plus about \$50 million of the useless silver that we bought to please the silly lobby and have hoarded at West Point, should be enough to transform Kwangsi into an anti-communist stronghold, at least for a considerable period. The communist tide may thus at least be checked. An even, fairly short check should have two crucial results.

It should give the French time to seal the Indo-Chinese border, which is the worst danger point. And it should give us time to begin making Far Eastern policy in a bold, clear-headed way, instead of continuing to imitate chickens with their heads cut off.

(Copyright, 1949, New York Herald Tribune Inc.)

Safety Council Threatens to Ruin Marriage

By Henry McLemore

NEW YORK, June 7.—This country is too efficient, and there is no getting around it.

There is a committee, a council, a board, a group, or a society which stands ever ready to tell a man how, what and when to do almost anything.

We are told when to eat apples, when to be kind to animals, when to wear cotton, how to detect the first symptoms of beriberi, and how to dress if going on a vacation to Stromboli in late August.

The acme in advice, however, came from the Greater New York safety council a few days ago when it issued instructions on how to lift a bride across the threshold properly.

The council said: "The correct way to lift an object is to bend the knees, keep the body upright, take a firm grip on the object to be lifted, and push upward with the leg muscles. The strain should be on the lifter's legs, not his back. Do not try to lift too much weight."

The council then went on to say that the technique was also proper for lifting furniture or barrels.

If that isn't a cold-blooded chunk of advice, I never read any. Let us picture a bride and bridegroom, their hearts beating as one, as they approach their home or apartment. And let us imagine their conversation as they near the threshold of the love nest they have dreamed so long about.

Mary: John, my lover, do you have your instructions with you on how to carry me across the threshold?

John: Mary, my sweet of sweets, I have them here in my

hand, and have them down letter-perfect.

Mary: How are your leg muscles, John?

John: In the pink, love of loves. Are you ready for me to take a firm grip on the object to be lifted?

Mary: Yes, dream of my heart, but for goodness sake don't break any of the rules, and thus get our home life off to a bad start in the eyes of the Greater New York Safety Council.

John: I won't, dear, you can be sure of that. Because, you see, I have been practicing carrying objects across thresholds just to be sure that I could turn in a perfect performance today.

Mary (in a hurt voice): John, who have you been practicing with? You don't mean to tell me, lover, that you ever carried another girl across a threshold?

John has to admit that he has, but only in order to perfect his technique.

Mary gets mad. John gets mad right back. They get madder and madder. Mary slaps John, John almost slaps Mary back. They start fighting, right on the steps of their new home. Their marriage is all but broken up then and there, just because of the Greater New York safety council's instructions.

Why not let John take Mary across the threshold as he pleases, even if he does run the risk of pulling a tendon or stretching a bicep?

And what about that part of the council's instructions which says not to try to lift too much weight? What is the maximum weight of a bride who can be lifted across with safety? Is it 130, 140, or 240 pounds? Lots of men like 'em hefty. Is a man going to have to pick his wife for her weight? If a man fell in love with a 300-pound gal I guess he would have to have his best man and the ushers help him heave her across the threshold, or buy her a pair of heavy-duty skates and have her skate across. This wouldn't be very romantic, to say the least.

Wonder how many bridegrooms will follow these instructions.

Not one would be my guess.

McNaught Syndicate, Inc.

GRIN AND BEAR IT

By Lichty



"I'm so glad there's nothing wrong with Junior... It's quite a relief to worry about him when I know there's nothing to worry about."

TOUGH GOIN'!



Mobile Blood Bank to Visit Valley Points

The traveling unit of the Portland regional blood center will make three visits in this area in June to collect blood for hospitals located in this district.

It will be in Salem on June 14; at Grand Ronde in Polk county, June 15, and at Mt. Angel, June 27. Salem stands third among cities in nine Oregon and southwestern Washington counties with 97 pints collected on May 10.

All of the blood collected by unit is returned to Portland for typing and testing before it is returned to the counties where it is donated for use in their hospitals. Under this program blood is supplied without charge to doctors and hospital for their patients.

Pleads Guilty to Weapon Charge

Plea of guilty to a charge of carrying an unlicensed and concealed weapon was entered Monday in a Marion county district court by Pete Erban, Jr., 645 S. 19th st., who is to be sentenced Friday.

William Brown, 1914 N. Liberty st., arrested with Erban on a charge of larceny, pleaded innocent and preliminary examination was set for June 17.

Erban was charged with concealing a 22 calibre pistol, which Brown is accused of stealing April 20 from Roy Beckworth of Woodburn.

Erban is held in the county jail in lieu of \$500 bail, and Erban was released Monday on \$750 bail.

Better English

By D. C. Williams

1. What is wrong with this sentence? "He only wants what is due him."
2. What is the correct pronunciation of "cataract"?
3. Which one of these words is misspelled? Cheyenne, Cincinnati, Caribbean, Connecticut.
4. What does the word "felicitate" mean?
5. What is a word beginning with ab that means "to give up; surrender?"

ANSWERS

1. Say, "He wants only what is due him." 2. Pronounce last syllable rakt, not rak; accent first syllable. 3. Caribbean. 4. To congratulate. "Every true heart must felicitate itself that its lot is cast in this kingdom."—Howitt.
5. Abdicade.

Montanan Given Red Cross Post

A new Red Cross state relations officer for Oregon was in Salem Monday, preparatory to replacing Donald Legg July 1.

He is Joseph M. Mjolsness, who is being stationed here after serving three years as state relations officer in Montana, with offices at Helena. He expects to bring his family, including two children, here soon.

Legg will leave Salem for the area Red Cross office in San Francisco where he will become assistant director for Junior Red Cross activity.

Dick Carter Charged with 'Buzzing' Boat

The hot weather's acceleration of boating on the Willamette river resulted Monday in its first legal complaint, a charge against Dick Carter, 1275 S. 12th st., of operating a water craft so as to destroy property and risk human life. Carter was arrested Monday and released on \$500 bail on the charge, which grew out of an incident last week, according to the district attorney's office.

The complaint was signed by William J. Staats, 19, one of three young people in a boat which Carter allegedly "buzzed."

In a second case involving Carter an order Monday postponed his trial on a charge of receiving and concealing stolen property was continued from June 14 to the next term of court because his attorney will be out of town. He pleaded innocent to the charge March 28.

IF YOU CAN RIDE A BIKE YOU MAY WIN A PRIZE

ENTER...

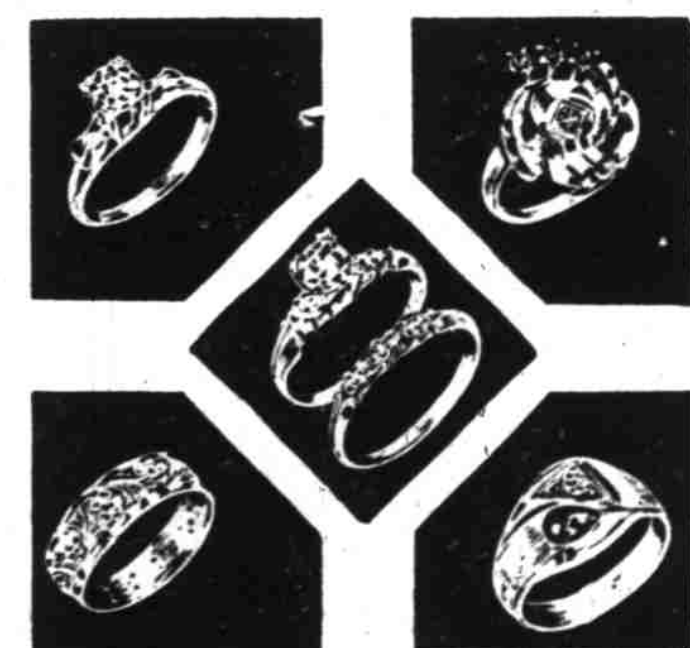
Montgomery Ward's BIKE PARADE

Everyone's entering! Fill out your entry blank today in Ward's Sports Shop! No entry fees!



Lovely is the Bride who has chosen her jewelry from Stevens Treasure House of Jewelry.

We are at your complete disposal when you come to us for the proper selection of some wanted jewelry item.



The name of Stevens in Salem is symbolic with the finest in jewelry.

Budget Terms—You May Pay Weekly or Monthly Without Extra Charge

Stevens & Son

JEWELERS and SILVERSMITHS

Livesley Bldg.

Phone 3-8118 State and Liberty Sts. Salem, Ore.

The first American "mint" was the glass factory founded at Jamestown, Virginia, about 1621 to make the handmade glass beads essential to trade with the Indians. This "mint" was destroyed in the Indian massacre of 1622.