

Rep. Reed, Humphrey in Tax Conflict

By CHARLES F. BARRETT
WASHINGTON (AP) — Secretary of the Treasury Humphrey and Rep. Daniel A. Reed (R-N.Y.) Monday were reported at odds—but not in bitter conflict—over a Republican tax program for 1954.

Well-posted sources said a proposal by Reed to lower excise taxes has developed as the chief stumbling block to harmony between him and the Eisenhower administration.

Reed, chairman of the tax-writing House Ways and Means Committee, generally has called for more and deeper tax cuts than the administration has been willing to accept.

Usually informed sources said Reed and Humphrey were unable to reconcile all their views in a private conference Sunday and in talks at the White House with GOP congressional leaders Monday.

Less Bitter
But the sources added that the difference of opinion seems much less bitter than last year, when Reed waged a last-ditch battle against an administration request to extend the excess profits tax for six months, to Jan. 1 this year.

Reed, who has been out of town and missed earlier legislative conferences at the White House, returned to Capitol Hill to go into a closed afternoon caucus with Republicans on his committee.

Reed later reported the GOP members were brought up to date on staff recommendations for a big tax revision program, rewriting thousands of pages of tax laws and providing about 1½ billion dollars annually in tax reductions in many fields.

Starting Monday
The chairman said the full committee probably will go to work on this program in executive sessions starting next Monday. He added the committee probably will not take up major tax rate issues until later.

Others attending the caucus said the revision recommendations provoked no disagreement Monday, but were discussed only generally.

House GOP Floor Leader Charles Halleck of Indiana said he saw "no evidence of big controversy" in the morning White House sessions.

Let Congress Decide
Others said both Reed and the administration appeared to be willing to state their case on tax policy and let Congress decide, with little acrimony between them.

On excise taxes, some Republican tax writers in the House are advocating a proposal to cut almost all of the retail rates which are now above 10 per cent down to that level, except for liquor and tobacco.

Authorities estimate it would cost about 900 million dollars annually in revenue.

The 10 per cent ceiling would be applied to the following items now subject to a 20 per cent tax: Jewelry, furs, cosmetics, luggage, admissions, photographic equipment, and electric light bulbs.

It also would apply to local telephone calls (now 15 per cent), long distance calls (now 25 per cent), personal transportation (15 per cent) and several smaller items.

Under this proposal, these reductions would substitute for some excise tax cuts already set automatically for April 1. The automatic cuts are on autos, liquor, wine, beer, gasoline and sporting goods.

The administration has urged that the automatic cuts be cancelled, and apparently it does not want to accept major revenue losses in other excise tax fields.

McKay Plans Reclamation Office Change

WASHINGTON (AP) — Secretary of the Interior McKay Tuesday announced approval of a final reorganization plan for the Washington office of the Reclamation Bureau.

The plan calls for a staff of 245 persons here, compared with 302 last July 1 and 280 on Dec. 1. It contemplates shifting of 15 positions to Denver, transfer of 7 from Denver to Washington, and the elimination of about 40.

Discharge notices will not be issued any employees until March 1.

A reorganization of the bureau designed to decentralize planning, construction and operation activities and shift responsibility for basic technical work to Denver was announced Oct. 26.

Recommendations of a survey team which were approved in part at that time proposed reduction of the Washington staff to 161 employees.

McKay also announced the appointment of S. W. Crosthwait as assistant reclamation commissioner. He was named to that post on an acting basis several weeks ago by W. A. Dexheimer, reclamation commissioner.

Harvey F. McPhail, a veteran career employee was retained as another assistant commissioner in the reorganization.

13-Room House Burns at Portland

PORTLAND (AP) — Fire swept through a year-old, 13-room house west of here Monday, with a loss estimated by the owner, Robert S. Miller, a Portland attorney, at \$50,000. He blamed the fire on ashes removed from a fireplace and placed in a wooden box in the garage, where the blaze began.

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