

# Determined Tax-Cutting Drive by Democrats Threatens to Cut Holes in Ike's Revenue Plans

By CHARLES F. BARRETT  
WASHINGTON (AP) — A determined drive by congressional Democrats bent on cutting personal income taxes threatened Saturday to knock big holes in President Eisenhower's revenue program and force changes in his basic economic policy.

At issue was not only how many billions of dollars taxes would be cut—but how the pie would be sliced as between business and individuals, and which cuts would best pull the nation out of the present economic dip.

The argument could bring the most explosive party-line battle of the year. Both sides agreed that it might, to a large extent, determine political fortunes in the fall congressional elections.

Democratic leaders in both houses said their members are lining up almost solidly behind proposals to increase personal income tax exemptions for each taxpayer and dependent from the present \$600. In the House, they aimed at \$700.

In the Senate, Democrats championed a surprise bill by Sen. George D-Gal to lift the exemptions to \$800 this year and to \$1,000 next year.

**Many Free of Taxes**  
The House proposal would cut revenues an additional 2 1/2 billion dollars annually. The proposed Senate bill would save taxpayers an estimated 4 1/2 billion the first year, and 10 billion the second year. Millions of taxpayers would be relieved from any federal income tax at all.

Democratic leaders forecast that some Republicans would break ranks and support an exemption increase. But win or lose in Congress, they said the fight would be one of their biggest and best issues in the fall elections.

There were a few signs of wavering in Republican ranks. One key GOP member of the tax-writing House Ways and Means Committee forecast privately that the House would vote an exemption increase over administration oppo-

sition unless Republicans themselves proposed new income tax cuts.

**Retreat Slightly**  
And Republicans on the Ways and Means Committee retreated slightly Friday—softening a previously approved cut in taxes on stock dividends, which was under strong Democratic assault.

But administration officials and most Republican congressional leaders generally held firm, denouncing the Democratic move as political and predicting it still would be beaten.

Democrats generally are sounding a war cry that a program proposed by President Eisenhower is a "rich man's tax bill" full of "give-aways" to big business and wealthy stockholders, providing only light and scattered relief for the average taxpayer.

Republicans are tuning up their oratorical thunder to declare the Democratic alarums are political eyewash — that the program is carefully balanced to give needed benefits to all, to help expand business production and provide more and better jobs and higher living standards for years ahead.

**More Incentives**  
Democrats counter that business can't sell as much as it can produce right now. What is needed, they say, is not to give more incentives to expand production but to pour more money into the hands of consumers to increase purchasing power.

Republicans come back with the argument that this huge revenue loss, on top of other cuts in effect or planned this year, would wreck the budget and the administration's effort to fight inflation. If this cut were enacted at the expense of business incentives, they contend, the workers it is supposed to help actually would be hurt most.

They say simply: More tax cuts from the paycheck will be of little value if there is no job to make the paycheck in the first place.

And Republican leaders vouch confidence they can beat the exemption increase in the closely divided House: 219 Republicans, 215 Democrats, 1 Independent.

**Argument Growing**  
Thus the argument has been building up, bit by bit, before congressional committees and in the cloakrooms for weeks. It looks like a real two-party fight, with party leaders claiming few defections from either side — actually a relatively rare lineup.

It is scheduled to explode on the House floor within about two weeks, when the Ways and Means Committee presents an 800-page bill rewriting almost all the nation's tax laws and giving a basic new look to the tax structure.

The committee has been working on the bill off and on for more than a year, and daily for the past several weeks. It changes no major rates, but includes scores of provisions removing alleged inequities for both individuals and business. As it stands now, it would save taxpayers altogether about 1 1/2 billion dollars the first year, probably more later.

What is the proposed new look for the tax structure?

For individuals, it is aimed at relieving many sore points that do not add up relatively to a lot of total dollars but may be very painful to those affected.

**Bigger Deductions**  
It allows much bigger deductions for medical expenses; a new deduction for child-care expenses of widows, widowers or separated parents who work; a \$1,200 deduction for retirement income; an exemption for dependent children even though they make \$600 or more a year (forbidden now); reduced tax rates for single heads of families; and a deduction for the soil conservation expenses of farmers.

All these savings would add up to roughly 600 million dollars a year.

One provision would aid both individuals and business — a cut in taxes on stock dividends. Some four million individuals would benefit through lower tax bills,

amounting to 240 million dollars the first year and up to a billion or more the third year, as the bill stands now.

**Would Aid Business**  
Business would tend to benefit because the plan would help companies sell stock to finance expansion. Some businessmen are concerned because in the past 10 years, 75 per cent of business financing has been through sale of bonds, bank borrowing or other fixed indebtedness. They say a business heavily in debt, with fixed obligations to pay, doesn't venture as readily into new fields; and if business should turn down, the pinch is sharper and more immediate.

Democrats have concentrated most of their fire on this proposal, charging that 80 per cent of the relief would go to 300,000 wealthy families who own more than \$25,000 each in stocks. They figure the average of these 300,000 families would save \$9,000 in taxes in the third year, as the proposal was originally approved.

**Was Originally Approved**  
But the committee voted Friday to knock out the third round of the original three-stage plan, thus reducing the ultimate tax saving involved from \$1,250,000,000 to \$866 million.

The other big incentive to business is a proposal to allow much more rapid tax deductions for depreciation of new plants and equipment. Although over a period of 20 years or more this theoretically would result in no loss in revenue, it amounts to about 350 million dollars the first year and much more the second year.

**Encourage Expansion**  
The idea is to encourage, by bigger immediate deductions, expansion into new ventures and new products; and to encourage replacement of outmoded and inefficient plants and equipment.

Sponsors say many such "marginal plants are the ones that are closing now because they can't make the grade as business gets more competitive, thus contributing to the present economic dip.

The program also provides scores of other steps to help business — encouraging research, letting a business keep more profits for future growth, letting more losses in bad years be used to offset profits in good years, reducing taxes on operations abroad; and generally giving business a freer, more sympathetic tax climate.

Would all this really give business a lift and put the economy back on the high road?

Many Democrats say the approach is basically wrong, that the key still is to put more purchasing power in the hands of consumers. Production will expand automatically to satisfy a growing consumer market, they say — but no amount of incentives will lead to business expansion if markets are weak.

Republicans cite recent billion-dollar expansion programs announced by General Motors and the steel industry as specific examples of the shot in the arm they expect from the tax program.

One administration official has advised friends that within three days, 50 business firms reported they were ready to embark on new plants, new products or other expansion ventures if what they considered to be restrictive tax laws are amended and the tax climate is made more favorable for risk-taking.

**New Products**  
The key to market doldrums, Republican spokesmen argue, is to get rid of outmoded equipment and to produce at lower prices, to develop new products and new uses for older products. Secretary of the Treasury Humphrey has estimated roughly that two-thirds of the jobs provided by the economy today stem from products that were almost unheard of 30 years ago — and said the same thing will be true 30 years from now, if business is given a climate to advance.

As for the division of tax benefits between business and individuals,

## Monks From Korea Camps Now in Reich

By REINHOLD G. ENSZ  
WUERZBURG, Germany (AP) — Eight Benedictine monks who endured the hell on earth of Korean prison camps have settled in a peaceful monastery here in the Bavarian hills.

Now, as they go their appointed religious rounds, they recall the days when they were forbidden even to fold their hands in prayer.

All were arrested on the night of May 8, 1949, and thrown into a Pyongyang Prison where 20 persons often occupied a room only 25 feet square. The Communists said their arrests were necessary to "ensure freedom of religion."

"By freedom of religion," says one bearded monk, "they meant freedom from religion — or compulsory atheism."

And another added, "we were not permitted to read a word in five years — nor could we write to anyone."

**Moved to Manchuria**  
From Pyongyang they were taken to a prison camp in what they called "Death Canyon." Later, when United Nations troops drew near, they were moved to Manchuria. When the U.N. troops retreated they were marched back to "Death Canyon."

The march, said one, came "after we had spent two nights and a day almost freezing to death on a frozen Manchurian field."

Back in camp they found that 62 prisoners were herded into two small houses. They built eight more houses themselves and set about growing crops. But their guards — not they — got the eggs their hens laid and the vegetables their garden yielded.

"Our Red captors had left us to die alone," said one, "and 17 of our men and two of our sisters succumbed to their evil wish. Even when one was too sick to move he was permitted to remain indoors — and his starvation ration was cut in half."

**Services Allowed**  
Religious services were permitted once a day in camp. An old box served as altar. The guards constantly interrupted mass by shouting out the names of those who were to report for work details.

Suddenly — last Nov. 19 — things changed. They were taken to another camp and given food "fit for kings." Then began their homeward journey across Siberia — "the empire of silence," one calls it.

"Between the Yalu and the Oder people know how to keep secrets. Not only do the lips of the people

## Trio Arrested On Forgery Counts Here

EUGENE (AP) — Three men were in jail here Friday on forgery charges after a tip by a suspicious merchant had led to their arrest by state police as they drove between Albany and Salem.

City police were trying to find out who had passed several bad checks in Eugene and Springfield stores Thursday afternoon when the merchant called in the license number of a car in which a man who had tried to cash a check had driven away.

Arrested in the car were Allen Welsh, 23, and Scott Jewell, 30, both of Seattle, and Lyle Fleisher, 24, Longview.

Six bad checks were passed, most of them for \$25 but one for \$50.

restrain from uttering a sound, but also their faces dare not show any expression."

Do they want to stay here in this land of plenty?  
No. All want to return to Korea. As one put it: "Our lives are there."

## Neuberger, Hess Tie for Demo Honor

PORTLAND (AP) — After a tie between State Sen. Richard L. Neuberger and U.S. Dist. Atty. Henry Hess, the Willamette Democratic Society decided Saturday to wait until after the May primary election before voting again on the Democrat of the Year for 1953.

Neuberger and Hess got seven votes each, and Mike DeCicco, president of the society, then proposed the postponement, commenting, "I wouldn't want such a selection to give one primary candidate an advantage over another."

Neither Hess nor Neuberger had declared for office this year, but both have been mentioned as possible Democratic candidates for governor. There also has been speculation that Neuberger might seek nomination for the U.S. Senate.

Americans, on the average, drink about a pint of wine a week and Frenchmen about a pint a day.

## Saul Bellow Chosen Winner Of 1953 National Book Award

By W. G. ROGERS  
Associated Press Arts Editor  
NEW YORK (AP) — Literature and life are a long way apart, says Saul Bellow, a man who is doing a lot to bring them together.

He's the author of "The Adventures of Augie March," the novel which recently won the National Book award.

In the opinion of some novelists and readers, it's the most worthwhile prize of its kind. This is not Bellow's only honor, however. He had a Guggenheim in 1948-49, and a National Institute of Arts and Letters award of \$1,000 year before last.

Bellow has a ready smile, and a ready answer for questions. His hair recedes on the sides, leaving a curly black tuft jutting toward his high brow. And "high brow" is part of the key to him, for he's not a hit-or-miss novelist, as some of his fellows are, but a thoughtful and purposeful one who expects a novel to tell a story and have something to say, too.

**Reason for Gap**  
One reason for the gap between what we are and what we write, says novelist Bellow, is found in our schools:

"Isn't it true that in high school most of us read everything except what we are required to read in class?"

He moved on to college — which for him was a combination of the three universities of Chicago, Northwestern and Wisconsin: "The colleges take the humor out of literature. They turn it into a serious and solemn business, a sort of religion, like something for Sunday only."

Still offering examples from his own varied experiences, he recalled his years in Chicago, and the "Chicago school" of writers consisting of Floyd Dell, Ben Hecht, Carl Sandburg, Sherwood Anderson, James T. Farrell and others:

"It meant a lot to us that Harriet Monroe published 'Poetry' Magazine there, and that Covici even published books."

He finds now that writers are using native material, the material right at hand, under their noses. "For the first time they use as subjects something which, before, they were too immersed in to recognize as potential subject matter."

But they must use it, he believes, by writing in a domestic American style of their own: "You can't portray Chicago writing like Truman Capote."

When we get novels composed out of this indigenous material, who's going to read them?

"There is a limited number of things to which people respond with their deepest emotions," Bellow explained. "Right now those things are our great production facilities, our manufacturing, our goods, our size, our science. But our social health, as well as our individual health, requires us to pay attention to other things, to the things of the heart, the personal things—out of which he wants novels to be made. Then those novels will matter to the public more than the usual kind of stories do.

**Feelings Freely Shown**  
While he was in Europe on a Guggenheim fellowship, he noticed that people let their faces

express their emotions, and they showed their feelings freely in their flowing gestures. In this country, "some emotions are in danger of atrophy for lack of practice in expressing them. When I go to the theater, for example, it seems to me sometimes that the actors and actresses are undergoing a test to discover how much of their hopes and fears and heartaches they can keep from showing."

Born in 1915 in Quebec, Bellow came here at nine with his parents. He has taught at the University of Minnesota and at Princeton and is now on the faculty of Bard, a college a few miles up the Hudson from this city.

He has thought of trying newspaper work, but teaching gives him, he figures, more time to write. He goes at it slowly, too, it seems; his first novel, "Dangling Man," appeared in 1944; his second, "The Victim," in 1947. This is his third.

The five judges who selected "Augie March" from the hundreds of other 1953 novels for this fifth National Book award were David Dempsey, Leon Edel, Mary McCarthy, Arthur Mizener and Gerald Sykes. Winners, already announced, in the other two fields were Conrad Aiken for his "Collected Poems" and Bruce Catton for "A Stillness at Appomattox."

## 2 Rosenberg Boys Given to Grandmother

NEW YORK (AP) — A court sent the two sons of executed atom spies Julius and Ethel Rosenberg to live with their grandmother Mrs. Sophie Rosenberg, Saturday on her promise to bring them up to love the United States.

The City Welfare Department and the Society for Prevention of Cruelty to Children had complained that the boys, Michael, 11, and Robert, 8, were being "exploited for fund-raising propositions" by Communist groups.

The boys had been living with Abel Merropol, a song lyricist and his wife, Ann, both of whom have denied they allowed any exploitation. They said that, on the contrary, they shielded the children "as much as is humanly possible."

The Merropols were friends of Emanuel Bloch, the Rosenberg defense attorney who died Jan. 30. The Rosenbergs specified in their wills that they wanted Bloch to be named legal guardian of the boys.

State Supreme Court Justice James B. M. McNally gave custody of the boys to the grandmother pending outcome of a hearing Tuesday on a petition by the City Welfare Department.

McNally spoke, however, as though the children would continue to live with the grandmother.

When McNally announced his decision, Michael walked up, shook hands with him, and said: "God bless you, Judge."

The boys' parents were executed last June 19 for conspiring to steal American atom bomb secrets for Soviet Russia.

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