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4— Salem, Oregon, Friday, December 16, 1949

The Hike in Steel Prices

The United States Steel Corporation has announced an increase in the prices of its products an average of \$4 a ton, and other steel producers are expected to raise their prices along the pattern set by Big Steel before the end of the year.

This is an expected aftermath of increased wages and \$100 a month company financed pensions forced on the steel industries by the Truman administration and the CIO unions. It is probably the only way the steel makers can meet labor demands, make a profit for stockholders, and remain solvent.

Congressional economic experts express fear of a new inflationary spiral, similar to those that followed the two other general wage boosts, which are largely responsible for increased cost of living due to the increased cost of production. So cost of living soars along with wages and never catches up. The public is always the goat.

Chairman Joseph C. O'Mahoney (D., Wyo.), announced that his house-senate economic committee will investigate Big Steel's price boost sometime after Christmas and that corporation officials will be asked to explain the increase at a public hearing.

Public officials who know nothing about industry or business always assume an infallible knowledge of it. U.S. Steel lives in a glass house and perhaps knows more about its successful management than anyone else, and can probably state convincing reasons for its policy.

Steel and other private industries must operate at a profit or be liquidated. Industry cannot follow the government's policy of deficit spending. Congress should put its own house in order for it runs nothing economically or in business-like shape.

The Hoover report showed very clearly how our government is run, waste, extravagance, duplication, stupidity and deficit in full control. Britain is demonstrating just as clearly the inability of ideological socialism, nationalization of industry to make a profit on anything.

Pearson Wants a Power System

Now the suggestion is made that Oregon go into the power line transmission business.

The suggestion comes from none other than State Treasurer Pearson, who is supposed to watch the dimes and dollars of the state. But he wants to figure the possibility of spending an amount that could easily be \$350,000 to put up a power line to tap Bonneville power.

The man who is responsible for the state's finances, and boasts about it in dodgers designed to educate the people, hasn't explained how this big power line would do anything but mean more money out of the pockets of those people.

This proposal, nevertheless, raises the question of why the state should go into the power-line transmission business. What provision would be made for maintenance of the lines? How much would be the cost for eventual replacement?

Would there be any real gain financially to the state in burdening itself with a transmission line system duplication already in existence and apparently offering satisfactory service?

This suggestion of Pearson's is too much like the New Deal flings into operations that compete with private business and thus discourage individual enterprise of the private citizens.

If the present power arrangement isn't satisfactory, no one has complained publicly about the line recently.

Instead of sinking hundreds of thousands of dollars into a line that would duplicate an existing system, the state could certainly spend the money in more constructive ways.

No 'Mule Train' for Santa —Just Regular 'Yule' Train

Newark, O., Dec. 16 (AP)—No, little children, Santa Claus will not be coming by mule train this Christmas.

But there were some who caught this rather fantastic idea when the familiar hit-parade melody, "Mule Train" was heard coming from loudspeakers atop the courthouse tower. It seemed some joker who has a doubtful sense of humor slipped the "Mule Train" platter into the yule season's organ carol records to give a juke-box atmosphere to Newark's community Christmas center.

The mechanism which operates the day-long broadcasts of carols is situated near the private office of Common Pleas Judge Charles B. Holtzberry.

No one could be found who knew who made the record switch or how it was done.

Said the Newark Retail Merchant's association: "Little children and grownups too, don't let yesterday's specialty throw you. Santa will come by 'yule' train as always."

No Scratch on This Scratch

Mays Landing, N. J., Dec. 16 (AP)—John Beckeh, 54, Sea Isle City, scratched his shoulder with a fur-lined glove while hunting near here yesterday.

A friend, Cassimero Canelli, saw the fur moving by the side of a tree. He fired at the "raccoon."

A local physician removed the bullet from Beckeh's hand.

BY BECK

Only Human



SIPS FOR SUPPER

He Did It

By DON UPJOHN

The other evening this column took occasion to congratulate Roy Harland on plans he'd laid for a presidential party he was giving at the Chamber of Commerce Thursday as retiring president of that organization, and in particular complimenting him for his outlining a program of food and entertainment with definitely no speeches.

While we praised Roy for his good intent we were just a wee bit doubtful whether he could really pull off a Chamber of Commerce with no speeches. It was a laudable project in the extreme but whether it could actually be put over was another matter.

Our report now says that the party went off as scheduled—and with no speeches. No wonder Roy Harland was at one time named No. 1 junior citizen. After this accomplishment we suggest they set up in his honor a special award as senior citizen No. 1, or some such thing.

Ode to Welfare State

(Exchange)
Father, must I go to work?
No, my lucky son.
We're living now on easy street
On dough from Washington.
We've left it up to Uncle Sam
So don't get exercised.
Nobody has to give a damn
We've all been subsidized.
But if Sam treats us all so well
And feeds us milk and honey
Please Daddy, tell me what the heck
He's going to use for money.
Don't worry Bub there's not a hitch
In this here noble plan.
He simply soaks the filthy rich

MacKENZIE'S COLUMN

What Happens to Jerusalem Concerns All Civilized World

By DeWITT MacKENZIE

My office window in Rockefeller Center looks out on the great Christmas tree, covered with myriad lights and topped by the glowing star of Bethlehem. Each time my eyes wanders from their work they encounter this emblem of peace and goodwill.

Maybe that's why, as I look over the unhappy squabble about the internationalization of Jerusalem, it's difficult to escape the feeling that this untimely problem is susceptible of solution by compromise.

Failing that we are heading for an uncomfortable time, since what happens to this holy city is a matter of concern to the whole civilized world.

The position is this: The United Nations assembly a few days ago voted to internationalize Jerusalem. A minority, including America and Britain, opposed the plan as impractical, since the city is partitioned and occupied by armed forces of Israel and of Hashemite Jordan.

Jordan and Israel officially are still at war—a hangover from the Arab-Jewish warfare of 1947-48. Both have served firm notice that they won't give up their respective parts of the city, and just now Israel is rushing the transfer of her capital to her portion of Jerusalem.

Of Israel's action the British foreign office has said: "The move of the Israeli government does not surprise his majesty's government. At the same time we regret that Israel, which is a member of the U.N., should have thought fit to flout its authority."

At Lake Success some U.N. diplomats predict that Israel's action will wreck the general assembly plan to put the city under international rule.

In any event, the partition of Jerusalem into two parts, one Jewish and the other Arab, is an accomplished fact. And it's going to take more than words—be they spoken either in peace or in anger—to alter that situation. All other things apart, both

And helps the common man. But Father won't there come a time when they run out of cash? And we have left them not a dime when things will go to smash. My faith in you is shrinking son. You nose little brat. You do too damn much thinking To be a Democrat.

Mother Love in the Sky (Mt. Angel News) Usually when a barn burns down that is the headline, but a fire Monday afternoon has a more interesting slant. Monday afternoon, neighbors driving past the Fred Lucht farm, east of town, saw a small hog house completely engulfed in flames, and notified Mrs. Lucht immediately. Her first thought was about the safety of the sow and her eight little pigs, which were her son Freddy's 4-H project. Running to the scene she saw that the sow had safely led the little fellows to safety.

That's the story—here are the fire facts: The pigs were in a tiny barn in which a brooder lamp had been placed to keep the little pigs warm. The lamp ignited the straw and before the Mt. Angel fire department could reach the scene the small building was completely destroyed. The loss of the building was much less than the loss of the project hogs would have been.

WASHINGTON MERRY-GO-ROUND

Nation's Worst Scandal Today Is in Income-Tax Fraud

By DREW PEARSON

Washington—One of the worst scandals in the nation today is income-tax fraud and the way certain politicians or friends of politicians are able to get away with it.

With the country facing almost certain tax increases next year, it remains a fact that every man who dodges his taxes sends the tax bill up higher for the other fellow.

Recently this column cited various tax cases where the little guy got prosecuted, but the big guy—able to hire political influence—got off. This is far more frequent than the public realizes, and this column herewith begins a series to show how income-tax fraud is put across.

For instance, in Mobile, Ala., Joe Mitchell and his brother-in-law, Sam Ripps, organized the Gulf Coast Tobacco Co. during the war and sold millions of dollars worth of jewelry to army post exchanges. The boys in the army camps would buy almost anything those days and Ripps and Mitchell made a killing.

Then, a couple of years later, alert treasury agents caught them keeping two sets of books, and after long investigation, recommended criminal prosecution. The two men who were so eager to sell jewelry to G.I.'s had not been so eager to pay their taxes and treasury agents claimed they owed a minimum of \$700,000; perhaps as much as \$1,200,000.

Ripps and Mitchell immediately began to pull every political wire south or north of the Mason-Dixon line. First they tried to hire Joseph Nunan, former commissioner of internal revenue. Then they negotiated with Marlin Sweaber, a good friend of Nunan's. Then they retained William Nicholson of Charlotte, N.C., former law partner of Lamar Caudle, assistant attorney general in charge of the tax division.

Scrupulous Caudle, a conscientious public servant, phoned his former partner, asked him to withdraw from the case. He did so.

Finally, however, Mitchell and Ripps approached Will Walter Bankhead of Alabama's politically powerful family, and through him retained Ben Leader, former law partner of the U.S. attorney in Birmingham, John Hill. Significantly it was Hill who was to try the case.

That case, however, has never been tried. It was sent by the justice department to Hill for prosecution, but that was as far as it got. U.S. Attorney Hill held a conference with justice and treasury men in Birmingham at which he contended he did not have sufficient evidence. In the end, with their concurrence, the prosecution of jewelry profiteers Ripps and Mitchell was sent back to Washington as closed.

Meanwhile, this column, probing the tax fraud, unearthed some interesting facts. Ben Leader, when questioned, admitted he was Hill's former law partner; also admitted he received a fee of \$12,000, but made a long speech about the case having been decided on its merits.

This column also discovered, however, that this is not the first time Joe Mitchell has slithered his way out of trouble with the law.

Graduating from New York University in 1923, Mitchell became an internal revenue agent, but was permitted to resign in 1929 after a scandal over falsifying expense accounts.

In 1930 Mitchell was caught tapping the city water main to supply a negro tenement that he owned in Mobile. He was allowed to settle the water bill out of court. In 1942, when rent ceilings were clamped on his property, he was caught finagling rents above the ceiling price.

And in 1943, when tires were rationed, Mitchell was caught stealing two tires from a Tupelo, Miss., filling station. When arrested for this theft, his pockets were found bulging with \$100 bills from which he posted \$1,000 bond. Congressman Boykin of Mobile then sought the intervention of Congressman Rankin of Mississippi, and Mitchell escaped prosecution. He even got back \$500 of his \$1,000 bond.

In 1945, Mitchell was convicted of violating the election laws, and sentenced to 60 days hard labor. However, the supreme court threw out the case on the ground of an improperly drawn indictment. While the case was up for appeal, two witnesses disappeared, and, when picked up in Pensacola, swore that Mitchell had paid them \$100 a week to stay out of Mobile.

This is the man who, when charged by the treasury with income-tax fraud to the tune of \$700,000 minimum, managed to squirm out of prosecution. Here are some of the things the T-men charged Mitchell and

his brother-in-law, Sam Ripps, with doing. In selling jewelry to army PX's, checks would come in to them from all over the country. For instance, Camp Shelby, Miss., bought \$15,000 worth of jewelry on July 18, 1942, another \$4,000 on July 23, 1942; and another \$3,453 on Dec. 4, 1942.

In handling this money, Mitchell and Ripps followed a system of letting their small checks and cash accumulate. Then, when a large check came in, they deposited the accumulated small checks and cash to the same amount as the big check, in order to make it appear that the big check had been cashed. Actually the big check was converted into a cashier's check, then sent by a roundabout way through the Jefferson Investment Co., of St. Louis, controlled by Mitchell, to the Paramount Check Cashing Service in New York.

This devious method of cashing checks was aimed to throw T-men off the track and cover up large amounts of income. When this financial juggling was detected on one set of Mitchell-Ripps books, however, the books mysteriously disappeared. T-men had got out a subpoena for them, but when they came back with the subpoena, no books could be found.

Mitchell, himself a former revenue agent, know how incriminating books could be. The Mitchell-Ripps defense is that they had to buy jewelry on the black market, had to pay in cash, and at high prices. It was on the basis of this plea, made by his former law partner, that U.S. Attorney Hill opposed prosecution.

However, treasury and justice department tax men in Washington, when questioned by this columnist, said they had decided to reopen the case and hoped, in the end, to prosecute. (Ed. Note—Another Pearson column on tax fraud will follow soon.)

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This War Weapon Smelled Tampa, Fla., Dec. 16 (AP)—The navy today described an attempted weapon of the Pacific war which didn't pan out—garlic.

Capt. A. R. Behnke, a naval doctor, said Garlic was fed to certain gobs in "large quantities" as a possible repellent for mosquitoes which plagued the navy's fighters. But Behnke said the "skeeters showed complete indifference to the aroma—and kept right on boring in. He offered no comment on how the garlicky guinea-pig sailors got along with the rest of the fleet.

OPEN FORUM Salem's Christmas Tree Too Tall? (Editor's Note: Letters to the Open Forum must be limited to 300 words and must be signed by the writer.)

To the Editor: There is talk that the Cherrian Christmas is growing too large to be illuminated and that this is the last year. What in the world is the matter with Salem? Why does it lay down on a job like this?

Many cities in California, Washington, even Vancouver, B. C. have been hauling large Christmas trees to their civic centers and erecting them at great expense, also, the expense of illumination.

Salem already has a live Christmas tree only 67 1/2 feet in height. There it stands, live and growing. All Salem has to do is to illuminate it. Now it costs too much? Tree too high? What a shame!

Other cities in other states are vying with each other to see who can put up the tallest Christmas tree. Bellingham, Washington, as the city's contribution to the "Tallest Christmas Tree" derby, brought into the city a Douglas fir measuring more than 150 feet. It made its tortuous way through the city's streets. A double truck arrangement held the base of the tree up, so as not to break the branches. A Santa Claus supervised the job from his position on the tree trunk.

This tree, almost a hundred feet higher than our own Cherrian Christmas tree, Bellingham citizens illuminated that 150 foot tree and placed a star on its topmost branch. Think of it! Seems like Bellingham citizens can do things Salem cannot do. . . .

If California had the Cherrian Christmas tree they would see that the tree was illuminated, making no difference how tall it got or how much it cost, as long as that tree remained alive. They would advertise it too, as the tree that STARTED the world's out-door decoration of Christmas trees and shrubs. It has already claimed having the first tree but missed it by eight years.

A Salem woman is at work writing a book about "Trees with a Story" and in it she wrote that the tree had been illuminated every year since its first illumination in 1913. Then came the first shock. The Cherrians thought it cost

BY CLARE BARNES, JR.

White Collar Zoo



Recent Yale graduate's first day in the office

POOR MAN'S PHILOSOPHER

Christmas Book Titles That Fit Newsworthy National Names

By HAL BOYLE

New York (AP)—Thinking of giving someone a book for Christmas? It is a problem, isn't it? So much depends on the choice you make. For in the task of selection you are judging the one you give the book to—and you are judging yourself.

Every year Santa Claus gets in a blue funk over what books to give famous people.

The truth is the old fellow's eyesight isn't what it once was. About the only things he reads anymore is a few back numbers of the old Police Gazette, because he has found he can skip the fine print under the

pictures and not miss anything really important. To help Saint Nick out of his annual quandary, we compile a tentative list of books to give to the big and little folks on his Christmas rollick. Here's the 1949 list—and maybe it has a few ideas for you too:

The Passionate Journey—Vice President Barkley. A Guide to Confident Living—Harry S. Truman. The Mature Mind—Westbrook Pegler.

A Graveyard To Let—Guy George Gabrielson, chairman of the Republican National committee.

The Shaggy Man of Oz—John L. Lewis. Effective Talking in Conference—Ditto.

The Man with the Golden Arm—John D. Rockefeller, Jr. South Carolina Bird Life—Former Secretary of State James F. Byrnes.

Growing Roses—"Cactus Jack" Garner. Stars in My Crown—Sam Goldwyn.

It's Fun to Retire—Herbert Hoover. What Every One Should Know about the Law—ex-Rep. Andrew Jackson May of Kentucky.

Some Problems in Federal Taxation—ex-Rep. J. Parnell Thomas of New Jersey.

Beauty After Forty—Clark Gable. Hypnototherapy of War Neuroses—The U.S. Navy.

The Show Must Go On—Ingrid Bergman. Men Who Make Your World—Mae West.

Horses: Their Selection, Care and Handling—U.S. Supreme Court Justice William O. Douglas.

Twilight On the Floods—The New York City Department of Water Supply, Gas and Electricity.

A Rage to Live—George Bernard Shaw. I Married a Redhead—Aly Khan.

And So Farewell—Chiang Kai-shek. Way of a Fighter—Humphrey Bogart.

The Sinews of Peace—Gypsy Rose Lee. To Every Man A Penny—The U.S. Bureau of Internal Revenue.

Point of No Return—Ditto. One On The House—Conrad Hilton, who bought The Waldorf. I Hear You Calling Me—Gen. Dwight Eisenhower.

MISS RENSKA L. SWART 738 N. Front St., Salem

Advertisement for Capitol Lumber Company. Text: Heat with fuel that is clean, efficient and economical... use "Pres-to-logs" CAPITOL LUMBER COMPANY NORTH CHERRY AVE. SALEM, ORE. Phones 3-8862 or 2-4431. Includes an illustration of a person using a log burner.