

Truman's Tax Message

President Truman in his special tax message, calls for a selective excise tax reduction, coupled with higher levies on corporations, gifts and estates to provide a net increase of \$1 billion in revenue. No changes are proposed in individual income tax rates.

Mr. Truman said "drastic increases in tax rates... might prove to be self-defeating." But, he said, he was recommending adjustment "to reduce present inequities, to stimulate business activity and to yield about \$1,000,000,000 in net additional revenue." He did not say precisely how much he thought excise taxes should be reduced, but remarked:

"I believe that reductions are most urgently needed in the excise taxes on transportation of property, transportation of persons, long-distance telephone and telegraph communications, and the entire group of retail excises, including such items as toilet preparations, luggage and hand bags."

The present excise taxes on toilet preparations, luggage, handbags and similar items are 20 percent, compared with prewar rates generally of 10 percent. The present transportation tax on persons is 15 percent and the freight tax three percent. The taxes which Mr. Truman proposes to reduce will yield a total of \$1,326,000,000 in fiscal 1951, according to budget estimates.

On corporation taxes, he recommended that the tax rate on corporate income between \$25,000 and \$50,000 be reduced to the same rate that applies to \$50,000. The rate on income above \$50,000 now is a maximum of 38 percent compared with what Mr. Truman described as "the excessively high 'notch' rate of 53 percent" between \$25,000 and \$50,000 "to remove the handicaps which the present law places upon the expansion of small corporations. The favorable tax rates for incomes below \$25,000 would be retained."

The president recommended other changes in the tax laws which are of a technical nature but which he said would provide "increased incentive to business investment." These involve losses incurred and foreign investments. To make up for the loss in revenue through excise tax reduction, Mr. Truman suggested a number of "loopholes" that he said congress should work on. He particularly referred to "excessive depletion exemptions enjoyed by oil and mining interests." These depletion allowances were granted to stimulate essential production during the war.

Another "loophole" he asserted was the abuse of the tax exemption accorded educational and charitable organizations which he declared have been misused through the conduct of business unrelated to educational activities. This loophole, he stated, should be closed for life insurance companies have escaped taxation on their earnings on investments. He said:

"To the extent that these taxes remain too low, the remainder of our tax structure must bear a disproportionate load. The 1948 tax reduction act reduced the yield of estate and gift taxes by about \$300,000,000. Even before that act, estate and gift tax yields were out of line with other revenues, and that act made the situation worse."

This will not cheer the small colleges which depend upon donations to meet rising costs or supplement meagre endowments.

Two Complaints on Capitol Zone

Too many in Salem haven't been sold yet on the idea of extending the state capitol zone north to D street.

The hearing before the city council Monday night concerns extension of the zone only half-way from the present boundary on Center north to Union street. If and when the zone is actually stretched that far, then it should be put all the way north to D street.

There are only two complaints heard now against this proposal which would give Salem and Oregon the basis for the most beautiful group of state buildings in the nation. The other complaints have been more or less eliminated in the discussion and action taken following announcement that an apartment house was planned on North Summer street in the heart of the proposed zone.

The main complaint or question concerns the need for state buildings in the future. How can Oregon ever use six or seven more buildings in the next 50 to 75 years?

The answer is actually found in the simple statement that five buildings, and a sixth one under way, have been constructed to care for state needs in Salem in the past 50 years. At the turn of the century only the capitol itself was here. Then these buildings were put up in this order: supreme court building, state office building, agriculture building, library building, and public service building. The highway building is under way.

But these buildings don't satisfy some who question space for future buildings. Those are the people who claim that the existing buildings will be adequate. Those same people overlook the fact that the state office building was built but 20 years ago and yet another one, in the form of the public service building, had to be constructed. With the state growing as rapidly as it is, more buildings will certainly be needed for state services in the next 10 or more years. This will be especially true if the headquarters of boards and bureaus which have gotten established in Portland are brought down to Salem where they belong.

The second main complaint concerns property owners in the area suggested to be made a part of the zone. These property owners rightly deserve just compensation if the zone extension forces them out of their homes. And judging from past practice, the state would be the last to deny them that right. The actual decision on the zone will be up to the legislature, which meets next year. How much money would be appropriated for the zone extension would be a guess. The best answer to the property owners, therefore, would be a policy statement from the state as to property purchase as soon as a statement could be issued.

When the people involved become better acquainted with the state program for its capitol group of buildings and differences are settled, then the two major complaints should be eliminated.

Giant Upsets Hospital Routine

Chertsey, England, Jan. 23 (AP)—Ernest Evans is eight feet, six inches tall. He weighs 434 pounds.

And he's flat on his back—on two beds placed end to end—in St. Peter's hospital here. He is the biggest case St. Peter's ever had.

Evans was trucked in for a minor knee operation. It took 11 male nurses to move him.

The staff couldn't figure out a good way to lift him unconscious onto the operating table. He had to climb on himself and then take the anesthesia.

By H. T. WEBSTER
The Timid Soul



KRISS-KROSS

Hair Cuts a la Brrr!

Editor's Note: While Don Upjohn is convalescing and his "Sips for Supper" is missing, Chris Kowitz, Jr., will contribute a local column. His first contribution, as a substitute for "Sips," is below.)

By CHRIS KOWITZ, Jr.

A South 12th street barber shop was offering chilled haircuts during last week's cold spell.

It seems something went wrong with the wiring in the barber shop while the temperature outside hovered about the 20-degree mark.

Only one electrical outlet could be used at a time. Which meant the barber had to disconnect the heater everytime he plugged in the hair clippers.

Buck Smith, Willamette U coach, is probably Salem's No. 1 authority on mayonnaise jar labels. At least he once conducted a lengthy study of a specific label.

When Smith was a 14-year-old living in Alaska, he was sent out to watch for fish through a certain small hole in the ice. Smith spent several months on the monotonous job.

Someone later wondered how Smith kept himself amused during his long, chilly wait. Asked if he had anything to read, Smith said, "Sure, the label on a jar of mayonnaise."

Only two kinds of pedestrians remain from the recent seige of slippery streets — the sure-footed ones and the hospitalized ones.

The name Clarence continues to predominate among Salem sharpshooters. Clarence Townsend was one of the city's leading trapshoot artists for years. Now Clarence Thompson is among the top scorers on the Salem Rifle club team.

Science has revealed that a 100-watt light bulb provides 2000 times as much light for reading as does the moon. Which just helps to prove the old adage that there is a time and place for everything. Moonlight isn't meant for reading any more than 100-watt bulbs are intended for love-making.

Worth special attention at tonight's city council meeting: The appearance of Bruce Williams, young Salem attorney, as he pleads for Don Clark's taxi license. Williams' oratory is a courtroom highlight. Tonight Bruce makes his debut before Salem's legislative body.

In addition to being a second-generation barrister (Attorney Fred Williams is his pop), Bruce is a sportscaster for KOCO.

With the disappearance of most of the snow hereabouts, cars are looking conventional again. For a couple of weeks, everyone seemed to be driving white-topped convertibles.

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

Support the March of Dimes -

WASHINGTON MERRY-GO-ROUND
Lilienthal Against H-Bomb;
Decision Now Up to Truman

By DREW PEARSON

Washington—At a secret meeting with General Bradley recently, atomic energy Chairman Lilienthal made a last-ditch, emotional plea against the hydrogen bomb.

In effect, he said: "We must exhaust every means of reaching an agreement with Russia to outlaw atomic warfare before we make this bomb. We should appeal over the heads of the Kremlin to the Russian people. They will force Stalin to come to terms."

Lilienthal speaks for a tormented group of scientists who made the atomic bombs used at Hiroshima and Nagasaki and who agreed — somewhat against their better judgment — that the bombs should be dropped on enemy cities.

It is still a secret in the files of the Manhattan district, but the atomic scientists were sharply divided into three groups. One did not want the bomb used at all. They urged that the president announce that we had the bomb and would use it unless the enemy surrendered.

Group No. 2 wanted the atomic bomb dropped over an uninhabited area as a warning.

Group No. 3 approved the action taken at Hiroshima. This included Dr. Robert Oppenheimer and Dr. Harold Urey.

But when the photographs of seared flesh and the medical reports from Nagasaki and Hiroshima came back, these scientists went through the tortures of the damned. Their souls were on fire, and they started a burning private crusade against the hydrogen bomb that has divided the atomic energy commission.

The spirit of these scientists was expressed by Dr. Oppenheimer to a congressional hearing as follows: "Many times we scientists thought the war might end before we had a bomb. But some of us did not stop, because we wanted the world to see the atomic bomb. It was to us the greatest argument for world peace."

These scientists and Lilienthal are planning to organize a lobby of church groups to carry on the "crusade" after Lilienthal's resignation from the atomic commission in February.

The other side in the hydrogen-bomb argument is championed by a modest, soft-spoken philosopher and ex-banker, Lewis Strauss. He shuns publicity and his views can be given only because fellow commissioners are shocked by the attacks on him by the pro-Lilienthal forces.

Strauss is quoted as saying, "All hope of international agreement to outlaw the atom bomb was killed when Russia refused to accept the Baruch proposals for inspection. That was the great shock of our times. Now we cannot afford not to make the new hydrogen bomb. We must maintain our superiority over any possible aggressor. That is the chief hope left for peace."

From the beginning of the atomic energy commission, Lilienthal and Strauss have been in different corners. During the first year, Strauss was a lone dissenter. He offered to resign, but President Truman refused.

Today, Strauss is the majority leader in the commission and his view on the hydrogen bomb is backed by both the national security council and the atomic energy committee of congress.

The difficult decision of whether to build the dread hydrogen bomb is now up to President Truman.

It has been brushed up by the democrats, but Connecticut's new democratic senator, Bill Benton, underwent a political transformation the day he was sworn in to the senate.

Just before the ceremony, Benton stopped off to see his friend, republican senator Ralph Flanders of Vermont.

"Well, this is my last day as a republican," grinned Benton, "how about taking me around and introducing me to some of my new democratic colleagues?"

Here is a startling fact that will come out when congress reopens the debate on a 70-group air force. By limiting the air force to 48 groups, President Truman is holding it down to 16 groups less than before Pearl Harbor. The air force had 64 groups the day the Japs bombed Pearl Harbor, built this up to 243 groups by the end of the war.

(Copyright 1950)

OPEN FORUM

Save Civil Service System

To the Editor: In the months to come, the public will hear state officials both lauded and criticized on the operation of our state government.

I, like hundreds of others, am more laudatory than critical. The criticism that comes from one large group could be wiped if the executive branch would act promptly and save what is left of the civil service system, reduce the power of those who operate the personnel patronage system, see that justice is dispensed to career workers, and a real merit system provided.

What protection does the state civil service give the worker? If he or she is discharged for political, religious or racial reasons, the commission can demand re-instatement, but for other reasons, including petty malice and loaded charges, the

department head is not required by law to reinstate them. When state employment is based on merit, it is an attractive career. The worker has security, good working conditions, freedom from labor troubles, and substantial retirement pay. Under the personal privilege system, except the privileged, it will no longer attract and hold the kind of men whom our state government so urgently needs.

MRS. GEORGE LEWIS Salem

'Missouri' Stuck in the Mud

To the Editor: Suddenly I've thought of this one. Wonder if you would want to use it in the Capital Journal.

The battleship Missouri, stuck in the mud, is a problem the U. S. Navy is trying to solve. The solution is simple: Just hitch a couple of republican elephants to the Missouri mule.

FERN MILES, Scotts Mills, Ore.

BY CLARE BARNES, JR.
White Collar Zoo



Apple Polisher

MacKENZIE'S COLUMN

Austrian Freedom Awaits Nod Of Kremlin; All Issues Settled

By ALVIN STEINKOPF

London—An old friend who used to be my neighbor in pre-war Vienna writes from the Austria capital:

"We are beginning to have a feeling of pride in those Austrian peace treaty negotiations. More than three years they have been going on now, and I believe that's longer than the run of the show 'Ok! a o m a l' in London.

"Such a little country, but how troublesome we must be that the great powers take so long to decide about us!"

The Big Four has been trying since January 1947 to write a treaty of independence for Austria. In 248 meetings deputy foreign ministers have settled just about everything except a little dispute about how much Austria should pay for supplies received from Russia since 1945.

The amount involved is less than a million dollars. Last December in New York the deputies decided to let Russia and Austria come to terms between themselves. Since then Russia has turned down two Austrian offers and the matter is still up in the air as the deputies meet here for their 249th session. The West thinks Russia just doesn't want Austria to be freed.

In more serious vein my Austrian friend gives some impression of the feeling of uneasiness that disturbs his more thoughtful countrymen because they can't start acting like a normal country.

They know they aren't big enough to be dangerous to anyone and concede, with resignation, that their destiny is being shaped by events outside their country in distant capitals.

A year or two ago my friend, a Catholic, wanted all occupation armies to get out, as promised when a treaty is written. He thought that with American aid Austria could make a go of it. Now he isn't quite so quarrel—one way or another.

These troops are in Hungary and Romania "to guard Russian communication lines" as the occupation force in Austria. If the Russians sign an Austrian peace treaty they would be obliged to remove their troops within 90 days. If they did not, there wouldn't be any justification, legal or otherwise, for keeping Russian forces in the two satellite lands. There would be no "communication lines" to protect.

So the Austrians, longing for themselves to waiting for the settlement of the Tito-Kremlin of it. Now he isn't quite so quarrel—one way or another.

But, weighing it all up, he still wants every occupation army to get out. He thinks that Austria as a whole has reached a sufficient degree of prosperity to resist communism.

Many Austrians are thoroughly convinced that Marshal Tito in Yugoslavia is the unwitting cause of the delay in putting the trivial finishing touches on the Austrian treaty.

Russia, according to the Austrian belief, is not finished with Tito. They think he is in for more pressures, and that Russian troops in Hungary and Romania might apply them.

These troops are in Hungary and Romania "to guard Russian communication lines" as the occupation force in Austria. If the Russians sign an Austrian peace treaty they would be obliged to remove their troops within 90 days. If they did not, there wouldn't be any justification, legal or otherwise, for keeping Russian forces in the two satellite lands. There would be no "communication lines" to protect.

So the Austrians, longing for themselves to waiting for the settlement of the Tito-Kremlin of it. Now he isn't quite so quarrel—one way or another.

But, weighing it all up, he still wants every occupation army to get out. He thinks that Austria as a whole has reached a sufficient degree of prosperity to resist communism.

Many Austrians are thoroughly convinced that Marshal Tito in Yugoslavia is the unwitting cause of the delay in putting the trivial finishing touches on the Austrian treaty.

Russia, according to the Austrian belief, is not finished with Tito. They think he is in for more pressures, and that Russian troops in Hungary and Romania might apply them.

These troops are in Hungary and Romania "to guard Russian communication lines" as the occupation force in Austria. If the Russians sign an Austrian peace treaty they would be obliged to remove their troops within 90 days. If they did not, there wouldn't be any justification, legal or otherwise, for keeping Russian forces in the two satellite lands. There would be no "communication lines" to protect.

So the Austrians, longing for themselves to waiting for the settlement of the Tito-Kremlin of it. Now he isn't quite so quarrel—one way or another.

Copyright 1949. Revised Edition, T.M. Reg. U. S. Pat. Off.

Your Ad Will Get Results, Too. Dial Result Number 2-2406

Capital Journal WANT-AD WONDERS DEBT AD ATTRACTS LONG MISSING KIN A "Not Responsible for Debts" notice he ran in a Chicago paper brought Patrick Jacobson unexpected results. When a sister saw it Jacobson was reunited with his mother and other relatives he hadn't seen in 27 years. Want Ads are called the aids of a million uses.