

Income Tax Reduction Claimed Bad Medicine for 'Little Folks'

Senate Finance Committee Hears Humphrey's Views

By LYLE C. WILSON
United Press Correspondent

Washington—(U.P.)—The Eisenhower administration told the Senate today the income tax cut passed by the House would be bad medicine for "the little folks."

The administration viewpoint was given to the Senate Finance Committee, already hostile to the House-approved plan, by Secretary of the Treasury George M. Humphrey.

Humphrey used such terms as "unjustified" and "irresponsible" gesture in referring to the provision to give a \$20 a year tax cut for all taxpayers and dependents.

He testified as the belief was growing here that Mr. Eisenhower will veto the tax bill if it goes to him with the income tax reduction voted by the House. The measure also includes administration-backed provisions to extend present corporation income tax rates and some excise tax rates scheduled to go down April 1.

Compromise Reports
Meanwhile, Sen. George A. Smathers (D-Fla.) reported that Senate Democrats are seeking a compromise which would avoid a party split over the measure. Some Democratic senators have sided with the administration in opposing the cut at this time.

Humphrey told the senators that the income tax cut should be struck from the bill because it is contrary to the public interest. He said the administration has cut federal spending and has moved toward a balanced budget.

The administration favors further tax reduction, he said, only after there are further cuts in spending and economic growth increases revenues.

"To vote a \$20 tax cut now—before we know we can afford it next year—and without any indication of where the money is coming from," he said, "is nothing but an irresponsible gesture. It is based only on hopes as yet entirely unrealized . . ."

Neglect Said Untrue
Humphrey said it is untrue that the administration has neglected "the little folks" as Democrats have charged. He said all income taxpayers got a tax cut last year and that there were excise tax reductions and additional income tax relief for some groups of individuals.

"But even more important is the fact that this administration has been slowly getting the government's financial affairs under control to help the economy expand and so make constantly more and better jobs," he said. "A job is more important than a tax cut."

Cut Claimed Inflationary
Tax reduction which adds to the federal deficit, he said, can lead to inflation, which has only recently been checked.

"And let us always remember that it is not the rich who need protection against inflation," he said. "It is the little folks who suffer the most when inflation takes hold in a land."

Committee Chairman Harry F. Byrd (D-Va.) hoped to put the bill to a committee vote this afternoon. An opponent of tax reduction while the budget is out of balance, Byrd expects the committee to knock out the tax cut.

The \$20 income tax cut which so offends Mr. Eisenhower was approved by the House last week. The margin was a mere fistfull of votes. It needs now only to pass the Senate where some Republican leaders believe they can lick it.

Demo Leaders Enraged
Falling that it will be up to the President. It is apparent now that Mr. Eisenhower meant it when he said the Democrats were indulging in fiscal irresponsibility in forcing the income tax cut. It is equally evident that Democratic leaders have been enraged by the direct and roughly worded protests by the President and others that they were playing politics at the expense of the national welfare. Speaker Sam Rayburn sharply told the House that those who made such charges would live to regret it.

But the word in town today was "that tax cut will never become law." While it is true that the administration's principal reliance is a Senate majority against the reduction, it is equally true that the language being used here strongly suggests that the President is, at least, considering a veto.

If so, he would be compelled to ask Congress, also, to try again to pass a revenue bill which

22 Bills Await Legislature as 8th Week Starts

Salem—(U.P.)—When legislators showed up for work today, starting the eighth week of the current session, they found 22 bills on the docket for a third reading and several controversial committee hearings. Eleven bills are slated for each house.

One bill scheduled for the house would levy a \$10 annual tax on coin-in-slot radio and television sets and also on amusement rides. Amount of revenue that could be raised by this tax has not been disclosed.

Education Bonds
Another house bill would in-

crease the amount of obligation bonds that the state board of higher education could issue for construction of dormitories and other student housing facilities from \$8,000,000 to \$13,884,000.

Firemen could equip their personal automobiles with flashing orange lights under provisions of another bill up for a third reading.

Two highly controversial pieces of tax legislation are scheduled for House Tax Committee hearings this week.

The first is a resolution for a constitutional amendment to permit attachment of the emergency clause to tax measures and thus block use of the referendum on them.

The second is the sales tax bill.

Support Indicated
The constitutional amendment resolution passed the Senate 23 to 7 and 33 of 60 house members have signed the measure, indicating their support. Much debate is expected, however, before the people finally receive the proposal.

Opponents have expressed fears that the proposal will weaken Oregon's historic initiative-referendum policy. Hearing on the amendment was set for today.

On Wednesday the house tax committee will take up the sales tax measure sponsored by Rep. Earl Hill, Cushman Republican.

It has gained a good deal of local support because it gives all proceeds to school districts, but congressional experts agree it faces an uncertain future.

Legislators, for one thing, appear reluctant to go through a sales tax battle when, even if the bill were passed, it would do nothing directly to relieve the \$45,000,000 deficit which now faces the state government.

Seventh Generator Starts at McNary

Walla Walla—(U.P.)—Another 70,000 kilowatts of power poured into the Northwest power pool today as the seventh generator at McNary dam was put on the line.

The huge Army Engineer project was back on schedule with half of its generators installed when the switch was thrown today.

McNary now produces some 500,000 kilowatts of power even though the rated capacity of each generator is only 70,000 kilowatts. With sufficient water, production can be increased 10 to 15 per cent above the rated capacity.

Girl Suffering Rare Abdominal Disease Consumes About 20 Bananas Each Day

Ponchatoula, La.—(U.P.)—Five-year-old Susan Morgan ate 20 bananas today. It was nothing unusual. She has eaten almost 20,000 since she was three.

Susan's father and mother expect that she will eat another 75,000 bananas in the next 10 years. That is about 12 tons of bananas.

By 1965, strawberry farmer Johnny Morgan hopes, Susan won't have to eat bananas, unless she wants to.

Rare Abdominal Disease
Susan has a rare abdominal disease that requires a banana diet. Dr. Marshall M. Scarle, Susan's physician, prescribed the diet and said he believes the bananas are saving her life.

"When Susan was three she only weighed 19 pounds," Mrs. Morgan said. "We don't have any money and so they took her to Charity Hospital in New Orleans and put her on just bananas and a few other foods."

Susan, the seventh of nine Morgan children who range in age from six weeks to 18 years, has been eating bananas steadily since she entered the hospital for a brief stay in July, 1952.

As We Live

By ELIZABETH HURLOCK, PH.D.

"Hovering" Unnecessary In Reasonable Caution
There is a great deal of difference between caution and overprotection. However, the difference may not be apparent if the attitude in both cases is the same.

(C) "Your recent column about being careful of an older person during the winter months stirred up quite an argument in our home. My mother, who is in her late 70s, lives with us. When she read your article she triumphantly said to me, 'You see, Dr. Hurlock says people should not be overprotective of old people.'"

"She has been accusing me for some time of being 'overprotective' of her. I maintain I am just trying to be careful. It seems that every time the weather is bad, Mother insists that she just must go to the store or keep an engagement she has with a friend. If I tell her it is foolish at her age to take such risks, she argues that she is just as well able to go out now as she was when she was 20 years younger. I wish you would write about this matter."

(A) First, I am sorry that what I said led to an argument in your home. I am sure your mother is merely trying to convince you that she does not need to be coddled, and she should not be, if her health is good.

However, there are many hazards in winter for older people and an ounce of prevention is certainly worth a pound of cure. When the weather is bad, and your mother feels she must have something from the store, you might be able to get it for her and thus save her from going out.

Should she have an engagement with a friend, you might drive her right to the door and insist that she remain at the friend's until you arrive to take her home. Or use a taxi if you do not want to drive or have no car.

Illnesses often become serious in older people. Colds lead to pleurisy or pneumonia, and broken bones heal very slowly. Don't hover over your mother. This is what makes her feel you are overprotective. Merely use common cautions and keep a cheerful attitude that "all will be well."

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A mole can dig a tunnel at the rate of 15 feet an hour and such tunnels have been traced to the length of a half mile.

would continue at present levels excise and corporation taxes, which otherwise, automatically would be reduced in this fiscal year. Mr. Eisenhower must have that revenue. Treasury revenue in the current fiscal year is falling below estimates and it is fair to say there is real concern about the situation.

Susan still likes bananas.

"Well," Mrs. Morgan said, "at first she had a real craving, even used to wake us at night for one. She doesn't ask for them so much anymore, but she still likes them and eats all we buy for her."

Mrs. Morgan was asked if



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