



**STORY-TIME AT THE EASTER SEAL** hospital school in Eugene finds Mrs. Chester Williams, a teacher, reading with a pair of Klamath Falls youngsters, Jay Rickbeil, son of Mr. and Mrs. Arthur Rickbeil, left, and Herbert Cobb, son of Mr. and Mrs. Jesse O. Cobb. The unique hospital school, which attracts youngsters from many Oregon counties, provides special education, training and therapy. It is a project of the Oregon Society for Crippled Children and Adults, which finances the school and other projects throughout the state through the sale of Easter Seals. The Easter Seal Drive is now in progress in Oregon.

## Partnership Problems Told In Relation To Income Tax

(Editor's Note: This discussion on certain partnership problems affecting federal income tax is the last in the series prepared by the Oregon Association of Public Accountants, an information committee and presented by the Herald and News as a reader service. The tax experts urge all not to delay filing their returns until the mid-April deadline.)

Of all the changes incorporated into the 1954 revenue code, the greatest number affected partnerships. Many problems peculiar to partnerships had no legal status formerly. Most of these now have been clarified and included in the new law.

To remind the taxpayers of a few:

A partnership may not change or adopt a taxable year other than that of its principal partners, and a partner may not change to a taxable year other than that of a partnership in which he is a principal partner, unless a business reason for the change is shown and permission to change is obtained from the commissioner.

A partnership loss may not be taken in excess of a partner's basis in the partnership assets. However, if sufficient added capital is advanced, the balance of the loss may be taken in that year.

Salaries as such may now be drawn by partners and reported at the time the return is filed. However, no withholdings are taken on partners' salaries.

Property contributed by a partner retains the same value in the partnership as it did in the hands of the partner. Gain or loss on its subsequent sale may be divided equally, or the partnership agreement may stipulate a different ratio based on difference between basis and fair market value at the time the property was transferred to the partnership.

Since the partnership agreement in many cases controls the treatment and manner of division of the partnership income, it is of utmost importance that all partnerships draw up written agreements, or review existing agreements in the light of the new internal revenue code, now in its second year.

Sale of partnership interest which includes "unrealized receivables" and/or "appreciated inventory" will result in ordinary in-

come and not capital gain (to the extent that these items apply). There is no "net operating loss" deduction to a partnership. It must be carried to the individual return as an offset to income or loss carryback or forward. Operating gains must be reported by the individual when realized by the partnership even though not withdrawn.

A change in the partnership structure (i.e., addition and/or withdrawal of a member or members; does not terminate the partnership as formerly, but is now governed by new rules and regulations.

Partnerships may now choose to operate and be taxed the same as corporations, under certain circumstances.

This is meant to give only a few of the highlights as space permits.

Technical application of the legal and tax aspects of partnerships may well call for consultation with your attorney and public accountant, respectively.

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## Automobile Capital Proud Of Solving Integration

DETROIT (UP) — This city probably deserves to be rated the nation's best in the field of Negro integration.

The Negro in Detroit has an air of prosperity. Wages are high here and the Negro gets a good share of well-paying jobs.

Homes in many Negro areas are expensive, neat and well-kept. Negro children, most of them well-dressed, walk along the sidewalks with white children en route to the same schools in mixed neighborhoods.

There are Negroes in important public offices. Circuit Judge Wade McCree is a Negro. So is Dr. Remus Robinson, a member of the

Board of Education. There are nine Negro state legislators and a Negro congressman—Rep. Charles C. Diggs Jr.

Negroes work in the stores and banks. They drive many of the city's buses, sell stamps in the post office and deliver mail. They read meters in homes throughout the city, eat in the best restaurants and stay in the best hotels. There are public housing projects where Negroes and whites live together.

The United Automobile Workers Union has been a big factor. It has fought against discrimination in the big car factories and other industries. It cannot dictate hiring and some auto companies resist hiring Negroes. The union's main success is in preventing discrimination once the Negro is on the job. In promotions and other matters.

But Detroit is no perfect model

of absorbing the Negro. The Negro here has problems, too.

Housing appears to be the most serious. Negro leaders complain that public projects don't operate on a "first come, first serve basis." The battle to open the projects to Negroes had to be fought, one by one. The latest was won just this month.

In private homes Negroes still are segregated, in fact, into sections of the city. Racial covenants are illegal but there are areas "understandings" that white home owners will not sell to Negroes.

Such segregation has brought "all-Negro schools, not as a matter of policy but as a matter of fact. In fringe areas, Negro leaders say there is evidence of subterfuge to juggle the white-Negro balance to keep some schools mostly Negro or white.

They face a segregation problem in most private hospitals,

being forced into non-white wards. The churches in the area have slowly increased desegregation. There are some mixed congregations in Detroit; a few have Negro clergymen.

There are Negroes on the police force although none is as high as lieutenant.

But there is substantial agreement that the Negro has made big and rapid gains in Detroit—particularly in the last 15 years. Because of his relative prosperity, racial tensions are not high. The last big flareup came in

June, 1943. Thirty were killed and 700 injured in race riots which lasted a week. Since then, there has been no major trouble. Things have changed and are still changing.

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## Huge Parade To Open Fete

A centennial parade commemorating Tehama County's 100 Golden Years will be held in Red Bluff April 21. Loren Woolf, Centennial committee chairman, announced today.

The parade will start at 10 a.m. preceding the first day of the Red Bluff Roundup which will start at 1:30 p.m.

Entries for the parade already on file indicate a widespread interest in the affair with floats and other entries ranging from old time surreys, vintage automobiles, to modern floats, marching units, bands, mounted posses and riding groups.

"Tehama County has had a varied and interesting history during the past century," Woolf said, "our parade will reflect the life and times of the rugged pioneers who have led the way in the development of our great area."

Already famous for its hospitality during "Roundup Time," Red Bluff this year will offer visitors an even greater variety of entertainment with the parade, and special store and window decorations designed by the Native Daughters of the Golden West in addition to the exciting events of the Red Bluff Roundup.

### NEW LINE

NORFOLK, Va. (AP) — Jackie Levinson, the ex-prize fighter, is selling a new line.

Jackie made a lot of friends here. What he didn't like about selling was friends saying "I really don't need one but I'll buy one to help you out." Jackie wasn't seeking charity and he was selling a product of which he was proud.

Jackie now defies customers to say they don't need his new product and will buy to help him out. He's selling cemetery plots.

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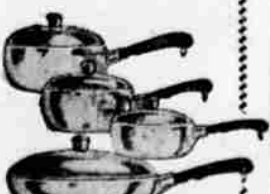
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