Herald and News

Editorial Page

. . . .

Sledge Hammer Tax Methods

The more one looks at pending proposals for alleged "tax reform," the more some of these schemes take on a fraudulent appearance.

U.S. News & World Report tells about one such scheme in a late issue. It has to do with the cattle industry. Without going into detail, it concerns the fact that losses resulting from cattle raising — which is a highly speculative activity — can sometimes be offset against other income. The effect of the proposed legislation, says the magazine, "... would be to discourage any city person with an income of more than $15,000 a year from investing in cattle or other farm enterprises. There also is a Treasury idea to apply a double tax on property at death—first a tax on the capital gain, if any, then an estate tax on what's left."

So, to go on, ". . . the Government is said to come along proposing to use a sledge hammer with destructive effects to get at a small speculative abuse."

If this represents one of the ways to spur the economy—which is supposed to be the fundamental principle underlying the whole tax revision program — then words have lost their meaning and Alice-in-Wonderland should be made President by acclamation. A cattle ranch is not, as a rule, a liquid asset. Cash capital is usually small, with the values lying in animals and equipment—and both, often, are mortgaged. The proposed law would undermine the whole meat industry—which rests on the livestock producer, the source of its raw material. Who'd lose? The ranchers, of course, and all other elements in that industry. Then, beyond this, the ultimate beating would be taken by consumers—and, in all probability, the tax collector too.

EEC Unity Must Come

Three months have passed since France's President Charles de Gaulle blocked Britain's entry into the European Common Market and thereby sharply slowed the movement toward European unity.

A satisfactory alternative course has not yet been found.

The urge toward unity still has great vigor. Eager proponents of an expanded Common Market have been re-examining motives and methods ever since De Gaulle dropped his January bombshell.

Holland's Sicco Mansholt, vice president of the Commission of the European Economic Community and the architect of Common Market agricultural policy, is one who doggedly insists that a unity embracing Britain and others must surely be achieved one day.

Nevertheless, judging from his recent comment in Washington, he appears to have no answer as to how and when so long as De Gaulle bars Britain's way.

He is one among many European figures who do not believe there can be progress on De Gaulle's evident terms — a closed continental economic system dominated by France.

Possibly the continental advocates of Britain's entry are quietly looking to the day when De Gaulle will have left the political stage. Mansholt, for instance, was careful to praise France lavishly for providing the original push toward unity in the labors of Robert Schuman and Jean Monnet.

There cannot be many in Europe who believe that new help will come from France on this score through a change in De Gaulle's mind.

For those who see a widening European unity as vital to future security and well-being, the waiting without action is hard. Some find limited comfort in the knowledge that all great undertakings have their crises.

Still, unity leaders like Mansholt do not think that the continued powerful pull of nationalism—exemplified chiefly in De Gaulle's approach—can be allowed to prevail indefinitely.

The notion is strong that the unity must somehow sustain its momentum if Western Europe is to hold its place in the rising competition of the late 20th century.

IN WASHINGTON . . .

New Frontier Loses Face

By RALPH de TOLEDANO

In a free economy, the rise and fall of prices are dictated by supply and demand. In a controlled wartime economy, the Congress puts aside the laws of the market place and freezes wages and prices. The Constitution sanctions wartime price control because it realizes that under crisis the government must take steps which would be considered extra-legal in peacetime.

The Kennedy Administration, subscribing to the theory that every day brings calamity, has decided to impose its own system of price controls. If the President smiles, then prices can go up. If he frowns, then beware. A year ago, the steel industry—or a substantial segment of it—attempted to raise its prices. Ask not whether this was necessary or not. In the past, if prices were increased beyond what the market would stand, then great corporations went out of business. It was recognized that no one could inflate the price tag beyond what the market would bear. Mr. Kennedy, however, intervened drastically — and the steel companies backed down the hill.

In that particular conflict, the President recalled a paternal reference to all businessmen as "s.o.b's," and through Secretary of Defense McNamara handed out government contracts for steel purchases to foreign companies, thereby increasing U.S. unemployment. This was, however, considered an isolated instance in which Mr. Kennedy blew his stack and the so-called "big businessmen" turned turtle.

But industry's hesitancy to stand up for its rights and the White House insistence that it had the power to dictate to the private sector on matters governed neither by the Constitution nor any act of Congress seem to have established a precedent.

The evidence is all in your daily newspaper. One steel company, which found that its operating profits were not sufficient, raised prices on a number of its products. The stock market thereupon went into an absolute tizzy—rising and falling—till it became clear that Mr. Kennedy would not call out the Army, Navy, and Air Force (not to mention the FBI) to subdue this insurrection. When it became clear that the White House staff was not sharpening its guillotine, the business community breathed more easily.

The shock in Washington, however, was not the kind that can be measured by the ordinary political seismographs. But in the cloakrooms of House and Senate, in the chatter of the National Press Club members' bar, and in other Washington environs known for conversation and debate, the White House reaction to an announcement of a price rise by a small steel company caused considerable consternation. For through its journalistic claque, the President has now made it known that he will decide when prices can go up and how much. When a second steel company increased its rates, the New York Times said in its headline, "Accepted by Kennedy."

And this is the shocker. A year ago, there were many who argued that U.S. Steel's Roger Blough had invited catastrophe by making a special visit to the White House to inform the President of the across-the-board increase. This, in effect, made Mr. Kennedy a party to the transaction. But in this instance, Mr. Kennedy had no more right to say yea or nay than the man in the moon. Unless we have accepted a Nazi-Communist philosophy, the rise and fall of prices cannot be controlled by the White House. Even in wartime, it was the Congress which imposed an Office of Price Administration—and it was a Congress which wrote it off the books despite the attempts of President Harry S. Truman to perpetuate it.

The New Frontier may have overdone it. The steel industry will set its prices on the basis of profit and loss. So will the rest of American business. The White House may have intimidated the stock market. But in the long run, the New Frontier has made more enemies than friends in this latest show of raw power. And it is friends who win elections.

QUESTIONS AND ANSWERS

Q—By what name did the ancients refer to the cedar of Lebanon?

A—The "Tree of God," because the wood went into the roof beams of many of the celebrated temples.

Q—How many asteroids are known to exist?

A—More than 1,500. The largest is Ceres, 500 miles in diameter.

Q—From what period does the oldest papyrus map date?

A—The Turin papyrus of an unidentified Egyptian gold mine is dated 1320 B.C.

Q—What do the Four Horsemen of the Apocalypse represent?

A—Conquest, slaughter, famine and death.

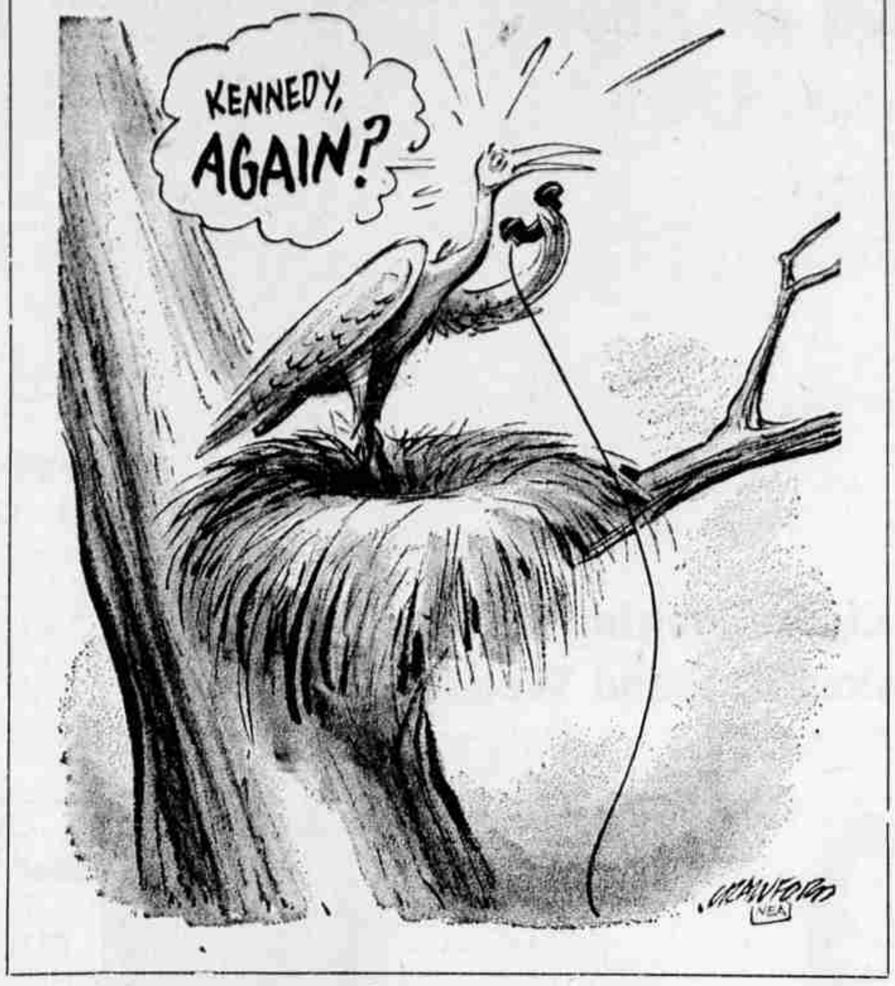
Q—In what country were the oldest known mammoth bones found?

A—Mammoth bones three million years old have been found in India.

Q — Which planet makes the shortest orbit around the sun?

A—Mercury.

Another Hot Line



LETTERS TO THE EDITOR

Candidate Outlines Proposal

There are two important aspects to our school planning. First is the urgent objective of finding relief for the pressure on KUHS and our suburban elementary schools.

Second is the area of long-term city-county objectives: equality of educational opportunity wherever possible; redistricting to allow for non-overlapping 1-12 grade districts; eventual junior high systems either 6-3-3 or 6-2-4; flexibility for community growth coupled with tax economy, reasonable property tax base equalization, and maintenance of high quality.

Our school boards have been working diligently with these objectives in mind. Citizen groups have also devoted themselves to these objectives.

But time is running out.

Unless a plan can be evolved immediately from their experience and deliberations, the next few weeks, not months, will see the county going its way on a building program unrelated to urban needs, and the city embarking on a building program unrelated to county needs.

In the absence of a city-county plan, let's look at the alternative of a unilateral city building program.

1. Construct a 600 - 700 student ninth grade at Summers Lane site for $1,500,000. This puts our schools on a 7-1-1-3 basis, perhaps permanently. Relief is temporary, occupancy would be impossible before the fall of 1965. It would particularly fail to meet long term objectives.

2. Expand this school to a 1,200 student junior high at total cost of $2,500,000.

3. Or, expand this school to a 600-700 high school at a total cost of approximately $2,250,000.

4. Or, construct two junior highs at a total cost of approximately $2,850,000. Alternatives 2, 3 and 4 would also provide relief only by the fall of 1965, would be excessively costly, unrelated to long term objectives.

Another undesirable alternative is the proposition of city-county unification into one district. This would have the apparent long term advantages of 1-12 districting and flexibility. But closer investigation reveals its unworkability. There is a community of interest perhaps between the city and suburbs, but there is no community of interest between the essentially rural area and the city. Tax inequities would be compounded unreasonably. Immediate and long term goals would not be met by this plan.

Now, let's return to the possibilities of city-county cooperative planning.

I would urge the city-county boards to reconsider the merits of the following proposal. This plan is not perfect; it points to a solution not all at once but by clear-cut steps. It will not please everyone. But it does fit reasonably well into the pattern of our immediate and long term objectives.

Step No. 1:

1. County to plan immediate construction of a second major high school. If built at Henley site, key units would be available by the fall of 1964 to relieve pressure on KUHS with additional construction to follow in 1965 and 1966. If built at another site, pressure could be relieved only by the fall of 1965. The cost of this school would be approximately $1,500,000 to be provided by a county high serial levy.

2. Relief of KUHS would be here accomplished by a gradual transfer of 600 KUHS students from a redistricted area to this second high school, at a rate of 150 freshmen and 150 sophomores in 1964, followed by 150 freshmen each year following. Current 11th and 12th grade students from the redistricted area would complete their education at KUHS on a tuition basis.

The area to be redistricted from KU to county unit is most logically that part of KUHS district which lies south of South Sixth Street and east and southeast of the City Elementary District No. 1 boundary. This area now includes approximately 600 KU students. It has an assessed property valuation of about $6,800,000.

This redistricting is possible under present Oregon school laws. It would involve a petition by citizens involved to the county court (District Boundary Board) followed by hearings and an election if desired. The effective date could be July 1, 1964.

The investment of this area in KUHS would be determined (estimated $500,000) and would be transferred from KU district to the county district.

Now, the overall advantages of this plan are:

1. The second high school would be large enough to afford an equal educational opportunity to those students transferred or redistricted.

2. Partial redistricting from KU district to county unit would take care of approximately half of present district overlaps.

3. KUHS would have an effective relief of 300 students by the fall of 1964, and would be at about a 1,650 student level in 1965.

4. The tax saving to the community would be nearly $1,500,000.

While step No. 1 would solve our first objective, immediate action is still called for on:

Step No. 2:

In consideration of the above, city-county boards should pledge to work cooperatively on the following:

1. Completion of the redistricting of remaining overlap areas, considering reasonable property equalization, relief for county elementary system.

2. Initiation of enabling legislation if necessary.

3. Presentation of plan to voters for approval of Step No. 2.

Now these suggestions are not perfect—but they do provide for action. I urge you to encourage your board members to consider them. We haven't much time left.

I also urge you to vote on May 6, and to approve the budgets requested by your districts.

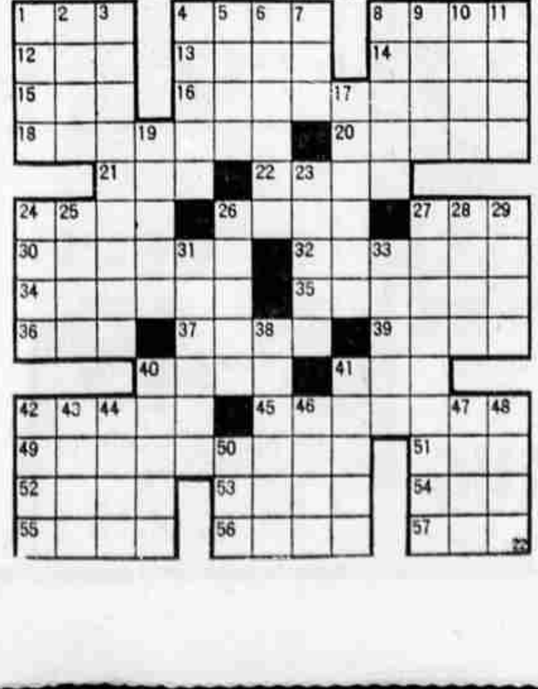
Frederick W. (Ted) Hyde,
1320 Pacific Terrace.

This and That

Answer to Previous . . .

ACROSS
1 Mineral rock
4 Restaurant
8 Greater quantity
12 Persian gateway
13 Overt
14 Love god
15 High card
16 Performance
18 Escritoire
20 Natives of Latvia
21 Poetic contraction
22 God of love
24 Delay
26 Kirghiz mountains
27 Saratoga, for instance
30 Soap substitutes
32 Inclined
34 Ocean vessels
35 Regulate by law
36 Editors (ab.)
37 Communists
39 Writing fluids
40 Head top
41 Hail!
42 Doctrine
45 Caroused
49 Counterfeit
51 Age
52 Heap
53 Above
54 Courtesy title
55 One who (suffix)
56 Saucy
57 Perched

DOWN
1 East Indian woody vine
2 Speed contest
3 Constructions
4 Apple centers
5 Mimicker
6 Hemp plant
7 Conclusion
8 Ship officers
9 Leave out
10 Plant part
11 Sea birds
17 Philippine strait
19 Name
23 Grates
24 Stripe
25 Among
26 Property item
27 Limp
28 Dry measure
29 Fruit drinks
31 Printing faux pas
33 Kind of oil
38 Deduce
40 Apostle
41 Turn aside
42 Gratuities
43 Exude
44 African stream
46 Always
47 Silkworm
48 Australian pompano
50 Apex



Almanac

By United Press International

Today is Monday, April 22, the 112th day of 1963 with 253 more to follow.

The moon is approaching its new phase.

The morning stars are Venus and Saturn.

The evening stars are Mercury and Mars.

On this day in history:

In 1864, Congress authorized the mint to use the motto "In God We Trust" on all U.S. coins.

In 1915, the German army began using poison gas in World War I in violation of the rules of the Hague Convention.

In 1944, Allied soldiers invaded New Guinea.

In 1954, the Senate permanent investigating subcommittee started hearings on the quarrel between the Army and Sen. Joseph McCarthy, R-Wis.

A thought for the day—French novelist Marcel Proust said: "The time which we have at our disposal every day is elastic; the passions that we feel expand it, those that we inspired contract it, and habit fills up what remains."

THEY SAY...

I've got three words for trade: It should expand.
—Prince Bertil of Sweden, visiting New York to boost U.S.-Swedish trade.

We're always favored to win but seldom do. It's time we do what we are expected to do.
— Walter Alston, Los Angeles Dodgers manager.

We are ready for any sacrifice to protect our dignity.
—Algeria Premier Ahmed Ben Bella, protesting French nuclear test in the Sahara.

WASHINGTON REPORT . . .

FBI Agents Face Perilous Capacity

By FULTON LEWIS JR.

If little boys no longer dream of growing up and becoming policemen, it is understandable. Consider these shocking statistics:

Eight out of every 100 law enforcement officers are annually assaulted in line of duty. More than 50 officers are killed. It is a "deplorable situation," says FBI Chief J. Edgar Hoover, who frequently calls attention to the abuse showered upon city, county and state police officers.

A recent incident in Brooklyn, N.Y., however, shows that these officers are not the only targets of hardened criminals.

Minutes before 10 a.m. on April 3, FBI agent John P. Foley stood on Fourth Street just off Fort Hamilton Parkway in Brooklyn. He was on official assignment.

Foley, a veteran of 15 years with the FBI and father of a daughter, was stationed near the Immaculate Heart of Mary Roman Catholic Church where funeral services were scheduled for Carmello Lombardozzi, father of Carmine Lombardozzi, underworld chieftain, and delegate to the famed Apalachin underworld conference of November, 1957.

Without warning, agent Foley was struck from behind and pummeled to the ground by at least four persons. His assailants fled into the church.

FBI agents rushed to the scene, arresting John J. Lombardozzi, Carmine's brother. Agent Foley was taken to the hospital with a fractured skull and internal injuries.

Charged with assaulting a federal officer, the four were taken before U.S. Commissioner Max Schiffman, who set bond at 100,000 each, and commented:

"The defendants' obvious good physical condition is indicative of the forbearance of the FBI under such an unprovoked attack and is further indicative of the excellence of the training and discipline of FBI agents."

The facts bear him out. Since 1934, when FBI agents were first authorized to carry firearms and make arrests, they have captured thousands of criminals, many of whom had gained infamy for their exploits.

On but 37 occasions have FBI agents been compelled by resistance to kill the criminal they sought. One such "prize" was "Pretty Boy" Floyd, a participant in the Kansas City massacre which took the lives of three policemen and one FBI agent. Another criminal to meet death was Lester Joseph Gillis, better known as "Baby Face" Nelson, killer of three FBI agents.

A total of 14 FBI agents have been killed by criminals. The last agent to be slain was Richard Horan, who was killed in a gun battle with an accused murderer at Suffield, Conn., April 18, 1957.

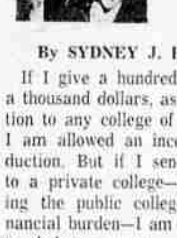
Numerous other agents have narrowly escaped death while performing their duties to protect Americans from the criminal and subversive. Examples:

A Little Rock agent was attacked from behind as he walked along a lonely road en route to work. Beaten with brass knuckles, he suffered numerous facial wounds and the loss of several teeth.

A Chicago agent was jumped by two men as he entered an apartment building to conduct an investigation. He was brutally beaten and robbed.

Philadelphia agents entered a small apartment to capture a fugitive who a few days earlier had shot and wounded a policeman in another state. The criminal lunged for a gun. An agent grabbed him and the two fell to the floor of the darkened room. The fugitive managed to fire two shots as he and the agent struggled. The first shot struck the agent in his right thigh; the second pierced the criminal's own head, causing instant death.

A Portland agent who tried to stop a bank holdup was mowed down by machine-gun bullets fired by the escaping robber. He was wounded in the right hand and arm and both sides. Miraculously, he was not killed.



STRICTLY PERSONAL

By SYDNEY J. HARRIS

If I give a hundred dollars, or a thousand dollars, as a contribution to any college of my choice, I am allowed an income-tax deduction. But if I send my child to a private college—thus relieving the public colleges of a financial burden—I am not allowed to deduct a cent.

Of all the inequities in the tax laws (and there are many) this one strikes me as among the most senseless and unjust. The public colleges and universities are bursting at the seams, and all the states are heavily pressed to cope with the rapidly expanding school.

If we grant incentives to oil men and farmers and shippers and other segments of the population, how much more sensible to grant some tax relief to those parents who are putting their children through increasingly expensive private colleges.

Several such bills have been proposed in Congress, and the arguments for them have seemed overwhelmingly persuasive to me; yet all of them have died in committee, because there is no cohesive group of voters willing or able to pressure their congressmen on the matter. There is no parents' lobby, and Congress is not responsive to unorganized (if widespread) sentiments.

Education is the biggest business in America today. More is spent on our schools, from kindergarten up through college, than on any other segment of our domestic economy. A huge share of our taxes, at the town and county and state levels, go to pay for the building and operation of the school system.

Those parents who send their children to private colleges are paying twice and sometimes three times as much as those who take advantage of state and municipal colleges. In addition, they are substantially reducing the population (and therefore the expenses) in the public colleges.

It would seem only just that a tax deduction be granted for such tuition; not the whole amount, perhaps, but certainly the difference between the amount paid to the private college and the amount that would have been paid to the public one.

If we are to encourage education at the higher levels—and our national need is great in these areas — parents should not be penalized for sending their children to relatively small, top-grade, and expensive colleges. More of this, indeed, should be encouraged, to take some of the burden off the immense, sprawling and depersonalized state universities. Any rational system of tax reform would include college tuitions on its priority list for the national welfare.

BERRY'S WORLD

"And if I don't move over—what are you going to do about it?"