

# Editorial Page

## Tax Program Affects Your Wallet

The best reason for celebrating Labor Day was probably found in the Treasury Department summary on effects of the House Ways and Means Committee's proposed tax cuts for annual incomes of \$10,000 or under.

These are preliminary estimates. The tax bill has yet to be approved by the full House, then run the gantlet of Senate Finance Committee hearings and Senate passage.

But as of now, after seven months of committee wrangling, the main provisions as they will affect your 1964 income look like this:

—The largest share of the individual income tax cut will go to 85 per cent of the taxpayers who are in the low and middle income groups. Those with incomes of \$3,000 and less would get tax cuts averaging 40 per cent after two years.

Extreme example: Married couple, two dependents, \$3,000 income, joint return, standard deduction, now pays \$60 taxes. Under the new schedule, this couple would pay no taxes.

—Taxpayers with incomes of \$3,000 to \$5,000 will average a 26 per cent tax cut. A married couple, two dependents, \$5,000 income, joint return, standard deduction, now pays \$300 taxes. Under the new program, \$223.

—Taxpayers with \$5,000 to \$10,000 annual income will average a 20 per cent tax cut. A married couple, two dependents, \$10,000 income, joint return, typical average itemized deductions, now pays \$1,196 taxes. Under the new program, \$994.

—Taxpayers with incomes over \$10,000 will average a 15 per cent tax cut. They would also benefit from other special provisions applying to all taxpayers.

The most important change is a new minimum standard deduction for taxpayers who do not itemize their deductions. It would be \$300 for a single taxpayer, \$400 for married couples, an extra \$100 for those who are blind or over 65 and another \$100 for each dependent up to a maximum of \$1,000.

Deductions of up to 30 per cent of gross income would be allowed for gifts to all publicly supported organizations.

Workers forced to move to accept a new job would be able to deduct their moving expenses.

There are a few losses for low income taxpayers, too:

State taxes on gasoline, auto licenses, drivers' permits, alcohol and tobacco will no longer be deductible for federal income tax purposes unless they are a business expense.

Poll taxes and miscellaneous special state taxes on admissions would no longer be deductible. The only state taxes that would be deductible on federal returns would be those on real estate, state income and general sales taxes.

Waiting period before sick pay becomes excludable would be extended to 30 days; \$100-a-week limit to remain.

A taxpayer who gets medical insurance benefits from more than one policy for the same illness would be required to pay taxes on all payments received above actual illness cost.

Deductions for casualty or theft loss on nonbusiness property would be eliminated on the first \$100 of such loss.

The 4 per cent tax credit on dividend income would be repealed, but the amount of dividends that could be excluded from such tax would be raised from \$50 to \$100 for each person.

Elderly taxpayers would get additional tax benefits from the new bill. A single taxpayer over 65 with \$2,000 income and standard deduction now pays \$120 in taxes. Under the new program it would be \$65. A married couple, both over 65, standard deduction, \$5,000 income now pays \$420 in taxes. Under the new schedules, \$290.

The present one per cent floor on deduction for medicines would be eliminated for taxpayers over 65.

People over 65 who sell a home owned five years or more would not have to pay capital gains coming from the first \$20,000 of the sales price.

America's farm families would benefit from the new tax bill largely through general reductions in individual income tax rates.

The important thing to bear in mind: none of the proposed changes will have effect on taxes paid on '63 income.

First taxpayers to use the new rates will be those who must estimate their 1964 income for the report which has to be filed by March 15, 1964.

## Cows Watch Diets, Too!

She may not know it, but old Bessie, down in the dairy barn may have to go on a diet and leave off the tastier feedstuffs.

It seems the people are becoming so diet-conscious the milk producing herd owners are having to feed the kind of grains and silage that will produce less butter-fat because commercial dairies are looking forward to telling the people milk is less fattening than they think.

Soft drink companies have already gotten around to low calory guzzlers, and they are sugar-free. Sales are soaring.

So the milk people want to get into the act, too. Fat content of milk is the most variable constituent and it appears to be the easiest to change by feeding, according to Dr.

J. T. Huber, of the department of dairy science, Virginia Agricultural Experiment Station. Studies show that a 10 to 15 per cent drop in fat content occurred when cows were switched from ground, chopped or long hay to the kind that had been ground and pelleted. And rations that are high in concentrate form but low in forage have in some cases, depressed fat to less than 50 per cent of its original value.

Looks like old Bessie is going to have to watch that hay, and like us human beings eat more of the modern-day pre-packaged foods.

Maybe some day, some how, all of us will be able to go back to eating just for the fun of eating. And we may as well include Old Bessie in that, too.



EDSON IN WASHINGTON . . .

## Foreign Aid Bill's Course Like Tired TV Run

By PETER EDSON  
Washington Correspondent  
Newspaper Enterprise Assn.  
WASHINGTON (NEA)—All the pressure which President Kennedy is now applying to have the Senate restore House cuts on his

foreign aid authorization is understandable from his point of view. But it is a performance that is becoming a little old hat. Regardless of whether there is a Republican or a Democrat in the White House, the script for

this tired, end-of-season summer theater goes about like this:

Scene I—President sends Congress multibillion dollar message.

Scene II—House cuts authorization about a billion dollars.

Scene III—President, Cabinet and aid officials scream, "Murder."

Scene IV—Senate restores most of cut. Compromises with House.

Scene V—President, Cabinet and aid officials accept verdict.

The final curtain descends with everybody smiling, holding hands and bowing thanks for the applause on a job well done. Somehow the aid officials skip by on what they get. The receiving nations also skip by on what they get.

Statistical support for this plot is shown by a tabulation of foreign aid authorization, appropriations and net cuts in two presidents' original aid requests for 10 years with fiscal year, request, authorization, appropriation and net cut in that order:

| (All figures in rounded billions of dollars) |       |       |       |         |  |
|----------------------------------------------|-------|-------|-------|---------|--|
| 1955                                         | \$3.5 | \$3.4 | \$2.7 | \$0.800 |  |
| 1956                                         | 3.5   | 3.2   | 2.7   | 0.800   |  |
| 1957                                         | 4.8   | 4.1   | 3.7   | 1.0     |  |
| 1958                                         | 3.8   | 3.3   | 2.7   | 1.0     |  |
| 1959                                         | 3.9   | 3.6   | 3.3   | .600    |  |
| 1960                                         | 3.9   | 3.5   | 3.2   | .700    |  |

|      |     |     |     |      |
|------|-----|-----|-----|------|
| 1961 | 4.8 | 4.1 | 3.7 | .700 |
| 1962 | 4.7 | 4.2 | 3.9 | .600 |
| 1963 | 4.9 | 4.7 | 3.9 | 1.0  |
| 1964 | 4.0 | 3.5 | —   | —    |

Nobody can predict accurately what the final figure and cut will be for the current fiscal year. But on the record of past performances it will be in the \$600 million to \$1.1 billion range.

There is a certain amount of politics mixed in with this international do-goodism, too. The President didn't help his own cause by calling the House authorization cut, "short-sighted, irresponsible and dangerous."

He compounded the error by putting all the blame on "a shocking and thoughtless partisan attack by the Republican leadership." And he struck out when he boasted that, as a senator "I recall during my eight years in the Senate from 1953 to 1960, consistently supporting requests which General Eisenhower made as President."

It didn't take the Republicans long to check the record and discover that in six of those eight years, Kennedy had voted to cut or had been absent—campaigning for the presidential nomination—when foreign aid funds were being considered.

The Kennedy Administration

fully realizes that it needs bipartisan support to get its foreign aid and a lot of other bills passed by Congress. There were 66 Democrats voting with 156 Republicans in the House to cut the President's \$4 billion foreign aid request to a \$3.5 billion authorization.

If there is one thing that seems to anger the GOP Congressional leadership more than anything else, it is the President's apparent ingratitude or lack of appreciation for the Republican support he has had in getting foreign aid appropriations through Congress with minimal cuts.

This came up in the 1962 elections when Kennedy went into Illinois to campaign against Senate minority leader Everett M. Dirksen, into Indiana to campaign against House minority leader Charles A. Halleck, into Minnesota to campaign against Rep. Walter Judd, a real bipartisan foreign affairs.

Judd was defeated. Dirksen and Halleck won. But they still remember what some bitterness that the President didn't do them the courtesy of at least not campaigning actively against them. It may cost him a few hundred million dollars on his foreign aid program now.



WASHINGTON CALLING . . .

## Test Ban Treaty Goes Unchallenged

By MARQUIS CHILDS  
WASHINGTON—That man from Mars contemplating the Senate as the test-ban treaty debate opens would be justified in concluding that nothing more weighty than a rivers and harbors bill loaded with goodies for every state was up for consideration. So far has acceptance gone of what was once considered a perilously controversial proposal.

Reluctant Senators enacting themselves to go along have almost come to believe in the "scrap of paper" thesis. That is a measure of how strong has been the emphasis on the negative—what the treaty doesn't do.

The Administration strategy, carried out with great effectiveness, has been to play down the significance of the treaty and stress the power despite the prohibition on testing in the atmosphere to develop new weapons. It was a carefully reasoned strategy.

Critics were saying that the whole business should have been treated as routine. That would have left the opposition a wide-open opportunity to arouse all the old fears. The best defense, as the Administration correctly calculated, is a strong offense.

So great, however, has been the success in "maximizing" (hideous example of bureaucraticese in increasing use) support for the treaty that at times it has had the look of a new instrument in the cold war competition. A corrective is badly needed and a few more forthright Senators are expected to supply it in the course of the debate.

On May 9—only four months ago—President Kennedy said at his press conference that he saw no hope at all for a test ban. He spoke with a gloom close to despair of how if no agreement could be reached the nuclear genie was out of the bottle and "we will never get him back in."

That was the prospect. The headlines of early September seemed almost certain to say, "Soviets in Massive New Tests in Atmosphere." The United States was ready to follow suit. A new rain of contamination would fall on the world. Having been doubled, largely from the Soviet tests of 1961-62, strontium 90 would be doubled again.

Screwing up the nuclear arms race another notch would bring a sense of hopelessness to peoples everywhere. The risk of war would have been increased. That is what the treaty—for however short or long a time—has averted. It is an immeasurable gain.

As to a next step the outlook is uncertain. An East-West non-aggression pact was never seriously contemplated if only because of the divisive effect on the NATO alliance. On the first day he sat down to negotiate in Moscow Under Secretary of State Averell Harriman said that to make a test ban conditional on a non-aggression pact meant there could be no test ban. On that first day it was evident Premier Khrushchev had determined on a treaty.

Next steps, such as agreement being used to boot us off the premises of the Common Market. Having soaked Southeast Asia with money, we are up to our chins in the swamps of ingratitude and mistrust.

The Kennedy brain trust is still trying to glue together an anti-Communist alliance with greenbacks. There seems to be a bankruptcy of ideas. The President's methods in the 1960's are the same makeshifts that his predecessors used in the 1940's and 50's. The White House and the State Department behave as if there were no alternatives.

There is, of course, the alternative of direct confrontation. It was partially tried and was partially successful when Mr. Kennedy ordered Khrushchev to get his strategic missiles out of Cuba. We could similarly order Red China to halt the build-up of its invasion of India.

There would be the risk of war, and the chance of victory, without a fight. But if we keep trying to bribe bribable allies like Ayub there is the certainty of eventual defeat, again with or without a fight. Meanwhile, the clock is running against us.

on measures to warn against surprise attack and extension of the test ban to include underground explosions depend on mutual inspection. Khrushchev made it plain he was not prepared to cross that barrier.

Here the curtain of secrecy conceals a sizable intelligence breakthrough, beginning in September of 1961, giving the United States far more knowledge of Russia's nuclear capabilities than had previously been possible. To only one Westerner—Belgian Foreign Minister Paul-Henri Spaak—has Khrushchev indicated his own awareness of this breakthrough. Why should they go on talking about inspection, he said to Spaak during the latter's July visit to Moscow, when they have the means to know so much already?

In his subsequent exchanges with the Americans this was on both sides a taboo subject. The pretense was maintained that the breakthrough had never occurred.

In the course of the debate reluctant Senators will explain why they have been so hesitant. Republican reluctance is understandable. President Eisenhower made the same proposal and, while it came close to acceptance in the Geneva talks, in the end it failed. However much the stress on bipartisanship, there is political mileage for the Kennedy Administration in this first success.

From the cynical viewpoint the reluctance, the yes-but anguish, as it is put in the record is a form of political fire insurance. If the Soviets cheat or if they abruptly brush the treaty aside, the reluctant can say: We were pressured into overcoming our better judgment. But leaders such as Sen. Hubert Humphrey, who as chairman of a disarmament subcommittee pushed for realistic negotiation beginning in 1956, must accept the risk the treaty implies.

## Almanac

By United Press International  
Today is Sunday, Sept. 15, the 258th day of 1963 with 107 to follow.

The moon is approaching new phase.

The morning star is Jupiter.

The evening stars are Saturn, Mars and Jupiter.

On this day in history:

In 1789, the U. S. Department of State came into being.

In 1935, the Nazi Third Reich started a program of violent religious and racial persecution against the Jews, and established the Swastika as the national flag.

In 1940, during the Battle of Britain, the Royal Air Force shot down 185 German aircraft.

In 1942, German armies started the bitter siege of Stalingrad.

A thought for the day—Benjamin Disraeli, the English statesman, said: "What we anticipate seldom occurs; what we least expect generally happens."

## BERRY'S WORLD



"He said you're a 青頭標, too!"



HOLMES ALEXANDER . . .

## Will He Stay Bought?

By HOLMES ALEXANDER  
WASHINGTON, D.C.—Somehow it didn't seem quite right a couple of years ago when President and Mrs. Kennedy used Mount Vernon to throw a lavish party, complete with water transportation down the Potomac, for the military dictator of Pakistan—General Mohammad Ayub Khan. The impression was strengthened when before both the National Press Club and the Congress to read us a lecture on foreign policy. It amounted to a poor-taste demand for more aid. I could be prejudiced about Mount Vernon because I have dined there myself on the strength of being a Washington relative. My father's grandmother, Hannah Lee Washington, was born there and married my great-grandfather there. Though I'm out of touch with these ancestors, I hazard the opinion that Ayub wouldn't have been invited by the author of the famous Farewell Address either to sit down to dinner or to bang the table for bigger helpings. Ayub has continued in the style that went over big with the New

Frontier when he was in Washington. In fact, he has gone a little further to demonstrate his dissatisfaction with American generosity.

We have given Pakistan two billion dollars in economic aid, and another billion in military assistance through our multiple system of alliances. But to keep it coming, Ayub has struck up a deal with Red China. At this writing George Ball, Under Secretary of State, is in Pakistan figuratively with a bag of money to persuade Ayub to drop an agreement on air service between East Pakistan and Chinese cities. If Ayub persists in the arrangement, we won't give him the \$4.3 million which we've more or less promised for the extension of an airport at Dacca. If he breaks off with Red China, presumably we'll open the purse a little wider.

But what good is a bribeable ally? If we buy Ayub back this time, how long will he stay bought? The questions, of course, go to the fundamental usefulness of foreign aid. Having set Europe on its feet, those feet are

being used to boot us off the premises of the Common Market. Having soaked Southeast Asia with money, we are up to our chins in the swamps of ingratitude and mistrust.

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## NOTHING SPECIAL

(W. B. S.)

I've said it before, but it bears repeating. Pacific Power & Light Co. officers and directors paid a visit to the Klamath Basin last week and spent a couple of days in the area. These gentlemen represent the highest type of person, and it is a wonder that PP&L can obtain and develop so many people of such high stature. Generally utility men are regarded as ogres—out to gouge all they can out of the public. PP&L people are such that they completely refute that picture. From chairman Paul McKee right on down through the ranks, we find them considerate, alert, aggressive and always mindful of their obligation to provide public service.

They will be the first to admit their objective is to promote the growth and welfare of PP&L and their stockholders. But Paul McKee and his associates have thrown away the old books on how to accomplish that objective. They've rewritten it. We can only wish them continued success in their ever-growing responsibility. Klamath Basin and all territories served by PP&L can be grateful for the enlightened leadership that leads the way to promotion of the best interests of those individual territories.

The overworked husband was disappointed when the nurse told him his wife gave birth to a daughter and she asked him why. "I was hoping for a boy," the father said, "to help me with the housework."

Now we have the driver who carefully places trash in the car's litter bag and later dumps it all on the service station driveway while getting his tank refilled.

And this is the time of year when Junior rises early in the morning so he can find a parking place at high school. Sometimes, watching the string of cars come down the hill on Wall Street I'm set to wondering just how they get them all stacked on the KUHS lot.

And while I'm at it. So far, I've heard no groans from our own Senior as he hits the boards at 6 a.m. for the early shift. Makes one wonder if the split shift is going to be as gruesome as dreaded.

There is nothing to the report that a local preacher's son is making the bucks bootlegging prayers at city schools.

Then there is the sad story about a man. He had just had an operation, quit smoking, and was on a diet. He talked himself to death.

I guess most of us live in dread of cancer. In the September, 1963 issue of Reader's Digest is a fine story "William Gargan's Finest Role" in which is described the manner in which the actor faced up to life following surgery for treatment of cancer of the larynx. It's worth reading.

It seems to me that the Oregon state officials and legislators and others who seek retention of the seemingly ill-fated tax law would do better by their cause if they forgot to express all the implied threats that go with statements of the "disasters" that will come if the October tax referral is successful (and it has every indication of being successful at this time). It occurs that most of the items they seek to defend are exactly the items the voters have in mind cutting out. The whole thing makes one feel that the state officials and the legislators feel they are in a position to tell the people to go to hell—that they know what is best for them.

I have commented before on the strange impulse that prompts reasonably honest people to steal linens, silverware, ash trays, salt and pepper shakers, towels and what-have-you from hotels, restaurants and the like. Well, the other day came the story about the large apartment hotel that discontinued a small aviary in its lobby because the canaries regularly disappeared.