

THOMAS L. ROBINSON, Publisher
J. E. DOWD, General Manager
B. S. GRIFFITH, Executive Editor
C. A. MCKNIGHT, Editor

TUESDAY, DECEMBER 4, 1951

GROUNDS FOR A PERJURY CHARGE

THE strangest story yet uncovered in the continuing internal revenue inquiry is that of the Gulf Coast Tobacco Co. of Mobile, Ala. Apparently everyone except the U. S. Attorney who prosecuted it took an improper interest in the case.

TAR HELLS GO ON THE RECORD

SOMETIMES the American voter runs into a blank wall when he tries to find out the voting record of his Congressman. In the first place, much legislation is passed by voice vote, and the individual votes are not recorded.

THE PRESIDENTIAL PRIMARY

THE Presidential primary in Wisconsin April 1 will give the country a good indication of the voters' attitudes. The contest is shaping into a virtual free-for-all between GOP hopefuls—Taft plans to make the Wisconsin contest his major effort, delegate states are in the work.

ANGLO-IRANIAN PROFIT

SUNDAY the Anglo-Iranian Oil Company published a page and a half advertisement in the New York Herald Tribune. Sir William Fraser, the company's chairman, concluded by saying:

PROGRESS AND THE PAST

THERE'S a cogent lesson in the Army's announcement that tents shipped to Korea to house troops have been designed on patterns created ages ago by American Indians and Eskimos. The six-sided tent roughly resembles an Indian's spear, high winds tend to anchor it in the center and a small gasoline stove in the below zero temperatures.

And throughout the testimony of Mitchell, there were recurring reports that the Alabama defendants had made a large contribution to the Democratic National Committee in order to get their tax case "fixed".

There is enough contradiction in the testimony about the Alabama case to justify a Federal grand jury consideration of perjury charges. Mr. Caudle insists that he did not try to delay or sidetrack the proceedings, and that he favored prosecution; Attorney Mitchell says, on the other hand, that Mr. Caudle tried to get the whole thing called off.

Rep. Woodrow Jones' percentage of 98 was secured by voting on 107 of the 129 roll call votes in the House. Rep. Carlyle of the 7th District was second high with 97 per cent. Rep. Cooley of the 4th District was third with 94 per cent, and Rep. Hamilton C. Jones of the 10th District was fourth with 93 per cent.

A Congressman may have a legitimate reason for not being present when a roll call is taken, but there is no reason why he should not answer when polled by CQ. The voters have a right to know how their elected representatives stand on the big issues, and the man who dodges the record opens himself to suspicion.

It is increasingly possible, since the advent of television, that a candidate who is a demagogue, a good orator, or a man who exudes stage personality could charm the voters into electing him to the Presidency. Such a candidate would undoubtedly poll many votes in a Presidential primary, and the parties would tend to nominate the candidate with high "box office" appeal.

Our Federal system makes for compromise; political trades usually result in decisions which are acceptable to most of the people, even though the specific results are desired or to be, few if any of them. But this day and age, more than ever before, requires a candidate who is not only a demagogue, but also a compromise candidate selected because of his place of residence or some similar minor point.

William's observation that "we're in this business for profit." Secondly, they suggest that, popular opinion in this country to the contrary notwithstanding, some enterprise in Britain remains quite free and quite private. Thirdly, they bear out the words of the New York Times reporter Harold Aldender, who wrote that "few European workers know that capitalism in the United States has provided far higher standards of life... what (they) do know is that their capitalism keeps them poor."

Most corporation directors in this country learned long ago that if stockholders get a consistent annual dividend of anything near 25 per cent, the company is likely to have labor trouble and a shortage of funds for expansion. We thought that this point would be driven home to Anglo-Iranians during the past two years, but it obviously hasn't been. This country, in bailing Britain out in strategic Iran, had best drive the point home good and hard.

Bait For The Trap In Asia



Treasury Says Yes, Bookies No

By MERLE GULICK In The Wall Street Journal
WASHINGTON
ONE of the strangest taxes in U. S. history is now in effect. It daps a Federal levy on gambling.

The levy on wagering is just one of a fistful of excises that went into force Nov. 1 under the recently enacted \$6-billion-year tax law. But unlike the other excises, nobody seems to know just how the gambling tax is going to work.

"We ain't gonna pay the tax," reports a small numbers-gambler. "We're already illegal, ain't we?"
The gamblers will soon decide it's best to comply with the law, it's the contrary view of a U. S. Treasury official, nicely overlooking the fact they're already violating the law.

The disputed tax itself is a 10 per cent levy on certain types of wagers, mainly bets on sporting events and the numbers, that are accepted by professional gamblers. Anyone paying the wagering tax must also put up another \$50 a year as an "occupational tax."

The excise involves a lot more than "peanuts" from a dollar-and-cents standpoint. Americans fork over an estimated \$20 billion a year or more in bets. That's roughly the annual total in U. S. auto sales, one of the biggest industries in the nation. Congressional staff officials figure the levy will bring in \$400 million a year, about one-third the total \$1,200 million annual revenue expected from excises in the new tax law.

But here's the weird angle of the gambling tax: Every gambler who complies with the new law must publicly post his special "occupational tax" stamp, and his name goes on a public list at the local office of the Internal Revenue Service. Gambling is illegal almost everywhere in the U. S. outside of Nevada. If a gambler complies with the Federal tax, therefore, he's putting his finger on himself as a probable violator of the local law. If he doesn't comply, he'll have the feared "bookie" label.

THE paradox is that the Federal levy is supposedly a revenue-raising scheme. Yet the public list could allow law officers, if they do not wish to, to stamp out gambling and thus kill the expected source of revenue. It could conceivably turn into a revenue-losing tax if gamblers who so far have paid income taxes on their winning now decide it's safer not to report their profits at all.

Under the law, the figure have made the public part of the law they fear, not the 10 per cent itself.
Under the law, the figure have made the public part of the law they fear, not the 10 per cent itself.

THE production crisis has been caused by shortages and strikes at home, plus stepped up military shipments to Europe. The unfortunate fact is that military production is lagging dangerously behind procurement schedules. For example, the manufacturing of jet planes is nine months behind schedule. Yet the Air Force right now has had to revise its earlier schedule drastically upward because of losses over Korea and improvements in Russian planes.

Fleischmann argued that the manufacturers of automobiles, refrigerators, television sets and other consumer durables, "on the average, have already reduced to 60 per cent of their 1950 rates of production."
"Consumer durables cannot be reduced more than an additional ten per cent and still produce at a profit," he warned mobilization officials at the closed-door meeting.

Ten Per Cent No Solution
FLEISCHMANN hinted, however, that a ten per cent cut would not solve the problem of material shortages.

Unless Signs Are All Wrong, Mid-East To Go Way Of China

By JOSEPH -ALSO
HERE, WHERE CIVILIZATION has once thrived, there is little sign to see how civilization may die. For here it is possible to watch painless, unobtrusively, the dark glasses of the forces at work which are causing the Middle East to go the way of China.

First, of course, there is the progressive decay of the British technique of exercising power. In essence, the technique has been to create a small ruling class of rich, venal, or ambitious men, dependent on British support, and then to exercise power through these men. Iraq is interesting, as some well preserved fossils tried but no longer true technique continues rather shakily to function. But in many other places, this system, which has collapsed already in Iran and Egypt, will work for very much longer.

HATED OF BRITISH
The erosion of British power is accompanied by a universal hatred of the British. The reporter was conducted by one of the most intelligent men he has met here, the stinking slums of Baghdad, where people live in mud huts, in company with their livestock, and an occasional poisonous reptile, in the shadow of the palace grounds.

In this atmosphere of unreason, Iraq, like Iran, is quite likely to cut off its own nose—oil refineries—to spite the British face. The same men who somewhat unbrilliantly managed the fortunes of the Anglo-Iranian Oil Company have been managing the almost equally vital Iraq Petroleum Company. They long ago adopted the policy of keeping the Iraq oil fields a largely untapped reserve, which has naturally enraged the Iraqis, and whose oil revenues have been a mere trickle.

Even the ablest Americans in this area tend to become resigned to the fact that the Middle East is a lost cause. "But what can you do?" Only the engineers, poring over their maps, their eyes gleaming as they study the intricate details of the basins and waterheds which surround this parched land, retain any natural energy and optimism. And this is the last twist of the knife. For so much could be done, so easily, and even so cheaply.

Ruark Hears All About Samia From Guy Who Knew Her When

By ROBERT C. RUARK
I FEEL that the story of Samia Gama, the belly dancer whose name means Noble Beauty, is too much of a part of our history of failed love to be lightly consigned to the circular file, now that she has passed away.

I was somewhat sighing, I fear, in a former reference to the lady and have been taken sharply to task by an old Egypt hand, Howard King of Houston, Texas, and now on the Nile has been consoled by Motlem Law.

Gallantry and a passion for truth," writes Mr. Babcock, "bring me to the defense of Samia, one of whom you so recently bemoaned. No Rita Hayworth, she, no Berg Edna, I know I knew her. She was an obscure dancer in a joint whose name I have forgotten. The essence also applies to heretics "conducted for profit." Include the so-called "policy" or "numbers" rackets to be found in nearly every large city.

THE 10 per cent levy is imposed on the amount placed by the person making the bet. If he put \$5 to a bookie's \$8 on a prize fight, for instance, the tax is 50 cents.
Congress for various reasons decided to exempt several important types of gambling from the new tax. Not to be taxed are primetime bets at race tracks, which are already taxed. Also excluded are games played where the bettors are all present—such as card games, roulette, craps, and gambling wheels. Likewise exempted are "friendly" bets not conducted as a business.

Civilian Production May Be Cut

"Further cuts in the production of consumer durables," he shrugged, "will not release substantial quantities of material for use in the production of steel and brass pilot products."
Fleischmann's problem is allocating scarce materials such as copper and aluminum, to meet both civilian and military needs. He made no bones about this being a tough assignment for the first quarter of 1952.

"The growing demands of the defense production program will probably result in allocating satisfactory to no one," he predicted gloomily.
Arthur Smithies, economist for Mobilizer Charlie Wilson, asked whether manufacturers were hoarding scarce materials. Fleischmann explained that his controls program "works on a profession and not a plant basis," which makes it difficult to check.

Looking at the immediate future, Fleischmann admitted prospects for an "increase in the supply of controlled material are not bright. Shortage of electrical power in the Northwest has curtailed the production of aluminum. The problem of financing additional aluminum capacity has not yet been solved. There appears to be no new solution of the copper shortage."

These are the reasons, complicated by strikes in defense industries, why military production is lagging. It means President Truman must choose between iron and egg beaters on the eve of a Presidential election.
Mailbag
C. C. Washington, D. C.—My brief reference to General MacArthur's failure to speak to hospitalized veterans at Portland, Ore., was mild compared to the comments of Portland newspapers and the Portland chairman of the MacArthur welcoming committee, a Baptist minister. The Oregonian, a GOP newspaper, commented: "The one speech General MacArthur was expected to make in Portland... left some 500 patients of the veterans hos-