

# NATIONAL RETAIL SALES TAX CONSIDERED

## National Emergency Aid Now Oregon's Major Obligation, McKay Advises Legislators

### Governor, in Inaugural Message, Urges Tax Hikes To Meet Deficit, Bond Issue For Highway Program

By PAUL W. HARVEY JR.  
SALEM—(AP)—Governor Douglas McKay urged the legislature Monday to cut state services to a minimum "because the federal government must have first call upon our material, manpower and tax resources."

In his inaugural message after being sworn to his second term by Chief Justice James T. Brand, the governor told the opening session of the legislators that they should limit their business to vital matters. He asked them to do their job as thoroughly and as quickly as possible.

They shouldn't create any new state activities except those connected with national defense, he said.

"This assembly," the chief executive said before a packed house chamber, "can have no more important purpose than shaping the affairs of the state to insure the greatest possible service to the nation in these perilous times."

"We must place first things first. We cannot afford legislation as usual any more than we can afford business as usual."

"In the interest of the nation, we must defer those things which are not essential to the economic and social health of the state, and that do not contribute to the state of readiness for national emergency."

The governor asked immediate passage of laws setting up an enlarged civil defense agency, asserting that the present "loosely knit, largely volunteer organization has fallen short of requirements."

The governor wants this civil defense bill passed by February 1. He asked for \$233,595 to finance it until July 1, 1952. But in addition, he asked for \$500,000 which he could use for relief and restoration in event of enemy attack.

**Would Erase Deduction**

Governor McKay said his budget calls for total spending by the state of \$430,000,000 in the two years beginning July 1. Of that amount, \$180,000,000 must be provided by the legislature. The appropriation total is \$250,000,000 more than it was two years ago, largely because the voters increased state support and passed the veterans bonus last November.

His net budget deficit is \$18,500,000 which, the governor suggested, could be erased by eliminating the federal income tax deduction from the state income tax returns.

The governor asked for a long-range program for buildings at state institutions, state colleges and the university.

He also requested construction (Continued on page two)

## In the Day's News

By FRANK JENKINS

As these words are written, Seoul is gone.

Its evacuation was apparently a hurried decision, forced by two critical developments:

1. The enemy's overwhelming strength.

2. An enemy flanking movement (end run) that threatens to encircle and trip our whole 8th army.

The teletype is chattering excitedly, trying to keep up with the morning's catastrophic developments but obviously falling behind. When the order came to get out, we got out of Seoul—quick! That's the one advantage we have. We move in trucks. The commies move on foot. We got across the Han river. After we were over, we blew the last bridge.

We hoped the blowing of the bridge would stop the pursuing retis, at least temporarily. But it didn't. They got across the Han, close behind us and in such strength that we had to give up the idea of holding the port of Inchon for another Dunkirk—as at Hungnam.

SO WE ABANDONED INCHON. So rapidly is one development following upon the heels of another (Continued on page four)

## Economy Decision Follows Legislature's Opening Pomp

By ESTHER GEDDES

SALEM—The first hectic, exciting day of the forty-sixth legislature has come to an end and the halls of legislature seem to echo to the second verse of Kipling's "Recessional"—"The captains and the kings depart." The dazzling barrage of flashing cameras, and parades of state notables and all the pomp and ceremony of inauguration day has come to a close and only the busy custodians putting away the stacks of empty chairs indicate that today was a great day in Salem.

Sunday evening was like an alumni convention at an old college. The Senator hotel lobby was thronged with people descending on Salem, bag and baggage, and excitedly trying to greet myriads of old friends and commonly seeing other familiar faces ahead. Of course the business of Sunday was concerned with the Senate caucus in the afternoon and the caucus of the representatives in the evening. There is no annual election of a president of the Senate and a speaker of the House took place and the pageantry for Monday's public performance was rehearsed so that the entire program during regular session went off like clockwork.

Economy is keynote. Mark Hatfield, dean of students at Willamette university, and

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## Legislators In Line With McKay's Ideas

### Session Business Will Deal With Defense Plans, Vital State Matters

By PAUL W. HARVEY JR.

SALEM—(AP)—Oregon legislators indicated today they would approve most of Governor Douglas McKay's recommendations, as even the Democrats complimented Monday's inaugural address.

A poll of key lawmakers showed all-out endorsement of the governor's request that legislation be confined only to aiding national defense and to vital state matters.

And they gave general endorsement to the governor's specific recommendations as to what bills should be passed, although disagreeing in some instances.

What made the Democrats happy was the governor's call for reappointment of the legislature.

In a press forum after the inauguration, Governor McKay said it would be a mistake for the legislature to pass a sales tax, as suggested by a legislative interim committee on public welfare. The governor explained that he believes the people would defeat a sales tax again.

And Governor McKay also said he favored doing away with the State Board of Control, which consists of the governor, secretary of state and state treasurer. The board's job would be taken over by a business department under the governor.

Sen. Frank H. Hilton, Portland, introduced a bill to make it a crime to park an automobile without locking the car.

A bill to prohibit automobiles on Cannon beach in Clatsop county was introduced by Rep. John Dickson, Portland.

**Would Ban Fireworks**

All fireworks, except those used in public displays approved by the state fire marshal, would be made illegal by the first bill introduced in the legislature.

Its sponsor is State Sen. Jack Lynch, Portland.

The bill also provides that all public displays be supervised by local police and fire chiefs.

The 1949 legislature passed a law restricting use of fireworks only to the Fourth of July and for the four days preceding it.

This bill, which would become effective as soon as it could be passed, prevents all sale and use of fireworks by individuals.

Penalty for violation would be \$500 fine or six months in jail, or both.

The House also got its first bill Monday. It would appropriate \$400,000 for the expenses of the legislature.

**Pay Boosts Provided**

The method by which state legislators would get their increased pay was introduced in the House by its rules committee.

At the general election last November, the voters increased legislators' pay from \$400 to \$1,200 per session.

The bill provides that the legislators get \$600 on January 15 of each year. But if a legislator resigns during the first year, he wouldn't get his second \$600.

A member who resigns to enter the armed forces would get his full \$200.

**Oleo, Milk Bills Appear**

Democratic-sponsored bills to allow sale of colored oleomargarine and to repeal the state milk control law were introduced.

State Sen. Thomas R. Mahoney, Portland, introduced the oleomargarine bill. He said sale of colored oleo is allowed in 32 states.

State Rep. Maurice Neuburger, Clatsop, sponsored the milk control repeal. Under the milk control law, the state regulates the price and quantity of all milk sold in the state.

**Safe Stolen From Winston Tavern, Looted**

Roy's tavern at Winston was broken into sometime last night and a safe containing about \$100 was removed from the building, state police reported. The tavern is owned and operated by Roy Thompson.

The 400-pound safe was discovered this morning about three or four miles from Winston on the Roberts creek road. The bottom of the safe had been cut open and the contents removed, state police said.

State police officers are continuing to investigate.

**The Weather**

Occasional rain today, tonight and showers Wednesday.

Highest temp. for any Jan. 71

Lowest temp. for any Jan. 47

Highest temp. yesterday 47

Lowest temp. last 24 hrs. 40

Precip. last 24 hrs. 0.4

Precip. from Jan. 1 1.94

Precip. from Sept. 1 24.85

Defic. from Jan. 1 -38

Sunset today, 4:56 p.m.

Sunrise tomorrow, 7:47 a.m.

## REVOLUTION!

### Kremlin Will Face One If War Begins—Stassen

NEW YORK—(AP)—Harold Stassen returned from a round-the-world trip today convinced that while there "are very real dangers of world war, the prospects of world peace are brighter than at any time in the past three years."

Stassen gave three principal reasons for his conclusions.

First, he said, "The whole world is awakening to the extreme evil of communist imperialism and that awakening is one of the key things."

Second, "People everywhere, including the Iron Curtain countries, want peace and freedom and the Russian Kremlin faces a counter-revolution, which will include the Red army itself, if it begins an aggressive war."

Third, "America and other peace-desiring nations are rearming and thereby filling the vacuum spots of weakness all around the world."

## Douglas Men Get Committee Posts

In committee assignments at the current session of the Oregon legislature, Senator Thomas Parkinson of Douglas county heads the committee on local government, and also was given membership on the committees on education, natural resources and public health.

Rep. Paul E. Geddes of Douglas was named chairman of the committee on revision of laws and also placed on the state and federal affairs committee. His colleague, V. T. Jackson, was seated on three committees—agriculture, food and dairying, and game.

Senator Howard H. Belton of Clackamas again heads the important senate ways and means committee and Senator Dean H. Walker of Independence again is chairman of the senate tax committee.

Rep. Henry Semon, Clatsop county, heads the house ways and means committee, and Rep. Rudie Wilhelm of Portland, was chosen as chairman of the house tax committee.

## Longshoremen Face Picket Ban

PORTLAND—(AP)—Picketing by longshoremen was forbidden at southwestern Oregon ports today.

Federal Judge Gus Solomon issued a restraining order after a lengthy hearing on a labor dispute that stemmed from loading practices on the lumber schooner C-Trader.

Longshoremen contended they should load all but one hatch of the schooner. They said AFL sailors began working all hatches of the schooner at Reedsport. Picketing spread to other ports in the area.

The sailors said several of their members were beaten, and said they would refuse to take ships into these ports. Lumber operators protested they would have to close mills soon because of inability to ship their lumber.

Some judges would decide Saturday whether to issue an injunction in the case. The injunction would prohibit picketing until the NLRB determines jurisdiction.

**Missing Physicist Found Hanging In Old Building**

ASPEN, Colo.—(AP)—The body of Ralph Smith, 27, a missing navy physicist, was found hanging in a second floor doorway of an abandoned building Monday.

Sheriff Leonard Johnson said the body, clothed in trousers, shirt and lumber jacket, was frozen. He had District Attorney Robert Delaney were working on a theory Smith had committed suicide.

Smith disappeared Friday. He and Gordon Bangs, 26, both employed at the naval test station at China lake, Calif., came here for skiing at this western Colorado resort. Smith had been doing secret research on rockets and guided missiles.

No notes were found. Bangs said he had known Smith for about a year and could think of no reason why he should take his life.

**"SEEING-EYE" PLEDGED**

COLUMBUS, O.—(AP)—Three-year-old Susie Forry was pledged to the Ohio State university chapter of Delta Gamma sorority tonight.

Of course, Susie is a bit young for college.

But that didn't make any difference to the grateful sorority girls. Susie is a German shepherd dog. And she leads a blind mistress, Miss Jacqueline Forry of Granville, O., from the sorority house to all her classes.

## Desperate Battles Mark Retreat Route

### Allies Fight Red Tide Endeavoring To Block Beachhead At Pusan Port

TOKYO—(AP)—Allied troops fought desperately today to slow the Communist tide rolling toward the heart of South Korea and menacing the U. S. Eighth army's retreat route to the old Pusan beachhead.

Two United Nations battalions attacked a Red Korean force two miles south of battle-wrecked Wonju, road hub abandoned Monday to the Reds.

An allied regiment counterattacked strong Communist forces six miles southwest of Wonju.

Allied artillery slammed shells into the Reds and fighter-bombers roared down in close support.

Action on the western front south of abandoned Osan was limited to patrols.

But army intelligence reported the Chinese were building up a massive attacking force around Osan. At least two Chinese armies—possibly 80,000 or more troops—were spotted in the area.

The Eighth army continued its retreat to the southeast. Vanguard forces of the fast moving Red forces pressed close on the heels of rearguard troops.

**Death For Red Sneakers**

Allied airmen were ordered to shoot up all groups behind Communist lines, whether in or out of uniform, except for obvious family groups or children.

Associated Press Correspondent Stan Swinton reported from Fifth air force headquarters that the order was provoked by the Reds' persistent use of civilian clothing to camouflage their troops.

Thousands of Chinese and Korean Red soldiers clad in white civilian clothing had infiltrated refugee columns passing into allied lines.

Pilots spotted 4,000 Reds changing Monday from uniform to peasant clothing.

**Conscription By Threat**

MacArthur's Tuesday war summary said the Red Korean army was vigorously conscripting men throughout Communist-controlled territory.

"Villages both above and below (parallel) 38 continue to be raided by armed bands in search of manpower," the summary said. It added that all males between 17 and 45 years are pulled out of refugee columns. No distinction is made between North and South Koreans.

"Some refugees have stated that any male in the required age bracket who hesitates to serve is killed outright," the report said and added that most conscripts were assigned to North Korean units for training in the field.

This implied that raw conscripts were being thrown directly into frontline action.

## Winston C. Of C. Dates Civilian Defense Speakers

A representative of the state fire marshal's office and Brig. Gen. J. T. Pierce, ret., director of civilian defense in Douglas county, will address business men of Winston and Dillard at 8 p.m. Wednesday in the Winston Community hall.

Sponsored by the Winston chamber of commerce, the meeting is intended to help coordinate the fire prevention and civilian defense activities of Winston and Dillard. All business men of the communities are invited.

## Warning At Hong Kong

### Remove Families, Urge On Americans As Threat From Chinese Worsens

HONG KONG—(AP)—Americans in this British crown colony bordering Red China are being warned to remove their families because of the worsening situation in the Orient.

U.S. Consul General Walter P. McConeughy said, no actual emergency is seen but that the warning "is more or less precautionary."

An official circular is being put out by the consulate general to remove the 600 heads of American families in the colony. Nearly 1,400 Americans are registered here. The list includes a large number of American citizens of Chinese descent.

A substantial number of Americans already has left Hong Kong. Dependents of five American companies were warned last week to return home. Some British residents and wealthy Chinese have gone.

The official warning came as a surprise. Americans have been watching Chinese Red forces on the neighboring mainland swell to an army of more than 45,000 in the past month.

Hong Kong, through which British trade with China passes, is at the mouth of the Canton river,



**BLOOD CAMPAIGN**—Mrs. Harold Schmeer, standing, and Mrs. Horace Berg are two of the recruiters engaged in soliciting donors for the mobile blood bank. They are also encouraging people to have their blood typed at the Veterans hospital. Three districts do not have recruiters as yet. Anyone who wishes to help should call Mrs. R. E. Herman, Red Cross executive secretary. (Picture by Paul Jenkins)

## Blood Typing Service Draws Hundreds To Vets Hospital

A total of 441 people have had their blood typed at the Veterans hospital during the last seven days of the Red Cross program, Ralph Church, public relations director at the hospital, reports.

Monday night, 89 Rotarians and their families appeared in a group to have their blood typed. The hospital personnel are donating their time between 6 and 8 p.m. each day for the blood typing program.

Tonight, Kiwanis club members will appear in a group to have their blood typed. The Lions club members will have their blood typed Wednesday night.

Church said any individual may come out any week night between 6 and 8 p.m. for blood typing. There is no charge for the service.

Fuller Johnson, general chairman of the blood program, reported Mrs. Blessing at the Medical Arts laboratory is typing people who have no way of getting out to the Vets hospital.

In connection with the blood program, Johnson said a blood mobile unit will be in Roseburg Jan. 23 from 11 a. m. to 3 p. m. to collect blood from donors. The Red Cross is organizing recruiters to get donors for the mobile unit.

**Daniel L. Goldy Dated For Talk At C.C. Forum**

Regular chamber of commerce forum luncheons will resume Monday noon, Jan. 22, when Daniel L. Goldy will address the group, George Luoma, forum committee chairman, reported.

Goldy, regional administrator of the Bureau of Land management, will discuss the potential benefits the Roseburg area can expect from the recent chamber of commerce sponsored industrial and economic survey of the Umpqua drainage basin.

The forum luncheons were discontinued in December as a convenience for local businessmen during the holiday season.

**Drunken Driver Fined, Handed Term In Jail**

Two men accused of drunken driving were arraigned in district court Monday, reported Judge A. J. Geddes.

Walter Joseph Roudau, 19, Glide logger, pleaded guilty and was fined \$250 and sentenced to serve 30 days in the county jail. Orval Dale Hull, 46, Riddle, plainerman, posted \$300 bail and was released.

Both men were arrested by the state police.

**Effort To End Strike At Hospital Fails**

PORTLAND—(AP)—An attempt to settle a strike at the Good Samaritan hospital by arbitration failed Monday.

The hospital rejected the proposal to arbitrate, announcing it would not arbitrate the issue of a union shop. The arbitration proposal came from the Portland labor-management committee.

Pickets continued to patrol the hospital, as the AFL Building Service employees stayed on strike.

## Revenue Can't Meet Defense Needs, Belief

### America Must Be Taxed 'Until It Hurts,' Truman Warns Senator Byrd

WASHINGTON—(AP)—President Truman said today the nation must be taxed "until it hurts" to arm the free world against the menace of communist aggression.

The President gave his warning in a conciliatory letter to Senator Byrd (D-Va.), with whom Mr. Truman has often clashed.

The letter immediately aroused talk of a possible national retail sales tax, or other forms of taxation on all or most of the nation's commerce.

Upon releasing Mr. Truman's letter, Byrd told newsmen:

"I feel certain that, if the budget is balanced, Congress not only must cut all non-essential government spending and increase the existing sources of revenue, but also must enter new fields of taxation—probably such as retail sales or transactions tax."

Byrd did not advocate any specific tax plan in giving his opinion of what might be necessary if the national budget hits \$75,000,000,000 to \$80,000,000,000 a year.

**Revenues No Longer Adequate**

Mr. Truman told Byrd he had always tried to make the revenues meet the expenses of the government and added: "Present conditions are such now, however, that it is necessary to tax until it hurts."

He mentioned no specific figure, but some members of Congress are guessing that he will ask for about \$10,000,000,000 more in new taxes.

The letter seemed to reflect a presidential feeling that it will be difficult to match revenue with expenses in the defense program.

Secretary of the Treasury Snyder, it was learned, believes that despite widespread recommendations for "pay-as-you-go" financing, taxation steep enough to pay out of hand for the huge rearmament effort would rip the nation's economic fabric.

Any hope that sizable new federal deficits could be avoided by increased taxes appeared to be fading as members of the new Congress sized up probable outlay and came to a tentative conclusion that the government will need somewhere in the region of \$75,000,000,000 in the coming fiscal year. That is \$25,000,000,000 more than the record \$50,000,000,000 collections of this year.

## Food Prices Head For New Jumps

PORTLAND—(AP)—Householders got a new warning today to be prepared for further jumps in food prices.

It came after ground beef went up 4 cents to an all-time retail high of 63 cents a pound, and livestock, grain and potatoes all jumped in price at wholesale levels.

Four meat classes reached record highs—calves at \$37 a hundred pounds, lambs \$31.50, utility beef cows \$28 and bulls \$31.

Grain advanced 2 to 2½ cents a bushel, hitting seasonal highs of \$2.25 for winter wheat and \$2.28 for hard red winter wheat.

The potato increase was 15 to 20 cents a hundred pounds with Deschutes Russets No. 1-A quoted at \$2.50 to \$2.70.

Margarine was up 2 cents a pound and one brand of cheese went up 6 cents for a half-pound package.

Wool dealers, too, predicted higher prices. They noted a 1951 contract for Baker county wool at \$1.10 a pound in the grease, a record high for the Pacific Northwest.

**Roseburg-Wanted Man Nabbed On Ohio Charge**

Terry O'Neil, 24, wanted in Roseburg on five charges of obtaining money under false pretenses, was arrested by Euclid, Ohio police on a charge of grand larceny. Chief of Police Calvin Baird reports.

O'Neil is being held by the Ohio authorities under \$1,500 bail and will be returned to Roseburg following disposition of the Ohio charge, Baird said. O'Neil, according to Baird, passed five bad checks in Roseburg before going to Ohio.

**FINED FOR SPREE**

Eldorado H. Bearden, 22, a Myrtle Creek service station attendant, was fined \$25, on a plea of guilty to being drunk, reported City Recorder Laura Goodell of Canyonville. A 30-day jail sentence was suspended. Bearden was arrested by the Canyonville city police.

## Levy Fact Rant

By L. F. Reizenstein

If the crackdown on slot machines or other forms of gambling halt your outpouring of coin, please be reminded that the National Foundation for battling infantile paralysis needs \$50 million dollars this year to carry on its work. That's about 35 cents per capita of population. Can you spare at least that much?