

# COMMUNIST ROUNDUP BEGUN

## Record-Smashing Tax Bill Awaits Congress Action

### Increases Apply To Individual Incomes, Corporations, Excises; House Approval Appears Sure

WASHINGTON — (AP) — The administration opened a drive today to push a record-breaking \$7,200,000,000 tax increase through the House by Thursday night or Friday.

The bill, carrying a 12½ percent increase in individual income taxes together with sharp hikes in corporate rates and excise taxes, will be considered under procedure which bars amendments unless they are offered by the ways and means committee.

The income tax boost would take effect Sept. 1; the corporation tax increase would be retroactive to last Jan. 1; and the new excise levies would become effective a few weeks after the bill became law.

Administration leaders were confident the bill would pass the House. Republicans also conceded this is probable.

Although the proposed increase was officially described by the ways and means committee which drafted it as the largest ever sought in a single tax bill, it was less than half the \$16,500,000,000 President Truman called for last January. He later lowered his sights — at least temporarily — to a \$10,000,000,000 increase.

This is the third tax increase to come before Congress since the outbreak of the Korean war a year ago. Total additional revenue from all three, over a full year's operation, was estimated at more than \$17,000,000,000. By the three steps, the load on individuals would be increased by 31.4 percent over the revenue expectable from pre-Korea rates. Corporation taxes would go up a total of 37.9 percent over that base, and excise taxes by 15.6 percent.

The 12½ percent "defense tax" would be superimposed on income taxes figured at present rates. Another provision would allow the government to take no more than 90 percent of a wealthy individual's income. The present ceiling is 87 percent.

### Some Offered Relief

The bill, however, carries some relief for some taxpayers. "Single" heads of families, such as widows with dependent children, would be allowed one-half of the income tax benefits available to married persons as a result of the income splitting provision of the present law. Home owners who sold their dwellings would not have to pay a capital gains tax on any profit if they reinvested it in another personal residence within a year.

Corporations would be called upon for an additional \$2,555,000,000 in taxes. The rates would raise five percentage points, and a greater proportion of some companies' income would become subject to the excess profits tax. The ceiling on the amount the government could take in normal taxes, surtaxes and excess profits taxes would be raised from 62 to 70 percent of the corporation's income.

### Excise Rates Increase

Nearly everyone would feel some effects from the proposed excise tax increases. These would send the tax on gasoline up from 1½ to two cents a gallon, on cigarettes from seven to eight cents a pack, on whiskey from \$9 to \$10.50 a gallon, on beer from \$8 to \$9 a barrel, and on automobiles from seven to 10 percent of the manufacturer's price, to name only some.

In a new venture, the committee proposed a 10 percent tax on the

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### Missing N. Umpqua Man, O'Byrne, Not Located

The disappearance of Vic O'Byrne remains unsolved. O'Byrne has been missing from his camp on the North Umpqua river for the last month and extensive search has failed to locate him.

Deputy Sheriff A. A. "Red" Eckhardt and Noble Gottel of the sheriff's reserves spent Tuesday searching the river and conducting an investigation at the campsite.

Entrance was forced into a store-room, where the officers found supplies neatly folded and packed, leading them to believe that O'Byrne had gone away intentionally, rather than meeting with accident as has been feared.

A war veteran, recently hospitalized, O'Byrne went early in May to the camp where he has spent each summer for the past several years.

### In the Day's News

By FRANK JENKINS

The French general election is the big political news of the moment, and what everybody wants to know, of course, is who licked whom. A dispatch from Paris as this is written says:

General Charles de Gaulle's new party (the calls it Rally of the French People) appeared on the way to being the strongest single political unit in France's new national assembly (the lower house of the French national legislature) but the middle-of-the-road parties seemed to be retaining control of the next parliament.

The really big development seems to be that the communist popular vote will probably be BIGGER THAN ANYBODY ELSE'S. France has a bewildering mess of political parties, and the only way a majority in parliament can be obtained is for several political

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# The News-Review

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## Americans, Commies Stage Double Air Battle

### 98 Craft Take Part In Fight Over N. Korea

### Ten Enemy Planes Shot Down Or Damaged; U.S. Sabre Jets All Return

TOKYO — (AP) — Ten Red planes were shot down or damaged today in the Korean war's first double-deck dog-fight.

Both jet and propeller driven planes—38 of them took part in the fourth consecutive day of air war over northwest Korea.

The double air battle broke out simultaneously between low flying propeller planes and jets swirling above at 13,000 feet.

When it was over the Reds had lost three planes destroyed, one probably destroyed and six damaged.

Twenty-four U.N. Mustang fighters overpowered a flight of six Russian-built propeller planes. All the Reds were hit. A YAK fighter and two Stormovik attack-bombers were shot down. Another Stormovik was probably destroyed and two were damaged.

Thirty-two American Sabre jets battled 36 Russian-type MIG-15 jets in the top level of the battle. The jet fight began at 13,000 feet and swept down to 6,000.

Four MIGs then streaked back across the Manchurian border, 15 miles from where the action started. The fifth air force said all Sabre jets returned safely.

(Field dispatches did not report whether any U.N. Mustangs were lost.)

The four days of air war cost the Reds 28 planes destroyed or damaged. The fifth air force listed nine shot down, one probably knocked out and 18 damaged.

There have been no figures of U.N. losses if any in these air battles.

The navy and marine corps have lost "approximately 300 aircraft" during the Korean war, which will be a year-old Monday, Vice Adm. C. Turner Joy announced. The losses are not the result of air battles.

On the ground today North Koreans suddenly abandoned Punchbowl valley, which they had fought for so viciously. United Nations guns now dominate the former Red bulldog area on the eastern front.

Maj. Gen. J. S. Bradley, commander of the U.S. 25th division, said the Chinese could absorb still greater losses without losing their will to fight.

### Mac Declines 2nd Testimony; Truman Rapped

WASHINGTON — (AP) — Gen. Douglas MacArthur declared today that President Truman's orders "silencing pertinent witnesses" have denied a senate inquiry the "full facts" on his dismissal. But MacArthur said he doesn't care to testify again himself.

MacArthur rapped at the President in rejecting by letter an invitation to appear again before the senate armed services and foreign relations committees investigating his ouster.

He contended, too, that some of the documentary evidence submitted to the senators had been lifted out of context so that it was "misleading," and said there was "lack of accuracy" in paraphrasing.

Many of the documents given to the senators in connection with the inquiry have been "paraphrased"—that is submitted in a rewritten, summary form rather than as the original documents.

The reason is that the original documents were transmitted by radio in code. Release of the actual texts might help a potential enemy to decipher the U. S. codes.

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### Fire Prevention Talks To Be Given To Timbermen

South Douglas timber operators are invited to hear representatives of the state forester's office at Salem discuss aspects of forest fire prevention and regulation tonight at "Ford's," on the Pacific highway south of Myrtle Creek. Dinner is scheduled at 8 p.m., at \$2 per plate, with the meeting to follow.

The operators will learn such things as the operator's responsibility under the Oregon forest laws if an "operator's" fire occurs, and the responsibility carried by the operator on slash areas not released by the state forester.

The session is the first of three slated in Douglas county this week. The Roseburg meeting is Thursday night at Carl's Haven on Garden valley road. It is for timber operators of the central Douglas region.

Operators of the north Douglas area will have a session Friday night at Roaring Camp on the Drain-Reedsport highway. Dinner is scheduled at 8 o'clock for all meetings with discussion to follow.

### Green School District Elects, Votes Tax Levy

Green school district Monday night re-elected R. L. Adams as school board director and voted 29-4 in favor of a special tax levy to exceed the six-percent limitation, the county school superintendent's office reports.

### CONSCIENCE PROUD

An unidentified Portland attorney paid a long-standing debt to the Douglas county sheriff's office Tuesday. He sent the office \$1.60 by special delivery letter to pay a bill incurred in 1943, with the notation, "sorry I caused you all this trouble."

### W. Roseburg Housing Job Bid Accepted

### Portland Firm's Price Of \$404,500 For 60-Unit Project Wins Contract

A low bid of \$404,500 was accepted Tuesday afternoon for the construction of the 60-unit, low-rent Rosewood housing development in West Roseburg.

At a special meeting of the Douglas County Housing authority, the contract was awarded to Malarkey and Moore, a Portland firm located at 923 S. W. 17th street. The contract bid was the lowest of 10 offered.

H. I. Scofield, Housing authority executive director, reported the contract was awarded to Malarkey and Moore subject to furnishing of bonds to secure payment of labor and materials. Scofield said, "It is expected that the bidder will qualify and receive instructions to proceed within 10 days."

The second low bid was tendered by Nieman Co. Contractors, Inc. of Vancouver, Wash., for \$408,544. A Roseburg firm, Todd Building Co., made the next low bid of \$409,681. Other bids were: Industrial Building Co. of Eugene, \$450,609; Donald Drake Co. of Portland, \$451,867; E. E. Settergren of Portland, \$427,982; McKel Inc. of Portland, \$464,684; Ernest J. Hoop of Medford, \$489,835; Riverman and Sons of Portland, \$464,890, and Edwin Sandberg of Portland, \$462,378.

Completion Within Year

Scotfield stated that construction and landscaping should be completed within a year. He said provisions have been made for the Housing authority to accept the homes as they are finished. This will allow occupancy as individual units are completed.

The housing development will be located on the former Brown estate land adjacent to the Fuller school in West Roseburg. Plans call for 30 one-two-three and four-bedroom duplexes. Installation of sewers, water mains and electricity have been included in the contract. Lawn and shrubbery planting is also included.

Malarkey & Moore also bid low at \$79,600 for a 125-unit housing project at Kennewick, Wash.

### Yugoslavia Gets Arms, Ammunition From U.S.

WASHINGTON — (AP) — A "small" shipment of rifles, grenades and other small arms and ammunition has been sent to Yugoslavia, the Defense department announced.

The department described the shipment as a token of U. S. desire to help "maintain Yugoslav independence." Marshal Tito's Communist regime has broken sharply with Moscow.

### Airmen Ignore Federal Order To End Strike

CHICAGO — (AP) — Striking AFL pilots of United Air Lines today ignored the U. S. mediation board's directive to end what it termed an illegal walkout.

The board's charge was termed "ridiculous" by the pilots, in a statement from headquarters of their union, the AFL Air Line Pilots association, International.

The union and company have been in dispute for 22 months over wages and working conditions. The pilots are demanding a limit on work hours and mileage because of the faster planes now in operation.

The strike by 900 UAL pilots and co-pilots Tuesday halted all commercial non-military flights of the line. It grounded 132 transport flights from San Francisco and Los Angeles. UAL normally carries 9-600 passengers in 220 flights daily.

Operations of other airlines were not affected immediately. However the mediation board said picketing at all airports could tie up operation of all major airlines.

The mediation board in Washington yesterday told the union's president, David L. Behncke, the strike was not in accordance with provisions of the railway labor act. It ordered him to direct the pilots to return to their jobs.

Behncke said he replied to the mediation board's telegram directing him to call off the strike. He said he told the board that "we disagree 100 percent" on the board's charge that the strike is illegal.

### Defense Fund, Salary Boosts Lose In Portland

PORTLAND — (AP) — By a margin of less than 2 percent, Portland voters Tuesday turned down a 1-mil levy to raise \$600,000 for civil defense. The vote was 22,365 yes; 22,766 no.

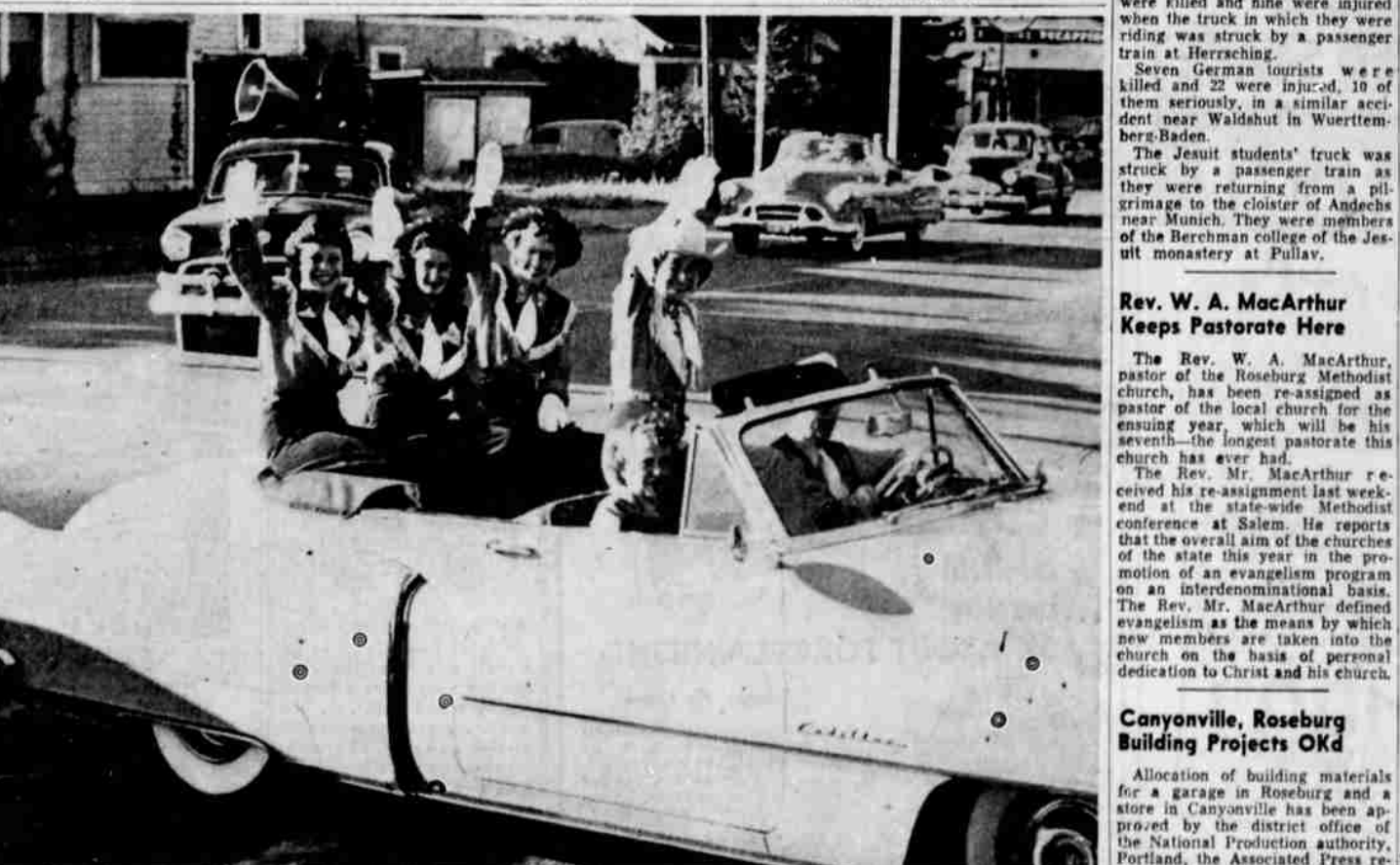
Also turned down was a proposal to increase city commissioners' salaries from \$5,000 to \$8,000 and the mayor's salary from \$6,000 to \$8,500. The vote: 23,483 yes; 24,789 no.

Two school district measures were approved by substantial majorities. They are the \$1,970,000 current expense levy and the \$2,760,000-a-year, 10-year building program.

### Community Hospital Given AMA Registry

Douglas Community hospital has been accepted on the registry of the American Medical association, according to a telegram received Tuesday by J. W. McAlvin, hospital manager.

This means, said McAlvin, that the hospital meets the qualifications and standards of the association. It puts the hospital in line also for acceptance by the American Hospital association and the College of Surgeons.



**RODEO QUEEN CARAVAN** — Queen of the Douglas county Sheriff's posse rodeo, Sharon I. (Finger), center, waves from the convertible as the rodeo caravan leaves for a tour through the communities south of Roseburg. The nine-car caravan left Tuesday night and toured Canyonville, Myrtle Creek, Riddle and other towns on the route to advertise the Sheriff's posse rodeo here Saturday and Sunday at the fairgrounds. They received an excellent reception all along the route. Princesses in the queen's court, seated in the rear of the car, are Susan Schaefer of Camas Valley, Rita Kruse of Yoncalla, and Loretta Fery of Roseburg. (Picture by Paul Jenkins)

## 17 Arrested, Hunt Launched For 4 Others

### Indictments, Following Court Decision, Charge Plot To Upset U.S. Govt.

WASHINGTON — (AP) — Twenty one members of the Communist party's secondary command were indicted on charges of plotting violent overthrow of the United States government.

Seventeen of those indicted by a federal grand jury in New York were seized in an early morning roundup by FBI agents. The four others were being sought.

Sixteen of the arrests were in New, the other in Pittsburgh. The government moved against the lesser lights in the wake of this month's supreme court decision upholding the conviction of the party's 11 top leaders.

Attorney General McGrath and FBI Director J. Edgar Hoover said in a statement:

"Some of the individuals arrested are members of the alternate national committee, recently formed by the Communist party to serve as the top policy making body in the absence of the present national committee members, now convicted."

The 11 leaders were convicted in New York in 1949 of conspiring to teach and advocate the violent overthrow of the U. S. government. Although the supreme court upheld the conviction two weeks ago, a legal battle for a rehearing is still on.

### All Active In Party

Each of those seized today was described by Hoover as "a prominent, active functionary of the Communist party, U. S. A." Hoover added:

"All have been in party work for many years, and now ranking positions in the party apparatus. They represent officials both of the national and New York state Communist party."

All of those taken into custody were charged under the 1940 Smith act. The supreme court upheld the constitutionality of this law, providing punishment for violent plotting, when it affirmed the conviction of the top 11. That group received prison sentences ranging up to five years and each was fined \$10,000.

Justice Jackson of the supreme court will consider a petition for stay until October in the cases of the 11 top Communists. Should Jackson grant the stay, the 11 would not have to start their prison terms until the whole court hears a petition for rehearing in October. Otherwise they are due to go to jail within the next two weeks.

Some officials have said the number of prosecutions could run as high as 12,000. However, most indications are that the government will not try to move on such a broad basis now.

### Shipping Strike In Parley Stage

NEW YORK — (AP) — East coast ship operators and CIO seaman held separate conferences today preliminary to a scheduled joint session in the five-day tie-up of Atlantic and gulf coast ports.

There was hope in some quarters the meeting would pave the way for an early end to the stoppage that has affected almost all American-flag shipping from Maine to Texas.

West coast shipping remained snarled by the strike of 700 CIO radio operators. Maritime law forbids ships to sail without the radio men.

Frank J. Taylor, chairman of a committee representing the shippers, told newsmen union demand for a 40-hour work week, instead of 48 hours, appeared intended to "get more (overtime) dough for the boys in there now" rather than to create more employment.

The union is demanding a 25 percent pay increase, vacations with pay and elimination of so-called inequalities, in addition to the shorter work-week.

### Grand Larceny Charge Jails Oakland Man

A 35-year-old Oakland mill worker is being held in the Douglas county jail today, charged with grand larceny.

John G. Moreno of Oakland was arrested Monday by Walter Manning, Oakland chief of police. Bail has been set at \$5,000.

Deputy District Attorney Donald C. Kelley said Manning had allegedly burglarized the rooms of two men who were residing at a hotel in Oakland. Amount of the loot was not revealed.

### GIRL MARATHON ENDS

FAIR ISLE, The Orkenays — (AP) — After 22 years of nothing but boy babies in Fair Isle (pop. 127), the girls have started to arrive.

Mrs. Douglas Stout has given birth to a girl. This broke a run of 15 boys on the island, including two for Mrs. Stout.

### Loyalty Fact Rant

By L. F. Reizenstein

So they're going to stop the kids from shooting off fireworks on the Fourth of July, are they? Page the ghost of old King Knute, who tried to sweep back the waves of the ocean with a broom!