Supreme Court Decisions Affect Tax Reduction, Race Issues, TV, Boxing Status

WASHINGTON (AP) — The Supreme Court decided unanimously Monday that rents and wages paid by bookmakers in operating their illegal businesses may be deducted as expenses in computing federal income taxes—but not so fines paid by truckers for violating state weight limitations.

In other actions Monday the high court:

Let stand by refusing to rule on a Tallahassee, Fla., bus seating assignment ordinance under which two Negroes and a white person were sentenced to jail and fined. The three were charged with violating the ordinance by refusing to take assigned seats and refusing thereafter to leave the bus on request of the driver.

The city said there was no evidence that the basis of assignment "was ever the prohibited standard of race."

Jack Benny Loses

Turned down by a 4-4 tie comedian Jack Benny's plea for approval to show on television a parody of the copyrighted movie "Gaslight."

Benny and movie star Barbara Stanwyck made a filmed playlet called "Autolight" as a burlesque of "Gaslight." But Loew's Inc., holder of the "Gaslight" copyright, blocked the TV showing by an order granted in Los Angeles federal court. Monday's tie upheld the lower court.

Agreed to review a decision permitting use of a coal-tar color called "Red 32" on Texas and Florida Oranges after Secretary of Welfare Folsom found the color poisonous. The decision, given by the U.S. Circuit Court in New Orleans, was appealed by Folsom.

Boxing Monopoly at Issue

Agreed to review a decision requiring dissolution of the International Boxing Clubs of New York and Illinois.

The decision, by U.S. District Judge Sylvester J. Ryan of New York, also required promoters James D. Norris and Arthur M. Wirtz to sell their stock in the Madison Square Garden. Bryan found the clubs and promoters guilty of monopoly in the promotion of championship fights.

The clubs, the Garden and the promoters appealed directly to the Supreme Court from Ryan's decision.

They questioned whether there was any liability under the Sherman Anti-trust Act. They also contended that if there was liability, Ryon's rulings were "unnecessarily punitive and in excess of that necessary to prevent future violations of law."

Public Interest Involved

The appeal added:

"The public has a substantial interest in the maintenance of professional boxing and of televised and broadcast fights. It also has an interest in the various activities of Madison Square Garden, the premier sports arena in the world.

"That interest, of course, cannot override considerations of legality but there is a substantial question as to whether the district court in its zeal to eliminate Messrs. Norris and Wirtz from ownership and management of Madison Square Garden has not inflicted unnecessary injury and damages upon the public and also to the Garden in its other sports activities.

Distinction Drawn

In the case of bookmakers, Justice Douglas said the amounts paid as wages and rents were such expenses in the accepted meaning of those words.

Justice Clark spoke for the court in two cases involving East Coast and Southern concerns testing the right of truckers to charge off fines.

Clark said the fines could not be regarded as ordinary and necessary business expenses.

Hospital News

Mercy Hospital

Admitted

Surgery: Barbara Demsky, Craig Esselstrom, Roseburg.

Medical: Mrs. William Hansen, Mrs. Harry Thomas, Roseburg; Sidney E. Russell, Glide.

Discharged

Patricia and Peggy Clute, Billy Metcalf, Roseburg; Gary Buie, Wilbur.

Douglas Community Hospital

Admitted

Surgery: Richard Reiser Jr., David Rinehart, Mrs. Ray Cunningham, Roseburg; Mrs. C. A. Dysinger, Mrs. William Beezley, Winston.

Medical: Mrs. Elmer Poole, Camas Valley; Mrs. Floyd Warner, Stephen Bonebrake, Roseburg; Martha Jones, Sutherlin.

Discharged

Mrs. George Cannon and baby, George Wiley Jr., Oakland; Johney Cumberworth, Winston; Clifford Baker, Rose Hearn, Charles and Earl Rhodes, Mrs. Thomas Smith, Phyllis Fugate, Roseburg.

WRONG CREDIT GIVEN

Credit for a picture on page 3 of Saturday's News-Review was erroneously given to the newspaper's Paul Jenkins. It should have been given to Clark's Studio.

Giant Missiles Guided To Targets By Small Rockets

FT. MONMOUTH, N.J. (AP) — Small Army rockets that can leap 54 miles into space are probing ahead of giant missiles for information to help the monsters land on target.

The diminutive Loki II rockets carry a packet of aluminum confetti which is released and then tracked by radar on the ground as swift air currents carry it away. The device has a 40-inch shaft propelled by five-foot rocket engines.

It provides a quick, accurate map of wind speed and direction, according to the Army Signal Engineering Laboratories, which developed the technique in experiments at White Sands Proving Grounds, N.M., and Cape Canaveral, Fla.

Information on winds which have velocities of up to 200 m.p.h. is needed to deliver an intercontinental ballistic missile on target.

The high - altitude winds buffet the rockets and significantly alter their courses over long trajectories.

The Army said the wind charting is also helping develop new weather forecasting theories.

Farmers Union's Program Demands Parity Income

DENVER (AP)—A program demanding parity income for farmers, full employment, an expanded national economy and the use of American foodstuffs to combat communism abroad was readied today for presentation to the National Farmers Union convention here.

A Resolutions Committee headed by Harvey R. Solberg, president of the Rocky Mountain Farmers Union, drafted the program as delegates awaited a farm speech tonight by former President Harry S. Truman.

James G. Patton, president of the union, raised the issue of parity income in his keynote speech last night.

He said the farm parity ratio has dropped "as low as 81 per cent of any fair level."

"And," he said, "that measures only a parity of price. We are getting only a little over 50 per cent of a true parity of income."

Patton said, "Growing unemployment, coupled with the alarming number of small business failures and the depression in agriculture gives evidence of the failure to use our great sources to maintain an expanding economy."

Discussing use of American foodstuffs abroad, Patton said Secretary of State Dulles recently "refused to permit CARE to give food to Egyptian children." He contrasted this with action of a Farmers Union local at Wiggins, Colo., which sent a heifer to an Austrian farmer.

"What a difference," he declared, "friends for us in Austria, contrasted with the shock of a withdrawn hand in Egypt."

Sec. Benson Again Voices Objection To Farm Freeze

WASHINGTON (AP) — Secretary of Agriculture Benson has voiced anew his strong opposition to a farm freeze resolution despite a softening of terms by the House Agriculture Committee.

The committee, acting Monday, imposed a one-year limitation on the freeze that would prevent price supports from dropping below 1957 levels and keep acreage allotments up to this year's figures.

The one-year proviso was inserted in a move to further the resolution's chances and make it more acceptable to President Eisenhower and Benson.

The agriculture secretary, however, said he still is opposed to a freeze "whether it be for one year or 10 years."

He again held out the threat of a presidential veto "because I can't see a good thing in it." But Benson said he thought chances were good that the House itself would reject the resolution.

Benson is opposed to the freeze on the contention it would destroy markets, increase surpluses and add to the cost of farm programs.

The resolution carried a permanent status as approved by the Senate. The one-year limitation was proposed in the House committee by Rep. Abbitt (D-Va). After adopting the amendment, the resolution was approved 25-8 with the opposition votes being cast by Republican members. Seven other GOP committeemen voted with the solid Democratic bloc.

Chairman Cooley (D-NC) said he hoped to win Rules Committee clearance to bring the resolution to the floor Thursday.

Economy Run To Be Longest, Toughest Route

LOS ANGELES (AP)—This year's Mobilgas economy run will be from here to Galveston, Tex., and will be the longest and toughest route in the annual event's 22-year history.

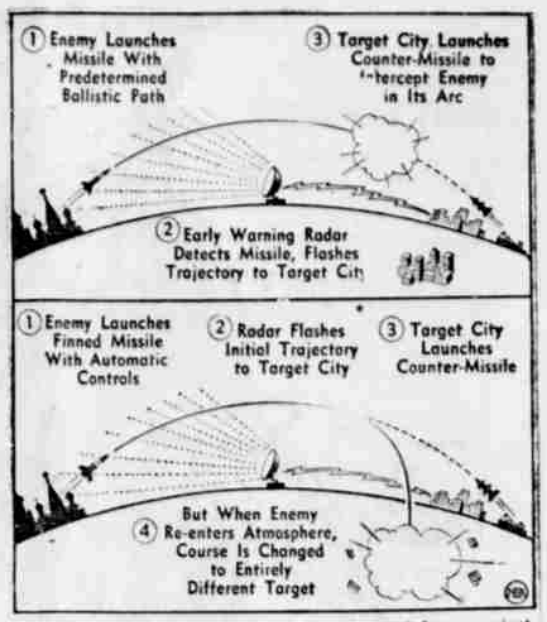
The 4½-day run will begin here April 13, Robert L. Minckler, president of the sponsoring General Petroleum Corp., announced Monday.

Cars may be entered by manufacturers, dealers, dealer associations or private owners. They must be American 1958 models with automatic transmissions.

United States Auto Club officials pick the cars from assembly lines, warehouse stocks and dealer displays. The cars are impounded and kept under USAC surveillance until the run ends.

Winners are the cars registering the most ton-miles per gallon of gasoline. They will be named in four price classes.

This year's contest will be wide open for women drivers, Minckler said. They competed for the first time last year, but only on a restricted basis.



THRUST-COUNTERTHRUST — Our main defense against Russian intercontinental ballistic missiles (ICBMs) may eventually rest on the Nike-Zeus system. With a 10 to 30-minute warning, the defensive rockets would be launched to intercept the enemy missile in its predetermined ballistic arc (see upper panel). Gen. Maxwell D. Taylor, Army Chief of Staff, is reported to be in favor of an all-out drive for protecting the U.S. with Nike-Zeus by 1961. But a warning against investing heavily in such a system comes from another quarter. Maj. Gen. John W. Sessums Jr., vice commander of the Air Research and Development Command, urges research into defenses against "more sophisticated ballistic missiles" yet to come. He says that the Russians, by adding fins and automatic controls, could make their missile travel a complex course once it re-entered the atmosphere, eluding the defense (lower panel).

Republicans And Democrats Split Sharply Over Senate Report On Tax Write-Offs

WASHINGTON (AP) — Democrats and Republicans split sharply Tuesday over a Senate report that "consumers have fared badly" under fast tax write-offs granted electric utility companies, including the Idaho Power Co.

Sen. Dirksen (R-Ill) denounced a majority report issued Monday by the Senate Antitrust and Monopoly subcommittee as "unobjective, unfair and quite careless of the facts."

The report said Russell C. Rainwater, chief accountant of the Federal Power Commission, estimated tax benefits to power companies under the tax write-offs granted during 1955-57 at $2,621,318,500. The tax loss to the government in that period was $787,619,200, Rainwater said.

The report, signed by four Democrats and one Republican, Langer of North Dakota, stemmed from a subcommittee investigation last year that centered largely on two fast amortization certificates granted to Idaho Power Co.

Authorized Write-offs

The certificates, totaling about 65 million dollars, authorized fast tax write-offs for use in construction of two dams on the Snake River near the Hells Canyon site between Idaho and Oregon.

Idaho Power surrendered the certificates without using the fast write-off after Democratic senators who favor a federal dam at Hells Canyon voiced strong protest.

"Grave consequences," the report said, "have followed the enormous grants of tax amortization to operating utilities in the electric power field."

Under a fast write-off, a firm may deduct from its taxes a percentage of the full cost of a plant or other works in five years instead of the 20 or more normally permitted.

The rapid amortization certificates, originally intended as a means of expanding the nation's defense plant capacity, result in much lower taxes in the first five years of use of a new facility. But in theory the company pays the same amount in taxes in the long run.

The write-off policy was cut back drastically last year by Congress.

The report said electric "consumers have fared badly" under the policy because of rulings that the companies would not have to use the tax benefits for lower rates.

Dirksen blasted the report as "a fantastic and transparent effort to put the tarred stick on American industry."

"All this," he said, "appears to be a palpable effort to develop a spurious political issue."

Coroner's Jury Clears Officer In Girl's Shooting

TOPPENISH, Wash. (AP) — A coroner's jury has cleared Patrolman Richard Stevens of blame in the shooting death last Thursday of Sandra Lingscheit, 16, of Eltopia (Franklin County). The jury's verdict was "justifiable homicide."

Miss Lingscheit was shot to death by Stevens in the Toppenish bus station as she attempted to release the safety on a .22 automatic pistol she was pointing at him.

The jury of five men and one woman called by the Yakima County coroner, Dr. Ralph Shirey, met for two hours, 20 minutes Monday afternoon and then brought in its verdict in a few minutes.

Miss Lingscheit's companion Janis Teel, 16, daughter of Mr. and Mrs. Stanley Teel, Reno, Nev., who had been held in the county detention home at Yakima since the shooting as a material witness, was released to her parents.

Miss Teel said the two girls were on their way from Pasco to Portland and had just gotten off the bus here to exercise. Stevens had been ordered to pick them up as runaways. They had been staying at Pasco.

Miss Lingscheit's parents are Mr. and Mrs. B.M. Lingscheit, Columbia Basin project irrigation farmers.

CONTRACT AWARDED

ASTORIA (AP) — A $291,498 contract for work on three Navy ships was awarded Friday to the Astoria Marine Construction Co.

The minesweeper Redbird will be overhauled and the escort vessels Riley and Tinsman will be reconditioned.

French Shunt Aside Terms For Peace With Tunisia As Confidence Vote Shapes Up

PARIS (AP)—Tunisia's reportedly conciliatory terms for settlement of its dispute with France today were pushed temporarily aside as Premier Felix Gaillard wrestled with the National Assembly on other issues.

The British-American good offices team waited to present the proposals while the young Premier defended his government against charges of weak handling of police unrest and made ready for a vote of confidence on a bill to strengthen governmental powers.

The Tunisian proposals may well end the dispute, U.S. special envoy Robert Murphy said on his arrival from Tunis with his British colleague Harold Beeley.

Armed security forces flown in from Algeria and other parts of France ringed the National Assembly building to prevent further demonstrations by disgruntled Paris police — who want special pay—or by left and right extremist parties in connection with the constitutional reforms to be voted on.

Mobs Uncontrolled

Gaillard told the Assembly the mob of police who besieged the oparliament building last Thursday were led by "uncontrolled elements" who acted without the approval of their union leaders.

Although the loyalty of the police was not in question, Gaillard said, the government could not accept such demonstrations. "The republic is not in danger, but the incidents prove that a reform of the institution is necessary," he said.

Gaillard gave no indication of further measure. So far the prefect of police and the city police director have been replaced.

To warm applause of Gaillard's center coalition deputies, Radical Paul Arrighi replied: "Last Thursday we were under the impression that there was no government any more. The weaknesses of the government are inacceptable."

May Affect Vote Margin

Gaillard's apparent failure to reassure the deputies concerning the police demonstration may affect the margin on the later confidence vote. Earlier he had been expected to win the vote.

As Gaillard met with the Assembly, the British-American negotiators talked with Foreign Minister Christian Pineau and Louis Joxe, permanent head of the French Foreign Office. Murphy said after they had discussed the "broad lines of the talks which we had in Tunis" an dexpected to meet with Pineau and Gaillard tomorrow afternoon.

Reports from Tunis said Tunisian President Habib Bourguiba had modified his demands on France after the United States assured him it would take vigorous action to end the Algerian war. But Gaillard's government so far has rejected any suggestion that it would allow its Algerian policy to be swayed by American pressure.

The Tunisian President had been trying to get the French to agree by Thursday, the second anniversary of Tunisian independence from France, to evacuate the 22,000 French troops in Tunisia.

Now Bourguiba reportedly is agreeable to a reshuffling of French forces at the Bizerte naval base, postponement of the French withdrawal, reopening of some French consulates in Tunisia and the return of some French settlers expelled from the Tunisian-Algerian border area.

Debutante With Black Eye Will Meet Queen

LONDON (AP)—British debutante Rosalie Barnett will be presented to Queen Elizabeth II Thursday with a black eye.

Rosalie, 17 and pretty even with a black eye, acquired the shiner in an auto accident. She decided to go through with the Buckingham Palace engagement anyway because after this year the annual debutante presentations at the palace are being abolished.

Sec. Dulles Stops Off Briefly In California

TRAVIS AIR FORCE BASE, Calif. (AP)—Secretary of State John Foster Dulles' Military Air Transport plane landed here briefly today en route to Washington from Honolulu.

He was scheduled to arrive in Washington at 3 p. m.

Dulles spent the weekend resting in Hawaii after attending the SEATO meeting in Manila.