

Change Talked In Excise Tax

Corporation Levy Might Be Marked To Help Aged

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said it like the income taxes, was virtually immaterial to the larger taxpayers since it offsets federal taxes, and in many cases it is a 90 per cent offset in view of the high federal excess profits tax.

Though about 5000 Oregon corporations make returns, half that number pay only the \$10 minimum; and half of the total excise tax revenue comes from 46 corporations, two-thirds of it from 99 corporations, many of which have their headquarters outside of Oregon, Fisher explained.

In response to a question from Speaker William M. McAllister, Fisher said increasing the present 50 per cent maximum property tax offset against the excise tax to 90 per cent, as has been proposed, would make little difference in the total revenues at present, especially since many corporations' total property taxes already are offset.

On the other hand, if the state should permit deductions in the excise tax for federal income tax paid, state excise tax revenues would shrink drastically, Fisher pointed out.

Tax Commissioner Earl Day explained in detail the method used in assessing public utilities' values, bringing out the point that though earnings are considered in determining "true cash value" so that utilities just now prosperous are assessed substantially higher than two years ago though their physical property is unchanged or has deteriorated, this process does not amount to taxation upon their incomes, since they pay in each county the same millages as other property taxpayers.

In response to a question from Rep. William Niskanen, Deschutes, Commissioner Day observed that from one viewpoint, the utilities' exemption from excise tax is unjustified; and he added that, personally, he would advise the utilities to accept the excise tax rather than see the state tax structure upset; especially since it would largely be a matter of paying more to the state and less to the federal government.

The undiscussed question of legality and constitutionality arises from the fact that the excise and income tax laws provide that all revenue shall be used to offset property taxes. If these taxes are "taxes" within the meaning of the constitution, the proposed "ear-marking" of utilities' excise taxes for old age assistance would be unconstitutional, in the opinion of legislators to whom the query was addressed after the hearing adjourned.

Allied Losses Half of Japs'

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several times that of a defender. With "utmost care taken for the conservation of our forces," allied casualties were unusually low, the communiqué said, because there was no necessity for a hurried campaign and, therefore, no attempt was made to rush enemy positions by mass and unprepared assault.

Gen. MacArthur added that "probably no campaign in history against a thoroughly prepared and trained army produced such complete and decisive results with a lower expenditure of life and resource."

Allied sea losses were negligible because no major sea forces were used. Our casualties at sea were suffered in small boats.

"Our losses in the Papuan campaign have now been compiled and are low," the communiqué said. "As compared to the enemy, they are less than half that of his ground force losses including not only our battle casualties but our sick from natural causes. In the air they amount to a very much lower proportion and on the sea our losses were negligible."

The communiqué reported the sinking by Jap planes of a small allied merchant vessel off West Island which is in the Arakura sea near northern Australia. Casualties were reported as light and "survivors have been located."

Widespread raids by allied planes included a fairly heavy one on Lae, New Guinea, by bombers with long range fighter escort. Despite a heavy anti-aircraft barrage encountered, not a plane was lost as supply dumps were set afire.

Dressmakers Return

NEW YORK, Jan. 27-(AP)—David Dubinsky, president of the International Ladies Garment Workers union (AFL), said Wednesday night that dressmakers who have been engaged in work stoppages the past two days in a wage dispute with five employer associations, would return to work Thursday.

Bruce Watson Dies

PHILADELPHIA, Jan. 27-(AP)—Bruce M. Watson, 33, nationally known educator and writer, died Tuesday following a long illness. From 1915 to 1935 he was executive secretary of the public education and child labor association.

Lobby Hobnobber

By STEPHEN C. MERGLER

Old gag... Telegrams by the armload were delivered to senators Tuesday night and Wednesday morning, in support of the "big truck" bill, HB 84. The majority came from at least two inspired by the same source, although they bore different wordings and signatures. Sen. Irving Rand turned up with the proof. His name was misspelled on 16 of the 17 he received; and in each case the error was the same—his first name was given as "Irvin," no "n" on the end. The 17th message also came from a different telegraph service, which is to emphasize the singleness of the source of the others but not to suggest or infer that the other wire agency had anything to do with originating the message barrage.

"Let's put in a resolution making Irving's right name, Rand, legal," laughed Sen. Dean Walker in the coffee shop.

"I didn't do it," says Tom Shea, manager of Oregon Motor Transport association, of the telegrams to Rand. "You can be sure that if I send any telegrams, the names will be spelled right. I remember that much from my newspaper days, at least."

Taxes, taxes, taxes... It's getting in the legislators' hair, this tough and persistent question of taxes. Sen. Coe McKenna was saying Wednesday that the assessment and taxation committee of which he is vice-chairman, will just have to have some expert technical help. An SOS has been sent to Portland, and help of Guy Cordon, legal representative of the land grant counties and tax adviser to Gov. Snell, is anticipated.

McKenna, on taxes... "Pass a bill incorporating the sales tax, a property tax limitation and an income tax reduction," he refers it directly to the people, getting a jump on the grange and labor people who would see that it went to referendum anyway.

Sen. Walker, on taxes... "There ought to be some way to control how much our income tax produces," he takes the property tax—we decide first how much money we need, then levy accordingly... but with the income tax, the legislature fixes the rate and we collect at that rate whether we need the money or not... it just isn't right." Three times backer of a sales tax act, defeated each time by the people, Walker is wary of getting into that scrap again, he indicates.

The "break" in the SF's Linn county murder case—it would happen in berth 12—was heard of at the Oregon capital before it reached the press wires. But you can depend upon that an alert newspaper man, his channels of information not sealed off for the duration of the legislature, heard of it and his bureau chief received a telephone call minutes later. Much whispering in the press room. Opposing correspondents work closely on routine news, but on the big stuff, it's every man for himself.

Fred Hampson, Associated Press staff man from Portland, left Albany Wednesday morning to return to his home state, told by Linn county officials that no further developments might be expected in the UP case until Friday. He fortunately stopped in Salem, was told by a fellow correspondent that he had best check back by telephone. Dist. Atty. Weinrick, it developed, had just filed a first degree murder charge in the case. Hampson turned his car around and went back after more details, which appear in this morning's Statesman.

To Rep. Anna M. ("I like to see it spelled 'Anne.'") Ellis (R-

British Subs Raise Score

LONDON, Thursday, Jan. 28 (AP)—A 6000-ton Italian merchant ship loaded with motor transport was sunk by a British submarine en route to Tunisia from Italy, Reuters reported in a dispatch from allied headquarters Thursday.

The same submarine sank a schooner near Sardinia and a 2000-ton trawler. Since November, the dispatch said, this submarine has accounted for eight enemy ships—two destroyers, two schooners, a trawler and three merchant ships of 6000, 2000 and 1700 tons, respectively.

Other submarines torpedoed a 7000-ton ship and a large merchant vessel in the Gulf of Genoa.

Germany Limits Use of Taxis

By The Associated Press
The general public must have police permission to use taxicabs after February 1, in order to save them for crippled persons, war wounded, doctors, expectant mothers and others, the German radio reported Wednesday in a broadcast recorded by the Associated Press.

Travelers with very heavy luggage may be granted use of taxis in exceptional cases, it added.

Chief Scouter

Quips: "Angles" And Personalities At the Capitol
Tilia, of Garibaldi went the honor Wednesday of being the first woman to preside as speaker of the house since 1933, when Salem's Rep. Hannah Martin (now Hansen) wielded the gavel. Spectators agreed Mrs. Ellis handled her duties competently, as four bills were ground through final passage.

"Happy Birthday to You" was sung by the house Wednesday to Rep. John F. Steelhammer (R-Marion). Rep. Herman H. Chindgren (R-Clackamas) led.

Special committee needed... to correct spelling in word "representative" appearing over a "March of Dimes" scroll that was circulated among the 60 house members this week. All signed their names under their respective pictures and stuck a dime beside them, but none noticed that the heading, drawn in lettering equivalent to 72-point type, the size of The Statesman's main page one banners, was spelled "Representatives," a "u" omitted. Newsman discovered the error Wednesday when they looked over the scroll in Speaker McAllister's office.

Casualty in house... Walter B. Dillard, veteran Lane county clerk, probably dean of the clerks in Oregon, collapsed in a house corridor Wednesday morning, was taken to his hotel downtown. He had been feeling ill all night. Chairman of the clerks' legislative committee, he was helped to get downtown by Lee Ohmart, Marion county clerk pro tem.

(Additional legislative news to-day on page 7.)

Fuel Shortage Surpasses World War I

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Highly-paid labor in defense industry, declaring that ceiling prices, considered high by many a customer, do not offer incentive to woodcutters who can work in shipyards.

The same competition, representatives of the business declared, is met by all dealers. Young drivers were lost to the army; older ones are going into defense industry and unskilled truckers are unable to handle the deliveries.

Of sawwood and millwood there will probably be no shortage, the major dealer in Salem declared Wednesday. However, the "cold spell" found him unable to make deliveries because of snowy streets.

More sawmills are operating today to turn out critical war material than ever before, this man believed. Slabs, previously destroyed in mill burners, are now sold for fuel, and still scrapper material is turned into hog fuel.

Advice of the slabwood merchant was the same as that of the coal, briquet, cordwood and oil dealers: "If they'll order early, spring or summer, the people of Salem won't need to be uncomfortably cool next winter."

AFL Members Back Threat

PORTLAND, Ore., Jan. 27-(AP)—John P. Frey, AFL metal trades revision president, declared Wednesday west coast members were backing up AFL officials' threats to withdraw the no-strike pledge unless the national labor relations board drops charges against the Kaiser shipyards.

Already about 250,000 AFL members have sent word to Washington that they will withdraw from their no-stopping-of-work agreement unless the NLRB quits trying to destroy the AFL agreement with the Kaiser shipyards," he said in an interview.

Meanwhile the NLRB hearing, in which the shipyards are accused of signing labor contracts before a majority of workers was hired, continued quietly.

FDR to Speak, Polio Program

NEW YORK, Jan. 27-(AP)—President Roosevelt will participate in the birthday ball program over the four major networks Saturday night, Howard London, director of the national radio division of the National Foundation for Infantile Paralysis, said Wednesday.

The program will be broadcast from 8:15 p. m. to 9:15 p. m. PWT, but the place from which the president will speak and the exact time were not disclosed.

Ship Carries Fuel

TANGIER, Spanish Morocco, Jan. 27-(AP)—The Spanish freighter Castillo Jarandilla arrived Wednesday with gasoline and kerosene from the United States for Spanish Morocco, made available under a recent agreement.

Petsamo Entered?

LONDON, Jan. 28-(AP)—The Moscow radio broadcast a report Thursday credited to a Swedish source that the red army had entered Petsamo, Finland. The broadcast was heard by the Associated Press.

Conference Stymies Axis Peace Offensive, Averred

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conference's clear statement that the united nations have completed their strategy for a series of smashing blows and are now getting ready to implement it, would spread a new wave of hope among the enslaved peoples of Europe.

Representatives of the allied government said new outbreaks of sabotage and general resistance to the Germans were almost certain.

The biggest cloud over the conference was the failure to reconcile the two main elements of French resistance in a more striking fashion.

It was understood on good authority that Gen. Charles de Gaulle, leader of the Fighting French, will continue to direct the armed forces under his command. Circles close to him said he was disappointed with the lack of results of his meeting with Gen. Henri Giraud, leader of the north and west Africa French.

Members of parliament praised President Roosevelt's courage in making the journey and many suggested that he visit Britain.

Axis reaction appeared Wednesday with loud and vehement assertions at first that it was a mere "Hollywood big-wig pow-wow" but switched later to more serious discussions.

The Berlin radio quoted Dr. Paul Schmidt, foreign office political spokesman, as summing up his reaction in five points:

First, he said, he noted the absence of Premier Joseph Stalin and therefore assumed that he "obviously had not the slightest intention of having his freedom of political action curtailed in any way or of wishing to disclose his military and political plans to Roosevelt or Churchill."

Second, the conference failed to demonstrate that British and American differences over north Africa had been dispelled.

Third, he continued, "Roosevelt had demonstrated to the world he had taken possession of French North Africa." This he had done, Schmidt said, by leaving his own country "which a president is not supposed to do," and by summoning Gen. Giraud before him.

Fourth, he added, there had been "no real agreement" between Giraud and de Gaulle.

Fifth, the official communiqué "contained not a single reference to the U-boat warfare."

New Jap Base Bombed Hard

WASHINGTON, Jan. 27-(AP)—A new Japanese airfield, established within easy raiding distance of Guadalcanal in the Solomons, has been hit hard by American bombers, the navy disclosed Wednesday.

Flying Fortresses roared Tuesday over the field on Ballale island, three miles off the northeast coast of Shortland island.

They encountered only weak anti-aircraft fire, dumped their loads of bombs and returned safely to their base. The big bombs blew holes in the terrain and started many fires in revetments, or artificial embankments, constructed to afford shelter from strafing attacks and shrapnel.

The navy has turned attention also to Wake island, unmentioned in reports of Pacific battling since last December 23 when American planes unloaded thousands of pounds of bombs, starting huge fires.

Only reconnaissance planes participated in the latest action over Wake. They were attacked by eight Japanese Zero fighters. In the ensuing dogfight two of the Zeros were believed shot down. All United States planes returned safely.

OPA Increases Some Food Costs

WASHINGTON, Jan. 27-(AP)—The office of price administration Wednesday authorized price increases, based on increased production costs, on nine groups of food products.

The group are canned chili con carne; shoestring potatoes; julienne potatoes; pretzels; nut topping; canned prune juice; canned dried prunes; canned prune concentrate and all other canned dried prune products; canned noodle and chicken dinner; canned chicken a la king and canned homestyle chicken.

Flynn Quits Post

NEW YORK, Jan. 27-(AP)—Edward J. Flynn, whose nomination as minister to Australia was approved by the senate foreign relations committee, resigned Wednesday as chairman of the executive committee of the democratic committee of Bronx county, a post he had held for 22 years.

Nazi Work Compelled

LONDON, Jan. 27-(AP)—The German radio broadcast a statement Wednesday by Propaganda Minister Goebbels in "Das Reich" saying that "it is demanded by national morale that today every German man from 16 to 65 and every woman from 17 to 45 shall be compelled by law to contribute by work and exertion to the war."

More Hinted From Confab

Casablanca Picture Said Not Complete; Critics Scourged

By WILLIAM T. PEACOCK

WASHINGTON, Jan. 27-(AP)—A broad hint came from the White House Wednesday that the story of the Roosevelt-Churchill meeting at Casablanca is yet incomplete; that momentous events in the making will give the full picture.

Presidential Secretary Stephen Early said the account is incomplete "so far as it can be told at the present time." But, he advised reporters, "subsequent chapters undoubtedly will be written as events unfold."

An indication that some of these might be forthcoming quickly was seen in a statement by Secretary of State Hull that he expected to comment soon on some of the "more vital phases of the decisions reached there."

The state department head also made the disclosure of the conferences an occasion for re-proving that who have been critical of the state department in regard to the north African situation.

In response to a request for once that critics should wait until comment, he told a press conference he had all the facts before speaking. Criticism that political difficulties in north Africa were not being resolved was particularly heavy, he observed, while the heads of the British and American governments were there laboring on the problems.

In the absence of any hint as to what events might be expected, speculation was rife. In the first place, there was a widespread belief that far more than has been announced must have been involved or the president and prime minister would not have risked the hazards of their meeting.

The fact that they spoke of unconditional surrender in Germany, Italy and Japan prompted conjecture as to whether Italy or Germany, or both, might have put out "peace feelers" as a result of the disasters in Libya and Russia. If so, the statement may have been intended to scotch immediately any axis offensive for a "negotiated peace."

On the military side, it was generally assumed that there had been no alteration in the grand strategic plan, indicated when the United States entered the war, of defeating Hitler first and then turning the full weight of British and American strength against Japan.

The declaration that the United Nations intended to maintain the initiative in all theatres, however, was regarded as assurance to China that greater help would be given her.

Hunter to Speak For Lincoln Day

Chancellor Frederick M. Hunter of the Oregon system of higher education is to be speaker for the Lincoln day banquet, sponsored by Marion county Republican club and central committee Thursday, February 11, at the Marion hotel, the program chairman for the event announced Wednesday night at committee meeting.

Secretary of State Robert Farrel, Jr., is to be toastmaster at the 6:30 dinner, which is planned as an informal event.

Repair Quota Raised

WASHINGTON, Jan. 27-(AP)—The war production board officially Wednesday increased the quota of farm machinery repair parts which may be manufactured this year. It raised output to 160 per cent of the average annual sales in 1940 and 1941. The old figure was 130 per cent. WPB's

The secretary added that 17,000,000 pounds of butter went to Russia in 1942. He said this was only about one-tenth as much as was required by American forces, and was less than 1 per cent of the total American supply.

West to Exchange Scouting Posts

NEW YORK, Jan. 27-(AP)—Walter H. Head, president of the national council of the Boy Scouts of America, said Wednesday night that Dr. James E. West would relinquish his position as chief scout executive to become chief scout on February 1.

He will be succeeded as chief scout executive by Dr. Elbert K. Fretwell, professor of education at Teachers college, Columbia, university.

Dr. West has served as chief scout executive of the Boy Scouts of America for the past 25 years.

requirements committee previously had approved the allocation of steel for the increase. Wednesday's action gave manufacturers authority to proceed with expanded output.

Grand
A girl who wouldn't say die!
A Funk with a heart full of light and romance!

TIERNEY
MONTGOMERY - BARI
China Girl

VICTOR McLAGLEN
Box Office Opens 1 PM

Linda DARNELL
John SHEPPARD
The Loves Of EDGAR ALLAN POE

LIBERTY

Ann Falkenburg
"SING FOR YOUR SUPPER"
Johnny Mack Brown
"FIGHTING BILL FARGO"
Box Office Opens 6:45

IT'S PRINTS! SPOILED BOOM!
What was the meaning of the fearful claw-prints that meant death to the receiver?
32 SPINE-CHILLING!

THE PANTHER'S CLAW

BEWARE!... THE WOLF MAN!

ANDY HARDY'S DOUBLE LIFE
with **Mickey ROONEY**
Cecilia PARKER **BOLDEN**
"TRUCK BUSTERS"

THE MAD MONSTER
DOWN'S ZULLO
NAGEL