

NINETY-SECOND YEAR

Nazis in Retreat Through Kasserine Pass

Reduction Of Taxes Up Today

House to Act on How Much, When, How; Farrell, Snell Urge

By RALPH C. CURTIS

How much, and how, and when, state income taxes in Oregon shall be reduced, is the weighty question scheduled for determination in the legislature today in so far as the house of representatives may determine it.

Majority and minority groups in the house taxation and revenue committee were lined up Wednesday for the kickoff in this lively tussle, further enlivened by the intervention of Secretary of State Robert S. Farrell and Gov. Earl

LEGISLATIVE CALENDAR
Third readings Thursday:
In Senate: SB 179, 246, 249, 256, 262, 263, 12, 230, 235, 236, HB 144, 346, 313, 335, 331, 142, 101, 217, 236, 166.

In House: HB 201, 240, 336, 345, 247, 348, 352, 355, 362, 363, SB 66, 73, 81, 88, 141, 176, 180, 207, 227.

Snell, in that order. Both issued statements favoring income tax reduction this year.

The committee minority's program was accordingly revised, to provide for a 25 per cent reduction in income tax payments this year, to be followed by a reduction in subsequent years of 1 per cent in each income bracket, estimated to reduce total receipts 20.81 per cent.

Secretary of State Farrell's entry into the fray had no visible effect upon the majority, but the change in the minority's program did; it caused Rep. Burt Snyder to shift from the minority to the majority side. That leaves on the minority report only R. P. Johnson and Stanhope Pier, both of Multnomah.

The majority recommendation is unchanged; no income tax reduction this year, elimination of the "split bracket" next year thus returning the rates to their 1938 status. The total reduction in receipts is estimated at 11.6 per cent.

In contrast to its division on this issue, the committee reported out without formal dissent, though with Rep. E. W. Kimberling not concurring, a bill increasing the personal property tax offset in the corporate excise tax from the present 50 per cent to 75 per cent. Reduction in receipts expected to result is 8 per cent.

Denial of Secy. of State Farrell's charge that the state tax commission had actively opposed a change in income tax payments this year was made by Commissioner Earl Fisher and he was corroborated by members of the committee majority. Fisher said that in response to committee (Turn to Page 2—Story B)

Gandhi to Stay Imprisoned, Said Better

NEW DELHI, Feb. 24—(AP) Prime Minister Churchill made it clear Wednesday that the India government would continue to hold in confinement Mohandas K. Gandhi, who now is expected by his doctors at Poona to live through his 21-day hunger strike against detention.

It was a matter of one eminent invalid dealing with the case of another. Churchill's message apparently came from his sickbed. Churchill, in a message supporting the India government's determination to keep the nationalist leader under detention during wartime, stressed security as a prime consideration and said that India "still is menaced" by the threat of invasion.

The previously held fears that Gandhi might die a prisoner in the Poona palace of the Aga Kahn were dissipated in the 15th day of his fast by an authoritative medical opinion that "there is no reason why he should not manage six days more."

The 73-year-old ascetic was more cheerful and showing less distress, and his followers felt that their prayers for him were being answered.

Crew Bails; Plane Soars

WASHINGTON, Feb. 24—(AP) Astounded officers told Wednesday of an army transport plane which flew 2000 miles with no one aboard, finally crashing on a Mexican mountain side.

The C-87, cargo version of the four-engine Consolidated Liberator bomber, took off from Florida on a flight to South America. Eighty miles out a tall flutter set up vibrations which threatened to tear the craft apart. The cargo was tossed out, but that failed to remedy the trouble. The pilot, Lt. R. C. Ulmer of Atlanta, set the plane on a seaward course and fixed the automatic pilot for level flight so the ship would not endanger life by crashing ashore. The eight army men aboard all bailed out. Two are missing; the others were picked up by coast guardsmen off Florida.

Next day, tanks empty, the C-87 crashed in Mexico. She had gone 2000 miles. The army said loss of both cargo and personnel apparently improved the plane's aerodynamic qualities sufficiently to keep her aloft. There was no explanation how the plane could have reversed its seaward course and headed back to Mexico.

GOP Support Given Ruml

Passing of Year's Tax Predicted For House

WASHINGTON, Feb. 24—(AP) Advocates of the Ruml plan were cheered Wednesday as strong republican support appeared to be gathering behind the proposal to abate all of one year's individual income taxes to put taxpayers on a pay-as-you-go basis.

An informed Capitol Hill source said that when the house ways and means committee passed on a modified form of the plan originated by Beardsley Ruml, chairman of the federal reserve bank of New York, all 10 republican committeemen voted for it.

However, the plan was put aside for the time being when the 15 democrats on the committee voted against it. The vote was taken last Friday in a secret session but not disclosed until Wednesday.

The committee rejected all pending pay-as-you-go proposals, including the modified Ruml plan, and turned over to a sub-committee the job of drafting a compromise.

Rep. Carlson (R-Kas) has modified the Ruml proposal to provide that each taxpayer would remit on the one of the two years, 1942 or 1943, in which he had the largest taxable income. The original Ruml plan provided directly for by-passing the 1942 tax year.

A prominent republican, who asked that his name not be used, predicted the house would adopt the plan, that "strong republican support will be thrown behind it, and for every republican vote we lose we will pick up two democrats." There are now 222 democrats to 209 republican house members.

Some talk was heard that a petition might be circulated to discharge ways and means committee from consideration of the bill embracing the Ruml plan, and thus bring it up for immediate consideration in the house.

Spain to Call More Troops

MADRID, Feb. 24—(AP)—The official government bulletin announced it will publish Thursday morning a call to the colors for the class of 1943, for service beginning March 7.

Official sources said the call had been scheduled to come at about this time.

It was reported also that it would increase the size of the Spanish army to approximately 150,000 men.

Logger Crushed

DALLAS, Feb. 24—Arthur Snyder, 50, of Portland, was killed instantly Wednesday morning at the camp of the Willamette Valley Logging company near Black Rock when a log rolled off a truck and crushed him. He is survived by his wife.

Spinach, Lettuce Ceiled

Prices Held; Sugar Ration Less; Food In Restaurant Set

WASHINGTON, Feb. 24—(AP) The office of price administration Wednesday night established emergency price ceilings on lettuce and spinach.

Effective Thursday no retailers, wholesalers, terminal market receivers, or country shippers may charge more for fresh lettuce or spinach than he charged in the last five days. Farmer prices were not affected directly. The action followed a similar "freeze" Tuesday of the prices of fresh cabbage, carrots, snap beans, peas and tomatoes.

OPA Wednesday night also gave its local offices authority to increase the ceiling prices of these vegetables and lettuce and spinach as well, wherever necessary to remedy any local inequities. All of these actions on fresh

vegetables are aimed at preventing sharply increased retail prices, resulting both from frost damage to southern crops and from an anticipated switch in public demand from canned vegetables to fresh varieties because of rationing of processed foods. Wednesday's action brought the percentage of foods under price control to 96 per cent. The principal foods still unregulated are apples, sweet potatoes and fresh fish. Indications are that apples and sweet potatoes probably will be regulated when their prices rise to parity levels, the prices considered by some authorities as giving a fair return to producers.

The authority given local OPA offices to increase some prices is necessary to adjust prices of frost-damaged vegetables, which have depressed prices abnormally in some localities, OPA said.

All of these vegetable ceilings are temporary, with more uniform (Turn to Page 2—Story C)

Gas Renewal Forms Ready

There is no need to telephone the war price and rationing board office in Salem concerning renewal of B and C gasoline rations. Rationing Board Chairman John Heltzel declared Wednesday night as he explained that the application forms may be secured from service stations of garages and may be filled out and mailed to the rationing board with the required tire inspection records.

Telephone service at the board's office in the city hall here is crowding the line, Heltzel said. New ration books are to be mailed out to motorists and no call, either in person or by telephone, should be necessary to secure the renewal.

Tire inspections must have been made prior to February 28. No renewal of A ration books is required now.

RAF Bombers Raid Germany

LONDON, Feb. 25—(AP)—RAF bombers returned to the attack on Germany again Wednesday night after a two-night lull. The British announced Thursday.

Neither the size of the raiding force nor the targets were immediately disclosed.

LONDON, Feb. 24—(AP)—The German radio station Deutschlandsender and the Kalundborg station in Denmark went off the air Wednesday night, possibly indicating another RAF strike at northwestern Germany.

China Sends Troops Into India



These Chinese troops are part of a task force assigned to India where the allies have been massing land and air forces for an assault against the Japanese in Burma. They are marching to a railway station in India.—AP photo from US Army.

Danish 'Chutists' Aides Sentenced; Radio Links Moeller With 'Sabotage'

LONDON, Thursday, Feb. 25—(AP)—The Danish radio reported early Thursday that "a number of parachutists" had been dropped in Denmark, but gave no indication of their nationality or whether they had been captured or interned.

The statement, broadcast from German-occupied Copenhagen and recorded here by the British ministry of information, said that some Danish residents had sheltered the parachutists, provided facilities for erecting radio transmitters, and supplied money and information to the agents.

The radio linked Christmas Moeller, former Danish commerce minister who escaped to Britain last year, with the parachutists. This indicated the parachutists were Danish agents working against the axis.

The federal communications commission reported that the Copenhagen radio station told of the sentencing of 27 persons for helping the parachutists, cooperating with Moeller and publishing a clandestine paper. This would indicate that the parachutists landed some time ago.

The radio statement as recorded by the ministry here said: "It has been ascertained that Christmas Moeller, a former member of the Folketing who escaped to Britain, has been in communication with the parachutists. Be (Turn to Page 2—Story D)

Presidential Requests Cut By Committee

WASHINGTON, Feb. 24—(AP)—The house appropriations committee sharply rebuffed the administration Wednesday by denying a series of requested appropriations.

In reporting a \$6,298,530,435 deficiency appropriation bill, chief-ly for merchant ship construction, the committee refused:

\$2,454,000 which Paul V. McNutt had proclaimed as essential if the war manpower commission is to discharge its duties.

\$337,000 asked by Secretary of Labor Perkins for work in curbing absenteeism in war factories and improving working conditions.

\$200,000 requested by the national resources planning board, headed by Frederic A. Delano, the president's uncle.

In what amounted to a rebuke to the executive branch of the government for initiating projects not approved by congress, the committee also declined requests for \$2,973,000 for payments to states for care of children of employed mothers; \$5,182,000 for payments on costs of the high school Victory corps headed by Capt. Eddie Rickenbacker; and \$1,200,000 for emergency grants for maternity and infant care in enlisted men's families.

The committee said these proposals lacked "the sanction of enabling legislation," meaning congress should have been asked to approve the projects before appropriations were requested.

It expressed sympathy for the ideas although suggesting costs of child care and the Victory corps should be left to the states.

"We are not making sacrifices, but there are harder days ahead!" Thus A. L. Shafer, Pacific coast manager for the American Red Cross, summed up his presentation of the wartime expansion and plans of the organization he serves, speaking Wednesday night at the annual meeting of Marion county chapter, Red Cross, in Salem chamber of commerce rooms.

In a nation where 1000 paid Red Cross workers operated three years ago, there are 10,000 today, he said; volunteer workers have multiplied by the thousand, their

Japanese Warships Bombed

Vessel Run Aground; Rabaul Shipping, Lae Area Raided

ALLIED HEADQUARTERS IN AUSTRALIA, Thursday, Feb. 25—(AP)—A Japanese warship, fleeing frantically from attacks of American Flying Fortresses, was driven aground off Cape Gazelle in New Britain Wednesday, and allied bombers soared over Rabaul to damage two small enemy bombers and a 10,000-ton merchantman.

It was the second successive raid on Rabaul shipping. Wednesday's communique told of direct bomb hits on a Jap warship, possibly a cruiser, and of near misses on Jap merchant vessels.

"Our heavy bombers executing a pre-dawn attack on enemy shipping in the harbor area scored a direct hit from extremely low altitude on a 10,000-ton cargo vessel and several damaging near hits within 25 feet of two small enemy warships," the noon communique related concerning the latest Rabaul raid.

"A larger warship southeast of Cape Gazelle was attacked and, in its violent efforts to escape, ran aground on reefs. Heavy anti-aircraft fire and dense searchlight screens were encountered but there was no interception. All our planes returned."

Five hundred and 1000 pound bombs were dropped in particularly heavy raids on and around the Jap-held New Guinea base of Lae, starting fires visible for 20 miles. These raids represented continuation of a strafing and bombing allied assault on a region toward which ground troops have been moving from the vicinity of Wau to the southwest.

The bombers started fires visible for 20 miles. Over Open Bay, New Britain, a big allied bomber on a reconnaissance was swarmed upon by 13 Jap planes. The bomber sent four of the Zeros down in flames and got home safely.

Cooperation Advised for Farm, Labor

DALLAS, Feb. 24—By cooperation without interference in organizations of others, farmers of the United States may save their country from fascism, Herbert B. Rolph, national vice president of the Farmers union, told members of his organization gathered at the state convention banquet here Wednesday night.

Rolph, who became the featured speaker when Gov. Earl Snull announced he would be unable to attend, is a native of Montana. James Patton, of Denver, national president, had previously announced inability to attend the meeting, and Rolph had been asked to take his place.

Throughout the history of the world, Rolph said, farmers have been drifters, migrating to this country from Europe, and from the east to the west coasts of the continent. Now there is no place to drift to; the farmer today must face his problems squarely and work them out. Nor are these problems limited to farmers, or to any particular geographic location, but are rather common to all people, and all countries. The Farmers union is trying to meet one of the largest problems of the world—the food situation. Pres. (Turn to Page 2—Story E)

Britain Urges War Cabinet

LONDON, Feb. 24—(AP)—Prime Minister Churchill's illness, now reported for the first time as pneumonia, has again brought out the suggestion that a small, office-free war cabinet should be established. Edgar Louis Granville, one of Churchill's most persistent critics, indicated Wednesday he would raise the question in commons, arguing that if the prime minister would have been ill for a long period it would have been of the utmost importance that such a war cabinet be ready to take over the reins.

The prime minister, confined to his bed for the past several days with what had been described as acute catarrh, was reported improving Wednesday.

plasma is peculiarly the responsibility of the Red Cross. Relief work undertaken by the organization was illustrated by stories of the hundreds of Polish children who form troops marching into India to become responsibilities of the British empire but often are refugees in need of immediate aid from the Red Cross.

Great strength of the Red Cross comes from its volunteer aspects in a world where many actions are compelled, the speaker declared, as he referred to annual reports from Marion county committees, showing that more than 1000 volunteers engaged in work here the past year.

Justice George Rossman of the state supreme court was re-elected unanimously as chairman of the chapter; William Hamilton as vice chairman; Linn C. Smith, treasurer; Mrs. Ronald Jones, secretary; Milton Meyers, Mrs. C. S. Hamilton and Miss Elizabeth Putnam, members at large.

All nominations presented by the nominating committee consisting of Floyd Miller, Mrs. L. V. Benson and Mayor I. M. (Turn to Page 2—Story A)

Italians Keep White Handy

WITH US FORCES IN TUNISIA, Feb. 24—(AP)—Italian soldiers in Tunisia are careful to keep a white handkerchief handy for emergency these days.

The reason was explained by an Italian prisoner to Pvt. Nicholas W. Giordana, 24, of Brooklyn, NY, who gave him a cigarette.

When the prisoner said he was happy to be out of the war, Giordana, who studied art for 10 years in Italy, asked, "Well, how about the other Italians who are still out there fighting?"

"They all have white handkerchiefs in their pockets ready to show them at the right time," declared the prisoner, smiling. "When we saw you Americans coming we were glad to give up."

"We haven't had anything to eat for more than two days. The Germans pushed us up ahead of the attack. If we don't fight the Germans will kill us from behind and if we do fight you will kill us. We don't have any way to go."

Russians Race Against Mud

Several Nazi Holds Broken on Long Western Front

LONDON, Thursday, Feb. 25—The red army surging westward over a 300-mile front in a race against spring mud was reported early Thursday to have toppled several more axis strongholds in the drive toward Poltava and Konotop, Ukraine positions guarding the approaches to the Nazi Dnieper river line.

The regular midnight Moscow communique recorded by the Soviet Monitor said another large populated place west of Kharkov had fallen, reported fresh gains in the effort to encircle Orel, hinge of the southern and central fronts, and told of the trapping of two German battalions (approximately 1600 men) in the western Caucasus.

The Russians said those two battalions now were being annihilated after refusing to surrender.

Heavy German counterattacks with tank and plane support were acknowledged in the Donets basin. While claiming the repulse of most of these, the Russians admitted German units had driven a wedge into their lines southwest of Krastorok. This town is about 50 miles above Stalino whence the Nazi escape railway runs out of the Donets basin.

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19,451 Signed For Rationing

Third day of registration for war ration book No. 2 in Salem brought total of books issued to 19,451. Supt. Frank Bennett, whose public schools' staff is handling the work, announced Wednesday night.

Persons whose last names begin with letters from N to S are to register at elementary schools between 3 and 9 p. m. today. Not all of the S group is expected to register today since Friday also is to include some of that alphabetical category.

By school buildings, the registration which totaled 6950 Wednesday, was as follows:

Bush, 1197; Englewood, 993; Highland, 967; Garfield, 899; Grant, 732; Washington, 665; McKinley, 660; Richmond, 487.

Canada Probes 'Bomb' Blast

CHARLOTTETOWN, PEI, Feb. 24—(AP)—A heavy explosion, apparently caused by a bomb dropped from an unidentified plane, tore a 10-foot crater in the earth on the outskirts of Charlottetown late Wednesday night and shattered windows over a wide area.

Royal Canadian mounted police and officials of the Royal air force began an investigation.

No one was injured by the blast, which occurred in a field on the Mount Edward road, near the Charlottetown airport and about a mile from the city. The explosion was heard for miles around.

An hour after the blast, the crater was located. It was between three and four feet deep. Residents of the area said bomb fragments also were found.

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