

1943 Tax Cut Plan Rejected

Committee Closes Together After Senate Ballot

By RALPH C. CURTIS

Property taxpayers won a victory over income taxpayers — often they're the same people, but that's just one of taxation's intricacies — Thursday when the Oregon house of representatives decisively rejected, 39 to 21, the minority report of its taxation and revenue committee proposing a 25 per cent reduction in income tax payments this year and a rate reduction estimated to reduce receipts 20.81 per cent the following year.

Momentarily the outcome appeared also to be a victory for the state tax commission, which Rep. John Hall, chief spokesman for that two-man minority, said was "on trial by this tribunal and before the bar of public opinion." Presently however any verdict on that score became hopelessly confused.

For, instead of adopting the majority report which called for no income tax reduction this year, but a subsequent rate reduction calculated to reduce receipts by 11.62 per cent, the house sent the bill back to the committee, virtually with instructions to provide for some reduction this year.

The committee returned about dusk, with another divided report, again lined up 7 to 2 with the same teams as before, but now closer together. The majority including Chairman Giles French offered again its 11.62 formula for subsequent years, together with a flat 10 per cent reduction this year. The minority, Reps. Hall and Stanhope Pier, had dropped the 1943 figure to 15 per cent but kept the 20.81 formula.

Virtually all day Thursday the house battled over the "size of the bite" in income tax reduction, and will resume the subject at 10 a. m. today.

Rep. Hall's opening argument was principally an attack upon the state tax commission which, he said, had "misinformed" Guy Cordon, tax advisor to Gov. Earl Snell, as to the difficulty of making refunds this year. Hall charged that the commission had said 50,000 tax returns had been filed, whereas there were only 18,000; and in the hope of forestalling a reduction, had mailed out return blanks unusually early. Rep. Hall said it was he who had asked Secretary of State Robert S. Farrell, jr., to make an independent investigation and report his findings to the committee.

Chairman French criticized the raising of "personalities" but said that, since they had been raised, it was only fair to say that the tax commission had never claimed that it had mentioned the difficulties; that the commission had not said 50,000 returns had been made, but that approximately that number would be in by the end of April; and that income tax blanks had been sent out last December 1, the same date as in 1941.

The majority had abandoned the idea of a 1943 reduction, Rep. French said, upon being advised that no emergency clause could be attached to the bill and that therefore no refunds might safely or legally be made until June. He said the difficulties of making refunds were greater than Rep. Hall would admit.

Opposing a reduction of more than 11.62 per cent, French pointed to the allocation of surplus income tax money to schools, elimination of the surtax intangibles provided in both bills, the exemptions for men in war service already approved, the impending reduction in the corporate excise tax, and the "automatic" shrinkage mentioned by Gov. Earl Snell in his inaugural message. French said the committee also had learned federal contracts were being "renegotiated" to take out the profit, so war contractors would pay less taxes.

Rep. Burk K. Snyder, for the majority report, said "We don't need to be ashamed of Oregon's tax structure," mentioning favorable comparisons in total tax payments with Washington and California. He opposed the 25 per cent reduction, saying the federal government would collect most of it and the property taxpayers later would pay it.

Rep. Herman Chindgren went more into detail on the property tax angle, declaring his constituents were fearful an income tax reduction would mean increased

Eight Jump; Pilot Lands

AMARILLO, Tex., Feb. 25—(AP)—Capt. Arthur Hampson, as cool as the ice that burdened his four-motored bomber, ordered nine crewmen to bail out and then continued on alone for more than 300 miles to land the plane safely Thursday at an Amarillo army airfield.

Only these two things, he confided, bothered him: He was concerned about the men who parachuted for as far as he knew none had ever previously bailed out, and— He was chilly, since the bomber's door stayed open the entire trip from Wichita, Kas.

He ordered his men to jump when he steadily forced the ship downward from an altitude of 7000 feet. He was preparing to jump himself, when better weather was encountered.

After an hour the ice started clearing the ship. From then on into Amarillo the flight was uneventful, he said.

(From Wichita came word that eight of the crewmen landed without mishap near Wichita, while the ninth man was injured, extent not disclosed.)

Ration Signup Closes Today

Five-Sixths of City Estimate Register; March 15 Next

Approximately five-sixths of the anticipated number of war ration books No. 2 for Salem have been issued as the last day of registration for the small "stamp albums" draws today.

Thursday's total of 6573 brought the week's issuance to 26,024, according to Supt. Frank B. Bennett, whose school staff is handling the task of enrolling those who would eat processed foods during coming months. Bennett said he had figured on 32,050 for the week, although 28,000 had registered for book No. 1.

Persons who have not registered when the halls of Salem's elementary schools are closed at 5 o'clock tonight must wait until March 15 to sign up for the books, must at that time declare the amount of canned goods they possessed at the be-

Wallace Dies Here Today For Slaying

His final pleas for delay denied, William E. Wallace, 54, is scheduled to die in the Oregon state penitentiary lethal gas chamber at 8:30 o'clock this morning for the murder of Benjamin Finkell.

Gov. Earl Snell announced Thursday night that he had declined to interfere. A 30-day reprieve was urged upon the governor earlier in the day by Dist. Atty. James R. Bain of Multnomah county to permit Wallace's attorney to make a showing. Other callers asked for either a stay of execution or a commutation of sentence to life imprisonment.

Wallace's conviction in Portland of first degree murder was affirmed by the state supreme court, which overruled his contention that the circuit court trial judge should have permitted him to change his plea to insanity.

The slaying occurred in a Portland downtown street when Finkell protested against Wallace using profane language in the presence of his woman companion.

A statement issued by Gov. Snell read: "My examination of the file in the Wallace case disclosed that the accused was tried before a jury which found him guilty of murder in the first degree. He appealed to the supreme court where he advanced the contention that his conviction was not justified because he (Wallace) was not permitted to offer evidence of his insanity at the time of the trial. No argument was advanced in the supreme court that questioned the validity of the verdict."

Gandhi Condition Cheers Doctors

POONA, India, Feb. 25—(AP)—Mahandas K. Gandhi passed through the 18th day of his three weeks fast Thursday in good enough shape to encourage doctors that he will recover.

The Hindu spiritual leader is very tired and very weak, authoritative medical circles said, but he has lost 20 pounds. But the doctors added that he was comfortable and that his spirit is encouraging.

Boeing Workers Deeree

Prompt Decision in Wage Case Asked Of Labor Board

SEATTLE, Feb. 25—(AP)—Thousands of Boeing aircraft workers, whose work stoppage for a mass meeting and parade Thursday brought a half-shift shutdown of the Flying Fortress plants, voted to hold an around-the-clock meeting Monday unless the war labor board returns a favorable decision promptly in their long-pending wage increase case.

They expressed the intention also of calling upon other AFL union airplane builders for similar action, and asked that President Roosevelt's intervention be solicited.

While the thousands of workers were tying up city traffic, the aeronautical mechanics' union was filing a suit in federal court here against the labor board. It demanded that the board be compelled to act in the west coast aircraft stabilization case or surrender jurisdiction to enable the union to negotiate directly with the Boeing company, which has expressed itself in favor of wage increases.

The Boeing plants in Seattle and Renton were shut down by the company for half a shift after it reported approximately 97 per cent of the workers absent after the lunch hour.

A high west coast army officer branded the work stoppage by the aeronautical mechanics' union (AFL) members "little less than treasonable."

The resolution adopted by the mass meeting, estimated by union leaders at 20,000 persons, demanded a satisfactory labor board decision by Sunday midnight or the union "will hold a 24-hour general meeting."

In offering the resolution, Ed Carlin, a union district council delegate, explained that the 24-hour meeting would mean that "all shifts will report to the civic auditorium or some other meeting place instead of going to work."

He declared that locals of the union at Burbank, Calif., and at the Consolidated Aircraft company plant would be asked to take similar action if a satisfactory decision is not handed down by Monday or Tuesday midnight, respectively. After Wednesday midnight, he said, the international would be asked to call similar meetings of all AFL aircraft unions in the nation.

Thursday night, however, Harold Gibson, president of the district lodge, expressed the belief that a call for work stoppages was not the intent of the resolution's framers, "because the local and the international are opposed to work stoppages."

Japs Retreat Near Canton

CHUNGKING, Feb. 25—(AP)—A general Japanese withdrawal along the southern section of the Canton-Hankow railway is in progress, Chinese field dispatches reported Thursday night.

They said the Chinese had retaken Lupao, 25 miles northwest of Canton, on Tuesday and that the battered enemy forces retreated in the direction of Samshui, a river and railway town west of Canton, after a desperate rear guard action.

Chinese troops were reported to have passed Kuntien and pressed on toward Sunkai, a railway town 15 miles north of Canton, and one of the key points in the Japanese defense system around this great south China city.

Earlier Thursday a Chinese army spokesman, reviewing the military situation, declared that "On the whole the Japanese have gained nothing recently from their widespread drives."

Soldiers Wounded In Africa Listed

WASHINGTON, Feb. 25—(AP)—Names of 336 United States soldiers wounded in action in North Africa since early November, 1942, were made public Thursday by the war department.

The list included: Sgt. Albert M. Friesen; mother, Mrs. Emma Friesen, 248 North 15th street, Salem.

Allies Slash Rommel Line

RAF Pounds West Europe

Raid 17th On Reich In Month

French, Dane Radios Off; Swiss Alert; Bombers Heavy

LONDON, Feb. 26—(AP)—RAF bombers were over Germany again Thursday night for the second night in succession and the 17th time this month, the British announced Friday.

There was no immediate mention here of any attack on Italy.

LONDON, Friday, Feb. 26—(AP)—Waves of Britain's heaviest bombers swept across the Straits of Dover for 45 minutes Thursday night, followed by the sudden shutting off of axis radio stations on the continent and an alert in Switzerland which usually means both Germany and Italy are being attacked.

The silencing of radio stations from Denmark through Germany hinted that the reich was feeling the might of the RAF for the 17th time this month—a new record.

A dispatch from Zurich, Switzerland, said a great number of heavy bombers flew south of Lugano Thursday night, indicating allied air forces were again blasting Italy on a heavy scale. Lugano is on the Italian border, only about 40 miles northwest of Milan.

The last attack on Italy was February 14, when the RAF gave Milan its most devastating blow. By one, the broadcasts were switched off between 9:55 and 10:30 p. m., and the Stockholm radio reported a foreign plane flew over Sweden from the west.

Swan Island Dorm Burns

PORTLAND, Ore., Feb. 25—(AP)—One shipyard workers' dormitory at the Henry J. Kaiser Swan Island yard here burned to the ground Thursday night and two smaller, connecting units were damaged. All the occupants escaped without injury.

The spectacular fire broke out in Dormitory No. 1, which provided sleeping facilities for 216 workers and destroyed the one-story wooden structure in about half an hour. Jack Fletcher, a company guard, fought his way into the flaming structure, awakened its sleeping occupants and carried two men to safety.

Arthur M. Bell, city fire inspector, said the fire apparently was started by a careless smoker. A janitor discovered a bed in flames and turned in the alarm. Swift control by city firemen, shipyard and coast guard equipment and a fireboat kept the blaze from spreading to 17 other dormitories.

Jap Ships Blasted

ALLIED HEADQUARTERS IN AUSTRALIA, Friday, Feb. 26—(AP)—Allied bombers, winging for the third straight time across New Britain for attacks on shipping at Rabaul, possibly damaged a seaplane tender and three cargo ships, the allied high command announced Friday.

In two previous raids, Gen. Douglas MacArthur's bombers scored a hit on a large Jap warship believed to be a cruiser, drove another big warship aground on a reef off nearby Cape Gazelle, damaged two other warships and a 10,000-ton cargo ship and probably damaged still other merchant ships with near misses.

As on other occasions the latest attack was just before dawn. "Three cargo vessels of limited size were bombed and either directly hit or near hit from low altitude and an 8000-ton ship resembling a seaplane tender was badly damaged by four bombs. When last seen it was heading for shore and setting

Victorious Reds Fortify Kharkov's Streets



Having recaptured the industrial city of Kharkov in one of the most brilliant offensives of the war, the Russian army has consolidated its gains and is now prepared to hold that great city against anything the nazis may attempt in the spring. Pictured is a Russian anti-aircraft gun crew on alert in the big square of the Russian city. In the background, along famed Sumskaya boulevard, are the modern buildings of industry and business, now a serrated series of shells, rendered semi-shambles by the battle of Kharkov. Today red army pincer jaws are reported closing in on Orel, last remaining bastion of the German winter defense line in Russia.—IIN Soundphoto.

Farmers Union Elects Grice

State Meet Opposes Bringing Foreign Farm Labor Here

DALLAS, Ore., Feb. 25—(AP)—Importation of foreign farm labor by the Oregon Farmers union to Oregon was opposed Thursday which closed its 33rd annual state convention with the reelection of President Ammon Grice, Salem.

The convention adopted a resolution against imported foreign farm workers on recommendation of its agricultural committee. The action was aimed at Mexican farm hands who have been mentioned as possible relief for labor-short farm areas in Oregon this year in announcements of federal agencies.

Linn county was awarded next year's convention but if it does not accept the meeting will go to Marion county. Designation of the convention city was left to the organization's county unit.

Harley Libby, Jefferson, was reelected vice president and Mrs. Frank Way, Salem, was named secretary-treasurer and editor of the Farmers Union News, succeeding Pauline L. Johnson, Silverton, who declined renomination.

Three new members were elected to the executive board—Henry Johnson, Beaverton; John Shepherd, Albany; and Joe Owens, Yamhill. They succeeded members who retired under the new rule stipulating service must end with two terms: Retiring members are Peter Zimmerman, Yamhill, who has served on the board 12 years; C. S. Emerson, The Dalles, and John Plass, Hillsboro.

Holdover board members are L. H. McBea, Dallas, and Ronald E. Jones, Brooks.

Britons Yell For Cobbler

Walbrook, England, Feb. 25—(AP)—William Mann, the only cobbler at Walbrook, is in the army and the people, running down at the heels, want something done about it.

Five hundred residents of Walbrook signed a petition in behalf of the community's 5000 population some time ago, asking that the army send Mann back.

They failed to get satisfaction, so their member of parliament, Ian Campbell Hannah, is going to ask the war secretary about it in the house of commons next week.

House Group Against Wine Sales Limit

Sen. W. E. Burke's bill limiting fortified wines' sale to the state liquor stores was reported out "do not pass" Thursday by the house alcoholic control committee. The committee vote however was 4 to 2 and the minority members, Reps. H. R. Jones and Joseph E. Harvey, will bring in a minority report. Because of the press of business in the house, the reports will not be brought out until Monday.

Voting against the bill were Reps. Standhope Pier, A. W. Meyers, Leif S. Finseth and Harvey Wells. Rep. Burk K. Snyder was absent.

The vote followed a hearing on the bill. B. N. Hicks, Portland, secretary of the Oregon Anti-Saloon league, urged passage of the bill. He said it would abolish private wine stores and thus make fortified wines less accessible to young people.

David Simpson, president of the Portland chamber of commerce, said the bill is "just putting the state government further into private business." A. Ritter, Portland, said that if the people had to go to liquor stores to obtain wine, they would purchase whiskey instead.

Sen. Burke said "fortified wine is the most damnable thing sold in the state of Oregon." The bill previously was approved in the senate.

Jews Shipped From Norway

STOCKHOLM, Feb. 25—(AP)—Report from Norway said Thursday that another boatload of Jews—virtually the last in the country—had been shipped from Oslo to an unknown fate in Germany.

There were about 150 persons aboard the vessel, all of whom had spent the last two months in a concentration camp at Grini, near Oslo, the reports said.

Soviets Punch Holes to West

Mingrelskaya Taken Near Novorossisk; 2 Battalions Slain

LONDON, Friday, Feb. 26—The Red army punched new holes in Nazi defenses on the approaches to the Dnieper river west of Kharkov and stormed and captured Mingrelskaya in the western Caucasus only 33 miles from the big Black seaport of Novorossisk, the Russians announced early Friday.

Despite continuing strong German counter-attacks and impending muddy weather the Russians also gained ground in some sectors of the Donets basin and west of Rostov along the Sea of Azov in the drive toward Taganrog, the regular midnight Moscow communique disclosed.

The additional localities captured west of Kharkov in the drive to envelop Poltava and Kotop were not identified in the communique recorded by the Soviet Monitor.

But in the western Caucasus the Russians said two battalions of the 101st German light infantry division were crushed after refusing to surrender when Mingrelskaya, 30 miles west of Krasnodar, was surrounded.

Of the two battalions of approximately 1600 men, all were killed save 200 who finally surrendered, and the communique said eight guns, 77 machine guns, one ammunition dump and several equipment stores were captured as the Red army moved on toward Novorossisk, the single (Turn to Page 2—Story F)

Senate Approves Medal for Flight

WASHINGTON, Feb. 25—(AP)—The senate passed Thursday without dissent a resolution to authorize a gold medal for President Roosevelt in recognition of his flight to the conference with Prime Minister Churchill at Casablanca.

The resolution, which now goes to the house, authorizes the treasury to strike the medal in recognition of the president's "contribution in inspiring confidence in aviation," the expense to be borne by the American section of the international league of aviators.

Pioneer Photog Dies

NEW YORK, Feb. 25—(AP)—Henry A. Strohmeier, 85, official photographer for the late President Theodore Roosevelt and a pioneer in stereoscopic photography, died here Thursday in St. Luke's hospital. He took photographs in all parts of the world and made exclusive photographs of peace delegates at the treaty of Portsmouth in 1905.

Double Squeeze Started

Heavy Air Offense Strikes Nazi Rear; 8th Army Moves

By DANIEL DELUCE

ALLIED HEADQUARTERS IN NORTH AFRICA, Feb. 26 (AP)—Allied armies on the offensive with strong air cover in both western and southern Tunisia slashed through the axis rear guard in Kasserine pass Thursday night and penetrated advance positions on the edge of the Mareth line.

Under the field command of Gen. Sir Harold Alexander, British and American forces were declared to have launched the long-awaited double squeeze on the axis bridgehead in North Africa. Kasserine pass, from which Marshal Erwin Rommel last Sunday threatened to break into Algeria, was being savagely cleared of the last axis defenses while to the east allied planes loosed a deadly air barrage on the enemy's rear, striking his airfields, supply depots and transport columns.

(Reuters quoted the Algiers radio as saying the Germans had withdrawn entirely from Kasserine pass, leaving Italian rear guards to cover their retreat.) (The axis still is getting large numbers of troops and supplies, Canadian Press Correspondent Ross Munro reported from field headquarters. He said an American pilot patrolling the Sicilian straits saw large enemy convoys steaming toward Tunisia and that the pilot had seen 40 large German troop transport planes landing troops at Bizerte.)

Allied tank columns and infantry were reported threatening German positions at Sbeitia and Ousseltia above the Kasserine gap. Thus, instead of Rommel assuming a dominating position on the Algerian frontier, dispatches showed he was being compelled to pull back his shattered armor toward the coastal corridor in eastern Tunisia.

In the south, his Mareth line appeared due to suffer a large-scale attack from the British Eighth army veterans of Gen. Sir Bernard L. Montgomery.

French headquarters announced that the Germans had been beaten back west of Ousseltia with serious losses when they tried to launch an attack. Prisoners were taken.

(RAF headquarters in Malta said torpedo planes had sunk a large supply ship, heavily damaged another and attacked an escorting destroyer north of Tripoli, westernmost point in Sicily. Trains were attacked in Italy, Sicily and Tunisia and another convoy was assaulted north of Italian Cape Alice with undisclosed results.)

The Italian communique as heard here from the Rome radio tried to ignore the new situation in Tunisia, dismissing the allied counter-drive as "local activity." The RAF reported that Spitfires caught and destroyed three troop-laden trucks Wednesday in the Kasserine area. When a second Spitfire formation dived to attack two other trucks, there were "no soldiers alive from the first trucks to fire at us," the report said.

RAF Hurricanes shot up two trucks and some gun posts in the Kasserine area. In this squadron was Flight Sgt. T. E. Johnson of Reykjavik, the only Icelandic pilot in the RAF. He recently received the DFM for destroying three enemy aircraft.

Gen. Mtongomery's armored forces were driving into the outpost area of the Mareth line at Rommel's rear.

Wickard Recommends Hops as Essential

CORVALLIS, Feb. 25—(AP)—G. R. Hyslop of Oregon State college said Thursday that he was informed by Senator McNary that Secretary of Agriculture Wickard has recommended that hops be declared an essential crop.