

House Defeats Tax Boost Bill

WASHINGTON, Oct. 16-(AP)—The House rejected the compromise \$5,732,000,000 tax increase bill today in a stunning upset that left key lawmakers questioning whether any revenue measure at all will be passed this year.

Convicts Mutiny in West Virginia Pen

MOONSVILLE, W. Va., Oct. 16-(AP)—More than a thousand cold and hungry convicts, revolting because they had a dirty cook and not enough clothing, milled around the big exercise yard of the West Virginia state prison tonight.

About 200 prisoners, armed with knives and broken scissors, tried to storm the prison commissary but were driven back by rapid firing of the guards lining the big gray walls.

SEEMS HOME

By Charles A. Spurgeon
Signals appear to be set green for the financial reorganization of Portland Gas & Coke company. The company has not been in receivership or bankruptcy, but got behind on its dividends to holders of preferred stock, the only kind of the company's stock which is held by the public.

Several plans were proposed but the securities exchange commission has recommended and the board of directors have approved a plan by which holders of the common stock have been held by American Power & Light Co., which is in process of liquidation under the holding company law.

The SEC has also directed American Power and Light to distribute its holdings of 100 per cent of the common stock of Washington Power company to its own stockholders promptly after January 1st next if it does not in the interval arrange a sale for the stock.

The firm asked that, if interested, the state treasurer contact it to open negotiations.
If sold the \$500,000 would be used to process veterans' applications. The bulk of the bonds to pay the bonus, about \$40,000,000 would remain to be sold.

Mrs. Paul Wallace, Active In Salem Civic Affairs, Dies

Mrs. Paul B. Wallace, for many years active in Salem social, civic and church affairs, and former principal of McKinley and English schools, died Tuesday at her home on Wallace Orchards.
Funeral services will be held at 3 p.m. Thursday at the Presbyterian church, of which she was a member, under the direction of Clough-Barrick company.

Animal Crackers
By WARREN GOODRICH

The Oregon Statesman

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Tourist Lures Planned as Jobs Switched



Carl W. Jordan, left, will be new state highway department travel bureau director November 1, upon retirement of Manley F. Robinson, center. Eric Bergman, right, will fill Jordan's post as assistant director. The trio is looking over advertising layouts for next year's tourist season, and on the wall are full color ads used in the past years in nationally circulated magazines. (Statesman photo.)

Human Bones Uncovered at Valseltz Depot

State News Service
VALSETZ, Oct. 16—Workmen uncovered a human skeleton today while digging a drainage ditch near the Valseltz depot.
Linn County Coroner J. Paul Bollenman of Dallas will investigate the matter Wednesday. W. B. Brownjohn, superintendent of the Valseltz Lumber company could offer no explanation concerning the bones.

Swiss Convict Davis of Spying

LAUSANNE, Switzerland, Oct. 16-(AP)—The Swiss federal court today convicted Charles E. Davis, 23, Pasadena, Calif., of political espionage. The American negro was charged with spying on communists and United States diplomatic personnel in Switzerland on behalf of U. S. agents and Senator McCarthy (R-Wis).
The court sentenced Davis to eight months imprisonment, ordered him expelled from Switzerland and barred his re-entry for a period of 10 years.

Fleischmann, Ex-Yeast Czar, Kills Himself

SANTA BARBARA, Calif., Oct. 16-(AP)—Max C. Fleischmann, 74, former head of the Fleischmann's Yeast empire, shot and killed himself today at the home of his wife in nearby Carpinteria.
He came here about a month ago from his home in Nevada for an operation which disclosed what doctors said was "an incurable malignancy."
Fleischmann became chairman of the board of his father's yeast factory in 1925.
He sold the Fleischmann Yeast and gin factories in 1929 to the J. P. Morgan banking house for about \$20 million worth of stock in Standard Brands. Next year he moved to Santa Barbara and expended hundreds of thousands of dollars in philanthropy.

MacArthur Attends Legion Convention

MIAMI, Fla., Oct. 16-(AP)—Miami poured into the streets today by the tens of thousands for a glimpse of Gen. Douglas MacArthur and to watch the American Legion's mammoth 8-hour-long parade. MacArthur will address the Legion at 1 p. m., EST, tomorrow.

British Troops Fire on Egyptians; Premier of Pakistan Assassinated

Rabid Moslem Killer 'Torn to Pieces' by Mob

KARACHI, Pakistan, Oct. 16-(AP)—Prime Minister Liaquat Ali Khan was assassinated tonight by a Moslem extremist who wanted a holy war with Hindu India.
The assassin, Shir Akhtar, was killed by a mob which surged onto the speaker's platform at Rawalpindi, 30 miles from the seething Punjab's border with disputed Kashmir state. Official sources said the mob caught the killer and "tore him to pieces."

The 56-year-old Liaquat, long a conciliatory influence in the embittered relations with neighboring India, had just started to address a meeting of the Moslem league. He was shot twice at close range in the chest and head, and died soon after 5 p. m. in a hospital after an operation.

The Pakistan cabinet was expected to meet at once to consider the dangerous new state of Pakistan-Indian relations that may arise from this newest instance of terrorism in the Moslem world, the scene of 13 such assassinations since early in 1945. Some of the assassinations—notably in Egypt, Iran, Jordan and Syria—have had far-reaching results in relations with western powers.

Foreign Minister Sir Mohammad Zafrullah Khan, possible choice to succeed Liaquat as prime minister, hurriedly prepared to come home from United Nations headquarters in New York. Pakistan has no deputy prime minister so it is still uncertain who will succeed Liaquat.

No disorder was reported in the Moslem nation of 80,000,000 people. But preparations were being made for a hasty funeral here tomorrow.
Mindful of the possibility that the uneasy peace may be upset, India's leaders hastened to send condolences. Prime Minister Jawaharlal Nehru paid tribute to the fallen Liaquat in one moving message, declaring "in this moment of sorrow all differences are forgotten."

"I shall greatly miss Liaquat's cooperation in the task of building up a lasting friendship between India and Pakistan," he declared.
He lost out to Wendell L. Willkie in 1940 and to New York's Gov. Thomas F. Dewey in 1948.

Salem Senators Stockholders Re-Elect Board

NEW YORK, Oct. 16-(AP)—The first moves ever taken inside the living heart were shown today at Montefiore hospital here.
You see the heart pumping. You see the valve open and close between the two chambers on the left side of the heart. The camera eye is put through an opening in the heart to make the interior movies. The heart is that of a dog, asleep under anesthetic.
The pictures were made by Drs. Elliott S. Hurwitz and Adrian Kantrowitz, Montefiore surgeons, and Antol Herskovitz, hospital photographer.

Tavern Policy Tops Discussion List at League of Cities Meet

By Robert E. Gangwars
City Editor, The Statesman
PORTLAND, Oct. 16-(Special)—Six hundred city officials hatched over just about everything from truck routes to basic bookkeeping here today as the League of Oregon Cities put its annual convention in full swing.
Time's earliest municipal interest centered in a new liquor control policy based on a state attorney general's ruling that entertainment beer places must be limited to radio, television or phonograph.
But Chairman Robert L. Elstrom of the liquor control commission said a second opinion from Attorney General George Neuner is now needed to elaborate the policy. (Additional details on page 2.)
Salem officials were active among the men and women who gathered seriously in large meetings or informal groups to exchange ideas on municipal problems.
Mayor Morris Milbank of Grants Pass, league president, was happy over the larger-than-expected turnout for virtually all general sessions and sectional roundtables going on in the Multnomah hotel. Between meetings, lapel-card

Jury Convicts Dr. Buck in Abortion Case

PORTLAND, Oct. 16-(AP)—A circuit court jury today convicted Dr. George H. Buck, Portland physician, of manslaughter by abortion.
The jury took just five minutes to reach its verdict against Buck, whose office was one of eight places police raided last spring after a grand jury had indicted five chiropractors, a naturopath and Buck on abortion charges.
He was convicted of performing an abortion on Mrs. Viola Cole Friday, 23, Salem, Ore., last December.
Circuit Judge Frank J. Loney said he would sentence Buck Friday. The penalty is one to 15 years in prison and a possible fine up to \$15,000.
It was the first of the cases to come to trial.

British Bullets Kill Egyptians In Suez Riot

CAIRO, Egypt, Oct. 16-(AP)—British troops fired on rioting Egyptians in two cities on the Suez canal today. From seven to seven-teen persons were reported killed and scores injured.
The British commander pledged that his troops will remain in the canal area despite the efforts of King Farouk's government to oust them. Britain announced that reinforcements are on the way.

A British army communiqué said "a small number of rioters" were killed and a British enlisted man was wounded in clashes at Ismailia and Port Said.
Egyptian officials at Ismailia said seven Egyptians were killed and 74 injured there and that four more Egyptians had been killed in rioting at Port Said. A Cairo newspaper put the total dead at 17, including two Britons, and said at least 80 had been wounded.

Allies Ensnare Red Units, Jets Bag 9 MIGs

U. S. EIGHTH ARMY HEADQUARTERS, Korea, Wednesday, Oct. 17-(AP)—American troops closed a trap on a communist battalion today and drove within three miles of the big red central Korean base of Kumsong.
The hard-fighting 24th division and two South Korean divisions have won more than 40 peaks in five days of roaring offensive along a 22-mile front.
"We put the cork in the bottle," an allied officer said.
The Americans snapped shut their trap less than 24 hours after U. S. airmen handed the communist air force its worst jet licking of the war.

The fifth air force said U. S. fighters shot down nine Russian-type MIGs and damaged five others in two swirling dogfights over northwest Korea. It reported only one F-86 Sabre jet damaged in the flashing battles between 70 U. S. and more than 150 red jets.
Allied officers estimated that nearly 800 reds were caught in the trap south of Kumsong.

Drillers Find Gas Pocket At Aberdeen

ABERDEEN, Wash., Oct. 16-(AP)—A gas well strike that was described as "impressive and promising" was reported at a beach tideland oil well today.
The gas pressure was enough to scare authorities into keeping the public away for fear a car's backfire might set off an explosive fire in one of the gas pockets. Some showing of oil also was reported.
The well is on state-owned beach land, about 50 feet above high tide mark. It is north of Grays Harbor, and about 200 yards from an Onion Oil Company well that yielded oil last year, but not in commercial quantities.
The gas pressure came at 3,711-foot depth. The pressure was reported at 2,000 pounds per square inch. Drillers said that was just about normal for a well "coming in."
There was no way to tell how much volume there might be.

Flush Proves Exensive, And Not in Poker Game

SEATTLE, Oct. 16-(AP)—Three-year-old Esther Sorensen doesn't play poker but her flush cost her daddy, T. T. Sorensen, \$70 today.
Esther was helping Mommy clean house and was given the chore of emptying ash trays in the toilet bowl. She did, plus \$70 in currency Pappy had left alongside the ash tray for payment of some bills.

Forrestal Diaries

Today on page 9.