

Bill Introduced to End Deduction of U.S. Income Tax

By HECTOR L. FOX
Associated Press Writer

A possible solution to about half of Oregon's budget deficit for the next two years reached the Legislature Wednesday in a bill introduced by Republicans.

It is the part of Gov. Paul L. Patterson's program suggesting elimination of the federal income tax deduction in figuring state income tax returns.

This would raise about \$30,000,000, but still leaves about \$33,000,000 more in revenue for the lawmakers to find.

The Income Tax Bill was introduced in the House by Rep. William W. Bradeen, Burns, and Sens. John P. Hounsell, Hood River, and S. Eugene Allen, Portland.

It would prevent Oregon's state income taxpayers from deducting their federal income tax payments when they figure their state tax.

It thus would increase state income taxes, especially in the higher brackets.

Referred to Committee
The bill was referred Thursday to the House Taxation Committee, which will be busy until about Feb. 8 studying the whole tax picture.

This committee, headed by Rep. Loran L. Stewart (R), Cottage Grove, doesn't know yet what its recommendations will be.

So far, there has been one sales tax proposal, which is strongly opposed by Labor and the State Grange and Farmers Union.

28 New Bills
The Senate and House will reconvene at 10 a. m. today after their Wednesday business which included introduction of 29 new House bills and nine Senate bills and final action on a few minor bills.

The House approved three minor motor vehicle bills and passed a Senate bill to let anybody start action to have a child declared dependent or delinquent. Now such a petitioner must reside in the same county as the child.

But committee work was the big show Wednesday. The Senate alcohol committee heard the Oregon Dispensers Association oppose any change in state liquor commission make-up or policy.

The bill up for hearing would substitute a high-salaried administrator for the present unpaid three-man commission.

Asks Dam Work
A memorial calling for construction of John Day Dam, either by the government or by partnership, was endorsed in the House State and Federal Affairs Committee.

Approval was on a straight party lines — four Republicans for, two Democrats against it.

The committee also recommended passage of bills to create a state historical board, and to set up an advisory committee for state institutions for delinquent children.

Substitute Bill
It shelved a bill to give the state a bigger share of state racing receipts, announcing that a substitute is being written at the request of the State Racing Commission.

Rep. Maurine Neuberger (D), Portland, introduced legislation to put State Police under Civil Service. State Police Sgt. H. G. Mason, meanwhile, told a Senate committee he opposes another bill to let dismissed officers appeal to the Civil Service Commission.

The Senate Education Committee approved a bill to abolish non-high school districts, which send their children to high schools in other districts and pay their tuition. The tuition would be paid by existing elementary and high school districts.

(Additional legislative news on Page 10, Sec. 2.)

Carpet Ruled Not Taxable As House Part

EUGENE (AP) — Frank Kinney said Wednesday he has received a letter from the State Tax Commission ruling that wall-to-wall carpeting is not, for tax purposes, part of a house.

Kinney, a realtor, appealed to the commission last fall when Lane County assessed the carpeting as real, rather than personal property. He contends that carpeting is the same as furniture.

Crippled Plane Locates Ship In Mid-Ocean, Crash-Lands

NEW YORK (AP) — In a delicately tricky hide and seek maneuver, a crippled four-engine military plane covered hundreds of miles of stormy mid-Atlantic Wednesday, then ditched beside a Coast Guard cutter. All eight persons aboard the plane were picked up safely.

"No injuries," was the word messaged here from the cutter. For an agonizing two hours and 21 minutes, the plane groped through storm and gathering dusk toward the Coast Guard cutter Coos Bay, a tiny speck on the vast, turbulent sea.

Then, minutes before nightfall, the plane found its target. The pilot brought his craft down expertly on the heavy, gale-swept sea. Lifeboats plopped to its side and the survivors were whisked to safety.

Radio was the thin thread that brought the plane and the cutter together in a life-saving rendezvous far from land.

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U.S. Sabrejets Ordered to Formosa

Swim Suits Sell Briskly in Below Zero Weather

INTERNATIONAL FALLS, Minn. (AP) — Swim suits and shorts sold briskly in 12 below zero weather in this Canadian border city today — to retail clothiers.

A Minneapolis salesman chose winter's coldest day to take orders for heat-wave sports wear, and reported sales lively.

First Commie Guilty Under Anti-Red Law

CHICAGO (AP) — Communist leader Claude Lightfoot Wednesday was convicted of informed membership in the Communist Party, in a precedent-setting jury verdict with far-reaching implications.

The case provided the first test of a Smith Act provision holding that membership in an organization, knowing it advocates violent overthrow of the U. S. government, is a punishable crime.

The provision goes beyond mere membership. The law specifies that a member, before he can be adjudged guilty, must have knowledge that the organization seeks or advocates violent overthrow of the government.

The law provides a possible maximum sentence of 10 years in prison and \$10,000 fine.

Prosecutions under the Smith Act, heretofore, have been based against groups of Communist leaders charged with conspiring against the government.

Lightfoot, 44-year-old executive secretary of the Communist Party in Illinois, told newsmen he will continue to work for the Communist Party until his case is finally disposed of through further legal steps including appeal, if necessary.

He remained free on \$30,000 bond.

A defense motion for a new trial was set for Feb. 15. Judge Philip L. Sullivan of U. S. District Court also will rule then on a defense motion for a directed verdict of acquittal.

General's Wife Shares Honor At Unveiling

LOS ANGELES (AP) — Feminine interest focused on a petite, brown-eyed woman who quietly shared the limelight Wednesday with her noted husband, Gen. Douglas MacArthur.

Mrs. Jean MacArthur stayed close by the side of the general during ceremonies in MacArthur Park on his 75th birthday.

Mrs. MacArthur was dressed in a black wool suit, a small of the face white hat and a mink fur scarf. She carried a bouquet.

She walked with Gen. MacArthur, hand in hand, to a podium and pulled the cord revealing the 8-foot statue of her husband.

Mrs. Virginia Carlson Knight, wife of the California governor, rode with Mrs. MacArthur to the park.

"She's so natural and warm and good," commented Mrs. Knight afterward. "Her goodness comes from within."

Sweet Home Man Has Close Brush With Dynamite

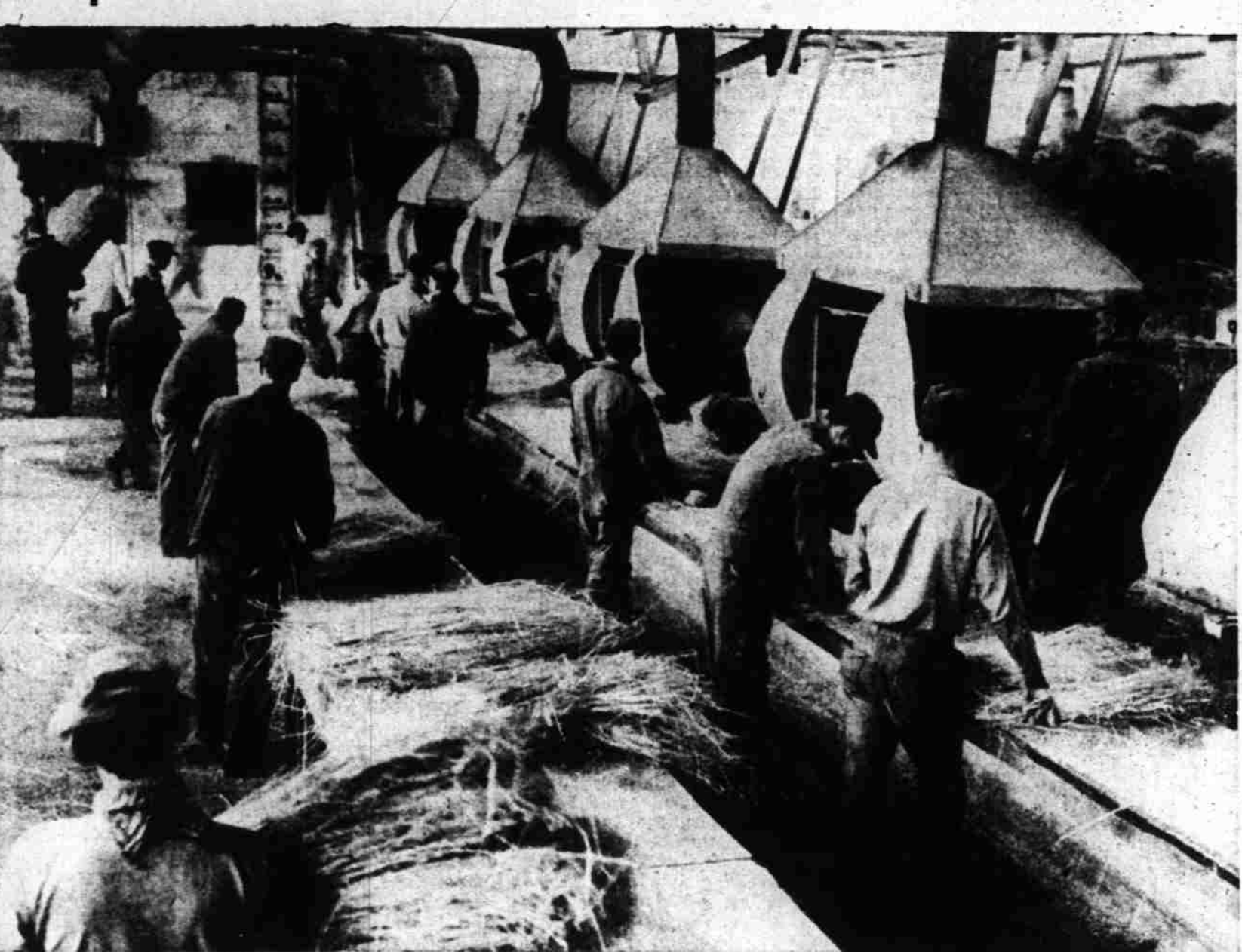
SWEET HOME (AP) — Jim Womack, powderman at an M and M Wood Working Co. logging operation 25 miles east of Foster, had just finished blasting Tuesday and had one of six dynamite sticks left. He put it in his hip pocket.

Suddenly a cat pulled a cable taut, the cable twanged into a block of wood weighing some 10 pounds and sent it flying through the air toward Womack. It hit him in the hip, flattened the dynamite stick and knocked him sprawling.

At Langmack Hospital here he was doing well Wednesday but attendants said he would be kept there a couple of days more with a severe bruise.

Explosives experts said dynamite is usually stable and as a rule is not set off by concussion. However, since it contains nitroglycerine a blow sometimes does set off a dynamite blast.

Operation Continues as Prison Flax Mill Fate Pondered



Operating at full speed, this is what the flax mill at the Oregon State Penitentiary looked like Wednesday afternoon. Meanwhile, fate of the prison industry is pending a study of the linen fibre market ordered by the state Board of Control which is considering abandoning the plant. Decision of the board will be made at a meeting of the Board of Control and Flax and Linen Board committee to be held within 30 days. (Picture also on page 3, sec. 1.) (Statesman Photo)

Lawyer-Solon Rule Reversed By High Court

The Oregon Supreme Court, reversing a ruling by Atty. Gen. Robert Y. Thornton, held Friday that attorneys who are members of the legislature can represent claimants before the State Industrial Accident Commission.

Thornton had ruled that legislators couldn't do this because the constitution bars legislators from doing business with the state.

The high court, however, said that cases before the Accident Commission are not cases against the state.

The decision involves State Rep. Ben Anderson (D), Portland who belongs to a firm handling cases against the Accident Commission. However, it affects several other members of the legislature, too.

The supreme court, whose decision was by Justice Hall S. Lusk, held that such actions are not actions against the state, because the state has no interest in the accident fund, which is set aside solely for injured workmen.

Death Claims Early Pioneer, Ex-Legislator

ROSEBURG (AP) — A former Oregon state legislator and son of Douglas County pioneers died in a hospital here Wednesday morning.

He was Ira B. Riddle, 84, whose parents crossed the plains to settle in this area about 1850. The nearby town of Riddle is named for them.

Ira Riddle was the first white child born in the Cow Creek Valley of Southern Douglas County. He was admitted to the bar after study at Portland in 1892 and 10 years later served in the Legislature.

Mark waited excitedly at the federal docks, watching the prison boat coming from Alcatraz Island. He talked of his first boat ride and speculated whether San Francisco Bay was deeper than New York's Central Park lake.

Then the boat arrived and a guard handed his mother a note. It was from Paul J. Madigan, newly appointed warden of Alcatraz. It said simply: "Your visit cannot be granted today."

Mrs. Sobell stepped into a phone booth and called the warden. She accused him of renegeing on a promise made by former warden Edwin B. Swope, "because of the publicity involved" in letting Mark visit his father.

Madigan said Alcatraz formerly had a policy of not permitting small children to visit the island, and the prison "will return to that policy."

While Mrs. Sobell was in the phone booth, the Alcatraz boat cast off. Frantically young Mark pounded on the telephone booth and shouted at his mother: "But you promised. Cal. the boat back. You promised."

On the way back to town he buried his head in his mother's lap and sobbed, "I want to see Morty. Didn't you have enough money for the boat?"

His mother tried to quiet him: "You don't have to pay for that boat ride. Not with money."

Senate Groups Favor Formosa Defense Plan

WASHINGTON (AP) — President Eisenhower's fight-if-we-must defense plan for Formosa drew a heavy vote of endorsement Wednesday from two key Senate committees — and hot criticism that it signals "preventive war."

In the first rumblings of a momentous Senate debate, Eisenhower supporters jumped up to declare the only purpose of the policy is peace, through a show of strength to discourage Red Chinese aggression.

By a 27-2 vote, the Senate Armed Services and Foreign Relations Committees approved a resolution to empower the President to use American men and weapons to keep Formosa, the Pescadores Islands and "related positions and territories" out of Communist hands.

But in committee and on the Senate floor, a small but hard-hitting band of senators began a fight. They centered their fire on the "related positions" phrase and its implied authority to attack Red invasion forces on the Chinese mainland and to defend small islands strung along the Chinese coast.

"Preventive War"
"Put in plain English," said Sen. Flanders (R-Vt), "this is preventive war."

He told the Senate he would vote against the resolution — the show-down may not come before the end of the week or later — although he voted in committee to send it to the floor.

Sen. Morse (Ind-Ore) likewise took a stand that the resolution permits preventive war and expands the possibility of conflict. He encountered an immediate challenge from Republican Leader Knowland of California.

Over and over, Knowland declared that the resolution doesn't involve "one iota of desire or intent" of preventive war against Red China or any other nation.

Eden Defends Ike's Stand

LONDON (AP) — Foreign Secretary Sir Anthony Eden Wednesday defended President Eisenhower's stand on Formosa and angrily rejected Laborite leader Clement Attlee's charge that the United States is interfering in a Chinese civil war.

Renewing the British plea for a cease-fire in the Formosan Strait, Eden told the House of Commons "force is not the solution."

Atom Spy's Young Son Barred From Prison Visit With Father

SAN FRANCISCO (AP) — Five-year-old Mark Sobell flew from New York to San Francisco Wednesday to visit his father, atom spy Martin Sobell, in Alcatraz federal prison.

Sobell is serving a 30-year term for conspiring with Julius and Ethel Rosenberg, executed as atom spies.

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Ex-Treasury Head Heard In Tax Probe

OMAHA (AP) — John W. Snyder, former secretary of the Treasury, took the stand Wednesday before a federal grand jury probing St. Louis Internal Revenue matters.

After waiting all forenoon without being called, Snyder went into the jury room in mid-afternoon. Earlier in the day the grand jury heard William H. Woolf, Washington attorney and former Internal Revenue official and George J. Schoeneman, former Internal Revenue commissioner and administrative assistant to President Truman.

In earlier sessions the Omaha grand jury heard James P. Finnegan, former St. Louis collector, now serving a federal prison term for misconduct in office, and other present and former Internal Revenue officials.

Only one indictment has been returned by the grand jury. G. Elmer Brown, Philadelphia Internal Revenue service official, was accused of perjury in his testimony before the grand jury in connection with the 1950 investigation of the St. Louis Internal Revenue office.

Finnegan and his staff were cleared in that investigation.

Britain Awed By Unconcern Of Americans

LONDON (AP) — Several London newspapers confessed Wednesday they do not understand what keeps American big game hunters steady.

It was generally assumed that critical developments over Formosa would have given the United States a case of war jitters. But British correspondents in American cities report they discern no excitement whatever.

"No doubt Mr. Chou En-Lai, premier of Communist China, will be annoyed if ever he sees American evening newspapers," said a dispatch to the Daily Express.

"His threats against the United States are rated no more important than the fact that Marilyn Monroe has been seen having dinner with ex-husband Joe DiMaggio, the baseball star."

Walnut Sale Profit High

WOODLAND, Calif. (UP) — Rancher Jacob Dieteker had just loaded 52 bags of walnuts on his truck when a boy appeared at his door offering four bags for sale. Dieteker paid the youth \$4.50 for the walnuts and loaded them on his truck. Then he counted the load again. It added up to 52 bags.

Planes Manned By Yanks

TAIPEH, Formosa (AP) — An entire wing of F86 Sabrejets manned by American pilots started moving to Formosa Wednesday, the Far East Air Forces announced in Tokyo.

Word of the temporary transfer came through as Chinese Nationalist four-engine bombers renewed their attacks on Communist Yikingshan Island with excellent results, according to official reports.

The first Sabrejets already had landed on Formosa "and the remainder will be in the place shortly." The Sabres racked up a 13-1 score over Communist MIG15 jets during the Korean War.

From Okinawa
(The 18th Fighter-Bomber Wing was being transferred from bases in Okinawa and the Philippines. In addition, FEAF said, other offensive units were being redeployed to forward bases. This meant that long range jet bombers such as the B47s of the Strategic Air Command on Guam were being moved closer to the troubled Formosa area. That could mean Okinawa, the Philippines or Japan.)

Press reports said the U. S. 7th Fleet, which has massed a powerful air-sea armada in the Formosa area, staged "show of strength" maneuvers Wednesday north of Formosa in the general area of the invasion-menaced Tachen Islands.

News reports said 300 U. S. planes streaked through the skies north of Formosa.

Decision Near
The reports came as the Nationalists were deciding whether to pull out of the Tachen Islands 200 miles north of Formosa. Plans for the evacuation, under protection of U. S. sea and air units, were believed completed and only awaiting the Nationalist policy decision.

The pre-dawn Nationalist raid on Yikingshan, 3 miles north of the Tachens, was made through intense anti-aircraft fire, the reports said. Communist warplanes failed to challenge the bombers and all returned to Formosa, the reports added.

The nightly raids on Yikingshan, captured by the Reds last week after a sizable amphibious invasion and heavy fighting, apparently were aimed to suppress Communist guns which could harass an evacuation of the Tachens.

Fog Hampers Motor Traffic

Motorists in the Salem area got through Wednesday without any serious mishaps despite patches of fog that covered the region most of the morning and formed again during the evening.

Airplane service was disrupted along the West Coast by fog conditions, with some Salem flights cancelled. Weather observers reported patchy fog for the length of the coast, and the McNary Field station in Salem predicted additional fog for today.

The early-morning forecast Thursday called for fog patches here throughout the morning, with some breaks during the afternoon. Additional fog is expected again tonight.

Weathermen said temperatures in the area will be slightly lower today, ranging from an afternoon high of about 44 degrees to a low of 30 tonight.

Justice Suggests Formosan Solution

PHILADELPHIA (AP) — Supreme Court Justice William O. Douglas said Wednesday night one solution to the Formosan crisis might be "equal recognition" for the Nationalist China and Red China governments by the United Nations.

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By Charles A. Stryker

CHICAGO, Jan. 24 — The afternoon papers report President Eisenhower's appeal to Congress for authorization to use United States military forces for defending Formosa and the Pescadores from conquest by Red China.

This will require U. S. assistance in ferrying Nationalist troops from the exposed islands adjacent to the mainland. Then the President made this startling declaration of policy:

"Be alert to any concentration of employment of Chinese Communist forces obviously undertaken to facilitate attack upon Formosa, and be prepared to take appropriate military action."

There is miniscule but none the less sharp and clear is "preventive war." We would not only defend Formosa from Communist attack but bomb troop concentrations and boat assemblies which point to the launching of a Red invasion of Formosa.

The President's message brought a prompt rejoinder from Premier Chou En-lai of Communist China, denouncing U. S. intervention in China's affairs, even quoting the Charter of United Nations in support of the Communist decision.

The Daily News here reports this conflict of policy between the United States and Red China; and between the two statements runs a dispatch from its own veteran correspondent in the Far East, Keyes Beech, who reported from Taipei, Formosa:

"The United States is closer to war with Red China than at any time since the critical battle of Dien Bien Phu."

He reported before Eisenhower's message reached him and based his judgment on the imminent evacuation of Nationalists from the Tachen islands which would expose American shipping to Communist bombing or shelling.

I persist in the view that no general war between the United States and Red China will break out in the immediate future. But the ratification of the (Continued on editorial page 4)

House Votes Curtailment of Investigations

WASHINGTON (AP) — A House curb on congressional investigations was announced Wednesday, but in the Senate the Rules Committee voted to recommend money for two new probes, one of them into the stock market.

Chairman Smith (D-Va) of the House Rules Committee said it would approve no investigation unless "a good case is made for it" and would cut down on "this matter of investigations all over creation."

Smith told the House the policy had the backing of the Democratic and Republican leadership. He said more than 30 investigations are now on the list his committee has been asked to approve.

Many of the pending requests involve "duplications and unnecessary excursions," he said, and he intends to see "there will be no fishing expeditions."

The Senate Rules Committee voted to ask \$100,000 for the Banking Commission headed by Sen. Fulbright (D-Ark) to investigate the sharp increases in the stock market which have been going on for more than a year.

Two Senate investigating groups were given extensions for a month; they may be extended a longer time later.

One is the Communist-hunting Internal Security Subcommittee of the Judiciary Committee. Another is an armed services preparedness subcommittee.

Quarry Worker Killed

BAKER, Ore. (AP) — Lester Lee Schaefer, 30, Weiser, Idaho, was injured fatally Tuesday while working at the Portland Cement Co. quarry at Lime, some 40 miles southeast of here.

Animal Crackers By Warren Goodrich



"Pat, Bud!"

THE WEATHER

	Max.	Min.	Precip.
Salem	49	33	.00
Portland	49	33	.01
Baker	46	24	.00
Medford	56	24	.00
North Bend	64	38	.00
Roseburg	49	32	.00
San Francisco	58	36	.00
Los Angeles	71	37	.00
Chicago	23	7	.00
Willamette River 2.0 feet.			

FORECAST (from U. S. weather bureau, McNary field, Salem): Fog and low clouds this morning, lifting and a few breaks this afternoon. Low clouds and fog re-forming again this evening. Mostly cloudy with a few snows Friday. High today near 44; low tonight near 30. Temperature at 12:01 a. m. today was 37.

SALEM PRECIPITATION

Since Start of Weather Year	Sept. 1	Last Year	Normal
This Year	11.22	26.90	23.14