

Tax Need Depends on School Aid Measure

By PAUL W. HARVEY JR., Associated Press Writer
Legislation calling for a 50 per cent increase in basic school aid to local districts has become the key log in the Oregon Legislature's log jam.

This proposal by Gov. Holmes would cost the state 39 million dollars a biennium.
The Legislature will have to decide whether to grant all or part of the increase before it will know whether it will have to boost income taxes.

It now is in the Joint Ways and Means Committee, where subcommittees are wrestling with the budget.

Since labor and some Democrats are opposed to the full increase, there is a possibility that only a part of it, say 10 million dollars, might be approved. The House Education Committee voted for the full increase.

If only a small part of it is approved, there is the possibility that the Legislature might not increase taxes.

It probably will be three or more weeks before the answer to this financial riddle comes.

An interesting development has been the fact that most of the controversial legislation has been introduced in the House. This means that the Senate, which now doesn't have much to do, will face a delay after the House finishes up. And that means a long session.

Status of Bills
Here is the status of major legislation:

Taxation—Nothing will be done on income tax revisions for at least three weeks, because the House Taxation Committee must wait until the Ways and Means Committee gives the answer on how much money will be needed. And this answer depends on what is done about basic school aid.

Education—Besides the basic school aid increase legislation, the Senate has the controversial "key district" bill to change the formula for distributing this aid. The House Education Committee probably will act in a few days on another hot one—plans to compel reorganization of school districts. Nothing has been done on bills providing various teacher benefits.

Labor—The Senate Labor and Industries Committee hasn't begun consideration of bills to increase unemployment benefits. The House Labor and Industries Committee isn't near action on bills to boost industrial accident benefits. The House passed this week bills to set up a state conciliation service and to repeal the 1953 anti-picketing law.

Highways—The House passed bill to issue 8 million dollars of highway bonds in the Senate. A hot battle is brewing over a bill to let the Highway Commission restrict access on all existing roads. And the measure to be planning of the 30 million dollar highway bridge over the Columbia River at Astoria has been approved by the House Highway Committee, and sent to Ways and Means.

Reorganization—A controversy is shaping up over Democratic plans to create the office of lieutenant governor. Republicans oppose it. Some of them favor adding a 31st senator to prevent deadlocks in organization. There has been no action on the bill to abolish the Board of Control, nor on a resolution to have an interim study of the possibility of consolidating or eliminating many boards and commissions.

Power—The House passed memorial asking Congress to build a federal high dam in Hells Canyon.

Development—Gov. Holmes plans a special legislative message next week on the need for a state development department to attract new industry to the state.

Welfare—There has been nothing done on Senate bills to repeal the relative responsibility law, or to reduce the payments required under it.

Elections—The election reform bills, recommended by an interim committee, are still in the House Elections Committee.

Veterans—There has been no action on measures calling for a maximum \$500 bonus for Korean War veterans, or to increase the ceilings on farm and home loans. The House has voted to extend educational aid for World War II veterans until June 30, 1959.

LEGISLATIVE ROUNDUP

Rival Surtax Repeal Plans Bring Battle

By JAMES D. OLSON, Capital Journal Writer

Differences of opinion between Democratic and Republican members of the 1957 legislature over how and when the 45 per cent surtax on income tax rates will be repealed, is rapidly becoming the major fight in the assembly.

Both Republicans and Democrats made campaign pledges that the surtax would be repealed.
Now the Republican members are insisting that these promises be kept by repeal of the surtax without any strings attached.

On the other hand the Democrats, or at least the leaders in the Democratic membership in the house and senate, are following the lead of Gov. Robert D. Holmes, insisting that the repeal of the surtax be tied in with the adjustment of income tax rates.

Statement Issued
Late this week Rep. Guy Jones (D-Salem) and Vernon Cook (D-Gresham), both freshmen members and on the house tax committee, issued a statement the gist of which ran like this:

"It is absolutely necessary that we adopt a new income tax schedule simultaneous to the repeal of the surtax. If we are to prevent the irresponsible few from trying to 'hide with the hares and run with the hounds,' by voting for repeal of the surtax while refusing to support a realistic and fair income tax program."

Immediately after this statement, Rep. Allen Tom (R-Rufus) declared that the only possible reason for continuing to delay action on the repeal of the surtax by the Democratic leadership "is to deprive Oregonians of their

yon will be given a public hearing Wednesday night before the Senate State and Federal Affairs Committee. The John Day Memorial, also passed by the House, is in the same committee.

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right to vote on an undesirable tax program.

"Despite the denials of the majority party that this is not their intent," Tom continued, "I repeat again the statement of house speaker Pat Dooley that anyone, who refers to the bill containing the rate changes in income tax, takes responsibility for killing the bill that repeals the surtax."

"Repeated Implication"
Tom added that he resented the implication that anyone who disagrees with the Democrats in this legislature is irresponsible, particularly when the disagreement comes because we are trying to keep our promises and they are trying to get away with breaking theirs."

Twice this week Rep. Wayne Giesey (R-Monroe) has made unsuccessful attempts in the tax committee, of which he is a member, to persuade the Democratic majority to consider the two bills dealing with the repeal of the surtax.

Giesey has had the support of Rep. Fayette I. Bristol (R-Grants Pass) on both attempts and Democratic Rep. Ben Evick (D-Madras) joined in the second effort to have the two bills considered.

For the first time the controversy shifted into the senate when State Senator Rudie Wilhelm Jr., Multnomah county Republican, who was chairman on the interim tax committee and recommended the repeal of the surtax, got into the act.

He sent a formal request to Attorney General Robert V. Thornton asking for an opinion as to whether or not the referendum could be invoked against the tax rate schedule in House Bill No. 1 without affecting the section of the same bill which repeals the surtax.

Soviet Russia is buying about \$2,500,000 worth of shoes from India in 1957, a government survey from New Delhi reports.

Ike's Nephew Sworn In



CHICAGO—Earl D. Eisenhower, Jr., (left), nephew of the President, was sworn into the U. S. Army yesterday by Lt. Col. Alexander F. Leith. His father, Earl, Sr., is an executive of Suburban Life newspapers

here. An Army officer said Earl would first be sent to the reception center at Ft. Leonard Wood, Mo. He enlisted for three years. (AP Wirephoto).

Two Arrested in Connection With Theft of George's Violin

CHICAGO—Police arrested two men last night for questioning in connection with the robbery of handleader George Liberace's valuable violin a few hours after FBI agents had recovered the instrument.

Detectives of the narcotics detail said both men were identified by Liberace in a showup as the men who assaulted him and took his violin, insured for \$25,000, last Monday.

Liberace, who is appearing with his pianist brother, Lee, at a near North Side night club, suffered deep scalp cuts when two Negroes attacked him as he was on his way to his hotel from the night club. They beat him and also robbed him of \$50 and a violin shaped diamond ring he valued at \$1,500.

Liberace, 43, was confined to a hospital two days. Sixteen stitches were required to close head wounds.

Detectives said one of the men arrested, Arthur Hill, 23, an unemployed bell boy, admitted the robbery. Held with him without formal charge is Veness Smith.

Police said both men are registered narcotics addicts. A third man was held for questioning in connection with receiving stolen merchandise, Liberace's ring. He is Reuben Sudberry, 29, also a Negro, and a painter and decorator.

The FBI earlier said the violin had been recovered on the South Side after agents received a tip while investigating the robbery and turned the information over to police.

The Eugene couple's 23-year-old son, Gerald Lester Murphy, has been missing since going from Miami to the Dominican Republic to dispose of property after leaving his job with the government-owned Dominican Air Line.

According to Dominican authorities, young Murphy was slain by Octavio de la Maza, another air line employee. They said De La Maza hanged himself in his jail cell after being arrested in the case and left a suicide note admitting his guilt.

Porter and Sen. Morse (D-Ore) have expressed doubt over this account.

Porter said he had asked Abrahams to make inquiries into the case and that the attorney later assured him the Dominican government and its attorney general had been "very cooperative."

Abrahams, Porter said, told him Dominican representatives had advised De La Maza and Murphy "had been on very bad terms because Murphy had reported to the Dominican Air Line that De La Maza was a careless flier."

LOS ANGELES—Actress Jeanne Crain's husband, Paul Brinkman, has been acquitted of a charge of assault and battery.

Advertising man Timothy Ryan accused Brinkman of assaulting him last Christmas night in a car in front of an apartment house where Ryan had been visiting Homer H. Rhoads.

Rhoads' name was involved in divorce proceedings last year between Brinkman and Miss Crain, who reconciled on New Year's eve.

Brinkman yesterday denied assaulting Ryan. He claimed instead that Ryan tried to run him down with his automobile.

Eugene Man's Parents Will Start Action

WASHINGTON—Rep. Porter (D-Ore) said Friday the parents of a Eugene, Ore., flier who disappeared in the Dominican Republic Dec. 3 have authorized a civil suit against the estate of his alleged slayer.

Porter said Mr. and Mrs. Lester G. Murphy have retained Robert D. Abrahams to bring the action. Abrahams is honorary consul in Philadelphia for the Dominican Republic and a former college friend of the congressman.

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Moscow Radio Says Soviet Will Continue Policies of Shepilov

LONDON—Moscow radio said today the Soviet Union intends to follow the foreign policy outlined by Dmitri Shepilov four days before his removal as Soviet foreign minister.

The broadcast described Shepilov's report to the Supreme Soviet (Parliament) Tuesday as an "extensive and comprehensive statement of the tasks and aims of Soviet foreign policy."

It said "reactions in the Western press... confirm as convincingly as possible the correctness of comrade Shepilov's report."

Shepilov outlined a six-point Middle East proposal Tuesday that called for agreement on an economic development program, ending of arms shipments and junking of Western bases in the area.

Western diplomats viewed the proposals as Moscow's answer to President Eisenhower's plan for stabilizing the Middle East.

Shepilov also said the Soviet government still believes "war is not fatalistically inevitable." He said peaceful coexistence between communism and Western capitalism remains "the cornerstone of the foreign minister by Andrei A. Gromyko."

The Moscow broadcast given at dictation speed for use by Soviet provincial papers, underlined the "correctness" of the policy outlined by Shepilov.

"Even hostile circles which are seeking to minimize its importance and influence are compelled to admit its unquestionable peace-loving and constructive nature," it said.

The commentary made no reference to Shepilov's removal.

There have been numerous favorable responses from the Arabs to President Eisenhower's Middle East doctrine. The plan envisages economic and military aid to halt Communist penetration in the area.

King Saud of Saudi Arabia, now on his way home after talks with Eisenhower in Washington, has agreed to accept U. S. military assistance and renew the lease for the U. S. air base at Dhahran.

There also are reports he will use his money and influence in an effort to curb leftist elements in Syria.

King Hussein of Jordan recently risked a break with his own government, calling for an anti-Communist campaign in Jordan and speaking favorably of the Eisenhower doctrine. But if the United States makes what the Arabs consider a wrong move in the Egyptian-Israeli dispute, leftist elements inside Jordan's government and army could turn the nation against Hussein.

Lebanon's Premier Sami Solh has publicly taken a stand in favor of the Eisenhower proposals.

REFUGEES ARRIVE
CAMP KILMER, N. J.—The Army welcomed 1,889 Hungarian refugees here yesterday, bringing the total who have entered the processing center to 26,549.

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