

Sub-Groups Will Review Budget Items

George Aiken, state budget director, informed the first session of the joint ways and means committee Tuesday that salary increase recommendations were necessary because of the manpower shortage and the fact that a large number of state employees have accepted higher paid positions.

Figures presented by Aiken at the meeting indicated that the original cushion of approximately \$172,000, representing estimated revenues above the recommended appropriations, now has been reduced to about \$100,000 because of the ban on horse and dog racing.

Expenditures to Gain
Aiken pointed out that the state highway construction expenditures for the next biennium would show an increase of approximately \$19,000,000 over those for the current two year period while capital outlays total \$5,000,000. He said requests for appropriations of approximately \$3,000,000 had been disapproved by the governor and the budget office.

Of the capital outlays recommended \$3,000,000 is for improvements at state institutions and \$1,200,000 for the state board of higher education. Unemployment compensation commission expenditures also will be considerably larger than for the current biennium, Aiken estimated.

War End Considered
Aiken declared that the new budget was built largely upon the presumption that the war will end either late in 1945 or 1946.

The state emergency board fund, Aiken said, now contains approximately \$370,000 of the appropriated at the 1943 legislature. Virtually all budget items will be reviewed by sub-committees which will report their findings to the full committee. Public hearings will be held by the full committee only in rare cases or when such procedure is recommended by the sub-committees.

Senate Bill 5 Provides for Large Trucks

The big trucks, now permitted to use Oregon highways as a war emergency transportation measure, will continue to roll here if senate bill 5, introduced Tuesday in the senate by the roads and highways committee is adopted.

One of the most controversial measures before the legislators two years ago, the bill which has the backing of truck interests, the state grange legislative committee and the Eastern Oregon Wheat league, would cut the peacetime transportation barriers at Oregon's north and south boundaries, proponents declare, permitting increases in the maximum length of trucks from 50 to 60 feet and weight from 54,000 to 71,250 pounds, limits now established in both Washington and California.

\$100,000 Home For Governor Is Proposed

A governor's mansion for Oregon, to be constructed at a ceiling cost of \$100,000, is provided for in a bill introduced in the senate Tuesday by Walter Pearson, Multnomah county.

The bill, authorizing the state board of control to acquire a site and appropriating not to exceed \$100,000, makes actual construction of the residence subject to approval of the state emergency board.

First appropriation measure filed during the current legislative session, the bill calls for expenditure of more than 50 per cent of the surplus of \$172,000 in the budget presented to the legislature by the governor Monday.

Bill Providing for Lieutenant Governor To Be Filed Today

A bill providing for election of a lieutenant governor in Oregon has been filed with the senate clerk for introduction today, Sen. Lew Wallace, Multnomah county, said Tuesday night. Wallace, who is introducing the measure, declared it was a duplicate of one defeated several sessions ago.

Oregon would have been without a governor had Earl Snell been called out of the state between November 7 and the election of a new senate president and new speaker of the house of representatives, Wallace said.

SENATE LOUNGE SOUGHT
Senator W. E. Burke, Yamhill county, Tuesday introduced a resolution providing for a "senate lounge" in the state capitol building, to be equipped by the secretary of state.

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Hitler, Goering on New Year's In the Capitol Limelight



Marshall Hermann Goering and Adolf Hitler share a New Year handshake and exchange greetings, according to the captions for this German photo, supplied by a Swedish agency. (AP Wirephoto by radio from Stockholm)

Tax-law Amendment Series Regarding State Community Property Statute Proposed

A series of tax-law amendments to protect persons who filed income tax returns under the now-useless Oregon community property provision, remove from the books references to the portion of the statute which is up for repeal—and to replace it with a new clause designed as an opening wedge to secure for taxpayers of this state benefits allegedly enjoyed by those of neighboring Oregon and Washington—were given first readings in the senate Tuesday.

The amendment, which would replace the community property provision, by intimation declared unconstitutional when the US supreme court so labeled the Oklahoma statute after which it was patterned, was introduced by Senators Lew Wallace, democrat, and Irving Rand, republican.

Division Provided For
Essentially it provides that a man and wife may divide their aggregate income for state tax purposes in any way they desire—thus permitting greater exemptions through divided returns in lower brackets.

Wallace and Rand, both of Multnomah county, indicated they would send a similar measure referring to federal income tax filings to Oregon's congressional delegation in an attempt to obtain legislation equalizing tax burdens of married couples in Oregon and 39 other states with the lighter loads carried by families in eight states with community property laws.

Because of technicalities in the derivation of their laws, residents of states around Oregon have had the benefit of the community property income tax provisions, Wallace explained. Previous attempts to equalize the taxpayers' loads have aimed at destroying the community property provisions of the eight states and have proved unsuccessful. The congressional delegations of the other 40 states should be willing to make available for their own constituents the lighter tax load which apparently cannot be denied residents of the eight, Wallace opined.

Claimed Non-controversial
The bill entered in the senate here Tuesday was dubbed "uncontroversial" by many legislators since Oregon's currently light income taxes would be but slightly affected.

Other proposed tax law amendments provide (1) a means, for persons who have filed under the community tax law as it is now written, to withdraw, (2) declare that no gift tax shall be applicable to incomes turned over to husband or wife under those filings and (3) would revoke the right to elect to come under that statute. The first senate bill, introduced Monday morning, calls for repeal of the section of the income tax law establishing the community property provision intended to be applicable to federal income tax filings.

State Hospital in Multnomah Asked In Proposed Bill

A bill providing for location, construction, operation and maintenance of a state hospital in Multnomah county for the mentally diseased, but making no appropriation and leaving actual establishment and financing to the executive department of the state government, was introduced by Senator Walter J. Pearson of Multnomah county Tuesday.

The bill provides that the question shall be submitted to the voters at the next general election and that the hospital shall be built "when funds are available."

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Rush Holt, who served a term as the "boy senator" from West Virginia, is now serving in the lower house of the West Virginia legislature. Oregon has an ex-United States senator sitting as a member of the house. He is Alex Barry, Portland attorney, who served the time from November 1938 to January 1939, the tail end of Fred Steiwer's term in the senate.

P. J. Stadelman, state senator from Wasco and Hood River counties, has long been in the ice business in The Dalles. And don't think that ice has gone out of style with mechanical refrigeration. The past season has been very heavy, P. J. says. His plant shipped 1000 tons of ice to Astoria, by boat, at night, to help preserve fish in the packing plants there. Also it had to ice several hundred cars of fruit for Hood River. P. J. completed the Hal Hoss term as secretary of state, and made many friends in Salem whom he likes to greet every two years. This is his fifth session as senator.

New to the "third house" this year is Herb Millay who has been active in young republican circles. He is a regular employe of the Pacific Light & Power company and has been sent up by his company to "cover" the session, along with Allen A. Smith, a "third house" veteran.

On hand, this time with a cane, is O. B. Robertson of Junction City, political observer for Jay Bowserman, Portland attorney. "O. B." is in the seed business at Junction City when not politicking.

Vet Committee Taken Under Advisement

The senate rules committee, holding its first meeting, Tuesday, took under advisement a request by Sen. Thomas R. Mahoney, Multnomah county, that a special veterans' welfare committee be created for the consideration of veterans' legislation. The committee would be composed of five members. Mahoney argued that such a committee would expedite the work of the legislature. President Howard Belmont told the senate rules committee that three war veterans, now serving in the senate, already are included in the personnel of the military affairs committee.

Three requests were presented to the rules committee by Sen. Coe McKenna, Multnomah county, and two of these were approved. One of these changes the name of the industries committee to the labor and industries committee while the other increases the committee personnel from five to seven members. A request to reduce the personnel of the senate roads and highways committee from nine to seven members was disapproved.

Non-Ceiling Pension Measure Proposed

The bill introduced Tuesday by Sen. Thomas R. Mahoney, Multnomah county democrat, for removal of the \$40 ceiling provision from Oregon's old age assistance payments apparently more than meets requests of Townsend clubs of the state which have asked to have the pension ceiling raised to \$60. Mahoney's bill provides for no ceiling.

Bill Designed to Aid Soldier Voting and Pamphlet Mailing

An election bill, designed by Rep. John Steelhammer, Salem, to facilitate soldier voting, distribution of voters' pamphlets, and give more time for printing election ballots, was introduced Tuesday. The law now provides for filing of candidates up to 45 days before elections, but the new bill would increase this to 70 days. It also provides that mailing of the pamphlets shall be completed at least 20 days before elections, instead of 10 days.

Changes Suggested In Responsibility Act

An amendment prepared for in the 43rd legislature by the secretary of state's office would modify somewhat the requirements of the automobile financial responsibility act of 1943 under which drivers involved in accidents, or who had a judgment against them, must maintain "responsibility" insurance policy or for life. Proposed changes would limit the provision to three years.

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