AFL Requests Court Erase Tax Increase

A suit seeking a court order declaring void two 1947 Oregon legislative acts, which increase income tax and create a withholding tax, was filed in Marion county circuit court Wednesday by James T. Marr, executive secretary of the Oregon State Federation of Labor.

The acts under fire are: New income tax law based on credits or exemptions of \$500 for single individual or one not living with husband or wife; \$1,-000 for head of a family or married individual living with husband or wife, and a credit of \$300, for each dependent individual, other than husband or wife.

A measure withholding one per cent of an individual's wages and bonuses, to apply on income tax

The suit stems from the defeat of the 3 per cent sales tax issue

Grain Traders Demand Congressional Hearing

CHICAGO, Nov. 5 -(AP)- The nation's three largest grain exchanges, disclaiming responsibility for the recent rise in grain prices, today asked for a "sweeping" congressional investigation not only of their activities but also of the government's grain buying program.

The exchanges, already under investigation by the attorney general after a presidential charge that "gambling in the market" had skyrocketed grain prices, said they

date.



'The League of Oregon Cities held its annual meeting in La Grande last month. Besides electing Mayor Bob Elfstrom of Salem presidents of the grain exchanges president and choosing its other officers the league adopted a good many resolutions. Naturally these relate largely to city problems, but they are of interest to show the trend of thinking among exe-Gatives of municipalities.

The League has had a hard row to hoe to get recognition, par- Marshall Plan ticularly from agrarian-minded legislators, but it is a patient or-ganization. By dint of years of Details Stump lobbying it finally succeeded in getting a substantial split in re-ceipts from highway revenues. Solon Group This year's resolutions for once are silent on the subject.

WASHINGTON, Nov 5 - (AP) Ever on the hunt for more reve-Two closed door sessions of the up the scent of surplus income d however

in the October 7 election. Defeat of the sales tax automatically placed into effect the other two measures.

Declaring that his organization is made up of over 50,000 members, most of whom are taxpayers, Marr asks for a declaratory judgment on the constitutionality of the two acts passed by

the last legislature. Marr and the AFL state that the acts are invalid because their taking effect is made to depend upon an authority other than action of the people, and because the voters were denied the power of referendum in connection with the acts.

Fisher, Carly Chambers and Wallace S. Wharton, constituting the state tax commission. Recently Attorney General George Neuner ruled the acts were valid

would "welcome and request" a

hearing "at the earliest possible

Their statement said the special

investigation had been requested

"in order that the American peo-

ple may be furnished facts from

which it can draw its own conclu-

sions as to whether the rapid rise

in commodity prices has been oc-

casioned by illegal and improper

practices on the part of the ex-

changes, on one hand, or by the

government's buying program for

export, plus bungling and lack of

The request was addressed to

the congressional joint committee

on the economic report by the

in Chicago, Minneapolis and Kan-

sas City. Sen. Taft (R-Ohio),

joint chairman of the committee.

said in Tulsa that he had received

the request and would recommend

"further hearings."

planning on the other hand."

Scoffs

WASHINGTON, Nov. 5-Charles

E. Wilson, president of General

Electric, who told a senate com-

mittee today that while vice

Defendants in the suit are Earl

NINETY-SEVENTH YEAR 14 PAGES Hospital Building

Goal Set A 150-bed \$1,500,000 new Salem General hospital is the goal of a building fund drive to be launched within the near future. The hospital's board of directors announced plans for the campaign and an architect's services Wednesday. Subscribers need raise only

two-thirds of the total cost of construction if plans for the hospital are approved by the state nospital commission and board of health, William Gahlsdorf, hos-

pital business manager said. He explained that the board of directors intends to apply to the federal security agency for a third of the cost payable when con-

WASHINGTON, Nov. 5 -(AP) to run over half a year - will A demand that an additional tax be met by a group of underwriters assessment of almost \$6,000,000 be who plan to employ a professionslapped on Howard Hughes, mil- al drive. director. The main aplionaire Hollywood plane design- peal is the urgent need for imer, was made today by Senator proved hospital facilities in Salem. Williams (R-Del) as the senate Population growth in this area has 30 years ago. Overcrowding in

Williams, member of the com- present hospitals has necessitated mittee, declared that a study of tax records of Hughes and the emergency measures which cut ef-Hughies companies showed a "tax deficiency of \$5,919,921." ficiency of operation and slow pa-tient recovery. tient recovery.

the records showed profits of \$15,-526,000 were made after taxes Hospital board of directors are during the wartime period, but M. L. Meyers, president; Mrs. that only \$1,000,000 was paid to Madeline Dyer, vice-president; Hughes, the rest being retained Elizabeth Putnam, secretary as undistributed profits by the George Riches, treasurer; Mrs. G Hughes Tool company. The sena- C. Bellinger, Justice Harry nues, the League now is picking special house foreign aid commit- tor added that a statute called for Belt, Rev. George Swift, Judge E. tee today failed to produce any taxation of wartime corporation M. Page, Mayor Robert Elfstrom,

The Oregon Statesman, Salem, Ore., Thursday, Nov. 6, 1947

1851

The Oregon Statesman

FOUNDED

Greyhound Bus, Truck Hit Head-On South of Salem; Man Killed, 5 Hurt

Safe Renders Section of Gutted **Building Unsafe**

A heavy safe, balanced precariously on a section of badly burned floor of the Guardian building, Wednesday prevented fire investigators from searching through a spot in the basement where it is believed Monday's \$500.000 blaze originated, Fire Chief W. P. Roble said late Wednesday night.

It was a case of playing "heavy, heavy hangs over thy or not checking the head,' charred section, and Roble said he was forced to prohibit anyone from probing beneath the huge vault, although other sections of the building are being investigated. The safe was removed late Wednesday night and the investigation will con-

Meanwhile city firemen are constantly patrolling the building and burned - out tenants continue to move salvagable equipment and records from the scene.

LAKE SUCCESS, Nov. 5 - (AP) commission to North Korea and Near Midway A United Nations commission to would not cooperate with it. 'facilitate and expedite" Korean Russia has stayed away from ndependence was approved to- a sub-committee which drafted

U. S. Version of Korean Truck Driver

Issue Gets U. N. Sanction Dies in Wreck

new Soviet bloc boycott on Ameri- she had refused to take part in a lowing a head-on collision of a can-sponsored proposals. The 57-nation committee voted already being set up by decision

46 to 0 for the Korean commis- of the assembly. The committee resolution on sion which was proposed origin-Korea called for elections in that ally by Secretary of State Marcountry not later than March 31, shall and opposed vigorously by 1948, for representatives who will constitute a national assembly and

establish a national government. It recommended that this government constitute its own security

forces, dissolve all military or semi-military formations, and arrange with the occupying powers for the withdrawal of their armed forces "as early as practicable and

Russia's boycott notice brought if possible within 90 days." The forth immediate speculation that commission will supervise all she would refuse to admit the these steps.

Newbry Reappoints Gov. Hall to

Secretary of State Earl T. New- Fill Emergency

Board Posts

dent Marshall E. Cornett.

Salem every day.

Gov. John H. Hall, who came to

A truck driver was dead today day by the general assembly's po-litical committee in the face of a assembly" asked by the U. S. and tals, one with serious injuries, 201-U. N. Balkans watch commission. Greyhound bus and an Oregon Journal truck on the old Pacific

highway at Midway, 12 miles south of here early Wednesday afternoon. Driver of the truck, Don Bill-

No. 191

ings. 43, of \$724 N.E. 39th st., Portland, was killed instantly, state police reported. His body was brought to Salem.

Mrs. Maude Mawhinney, 3555 S.E. 63rd st., Portland, a bus passenger, is in Salem Deaconess hospital where an attending physigian late Wednesday night described her condition as "fair." She is suffering from severe face lacerations, a fractured left knee cap and a fractured right ankle, the doctor said.

Driver of the bus, G. W. Jones, Eugene, is in the Albany General hospital suffering from compound fractures of both legs. In the same hospital were two other bus passengers, Mrs. William Carpenter, Albany, and Jacob Nemec, Gardiner, Ore. Hospital attendants said none of the three was in serious condition. All were taken to the hospital by the Albany ambulance. Fractured Nose

Another bus passenger, Mrs. puty secretaries of state, Harold Salem Wednesday from his home Phillippe and James B. Young, in Portland said he would have Velma Lenchner, 1395 Taylors in Portland said he would have Ferry, Portland, was treated at no meeting of the state board of Salem Deaconess hospital for a control until next week. He added fractured nose and released Wedthat he would appoint two mem- nesday night, but stayed on at the bers of the emergency board hospital because she was unable to within a few days to succeed him- find hotel accommodations here.

self and the late Senate Presi-State police said the accident occurred at 1:50 p.m. on the Chehupum creek bridge about 100 Hall said he would spend at least the next two days in Salem, yards north of Midway. The bus was traveling north and the truck as he finds it hard to drive back south at the time of the collision. and forth between Portland and The bus was apparently on the wrong side of the road when the

Marion county 4-H club achieve- Governor Undecided ment day will be observed at 8 The new governor said he has two vehicles met, according to the te police **Pavement Wet, Slippery** Investigating officers said they had not determined how the accident occurred, but reported the pavement was wet and slippery Hall received Wednesday the from a heavy rain which was resignations of Oregon's three lifalling at the time. quor control commissioners and Eleven persons were riding the bus at the time of the wreck, but Billings was the only occupant of the truck. Bus passengers who escaped uninjured were Mrs. J. P. A. Hansen, 835 Water st., Silverton; Mrs. Lyle Gibson, Jonfer, Ore.; W. J. Ruttehge, 847 W. 11th Commissioner Hugh R. Kirkst., Eugene; a Mrs. Smith, 976 E. 20th st., Eugene; Mrs. Fred R. Halt and Shirley Ann Hall, both of box 154, Gervais; and Kennette W. Martin, Myrtle Point,

Red Dubbed

Czechoslovak 'Strong-Man'

PRAGUE. Czechoslovakia, Nov. (P)-Communist Premier Klemuse of beds in corridors and other ent Gottwald emerged tonight from a political crisis as Czechoslovakia's new strong man with complete authority from the national cabinet to rebuild the government of semi-autonomous Slo-

Members of the Salem General



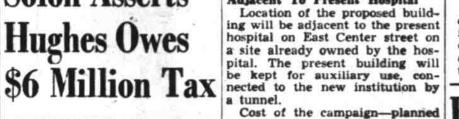
Hughes Owes

a tunnel

war investigating committee resumed its inquiry into Hughes'

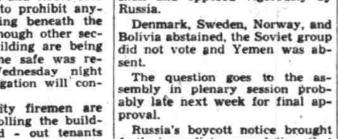
\$40,000,000 warplane contracts.

He asserted in a statement that Beard Of Directors



chairman of the war producgress appropriates funds for the \$75,000,000 a year program approved last session. The bill provided that the government could help build hospitals okayed by tinue today. **Adjacent To Present Hospital**

> far outstripped the space and equipment which was adequate



Farrell, ir.

D CIOCK

sion for 24 years.

3 State Officials

bry Wednesday reappointed Har-

ry S. Schenk as assistant secre-

tary of state. Schenk held the po-sition under the late Robert S.

Newbry also appointed two de-

Young has been with the depart-

ment for 36 years, and Phillippe

has headed the accounting divi-

4-H to Receive

Prizes Tonight

tax receipts. It is t for the schools have already put in a line to tap that reservoir. Legislators worry lest there will not be enough receipts to take care of state and school needs without taking on more mendicants.

In brief here are the resolutions of the Oregon League:

committee to study methods of an agreement tomorrow or Fridistributing income tax surpluses day. which would be of benefit to the state of Oregon and its political clined to permit use of their subdivisions.

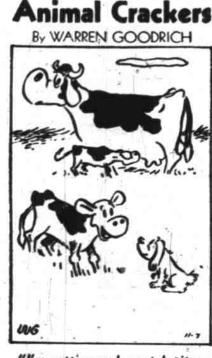
2. Cut off at the pockets through loss of anticipated revenues from points: licensing of pinball machines as many cities were, the League proposes by constitutional amend- be granted. or legislation means by ment which "these devices may be properly regulated and the menace of racketeering . . . may be suppressed." What this means is that out any long-range aid program (Continued on editorial page)

Dewey Backs Aid to Europe

NEW YORK, Nov. 5-(AP)-Gov. Thomas E. Dewey, in a speech enthusiastically applauded by 1,-000 top American business executives, took a stand tonight in favor of full-scale United States aid to western Europe but demanded "business like administration" of the program.

After describing the "cold war' in which he said "we are being attacked by all means short of war' by soviet Russia and after out- Unpleasant Surprise lining the "spiritual and physical devastation of six years of total war" in Europe, Dewey declared:

"It is devastatingly clear that we have only one choice and that is wisely to aid those who stand with us in the world in the hope that they will rise again as bulwarks of the institutions of human freedom.



"I'm getting so I can take it or leave it.

agreement on a program for the special session of congress opening November 17.

Vice Chairman Herter (R-Mass) who led the 19-member group on an extensive investigation trip abroad during the summer. told newsmen after the second

session that "some progress" has been made. He added the hope 1. To have representation on a that the committee would reach

But other members, who denames, reported the group at Loggerheads on these major

1. Who shall receive aid and under what restrictions should it

2. Who shall administer the aid program.

Portland May Play Host

PORTLAND, Nev. 5-(AP)-Stan-

ley Earl, executive secretary of

that next year's national CIO

He said Harry Read, executive

assistant to James Carey, national

CIO secretary, recently looked

over Portland's convention facili-

ties and assured him that they

LONG BEACH, Calif., Nov. 5

(AP)--Police have been expecting

to see a wild - eyed pedestrian

come to a screeching stop some-

where on a Long Beach sidewalk

Mrs. L. P. Grindinger reported

bottle contained brake

- The sheriff's office said

a thief took a whisky bottle from

the glove compartment of her au-

tomobile, parked in front of her

SAN RAFAEL, Calif., Nov. 5

tonight an airplane had crashed

near Muir woods, in southern Marin county. An army rescue

party from Hamilton field was

disypatched to the scene. There

was no immediate information as

to the type of the plane or the

WASHINGTON, Nov. 5 -(AP)

Marcel Foubert, the photographer

who successfully snapped pictures

of micro-organisms in the stom-

achs of fleas, has retired from the

government after more than 29

seeds J. F. McGlothern who re-

GOV. HALL APPOINTS J. P.

number of occupants.

years service.

signed.

WELL DESERVED REST

PLANE CRASH REPORTED

Awaits Whisky Thief

convention would be held in

Portland.

house.

fluid.

- (AP)

The

were satisfactory.

To National CIO Meet

New Automatic Parking Meters Said Satisfactory

day.

meter.

distributed profits not holders. Earlier, Charles E. Wilson

branded as "silly" Hughes' wartime program to build photo re- hospital is Lillian McDonald. connaissance planes, and an air force engineer testified that Elliott Roosevelt, who recommended the planes, was unqualified to pass judgment on them.

chairman of the war production board, said he was opposed to the program because of his belief that the planes could not be produced

in time to help the war effort. He testified that a stop-work order he issued in 1943 on Hughes' 200ton flying boat "didn't stick."

He added, however, that many

the Hungarian government on abonday that he must leave the country or face charges of "espionage and smug-gling out of criminals." The following dispatch tells of his and his family's arrival in Vienna.)

By Jack Guinn

'espionage" and smuggling anti-

They said the committee has all but given up hope of working and is concentrating on writing a stop-gap plan.

Carson, Douglas McKay, Allan Ralph Skopil, John Humphreys, Thomas A. Windishar and W. L. Phillips. Superintendent of the

Tito Blocks Wilson, president of the Gen-eral Electric and former vice Solons' Visit

> LONDON, Nov. 5-(AP)-A congressional committee chairman said today his group had been told the American embassy the plane the government.

"would probably be shot down." John J. Rooney (D-NY) chairman of a house appropriations Mercury Hovers special sub-committee on state de-

tain visas from Marshal Tito's government. The soviet union refused in Sep-

Salem's new automatic parking tember to permit entry into Rusmeters are giving satisfactory sia of a senate appropriations service, with virtually no mechan- committee which said it wanted ical failure to date, City Manager to visit the U.S. embassy in Mos-. L. Franzen reported Wednes- cow

There was no explanation of the Yugoslav refusal.

the state CIO, today predicted drivers using the meters here have called in complaints, only to learn Where There's Life from maintenance men that they simply did not push their nickel There May Not Be Hope

or penny hard enough. Franzen called attention to the fact that NOGALES, Ariz., Nov. 5 -(AP) coins must be pushed horizontally The Nogales Herald today waived into the slot at the side of the its ban on one-month home de-

ivery subscriptions in the case of Coins do not "fall" into the slot E. M. Brown. but must be pushed in far enough Applying for a monthly subto set the timing machinery in moscription, Brown told the circution (accompanied by a whirring lation manager, "I would be pre-sumptious if I took a whole year's sound), Franzen said.

subscription EGG PRICES DUE FOR DROP Brown is 96 years old.

PORTLAND, Nov. 5 -(AP)- The FARMER CRUSHED

OREGON CITY, Ore., Nov. 5 budget worried housewife gets one slight break tomorrow when (AP)- Leonard W. Spath, 41, was eggs are due to drop another two crushed fatally today when a Wednesday night, with tempera- such materials, and his friends cents a dozen on the wholesale tractor rolled on him at his tur- tures dropping to 20 degrees in the said that samples left inside animarket, below 1946 levels for the key ranch at Carus, five miles mountains and in some parts of mals "disappeared in three Underground Turns south of here. first time since spring.

country. A government communique is-

vakia.

had been given power by the award, will be announced at the eight-party national front coali- program. tion to deal with the three-day crisis in Slovak politics.

The Slovak democrats, predom-

inantly conservative, are the ma-

jority party in Slovakia, and Gott-

wald's new authority was consid-

ered a major communist victory in

his party's avowed drive to gain

Gottwald conferred with President Eduard Benes, the nation's elder statesman, who had been waiting word of a solution in the

communist-Slovak democrat fight. The Slovak democrats have been under bitter communist attack in by American military officials in Germany that if it tried to fly into of the party secretaries accused of Yugoslavia without visas to visit making "reactionary" plots against

partment expenditures, said the committee had tried in vain to ob- Near Freezing in

Mid-Valley Area

Temperatures dipped near the freezing point in the Salem area Wednesday night, but warmer weather and continued rain today will end the short-lived cold snap, the U.S. weather bureau at Mc-Nary field predicted late Wednesday night.

The bureau reported a low of 34 degrees was recorded at the airport weather station just before ties. midnight Wednesday. Continuous rain and a low of 43 degrees was

forecast for tonight. Meanwhile the first packed

snow of the season was reported Wednesday in the Cascade mountain passes. The state highway commission said that several inches of snow had fallen on Sun Mountain pass on The Dalles-California highway, and near Meacham on the Old Oregon Trail highway. Chains are required on all mountain passes.

More snow was expected to fall

eastern Oregon. months."

Chamber of Commerce rooms, his family to Salem, that he Two special Marion county prizes, thought it would take him two or sued after an all-day meeting said the Denver Young sheep award three weeks to find out what his the 50-year-old former blacksmith and the Elmer Klein Ayrshire new job is all about.

not :vet

With Friday a school holiday for the Marion county institute, said he had asked them to re-

a good attendance of club memmain at their positions until he bers from over the county is an- appoints a new commission. The governor said he hopes to ticipated by Anthol Riney, county club leader, who is in charge. be able to name the new members Miss Helen Cowgill, assistant in three weeks. state club leader who retired July To Give Answer Today

1, will be honor guest at the pro-

gram tonight. patrick, Lebanon, the democratic State fair checks, fall show minority member of the comawards, Spreckles canning awards mission, said late today in Portand winners of the Oregon State land that the answer to the gov-Bankers prizes, will be presented. ernor's request may be made Gerald Mason of Portland will sometime today. present Doris Lane of Liberty Mentioned prominently among

with her award in the better was Harry Boivin, Klamath Falls methods contest. Mason is a field man for Portland General Elecattorney and democrat. He is a close friend of the governor. tric company. Among those mentioned from

Multnomah county were George **Commons Votes to Free** Buckler, Portland contractor, and Burma, Despite 'Winnie' State Representative Alex Barry,

attorney who served as the first liquor administrator. LONDON, Nov. 5 -(AP)- The house of commons tonight approved a government bill granting in-Salem Food on dependence to Burma despite a statement by Winston Churchill

that Burma, like India, would be Way to Europe plunged into a "blood welter" as soon as she is free from British PORTLAND. Nov. 5 -(AP)- A

The vote on the decisive second carload of foodstuffs from Salem reading was 288 to 114. and Halsey and a carload of wheat

New Material Boon to Absent-Minded Doctors

TOKYO, Thursday, Nov. 6-(AP) A Japanese chemist, 24-year-old Kazuyoshi Endo, filed for a patent today on a process which he said would end all fear of doctors' leaving surgical dressings inside

patients on whom they operate. buted by Gilliam county will be His process utilizes seaweed for shipped east next week.

On China Communists

AP Correspondent Guinn Pleads Innocence to NANKING, Nov. 5 .- (AP)-A member of the communist under-**Spy Activities After Being Evicted by Hungary**

two small daughters, Sally, four

old, two days in which to leave, into news stories which I am sure against me did not involve news I arrived in Vienna just before did not please the communist- dispatches. He also stated the VIENNA, Nov. 5-(AP)-To avoid midnight. My family arrived by dominated regime. Mr. Chapin Hungarian government was not

arrest on Hungarian charges of airplane at 10:30 a.m. today. Molnar did not explain to Minreporter's news dispatches could communists out of the country, I ister Chapin exactly what I was be classed as espionage." Some of these news stories con-

have been forced to bring my fam- supposed to have done. An offiily out of Budapest into Vienna, cial communique issued by Inter- cerned the flight from Hungary of The Hungarian foreign minister, ior Laszlo Rajk, another leading some prominent men and some or-Erik Molnar, a leading communist, communist, said that several Hun- dinary little men who said they

on Monday morning gave me until garians, all of them my friends and were afraid they would be arrest-Gov. John Hall Wednesday ap- Tuesday midnight to leave the one of them my secretary and fel- ed on various charges. Perhaps some method other than cable or pointed F. A. Cornell of Sweet country or face trial. He told low American citizen, Miss Eliza- my prior knowledge of their plans telephone. Home as justice of the peace for United States Minister Selden beth Pallos, had been arrested for to leave the country is what the I have worked in Hungary as

district 8, Linn county. He suc- Chapin that Hungarian political providing unnamed persons with Hungarian government meant the representative of the Associ- rain showers throughout the day and police had "incontrovertible evi-"confidential information." The when it accused me of smuggling ated Press. I have never been a dence" that I had engaged in spy- official announcement said that Hungarians out of the country.

news agency and would take no action against its incoming news Weather

The implication is that I re-Portla ceived what the government calls "confidential information" and passed it on to somebody else by

Chicago 53 New York 59 Willamette river 5.7 feet. Forecast (from U.S. weather bureau, McNary field, Salem): Mostly cloudy today and tonight with occasional light

San Francisco

Salem

ment of Earl Newbry

Max.

Min.

34 40 45

48 47

Precip

.13 .14 .00

train."

by Americans.

continuous rain throughout the night. High temperature today 58, low tonight

Mentioned prominently among possible successors to Kirkpatrick Tax Cut Still **Brings** Debate

WASHINGTON, Nov. 5 -(AP)-Income tax reduction remained still in the question mark stage today as leaders of the rival groups prepared for the third battle this year at the special session of congress.

Even as the republicans were polishing final plans to introduce legislation for an immediate "quickie" reduction of \$4.000 .-000,000, Rep. Doughton (D-N.C.) brought up the possibility the move would evoke a presidential veto once again. Doughton managed tax legislation for the dem-

from Pendleton, plus 71,000 ocrats during the years they conpounds of canned goods, flour and trolled congress. sugar from Portland, moved out "Unless the republicans can of Oregon tonight to be connectshow that we can meet our doed onto the nation's "friendship mestic needs, pay for foreign re-

lief commitments and pay on the The cars will be attached at Ogdebt, it is my opinion that they den. Utah, to the transcontinental cannot override another presi-dential veto of their tax bill," train of food being sent to Europe Doughton told reporters. Two carloads of wheat contri-

ors.

DEMONSTRATION IN PARIS

PARIS, Nov. 5 -(AP)- Using their rifle butts, steel-helmeted mobile guardsmen halted a march on the city hall today by 2.000 civil service trade unionists who had been called upon by the communist newspaper L'Humanite to hold a demonstration for wase raises for Paris garbage collect-

QUICKIES



'Are you going to patch it with bubble gum again - or shall I look in The Statesman Want, Ads for a plumber?"

ground, angered at a division of funds, turned informer and led government agents to a secret radio station and the arrest of 50 communists who were charged as gled anybody or anything either spies. WELFARE CHECKS MAILED Officials allowed my wife and given me information in the 21 Later in the flurry of official PORTLAND, Nov. 5-(AP)-State welfare checks went out today to

months and seven days I spent announcements. Ivan Boldiszar, there. Much of it, after being ver- undersecretary of state for the foryears old, and Susan, one month ified from other sources, developed eign office, stated that the charges

said he did not "understand how a angry at the Associated Press as a

reports.

(Editors note: Jack Guinn, Associat-ed Press correspondent at Budapest since January, 1946, was notified by the Hungarian government on Monday

