Tax Base Unaffected by Lack Of Recent Levies, Court Rules

The state of Oregon has not lost its tax base, despite not having levied a tax on property for several years, according to last week's state supreme court decision on use of surplus income tax receipts.

Such receipts, whose surplus the court held are a part of the general fund of the state, have been used by the state to offset property taxes.

The majority opinion, written by Justice James T. Brand, was handed down by the supreme court Thursday.

The majority opinion also declared the 6 per cent limitation amendment applies only to the raising of revenue and not to the use of revenue already raised. This ruling upset the contention of many county and state officials.

"The factor which has resulted in confusion and ambiguity in the tax system for years has been the anxiety of the legislature to avoid losing the tax base and the uncertainty as to what circumstances might result in its loss," Justice Brand wrote.

"Consequently, since the time when the income tax revenues have been sufficient to eliminate state property taxes, it has been thought necessary to levy such taxes to avoid losing the tax base, notwithstanding the fact that the 6 per cent limitation applies only to the raising of funds and not to the use of revenues already raised."

A part of the March, 1946, report of the Oregon state tax study commission was quoted as follows:

"A taxing district does not lose a tax base. When no levy has been made for a period of three years the limitation does not apply, and, for purpose of levying a tax, the taxing district assumes the status of a new district."

The majority decision declared this interpretation sound and endorsed a previous opinion of attorney George Neuner.

The provision that no levy can be made by a taxing body above the amount levied in any one of three previous years, the court said, applies only to property taxes and held "that any other construction would be the equivalent of a rule that, if no tax has been levied and no amount raised for three years, then no taxing body can levy a tax or raise any revenue thereafter.

"The tax levying body would thereby be penalized for its self restraint in refraining from levying any property tax for three years," the majority opinion continued. "Such was the intent of the people in adopting the 6 per cent limitation amendment."

Marion county Circuit Court Judge George R. Duncan, in his opinion permitting use of the surplus funds' did not comment on the question at length.

Four members of the supreme court affirmed the lower court, three dissented.

The supreme court opinion was based on a suit brought by former governor Charles A. Sprague to restrain transfer of the surplus state income tax revenues to the state's general fund.

Municipal Band to Resume Concert Series

The Salem municipal band, under the direction of Maurice Brennen, will resume its semi-weekly summer concert series Monday night at Willson park starting at 8 o'clock.

Monday's concert will include:

March, Glory of the Gridiron ..... Alford
Overture, Marco Polo ..... Scarmolin
March, His Honor ..... Fillmore
Deep Purple ..... De Rose
March, Gippsland ..... Lithgow
Selections from "Sweethearts" ..... Herbert
Espana Waltz ..... Waldteufel
Fugue Modernistic ..... Frankish
March, Golden Gate ..... Goldman

Health Group Slate Clinics

A varied group of clinics will be conducted this week by the Marion county health department in the offices at the Masonic temple.

First will be an immunization clinic from 10 a.m. to noon and 3 to 5 p.m. Monday. No clinics are scheduled for Tuesday, but a fluoroscope clinic will be held at Salem Memorial hospital Wednesday from 1 to 2 p.m.

Thursday will be a child health conference, with immunizations and vaccinations, from 9:30 to 11:30 a.m. On Friday will be examinations for food and milk handlers and an adult clinic, with men from 10 a.m. to noon and women from 3 to 5 p.m. Immunization clinics are scheduled for all day Friday and from 9 a.m. to noon Saturday.

Monmouth Man Killed in Upset Of Water Truck

DALLAS, July 17—(Special)—Clay Taylor, 60, of Monmouth, was killed near here last night when a water tank truck he was driving overturned on a loose gravel road and pinned him beneath the partly-filled tank.

A passenger, Ernest Comer, injured his hand in leaping from the truck and is in Dallas General hospital.

Comer said the foot brake failed while the pair were driving along Boulder Creek road 25 miles northwest of here. Quick application of the emergency brake apparently caused the water in the tank to move to one side overturning the truck.

Taylor had just been hired as fire warden for the Willamette Valley Lumber company. He was born Oct. 3, 1888 on the old Crowley farm north of Rickreall. He married Frances Pettit at Monmouth in 1909. In 1938 he married Mae Isom of Salem.

He had served as a member of the state police game department and city marshal of Monmouth. He also farmed in the Camp Adair area.

He is survived by the widow, one son, Robert of Monmouth, two daughters, Wilma Froom of Portland and Nan Williams of Salem.

Two Convicts Recaptured In Portland

Lawrence Ivan Gates, 23, and Michael D. Lee, 32, convicts who escaped from the state penitentiary cannery in Salem Wednesday night, were captured in northeast Portland Saturday morning by a special Portland police officer.

The men were returned to the prison by officials late Saturday afternoon. Gates is serving a three-year term for burglary and Lee a five-year term for larceny.

Meanwhile state police were still searching for William Kidwell, 23, who left the penitentiary Thursday while working on the new prison wall.

State police in Salem reported that Kidwell was seen hitchhiking near Goble, Ore., Friday. Witnesses told police he was wearing a brown sport coat and army trousers which were dyed brown. Police believe he is heading for California.

Grain Prices Slump Again

CHICAGO, July 17 -(AP)- The weight of the southwestern wheat harvest was too much for the bread cereal on the board of trade today. Prices again slumped, July touching a new low since last March and winding up well under the government loan level.

Other grains were no better than wheat, although July corn rallied in the closing minutes to finish unchanged. Prior to that it had slumped as much as 3 cents. Oats dropped into new low ground for the current decline, May reaching a new seasonal bottom.

Wheat closed ¾-1¾ lower, July $2.25¼; corn was unchanged to 1⅞ lower, July $2.10½-¾; oats were 1 to 1⅜ lower, July 86⅝-¾; rye was unchanged to ¼ lower, December $1.88¼, and soybeans were 2 to 4 cents higher, July $3.78.

Chin-Up Club Directors To Hold Board Meeting

Beth Sellwood, president of the Chin-up club of Oregon, has called a meeting of the board of directors for Friday, July 23, at the Marion hotel. The meeting will begin at 7 p.m. and end at 11:45 p.m., Miss Sellwood said.

Alfalfa Bill Murray Interviewed

BIRMINGHAM, Ala., July 17—Alfalfa Bill Murray (left), former governor of Oklahoma, cocks his good ear to catch a question from AP Staff Writer Ben Price (right), shortly after the colorful old politician arrived in Birmingham, Ala., to attend the Dixiecrat conference. Murray told Price: "I'm the man who introduced 'Jim Crow' into Oklahoma. (AP Wirephoto to the Statesman.)

Green Meteor's Fate Disclosed By Astronomer

BEND, July 17-(AP)-The fate of a green meteor, which flashed over the Pacific coast June 28 and frightened hundreds of residents, was disclosed today by an American Meteor society official.

Dr. J. Hugh Pruett, Eugene astronomer, said the meteor burned itself out at a point 120 miles offshore, due west from the Oregon town of Sutherlin.

The blazing object appeared off the northern California coast, about 70 miles above the water, and raced northward about 160 miles, losing altitude slowly. It was about 35 miles high when it vanished.

Pruett, who traced the meteor's path by reports from 56 observers in the northwest, released the report here.

County Clerk, Recorder Meet Airs Problems

Various problems confronting county clerks and recorders were discussed Friday in Corvallis at a district meeting of the Oregon Clerks' and Recorders' association.

Marion County Recorder Herman Lanke and Clerk Harlan Judd attended, along with delegates from Linn, Lane, Benton, Yamhill, Polk and Lincoln counties.

Opposition to the new law which blanks parents' names off birth certificates was stressed. The group also went on record as favoring the election of precinct committeemen and committeewomen at the May primaries instead of in the fall general elections.

In response to Lanke's and Judd's requests for information on modern arrangements for clerk and recorder offices, a discussion on that topic also was held.

New Party Sets Conclave Plans

PHILADELPHIA, July 17 -(AP) Philadelphia, still sweeping away the debris of two national political conventions, rolled out the welcome mat today for the third and last conclave of this presidential year as the vanguard of Henry A. Wallace's "new party" began arriving for next week's session.

Their convention will officially get under way July 23 but party leaders already were setting up headquarters in the Bellevue-Stratford hotel.

Platform meetings, starting next Wednesday, are expected to provide the center of interest since there is no question about the nomination of Wallace for president and Idaho's Senator Glen Taylor for vice president.

CIO Publishes 'Voting Guide' On Congress

By Norman Walker

WASHINGTON, July 17 -(AP)- The CIO today published a "voting guide" on the 80th congress and urged heavy balloting in November to elect a set of lawmakers "responsive to the needs of the people."

The labor organization, claiming more than 6,000,000 members, summed up a bitter denunciation of congress' record with almost the same words used by President Truman on his recent western tour:

"(It is) the record of one of the worst organizations in this nation's history."

An accompanying statement by CIO President Philip Murray said: "If all the people, or a substantial majority of them, use their precious democratic rights this November, we can change the complexion of congress. If the people vote, they will get a people's congress."

The "guide" consisted of the voting record of senators and representatives on 16 key issues in the house and senate.

Five democratic senators — Barkley of Kentucky, the democratic vice presidential nominee; Murray of Montana, O'Mahoney of Wyoming and Green and McGrath of Rhode Island — all had 100 per cent "right" voting scores in the CIO list.

Three senators had completely "wrong" records as far as the CIO saw their votes on the 16 issues. They were O'Daniel (D-Tex.), Butler (R-Neb.) and Williams (R-Del.).

County Road Fund Raised

Acceptance of Mabel avenue, lying between LaBranche avenue and State street in the Four Corners area as a county road was virtually assured by action of Marion county court Saturday.

The court ordered the road to be surveyed and that Emery and Ella Hendrickson be paid $500 for a portion of right of way on the road. The fund was raised by a group of petitioners for the road.

The improved road was sought by the Four Corners rural fire protection district to insure better fire protection to the district.

U.S. to Press Quest for World Atom Energy Control—Marshall

By Edward E. Bomar

WASHINGTON, July 17-(AP)-Secretary of State Marshall said today the United States will keep pressing for effective international control of atomic energy despite the deadlock with Soviet Russia over the issue.

Harnessing the atom to peaceable purposes alone, Marshall said, "remains a paramount problem of humanity." It promises a renewed dispute with Russia at the September session of the United Nations general assembly.

Criticizing the Soviet proposal which the U.N. atomic energy commission turned down, the secretary said that a "sham control is worse than none."

Marshall reviewed the vain efforts of more than two years to reach agreement with Russia, in a foreward to a bulky new state department which rounds up the major atomic control development between late 1946 and last May 17. On this date the U. N. commission acknowledged a complete deadlock and referred the problem back to the security council.

(In London the Council of the Atomic Scientists association announced Friday it has given up hope of international control of the atom while the cold war continues between Russia and the west.)

"On the basis of the proposal originally made by the United States, 14 out of 17 of the nations which are now, or have been, represented on the commission have worked out together what they consider to be the essential basis for the establishment of an effective system of control. The Soviet Union, Poland, and the Ukraine still reject the majority proposals."

Summarizing the major issues dividing the majority and the Soviet bloc, Marshall said:

"1. The majority believes, and the United States agrees, that the international agreement set up by the control system should provision for the prohibition and elimination of atomic weapons from national armaments.

"2. The Soviet Union rejects as an unwarranted intrusion on national sovereignty a control agency with these powers of ownership, operation, management, and adequate inspection which the majority, including the United States, considers essential to real control."

Pair Arrested After Leading Police to Cache

ASTORIA, July 17 -(AP)- Two men were under arrest today after leading police to a cache where $3,000 worth of jewelry, stolen from a Clatskanie store Monday night, was buried.

State Police Sgt. Holly Coleomb said the two confessed the robbery. The loot, chiefly rings and watches, was wrapped in a bag and buried beside the California Barrel road.

Holcomb identified the two men as Lloyd C. Johnson, 26, Astoria truck driver, and La Verne Wayne Dunagan, 21, Medford laborer.

Transient Held For Mississippi

Harold Henry, a transient arrested by city police Friday on a charge of drunkeness, was identified Saturday as an escaped convict from the Mississippi state penitentiary.

Henry, who gave the name of Jim McCrea at the time of his arrest, was identified as the escapee through fingerprinting, police said.

M. E. Wiggins, superintendent of the Mississippi prison at Parchman, Miss., telegraphed Salem police that he would send officers to return Henry. He said the fugitive was serving a term for robbery, and escaped in January of this year.

OIL NEEDS STRESSED

WASHINGTON, July 17 -(AP)- The armed services petroleum board informed the oil industry today that the military need for additional motor gasoline and aviation gasoline is "extremely urgent."

Gen. Donovan Urges Action Against Soviet

By Lynn Heinzerling

BERLIN, July 17-(AP)-Maj. Gen. William (Wild Bill) Donovan urged world-wide retaliation against the Soviet Union today.

He suggested at a news conference that the Western Allies might deny the Russians access to the Panama and Suez canals and to the Kiel canal in Germany.

He said also that the Western powers might urge Turkey to take measures in the Dardanelles to prevent the passage of Soviet ships.

"If the Soviets want to make the squeeze on Berlin an economic war, we should not confine it to here," said Gen. Donovan, who was the war-time head of the United States office of strategic services (OSS). "We should go to other places in the world where they are weak."

Donovan said the Western powers should stand firm in Berlin. He said he did not like the phrase "cold war—because it is hot as hell."

8th Straight For Prison Club

The Penitentiary Greys racked up their eighth diamond victory Saturday as they nosed the Seaside Seals, 9-8, in a 10 inning battle. The Greys belted 18 hits.

The prison club plays host to the Milwaukie Townies this afternoon. The Greys would like to line up opponents for the next three weekends. Interested teams are asked to contact the pen.

Veterans Pay Respects To Gen. John Pershing

WASHINGTON, July 17 - (AP) - Veterans of America's wars paid their informal farewell today to General John J. Pershing, whose military career spanned the Indian tomahawk and the atomic bomb.

The body of the 87-year-old general of the armies lay in the chapel of Walter Reed hospital, where he died Thursday morning. Relatives, intimate friends, and patients at the hospital where he spent the last 10 years of his life were permitted to file by the bronze casket.

ATTENTION BUILDING CONTRACTORS
Just Arrived
OAK FLOORING
25/32"x2¼" No. 1 common and better shorts ..... $180.00 per M
25/32"x1½" No. 1 common and better shorts ..... $160.00 per M
Minimum order 5,000 ft.
Prices F.O.B. Salem
Write this paper box 69

COUNTRY GROCERY STORE FOR SALE
A very PROFITABLE country store established 22 years selling groceries, cut meats, candies, fruit and vegetables, drugs, ice cream, tobaccos, school supplies etc. Rated in Dun & Bradstreet. My wife was absolutely inexperienced and has operated this store over six years at an excellent profit. In 1947 sales were approx. $26,000.00. Located nine miles from Salem in a rought looking aggregation of homes housing the best people in the world. An attractive, cheering, completely modern apartment adjoins the store, a fenced back yard and a tiny lawn with a shady walnut tree and flowers. The apartment rents for $10.00, yes Ten dollars, and the store for $15.00. There is a lease until 1951 which can probably be renewed. There is a fairly complete line of good fixtures including adequate refrigeration.
A fair price for this nice little business and home is $3,500.00 plus the inventory which will run around $2,000.00. All cash. We are moving by Doctor's orders and this place is priced for a quick sale. Statesman Box 70.

Team Mates
Doctor & Pharmacist
When illness strikes, you will discover how much your doctor counts on your druggist to make the medicines he prescribes do their job. Our skilled pharmacists compound prescriptions promptly.
Schaefer's Drug Store
1895 —— 1948
Phone 5197 or 9723
135 North Commercial

SH-H-H . . .
That furtive visitor with the mask, gloves and soft shoes may even steal your insurance policy but your burglary loss will be paid in full with a PERSONAL PROPERTY FLOATER.
SALEM'S GENERAL OF AMERICA AGENCY

"Oregon's Largest Upstate Agency"
129 N. Commercial - Salem - Dial 9119
Salem and Coos Bay

FREE! TO

Amateur Photographers
Yes, we will help and assist you absolutely free with your entry and make them potential winners . . .
in
The Statesman's Summer Photo Contest
Remember — We are equipped to handle all of your photo needs!
Phone 2-1841
174 North Commercial St.
BURKE'S CAMERA SHOP

FARMERS
You Can Save Money — Get Your Crops Dusted by
Ace Flying Service
BY AIR
For $1.50 Per Acre
for anything over 50 acres. The fastest, surest means of pest control without injuring your crops.
CALL
Ace Flying Service
6176 - Salem, Oregon
For Immediate Service

Imperfect Vision??
Dr. E. E. Boring
Dr. Sam Hughes
Imperfect vision is a needless handicap. Have your eyes examined and get glasses if you need them.
AT
Boring Optical
DIGNIFIED CREDIT
385 Court
Phone 6506

Unique CLEANERS
PICK UP AND DELIVERY
554 FAIRGROUNDS RD PHONE 2-4562

NOTICE—
The Cherryland Festival office, located in the Chamber of Commerce offices, will be open all day today to accommodate out of town visitors and sponsors.
147 N. Liberty St. Phone 2-1543

The Sign of the Setting Sun Is Our Symbol of the Finest in Lighting
Salem Lighting Appliance Co
236 N. High., Senator Hotel Bldg. — Phone 9412
"BETTER LIGHT FOR BETTER SIGHT"

NOW
Transmits 2 TO 6 TIMES MORE SOUND INTENSITY!

Look again at the picture! Here is a hearing aid complete in one unit so small it fits the tiny watch pocket of a man's trousers! A new Beltone record!
Made possible by a new kind of "silver circuit," combining 45 parts and connecting into one moisture-proof, trouble-free unit.
Yet, the receiver transmits 2 to 6 times more sound intensity than any of 12 other hearing aids tested. Twice as much as even the former Beltone model! This is far more sound intensity than you probably need—or even can stand!
But note this: It means almost unbelievable clarity with the power turned way down. This means glorious hearing comfort. And cuts operation cost to a new low—less than a penny an hour.
1948 Beltone
Send for Free Booklet About Deafness
JAMES TAFT & ASSOCIATES
Serving Hard of Hearing Since 1934
218 Oregon Bldg., Phone 2-4491
Salem, Oregon
Manager: L. C. Canary
Batteries for all makes.