State Supreme Court Reverses Tax Surplus Ruling

usual but not unprecedented. The burden clearly is on the petitioner to prove his case and occasionally it occurs that either through more effective argument or use of per-tinent precedents the petitioner convinces the court that its previous finding was wrong. Such appears to have been the case in the late test of the law governing disposal of revenues from the state income tax.

fendant waived the customary privilege of filing reply briefs. So the case was not as thoroughly developed before the first hearing Acceptance as is usually true. Then it must be admitted there was room for a admitted there was room for a difference of opinion. The attorney general after studying the law for general spending and cited decisions from other states in somewhat similar situations to support his reasoning. On the first hearing

It was after a second hearing when the case was reargued that the court majority shifted to uphold the plaintiff who had contended that all income tax revenues are exclusively for use in reduction of property taxes.

This decision settles the issue as far as present receipts and preslegislature can pass new laws and promised their best efforts. direct the use of income tax refit. That will be a matter for legislative action. The funds cannot judicial carte blanche.

In view of the structure of the Oregon tax system and the heavy demands sure to be made for appropriations, the task of the next egislature will not be an easy one. Perhaps, with the sales tax notion out of their heads the legislators can do the job which they should have done in 1947 when the problem was the same and was clearly stated by Governor Snell.

Chief's Plane Said Sabotaged

PORTLAND, Ore., Aug. 19-(A) The chief of police of Molalla, Ore., asserted today that someone tried to kill him by sabotaging his

The plane's engine quit 100 feet up from a take-off at Molalla this morning. The chief, W. R. Waldren, managed to duck under a power line and crash land in a pasture. He and a passenger, Paul Berg, Monitor, Ore., escaped in-

jury.
Waldren said he found five gallons of water had been substituted for gasoline in the right wing

"Whoever sabotaged the plane knew the standard procedure of warming up the engine on such a plane with gasoline from the left tank, then switching to draw gasoline from the reserve sump in the right wing tank for take-off,"

e said.
Waldren, who intended to fly his surplus Vultee BT-13 to Payette, Idaho, said he would continue the investigation. Waldren conducted a flight school at Silverton and Molalla before becoming chief here a year ago.

Woodburn Votes School Budget Rise

WOODBURN, Aug. 19, (Special) A measure to raise \$59,320.14 over the 6 per cent limitation to op-erating the Woodburn school district, was favored here today by

voters by 181 to 99 vote.

Thursday's balloting was the third held on the same measure. The first election was disqualified by an underattendance of voters and the second by an error in the wording of the ballot.

Animal Crackers By WARREN GOODRICH



The Oregon Statesman

NINETY-EIGHTH YEAR 20 PAGES

The Oregon Statesman, Salem, Oregon, Friday, August 20, 1948

Price 5c

No. 136

U.S. REJECTS RED PROTESTS OVER TEACHERS

Kingwood Annexation Petitions Ready Publication of It should be mentioned that in the previous hearing, to expedite a decision both plaintiff and decision between the decision bet

concluded that surplus receipts from this source were available Still Undecided

Unchecked petitions seeking a ballot spot for the proposed four justices concurred with his change from manager to commission form of government for Salem will be delivered by the city recorder's office to the county clerk's office this morning for checking the validity of signers, it was decided late Thursday after-

Whether that process can be completed in time to assure inclusion of the proposal on the balent laws are concerned. The next lot was not certain, but officials

The county office has as yet cerceipts for such purposes as it sees tified only 583 names of the reported 1,617 names on the petitions. The law requires 1,252 for be used for general spending (be-yond the 6 per cent limitation) by fice would have only 2½ days to make its inspection (Friday, Saturday morning and Monday) if the papers are to be officially filed (including checking) with the recorder by Monday at 5 p.m., the closing time according to law. And the clerk's office is obliged to check only 200 names per day. Last Petitions Delivered

Last of the petitions were de-livered to the city recorder's office late Wednesday afternoon and held there Thursday pending a check by city officials on acceptability of the petitions without certification from the county clerk, and pendearlier-received petitions for an initiative measure proposing a franchise for Salem Electric.

After conference with Mrs. Gladys White, elections clerk at the courthouse, Deputy City Recorder Eva Rush decided to send the peti-tions to the clerk's office for checking, beginning this morning. The city recorder, Alfred Mundt, is on vacation. Delay Charged

L. F. LeGarie, chairman of the citizen's committee proposing a city commission government charged last night that the delay in getting petitions to the courthouse was unnecessary. He expressed confidence, however, that the measure will get on the Nov- might.

City Attorney Chris Kowitz said last night he had not complete the study of city and state elections laws necessary to rule definitely on whether the petitions are legal-ly acceptable. City hall precedent has required the county clerk's certification on petitions before ac-ceptance by the city recorder.

\$2,000 Found In Rest Room Of Airplane

City police with the help of United Airline employes and a pair of ice tongs Thursday morning re-covered \$2,000 in \$10 bills from the rest room of a DC-6 plane which had landed here from the at the Chem

Police were first called to the airport before the plane landed. William Decker, Yakutat, Alaska, a passenger, told two officers of the loss of the \$2,000 somewhere between Denver and Salem uponhis arrival here in the plane.

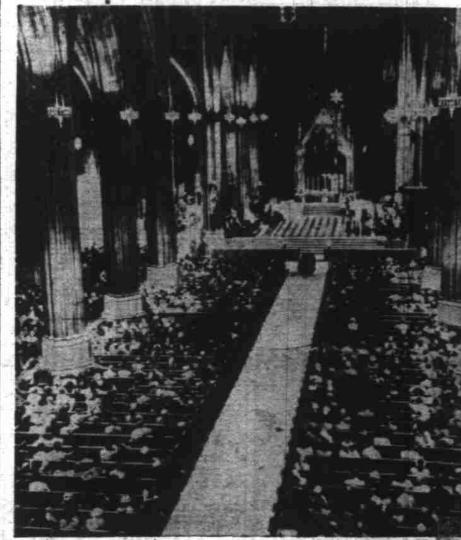
Decker told police he had carried the envelope containing the money inside his shirt and was sure it was there when he changed planes in Denver. He had felt the money in the envelope several times during the trip, he told po-lice and his wife confirmed the

After a thorough search of the plane and Decker's luggage, police were still unable to find the money. As a last resort, a pair of ice tongs was used to probe the lavatory facilities and it was there that the \$2,000, \$1,900 in \$10 bills and one \$100 bill, were found by Officers Charles Creasy and R. R. Main.

Weather

SALEM PRECIPITATION (From Sept. 1 to Aug. 20)

Final Rites for the Babe



Patrick's cathedral as funeral services for Babe Ruth were held. tion of the Kingwood district to Francis Cardinal Spellman presided at the requiem high mass for the late home run king of baseball who died of cancer at the age of 53 in New York. The casket containing Ruth's body is in front lem. Despite a 1947 state legisof the main aisle, (Story on sports page), (AP Wirephoto to The

Meat Cutters Union Calls For Strike in 12 Markets

Salem meat cutters whose employers have not signed wage in-crease agreements asked by Meat Cutters union, local 291, were called on to strike today, Claude Boyd, union president, announced Thursday

The strike may affect about 12 Salem markets, Boyd said. He noted that a majority of Salem markets have signed the agreement. Pickets will be placed at any markets where cutters strike today,

Employers here have offered \$75 a week (48 hours) for head meat

managers and head cutters and \$70

a week for journeymen. Negotia-

month, the union announced

tions have been going on for about

Boyd said that he feels that the

\$70 a week is more in line with

the present cost of living and that

Salem's scale for meatcutters has

been one of the lowest in the state.

H. E. Carlson, Portland, sec-

retary of Oregon Independent Re-

tail Meat Dealers association and

labor consultant for the local In-

dependent Retail Meat Dealers,

said Thursday "Our Salem meat

dealer employers have taken the

position that with the uncertain

market conditions in the meat business and with buyers' resis-

ing lower retail prices. Salem retail meat dealers acknowledge

Freedom Short For Released **Pen Convict**

Following his release from Oregon State penitentiary at 9:30 a.m. Thursday, Robert Marlar was rearrested Thursday afternoon by Salem city police on a Marion county district court warrant charging assault with a deadly weapon. Marlar had just completed a four year sentence on a similar charge from Multnomah county,

His arrest followed an episode at the Chemeketa apartments, 111 Chemeketa st., police reports show, where C. M. Moore, resident there, came home to find Marlar in his bed. The apartment assistant manager, Rex Kelley was called and Marlar was asked to leave. He left, but returned with an axe which he brandished about, Moore told police, Moore also told police he used threatening language while he and Jack Lunt, another resident there were in the room. Mar-lar finally left, police said, leav-ing the axe in the room. Police ar-rested him later in a downtown

bail and will be arraigned in Mar-

Raise Prices

WASHINGTON, Aug. 19-(AP)-The nation's airlines will increase passenger fares in general 10 per conference with the civil aeronau-tics board today. Chairman Joseph O'Connell, jr., of the CAB reported the forthcom-

of the CAB reported the forthcom-ing increase as one of the informal decisions of the conference. The roughing it," she said. decisions of the conference on the industry's financial difficulties.

The rate boost will make the average fare just over six cents a mile on most air lines. The present average is 5.5 cents.

Toughing it," she said.

FIRST LADY IN DENVER

DENVER, Aug. 19.—(P)—Mrs.

Bess Truman, wife of the president, arrived here for a two-week vacation today.

Advocates to **Meet Tonight** In West Salem

ty area surrounding but excluddistribution today.

Citizens across the river from Salem who favor such a move are to meet at 8 o'clock tonight West Salem Legion hall to organize their efforts and begin circulating petitions. The propos-ed annexation area corresponds with the Kingwood water district, extending in a crescent shape from the river west of West Salem, around the limits of West Salem to its Wallace road boundary and the intercounty bridge into Soviet custody and had re-Notices Sent to 800

ing group. Meeting notices were sent to the estimated 800 residents of the affected area. Proponents of the annexation point out that Salem needs area to the west for expansion purposes. They cite that within a two-mile radius of downtown Salem there are over 40,000

To Facilitate Merger Annexation advocates also note lative act drafted to allow merger of the two cities, initial steps toward the merger were thwarted in Polk county courts by a decision that the river did not form a common boundary be-

Minto's island of Marion county intervenes. To bring a Kingwood annexation proposal to a vote, the Sa-lem city council would have to receive at least one petition and direct that a special election be held, possibly to coincide with a general election. A special poll book would be prepared for the area seeking annexation and that area and the city of Salem would each have to cast a majority vote in favor of the annexation.

Rain in Valley cutters and managers and \$68 a week for journeyman meatcutters, an increase of \$5 and \$3 per week. The union has requested in the new agreement \$75 a week for

Beans and hops were being picked in a few Willamette valley fields Thursday, but the clouds and rainy weather were hamper-ing both the ripening and harvesting of the crops, according to the Salem office of the state employment service.

The office reported that many bean pickers had switched to handling the early fuggles hop crop, resulting in a labor shortage for the Stayton and Woodburn bean areas. Workers are needed now,

Notes' Contents

By John M. Hightower
WASHINGTON, Aug. 19 -(AP)
The United States tonight re-The United States tonight re-jected Russian protests and de-mands in connection with the cases of the Soviet school teachers who have sought refuge in this country.

An American note replying to notes which had been sent to Petitions for annexing to the city of Salem a large Polk coun-Ambassador Alexander S. Paning West Salem will be ready for yushkin was delivered to the Soviet embassy here at 5:10 p.m. eastern standard time. The state department announc-

ed the delivery of the document, by a department messenger, but declined to make any comment upon its contents prior to publication which is scheduled for a.m. E.S.T. tomorrow. Despite this temporary

cy, there was no doubt that the state department had down Russian demands for the delivery of the school teachers jected Russian accusations against the American government, and Barney VanOnsenoord is tem-porary chairman of the petition-that they had connived in the

lem there are over 40,000 residents on the east side of the river and only about 4,000 on the west side. Lighting Fires MACOMB, III., Aug. 19-(AP)-

Two new fires-starting almost simultaneously in the chicken house and the milk house-dogged the burned - out Willeys today.

The elderly farm couple, who have been living under a tarpaulin since their farm home burned down Saturday reported they observed smoke seeping from their chicken house shortly before noon. Willey found a box of old newspaper blazing fiercely but stamped

out the flames. Then Mrs. Willey said she opened a cupboard door in their temporary dining room in the milk house and found newspapers on the shelf smouldering. She patted out the fire before the flames did much more than scorch the pa-

"I'm completely mystified," said Fire Chief Fred Wilson after inspecting the source of the new fires. He took the newspapers back to his office for a chemical analy-

Within the past 12 days fires have destroyed the Willey home and a barn. Small blazes also have been extinguished in the milk house and chicken house. Nearly 200 small fires flared up spontaneously in the Willey home before the final blaze consumed it.

Russian Teacher 'Very Much Improved'

NEW YORK, Aug. 19-(A)-Mrs. Oksana Kosenkina was returned to an oxygen tent tonight after a four-hour period without artificial aid to her breathing. However, Roosevelt hospital said her condition was "very much improved."

She first was placed in the tent yesterday when she had difficulty areas. Workers are needed now, and the demand is expected to given a blood transfusion last grow if the weather clears.

tance against higher retail meat prices, they cannot feel justified in making excessive wage increases that will result in higher meat prices in place of encouragement prices in place of encourageme **Crowd Expected at Coronation**

retail meat dealers acknowledge the fact that retail meat prices are too high and are making every effort to sell meats at the lowest possible level."

**MT. ANGEL, Aug. 19.-Hundreds of valley folk are expected here Friday night to witness the coronation of Her Majesty, Queen Mary Jane Geelan of St. Paul, to rule over Flaxaria until Sunday night. King Bing Charles Claggett of Salem Cherrians will place the crown, assisted in the ceremonials by additional Cherrians.

ALBANY, Ore., Aug. 19.-(A)
**Riondike Kate, who withstood the rigors of the Alaska gold rush and central Oregon ranchin, is going soft at last.

Now the wife of W. L. Van Duren, Bend accountant, she said they would move from central Oregon to a farm site 14 miles

**Retail meat dealers acknowledges are too high and are making every effort, The Statesman

**MT. ANGEL, Aug. 19.-Hundreds of valley folk are expected here Friday night to witness the coronation of Her Majesty, Queen MacCullough Lee, mayor-elect Portland.

**Dr. Webb, a native of Silverton as the first Mt. Angel playsicial serving from a young man until serving the first world with the coronation to be followed by two dances.

**Doeph Berchtold, chief of the Mt. Angel por monies. A brief musical program for a number of years and part for a number of years and part for a number of the Mt. Angel por American Legion.

**Dr. Schierbaum, both of Wh. A. F. E, Schierbaum, both of Wh. A. F. E, Schierbaum, both of Wh. A. F. E, Schierbaum, both of Mt. Angel both medically a civically, and the talk by Dorot McCullough Lee, mayor-elect Portland.

**Dr. Webb, a native of Silverton to the ceremonials by additional Cherrians.

**Joseph Berchtold, chief of the Mt. Angel por monies. A brief musical program for a number of years and part for a number of ye

they would move from central oregon to a farm site 14 miles north of here soon.

They will build a home of simulated logs. But the frontier atmosphere will end there.

"We're going to have every modern convenience. I'm tired of roughing it," she said.

FIRST LADY IN DENVER

DENVER, Aug. 19.—(P)—Mrs. Best Truman, wife of the president, arrived here for a two-week vacation today.

The coronation to be followed by two dances.

Honored with Queen Mary will be followed by two dances.

Honored with Queen Mary will be form the stong time and was the first president of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the Business men's club as well as director of the Men's chorant of the

A. F. E, Schierbaum, both of whom gave many years to the betterment of Mt. Angel both medically and civically, and the talk by Dorothy McCullough Lee, mayor-elect of

Portland.

Dr. Webb, a native of Silverton, was the first Mt. Angel playsician, serving from a young man until his death four years ago, with the exception of a period of army service during the first world war. He was also mayor of Mt. Angel for a number of years and past commander of the Mt. Angel post,

Refugee



women's Olympic team, smiles in London where she said she would not return to Czechosiovakia. "I am a political refugee and proud of it," she said. (AP Wirephoto to The Statesman).

Man Held as **Boy Dies in Hit-Run Case**

State police Thursday afternoon arrested Joseph William Brown, county district court warrant of revenue today after a decision charging negligent homicide. The by the state supreme court arrest was made, police said, in against using surplus tax reveconnection with the hit-run acci- nues for current expenses. Ready, Portland, teen-age bicyclists, were critically injured.

Eugene, 16, died early Thursday morning at Salem Memorial hospital where the two boys were taken by ambulance following the ac-

Brown was arrested at his home in Woodburn Thursday by state police who had arrested him Wednesday night on another charge, being drunk on a public highway, district court records show. He was released Thursday morning after pleading guilty and posting \$150

Meanwhile, Alvin Ready, 14, was still in serious, but slightly improved conditions at Salem Memo-rial hospital, hospital attendants

State police said they made the second arrest after noticing that be front end of Brown's car was Draft Board to damaged. Brown will be arraigned in district court this morning and is held in lieu of \$2,500 bail Be Ready for in Marion county jail.

Eugene Ready, is survived by his brother Alvin and his parents, Mr. and Mrs. Ambrose Ready, Portland, Funeral services will be announced later by the Clough-Barrick company.

State to Gain 2 Congressmen, **Solon Predicts**

ABERDEEN, Wash., Aug. 19-(P) Rep. Mack (R-Wash) predicted today Washington and Oregon would gain two congressmen each in 1952 because of greater popula-

Mack estimated that California would get 10 more representatives by the 1952 apportionment, boosting the congressional strength of the three west coast-states to 47.

Oregon now has four U.S. repulsed in the new draft law.

"With our natural resources Washington and Oregon should in MORSE HERE BRIEFLY the next 25 years have a com-bined population of between eight million and twelve million peo-ple," Mack added.

Newspaper Edition

TEXARKANA, Aug. 19 - (A) - "This edition has teeth in it," the Texark-Ana Gazette told readers

Printer S. H. White accidentally dropped his false teeth in the composing room, they fell into a pile of scrap lead and type metal. The metal went into a melting pot; with it the teeth.

Transfer Of Funds Blocked

Surplus state income tax revenues cannot be spent for general governmental purposes, the Ore-gon supreme court ruled in a 4 to 2 split decision Thursday, reversing a previous verdict.
On July 15 the court ruled 4-3 that the surplus could go into the state general fund.

Thursday's action followed rehearing of a tax surplus suit
brought by Charles A. Sprague,
former Oregon governor, to restrain the state tax commission
from transferring the surplus
revenues to the general fund.
Chief Justice George Rossman

wrote the majority opinion handed down Thursday, with Justices J. O. Bailey, Hall S. Lusk and Percy Kelly concurring. Justices James T. Brand and Arthur D.

Judges Change
Justices Bailey and Lusk
changed their positions after
having supported general fund
use of the surplus in the July 15
minority opinion. Justice Harry
H. Belt, now vacationing in Canada, had opposed general fund use in the July decision. As a result of yesterday's

court ruling, a general fund defi-cit of \$6,000,000 to \$8,000,000 is expected. This would be placed before Oregon voters as a prop-erty tax levy at the November general election but would, if approved, be offset by funds from the income tax surplus. Surplus Growing
This follows the 19-year-old

LONDON, Aug. 19.-Mrs. Marie legislative act providing that all Provaznikova, leader of Czech revenue from the state income tax be used to reduce property taxes. By now the tax surplus amounts to some \$40,000,000. Attorney General George Neuner had held in a formal opinion last February that the

tax surplus could be considered as miscellaneous receipts in the state general fund after any existing property tax levy was offset. The Sprague suit, generally considered a friendly suit to settle the tax interpretation through the courts, was filed in Marion county circuit court. After arguments were heard, Circuit Judge George R. Duncan backed Neuner's position by dismissing Sprague's suit.

PORTLAND, Aug. 19-(4)-State

dent Wednesday night near Hub-bard in which Eugene and Alvin Ready, Portland, teen-age bicy-\$12,000,000 to \$14,000,000 of the surplus fund for new buildings.

> Chairman Edgar W. Smith said there now was no choice except to get up petitions for a special tax levy on the November ballot. Current estimates are that the welfare commission will wind up with a \$4,000,000 deficit next year. Chairman Jack Luihn the welfare commission said the agency would have to issue defi-cit warrants and leave the 1949 legislature to find a way to

> expected to get funds for building from the tax surplus. They are expected to go to the next

Registration

Hans (Curly) Hofstetter, new temporary chairman of the Marion county draft board, announced Thursday night that he "expects to have the board in full working order by August 30 when 25-year-olds will begin to reg-

Hofstetter announced that the Hofstetter announced that the board will employ one clerk, yet to be named, at the office to be located on the second floor of the Steusloff building, on Court street over the Doughton Hardware store. Applications for clerks were considered by the board at a meeting held Thursday

day.

Other members of the four-man board are Paul Hendricks, C. W. Bartlett and John Black, all of Salem. Further announcement will be made in the near future, Hof-

U. S. Senator Wayne L. Morrestopped in Salem briefly Thursday morning, landing here in a United Air Lines plane en route from the east. He was met at the airport by friends in an automobile, and left for home in Eu-

