

State Hopes For Tax Leak Halt From Suit

(Story also on page 1.)
The State Tax Commission hopes a suit filed against it Wednesday in Marion County by Pope and Talbot, Inc., one of the state's major lumbering firms, may result in plugging a leak of escaping tax funds.

A commission spokesman pointed out that the firm, with headquarters in Portland, was always correct in its dealings with the Commission, but that the Commission was interested in ascertaining the names of loggers and timber suppliers who were possibly not paying the Forest Products Harvest Tax.

Under the law, timber cutters are required to pay four cents per thousand board feet for forest research and experimental tax, part of which goes to the Forest Products Laboratory at Corvallis and part to the State Forestry Department. Western Oregon loggers also pay four cents per thousand based on the merchantable value of logs on certain lands for fire supervision and protection.

It is this tax which the Tax Commission contends it is trying to collect in the subpoenaing of records of lumber firms such as Pope and Talbot.

Exam Necessary
In the subpoenas served on the office manager of the Big Oregon firm, the tax commission stated that "an examination and inspection by this commission of the above described records is deemed necessary in connection with the administration and enforcement of Forest Products Harvest Tax." The subpoenas included "all books, records and files showing names and addresses of loggers and other persons and corporations from whom logs, piling, pulp wood and other forest products were purchased in 1954."

Pope and Talbot accuses the Tax Commission of "fishing expedition" tactics in that the actions are not aimed at named third party.

Firm Differs
The firm contends, however, that the interpretation of the law by the Commission that it may subpoena records without naming a third party is unconstitutional. It has twice refused to honor subpoenas for its records of transactions with its log suppliers, and filed the suit for declaratory judgment to get a legal ruling on the case.

Salem Man Renamed to Packers Post

G. F. Chambers, president of Cascade Meats, Inc., Salem, has been reappointed chairman of the Animal Health and Livestock Conservation Committee of the Western States Meat Packers Association. It was announced here Wednesday.

Founded in 1946 the association has several hundred members in nine western states in meat packing and processing or related lines. The animal committee seeks prevention of certain diseases in hogs and improvement of animals for slaughter.

School Board Meet to Study Sales Tax as Education Aid

A sales tax ear-marked for education has drawn a high priority for study by tax-conscious members of Marion County school boards.

Tabulation of requests by representatives of some 41 of the county's 57 school districts indicated that a study of the sales tax possibility was a surprising second to teacher supply among requests for consideration by the Marion County Conference of School Boards.

The conference was organized earlier this month at the request of a state legislative resolution to study Oregon school problems. Results of studies of Oregon counties will be reported to the state superintendent of schools for transmittal to the legislative interim committee on education next year.

Some 150 board members were asked to list what they considered the three top educational problems in Marion County at the organizational meeting. The three will be subject of committee study between now and the next conference session, scheduled for February.

Teacher supply problems including salary schedules, enforcement of contracts, educational requirements, recruitment and housing, drew top priority from 46 board members. Sales tax as a possible solution to the districts' financial problems was the choice of 41 members. School district organization was third with 31 votes, and status of no-high districts fourth with 18.

Committee membership is expected to be announced early in December by Conference Chairman Delmar Davidson of Talbot, member of the Jefferson School Board.

Bus Company Wins Verdict

Pacific Trailways won a \$4,765 judgment Wednesday when the Oregon Supreme Court upheld a Malheur County Circuit Court verdict against E. W. Dallimore of Nyssa.

One of the company's buses was damaged four years ago in a collision with a roofing truck owned by Dallimore.

Dallimore contended he was not liable, claiming the truck was driven by an independent contractor, rather than by an employee.

The decision, by Justice William C. Perry and upholding Circuit Judge M. A. Biggs, held that the driver of the truck was an employee.

Christmas Card Banding Urged By Post Office

Bands for bundling Christmas cards into local and out-of-town packets are being distributed again this year by the Salem Post Office, Postmaster Albert Gragg announced Wednesday.

The bands are available at the downtown postoffice and at substations in adjacent areas. The public can greatly reduce the postal load on the annual yuletide greeting cards by making use of the bands which label the bundles either for Salem delivery or away points, Gragg said.

Carriers will distribute a supply of both types to boxes along their routes for the convenience of the public, Gragg added.

Error Made in Forest Fund Distribution

A federal government book-keeping mistake will cost Marion County's budgeted road and school funds \$5,054 this fiscal year—but the county will get that amount back next year.

This was disclosed Wednesday by Secretary of State Earl T. Newberry who said the recent apportionment to counties of federal forest reserve revenues had to be recomputed because of an error in the computation method used by the U.S. Forest Service.

Marion County has received \$151,478 in this account, instead of the correct share of \$156,533, Newberry said. The total distribution in Oregon of \$4,688,206 is unchanged—only the way it's divided.

Even before the error was discovered, the amount was lower than estimated by Marion County for this year's budget, as the official budgets shows revenue of \$40,000 from that fund placed in the school fund and \$120,000 in the general road fund.

The forestry service's computation error apparently came about because someone overlooked the effect of a new federal law which excluded reversion O & C lands from the formula for apportionment.

Under the recently announced figures, Lane County, which got the largest share anyway, was overpaid by \$30,812. Among other counties, Polk was overpaid \$506. Counties underpaid included, besides Marion, Yamhill, \$156, and Linn, \$11,736.

STRIKE FEARED
CLEVELAND, O. — Some 225 members of the Brotherhood of Locomotive Engineers have voted to strike the Spokane, Portland and Seattle Railroad if agreement is not reached soon in their dispute with the carrier over working conditions.



COMING CLOSER!



Legal paper work involved in transfer of ownership of Paulus Bros. Packing Co. of Salem to Dole Hawaiian Pineapple Co. of Honolulu and San Jose, Calif., took place at the Salem plant Wednesday. Participating in the transactions were (from left) Robert C. Paulus of Salem; and James H. Tabor, secretary, and H. C. Cornuelle, vice-president, both of the Hawaiian firm and both from Honolulu. (Statesman photo)

Few Immediate Changes Eyed By Dole Firm at Salem Plant

Despite transfer of ownership to Dole Hawaiian Pineapple Co., few immediate changes in operation of Paulus Bros. Packing Co. at Salem is contemplated, representatives of the new owners said here Wednesday.

"Operations of this excellent plant will continue to be expanded in the future as it has in the past," said H. C. Cornuelle, of Hawaiian Pineapple Co.

Cornuelle and James H. Tabor, HAPCO secretary, are in Salem from Honolulu to participate in the formal exchange of stock and other "paper work," necessary to the transfer.

"No changes in key personnel are contemplated," said Cornuelle. "The well-known Paulus labels will continue to be used, with additional ones probably to come later." Under the new set-up Robert C. Paulus, president of Paulus Bros. will remain on in that capacity and will take on new duties as a member of the HAPCO board of directors.

Stockholders of the Hawaiian firm recently approved the purchase of the Salem plant and another canning company at Oakland, Calif. Actual sale of the Salem plant was announced two months ago.

Paulus Bros. was incorporated in Salem 29 years ago and has grown into one of the largest producers of its kind in the nation.

Three Hunters Facing Charge; One Draws Fine
Heubert John Galle, Salem Route 2, Box 430, was fined \$30 in Marion County District Court Wednesday after pleading guilty to a charge of hunting deer in a closed area.

His three companions on the hunt in the Drake's Crossing area near Silver Creek Falls all pleaded innocent to the charge and trial was set for Dec. 5.

Pleading innocent were William Charles Allison, 2145 N. 4th St.; Walter William Oederma, 390 E. Ewald St.; and Melvin Lawrence Gartner, 1335 Hines St. The men were arrested by state police.

Meeting Draws State Officials

Four State Highway Department officials are slated to attend a meeting of the American Association of State Highway Officials next week in New Orleans, La.

State Highway Engineer R. H. Baldock, member of the association's executive committee, left Wednesday to attend pre-session committee meetings. Mrs. Baldock accompanied him.

Other officials to attend the meeting include W. W. Stiffler and G. S. Paxson, assistant state highway engineers, and C. W. Enfield, chief counsel of the highway commission.

STRIKE ENDS
NEW CASTLE, Ind. — Perfect Circle Corp. strikers voted 86-72 Tuesday under pressure from top CIO United Auto Workers officials, to accept a contract to end their bloody 4-month-old strike.

Miracle Cushion Holds False Teeth Tight and Firm



Eases Sore Gums
Snugg brand Denture Cushions are a triumph of science, a sensational new plastic cushioning that gets rid of the annoyance and irritation of loose, badly fitting false teeth. Snugg eases sore, irritated gums due to loose fitting dentures. Applied in a few minutes, makes the wobbling plates stay firmly in place—gives perfect comfort. Red anything—talk, laugh—plates "stay put." No looseness in gums or dentures. Snugg cushioners can last from 2 to 4 months. Stays soft and pliable—does not harden and ruin plate. Feels right out when replacement is needed. No daily bother with adhesives. Get Snugg brand Denture Cushions today! 2 liners for upper or lower plates \$1.50. Money back if not satisfied. Ask all denturists.

Rites Friday For Victim of Mill Mishap

Statesman News Service

STAYTON — Funeral services for William Riley, 48, of Lebanon, killed Tuesday in a lumber mill accident at Corvallis, will be held here Friday.

Riley died from wounds received when a circular saw flew off a shaft and cut his neck at the Archie Tempson lumber mill, where he was employed.

He was born Aug. 21, 1907 in Oregon City. Survivors include the widow, Mary; daughters, Sharon and Dianna, and of Lebanon; parents, Mr. and Mrs. C. L. Riley of Aumsville, and a sister, Mrs. Frances Orr of Garibaldi.

Funeral services will take place at 2 p.m. at the Weddle Funeral Home with the Rev. Robert Luther officiating. Interment will be at Butler Cemetery at Aumsville.

Board to Hear 3 Emergency Fund Requests

Three substantial emergency appropriations will be sought of the State Emergency Board which is slated to meet Friday at the Capitol.

Senate President Elmo Smith, John Day, chairman of the board and now acting governor, will preside. He is due to arrive in Salem today.

Largest emergency appropriation involves \$68,015 for payment of emergency fire suppression cost in the Central Oregon State Protective district and in the Klamath Protection area. This appropriation is asked by the State Forestry Board.

Another appropriation of \$20,550, requested by the State Board of Health, would be used to provide anti-tubercular patients who are welfare recipients or medically indigent.

The Secretary of State will ask \$46,540 to cover the additional cost of operating the financially responsible division because of amendments to the Financial Responsibility law at the 1955 legislature.

The State Emergency fund now aggregates \$326,969. The 1955 legislature authorized an emergency fund of \$700,000 for the current biennium.

At 68, William Henry Harrison was the oldest U. S. president.

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