

STATE NEWS

By A. L. LINDBECK

Salem.—With income, inheritance and gift taxes pouring into the state treasury at an unprecedented rate state officials are now pondering the problem of what to do with the prospective surplus.

State Treasurer Leslie M. Scott last week pointed out that recent large collections of inheritance taxes would wipe out the deficit of \$450,000 in the general fund and that increased collections of income taxes would make it possible to waive the property tax levy for the elementary school tax next year.

But indications are that the prospective surplus will go much farther than indicated by Scott—that the carry-over from income taxes this year plus estimated collections for next year will not only take care of all regular and special state levies, the elementary school levy included, but will pile up a surplus in addition. And state tax officials point out that there is no provision for the disposition of any such surplus.

In this connection it is pointed out that while the income tax now operates as an offset against the property tax, this provision is merely statutory and subject to amendment by the legislature. In other words any surplus realized from income taxes, or the entire income tax revenue for that matter, can be used for any purpose the legislature might see fit including the financing of a new office building or to increase old age pensions or to supplement the budgets of state institutions, many of which are in need of new buildings.

Such a course, while entirely within the province of the lawmakers is held by some state officials to be a violation of the spirit of the income tax act which contemplates that this revenue shall be used to relieve property owners of their tax burden. As one means toward this end it has been suggested that the prospective surplus be diverted into a state school fund to be apportioned out among the counties and

thence to the various school districts as an offset against local property levies. A bill designed somewhat along this line was introduced in the last session but was defeated by the legislators who were not yet convinced there would be any surplus revenues from income taxes. Now that a surplus appears certain, based upon 1941 collections to date and the increase in incomes resulting from the national defense boom there has been a definite revival of hope among school men that their dream of a state school fund may be realized at the next session.

Another suggestion for disposition of the prospective surplus involves the creation of a reserve fund to be used as a back-log against which the state can draw in the depression which is expected to follow the present boom.

Unless Governor Sprague intervenes James Harry Thomas, 19-year-old sailor, will be the third man to die in Oregon's lethal gas chamber. Thomas was sentenced to death in the circuit court of Gilliam county this week for the slaying of Kelly Douglas Smith, of Aberdeen, Washington. First to pay the death penalty in the gas chamber was Leroy Hersel McCarthy, 26, slayer of a Portland gasoline station attendant. He was executed on January 20, 1939. Claude E. Cline, 46, who murdered his mining partner near Fossil, was executed on July 26, 1940.

Preliminary plans for the new treatment hospital to be constructed at the state hospital for mentally ill at Salem have been approved by the state board of control. The new building will provide a "work shop" for the treatment of mental disorders for the entire institution and will, in addition, provide beds for 120 patients. Increased labor and material costs have made it impossible to provide the 300-bed hospital as contemplated at the time the legislature made the \$325,000 appropriation for the new building. Superintendent John C. Evans told the board. The structure will be of concrete construction faced with brick veneer. It will be two and three stories high and more than 200 feet long and will be located near the present receiving ward and north of the main institution. Plans provide for the addition of more ward space as additional funds are made available by future legislatures. The new "work shop," according to Superintendent Evans, will contain a therapy room, a pool, beauty parlor and barber shop and will be as modern in design and equipment as is to be found in any similar institution in the entire nation.

Appointment of Dr. Donald Wair to be superintendent of the state hospital at Pendleton was announced by the board of control this week. Dr. Wair was for many years assistant to Superintendent W. D. McNary who resigned as head of the Pendleton institution several months ago. The appointment of Dr. Wair is in line with a policy adopted by the board several years ago under which competent subordinates are promoted to positions of greater responsibility as vacancies occur. Under this policy Dr. John C. Evans, former assistant superintendent at the state hospital in Salem, became superintendent of the institution upon the resignation of Dr. R. E. Lee Steiner. Mrs. M. Wilson Savage who received her training as assistant to Superintendent Clara Peterson Durbin of the state industrial school for girls, is now head of that institution. Dr. Horace Miller, now superintendent of Fairview home, was formerly a member of the medical staff of the state hospital at Salem. Dr. J. M. Odell, present superintendent of the eastern Oregon tuberculosis hospital at The Dalles, won his spurs as a member of the medical staff of the state tuberculosis hospital at Salem. George Alexander, warden at the state prison, was formerly assistant superintendent of state police and was transferred only after E. C. Halley, deputy warden had declined an offer of promotion following the death of Warden James Lewis.

In spite of the fact that the World War Veterans State Aid commission has sold a total of 2500 farm and city properties in the past few years the department is still in the real estate business in a big way. A report

BOARDMAN NEWS

Boardman Folk Travel On Two-Day Holiday

By MRS. CLAUD COATS

Ray Barlow and son Beryl of Eugene were over-night guests at the home of his parents, Mr. and Mrs. J. F. Barlow. They also called on other relatives here. Mrs. Barlow and daughter Susan stopped at her parents' home in Wasco.

C. H. Rice and son of Vista, Calif., spent several days last week at the

home of his parents, Mr. and Mrs. J. F. Barlow. They also called on other relatives here. Mrs. Barlow and daughter Susan stopped at her parents' home in Wasco.

Defense industries are calling for workers faster than the vocational schools can train them, according to O. I. Paulson, acting state director of vocational education. Oregon has been providing more than its share of these workers to date, Paulson said.

The Oregon National Guard will be continued in federal service for an indefinite period up to a maximum of 30 months, the war department has notified Governor Sprague. Individual members of the guard, however, will be released as circumstances warrant. Oregon troops are now stationed at Camp Murray, Washington, and at Fort Stevens, Oregon, at the mouth of the Columbia river.

C. A. Tannehill home. Mr. Rice is a brother-in-law of Mrs. Tannehill. On Friday the two families motored to Ashland, meeting Mrs. Rice there to spend the Labor holiday.

Mrs. Z. J. Gillespie and Mrs. Jim Howell motored to Pendleton Thursday shopping.

Mr. and Mrs. Willard Nickerson of Boise arrived Wednesday at his parents' home, Mr. and Mrs. Chas. Nickerson, and visited until Monday. They were also calling on old friends.

W. A. Baker, Roy Ball and Mrs. M. Klitz were business callers in Pendleton Thursday. Mr. Ball had a foxtail removed from his eye while there.

Vernon Root and wife of Arlington were dinner guests at his parents home, Mr. and Mrs. Leo Root, Friday evening.

Mr. and Mrs. Nate Macomber spent Sunday in Grandview and Kinnewick visiting relatives. In Grandview they called on Mr. Macomber's father and mother.

Mrs. Rev. Walpole and infant baby daughter, Arleta Carol, arrived home from the hospital Friday.

Mrs. Crystal Barlow was calling in Heppner Saturday evening.

Mr. and Mrs. Glen Hadley and son Stanton moved to their new home in Fossil Saturday. Mr. Hadley has employment in the Kinzua mills.

The Frank Jones family has returned to their home after spending the summer in Kinzua where Mr. Jones is working.

The two-day holiday found motorists coming and going. Mr. and

Mrs. Robert Berger and family motored to Bonneville to his father's home. Mr. and Mrs. Clarence Berger, Mr. and Mrs. Z. J. Gillespie and Mr. and Mrs. Arthur Gillespie of Hermiston spent Monday in Spray. Mr. and Mrs. Jim Howell of Roseburg called at the home of his parents, Mr. and Mrs. J. A. Howell. Neil Bleakney and daughter Awilda of Maton, Wash., called at the Claud Coats home. Mr. and Mrs. Gilbert Petteys and family of Lexington were visiting at the Nate Macomber home. Lauren Blayden and wife of Huntington arrived at the home of Mrs. Ella Blayden, taking his mother back to spend the winter. Mrs. Elmer Harr of Hermiston called on Margaret Klitz Monday. Mr. and Mrs. Fred Teague of Athena stopped at Mrs. Warner's. Mrs. Teague will be remembered as Mrs. Tate who was a former resident of Boardman.

Will Helms of Richmond, brother-in-law of Mrs. Ed Souders, arrived at their home to spend the week.

School opened the second with the following teachers, Supt. G. A. Corwin; agriculture, Ashton Foerst; coach, Joe Enzler; English, Denise Enzler; 7th and 8th, Lawton Hamblin; 5th and 6th, Maude Kobow; 3rd and 4th, Florence Hanby; 1st and 2nd, Myrthena Martin.

GRANGE MEETS 12TH

Rhea Creek grange will meet September 12, with a birthday dinner as a feature. Master Henry Peterson requests attendance of all members who can possibly get there.

Read the ads. It pays.



Pendleton, Ore., Sept. 2—Candidate for queen of the American Beauty contest at the Pendleton Round-Up, Sept. 10, 11, 12, 13, is Dolores Stephens, dark-eyed, smiling, 17 year old Indian maiden. Only at the Round-Up is held this contest to choose the most beautiful Indian girl. There will be some 50 entries this year and girls will be judged not only for beauty but for their costumes. Dolores is shown wearing a gorgeous costume of soft white buckskin, intricately beaded and ornamented with fringe; she made it herself and it took several years to complete. In her long black braids she has entwined otter fur, and as a final fillip, has stuck a feather in her beaded head band.

Public Auction

Beginning at 10 A. M.

Tuesday, Sept. 9

At Louis Marquardt ranch about 8 miles N. E. of Lexington

The following property will be sold:

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| 20-ft. John Deere Combine | 2 8-ft. Moline Disc Plows & Field's Hitch |
| R. D. 6 Tractor | 1 Case Mowing Machine |
| 4 10-ft. International Weeders | 500-gal. Diesel Tank |
| 1 10-ft. Case Drill | 2 Gas Pumps |
| 1 International Drill | 1940 1½-ton International Truck |
| 1 Van Brunt Drill and Hitch | 1½-ton "B" Ford Truck |
| 1 8-section John Deere Harrow | 3 Wagons |
| 1 Harrow Hitch | Second-hand Sacks |
| 1 John Deere Bulker | Shop Equipment |
| 2 Treating Machines - Calkins | Diesel Barrels |
| 1 2½-Horse John Deere Gas Engine | Chickens |
| 1 Fairbanks-Morse 2-Horse Engine | Farming tools and other articles too numerous to mention. |

LUNCH AT NOON

TERMS OF SALE - CASH

V. R. RUNNION, Auctioneer

HARVEY MILLER, Clerk

OWNER: Lorena Marquardt, Administratrix of Estate of Louis O. Marquardt