

State Capitol News Letter

BY A. L. LINDBECK Hanzen Budget Seen as Political; Claims Do Not Stand

SALÉM—Claims put forth by Budget Director Hanzen to a saving of \$1,266,000 in the budget as approved by Governor Meier for 1935-36 over appropriations and millage levies authorized for the past biennium do not stand up under a critical analysis of the new budget.

More than two-thirds of the alleged "saving" is accounted for by an arbitrary reduction of \$650,000 in the revenues of the state's institutions of higher education. Hanzen has recommended a reduction of \$508,000 in the millage revenues of these institutions which he proposes to lop off the 1936 levy. In addition he estimates the gross millage revenues of these institutions at \$350,000 below those for 1933-34, but in the latter biennium the tax commission is in error since there is a discrepancy of approximately \$231,000 between the two estimates.

The budget director has also charged the \$400,000 appropriation for the liquor commission as an expense against the 1933-34 biennium in spite of the fact that the amount was merely loaned to the commission and only \$107,000 of the amount was used.

Another of the budget director's "savings" is represented by the appropriation of \$82,000 made by the 1933 session to meet principal and interest payments on the loan from the industrial accident commission to finance the state office building and the agricultural building. This appropriation was off-set by rentals collected from departments occupying these buildings which went into the general fund. Hanzen has disallowed this appropriation in his new budget and taken credit for a saving of the entire amount. Just how he expects to finance retirement of this obligation is not clear.

In spite of the fact that the 1933 appropriations for the circuit and supreme courts and the care of wayward girls fell approximately \$110,000 short of meeting actual expenditures during the past two years, Hanzen has arbitrarily fixed the 1935-36 appropriations at the same level.

Institution heads here are very much concerned over Hanzen's attitude toward the budgets, which he has also cut back to the 1933 level in spite of increased populations and materially higher costs of commodities and supplies used by the institutions. General maintenance and operating costs of the 11 institutions for the past two years exceeded \$1,500,000. Employees in the state purchasing department point out that the commodity price level today is 20 to 25 per cent higher than it was two years ago. On this basis, and ignoring the normal increase in population, these appropriations must be increased by at least \$300,000 if a serious deficit is to be avoided during the next biennium.

Department heads point to the fact that they are not in nearly so good a position to withstand a budget cut today as they were two years ago. Economies enforced by the last legislature have resulted in serious depletion of stocks of all kinds. Typewriters, adding machines and other equipment have also been allowed to deteriorate unduly because of lack of funds to permit an exchange for new equipment as was formerly customary.

The Hanzen budget is generally regarded here as a political document designed to put the incoming administration in a hole. Recommendations contained in the budget are purely arbitrary and were made without any information as to the condition or needs of state functions, officials here charge.

Oregon ranks fourteenth among the states of the union in the amount of highways constructed under the Public Works program, according to information received by R. H. Baldoek, state highway engineer. Fifty-one per cent of Oregon's 1934-35 program has already been contracted, Baldoek points out. This is far ahead of the record of either California or Washington.

Budget Director Hanzen was "inherited error" in his reference to an "inherited deficit of \$4,500,000." The state's general fund was in the red only \$2,397,866 when Governor Meier took over the reins of government in January, 1931. The deficit reached its peak of \$4,535,475 at the close of 1932 in the midst of the Meier administration and is directly traceable to waiver of the state levy against property for that year. When estimated revenues from other sources failed to materialize the deficit was increased by \$1,434,300, but has been on the decline since that date and, barring unforeseen emergencies, promises to disappear entirely before the close of the present year.

Federal aid for the common school system will be forthcoming in the not far distant future in the opinion of C. A. Howard, state superintendent of public instruction, who has just returned from a trip to Washington, D. C., where he attended the council of state school superintendents.

Governor-elect Martin has given his endorsement to the proposed state department of public welfare to take over supervision of all of the state's charitable, penal and eleemosynary institutions. It is understood that he will sponsor a measure creating the new department.

New Mayor and Council Take Office

Garrett, Kramien, Wismer and Robb Assume Posts Here on Wednesday

Melhuish Fire Chief

Administration Outlines Program for New Term

New city administration took over the reins of local government Wednesday night when J. H. Garrett succeeded O. Phelps as mayor and Dr. J. O. Robb, L. C. Kramien and J. Wismer were sworn in as councilmen. Appointment of W. Melhuish to succeed Walter Teas as chief of the fire department was the only major change announced by Garrett in the roster of city employees serving under the old administration.

Plan under which the city manager would have control over fire and police departments, fire marshal, recorder and accountant was outlined by Mayor Garrett in a speech following installation. He held it advisable that the city manager be held responsible for the efficiency of these departments and that the manager recommend to the mayor and council department heads to serve under him.

Sidewalk Cut Urged Garrett also suggested that sidewalks on each side of Main street between Second and Third streets be narrowed two inches, allowing 32 more inches of street room to alleviate traffic congestion. He proposed a relief project to accomplish this and sidewalk repair programs.

Matter of water and electric power in the city was also discussed by the new mayor. He favored taking necessary steps to arrange for a water supply adequate to permit watering of lawns and assure pressure for fire protection. Work of the retiring mayor and councilmen toward completion of the program was cited as a belief expressed that financial assistance could be found cheap enough and covering sufficient time to allow reasonable rates. Such a plan would provide an adequate water supply and create employment, he declared.

That an electric era, the like of which no one has ever seen, is approaching was the prediction of Garrett. He declared that he would keep in close touch with government electric projects and endeavor to bring to Hillsboro its share of any opportunities developed.

Tribute was paid to members of the local fire department by the mayor. He declared it to be his

Fire losses in Hillsboro totaled \$1640.80 during 1934, an average loss of approximately 50 cents per capita, according to the annual report submitted to the city council Wednesday night by Walter Teas, fire chief. This is a marked decrease from the abnormal figure of \$40,162.84 set the previous year.

Causes of the 40 alarms received by the local department as listed by the fire chief were: chimney 6, short circuit 1, sparks on roof 4, exhaust from tractor 1, overheated grease 1, defective flue 3, grass 1, bareness burning 3, children with matches 1, drawing gasoline near flame 1 and unknown 18. Siren whistles totaled 17 while 23 alarms were phoned in. Forty calls were received.

Two new lines of Chevrolet cars are presented, covering the entire low priced field, according to White-law. The Master series features new body lines, improved performance, all-steel turret-top bodies and knee-action riding ease. The standard series combines performance and economy with low price.

run. Take for example the gasoline tax in certain states. Other levies will be heavier. The trend of income taxes is still upward. Moreover, except in special instances, there is little likelihood that property owners will secure any relief next year from burdensome real estate taxes.

What is the outlook abroad? Canada, Latin America, South Africa and Australia should continue to go ahead next year, but elsewhere recovery is momentarily faltering. Further substantial improvement in the world depends on a bettering of world trade. The Far East is suffering from over-production. Central Europe is dangerously restless. As to war prospects, I can only say that the outlook is grave. I doubt if France and the other "solid bloc" nations can withstand indefinitely the pressure of continued deflation. If these countries go off "gold" the way may be paved toward an immediate currency agreement. The artificial advantage of dollar devaluation has been cancelled. It is difficult to forecast a moderate improvement in our foreign trade due to tariff adjustments.

So much for trade and industry. Briefly, I believe we have been in a major bull market since July, 1932 and that the coming year will see a continuation of that bull market. Congress may unsettle prices from time to time but fundamentally better business will be the most important influence on the 1935 stock market. Earnings will continue to improve, with comparisons best in the final half. The 1934 tendency toward more generous dividends will hold. Securities are in strong hands today and the flooding supply is low. These factors

are the most dangerous in the long

New County Officers Will Take Posts

Kerkman, Barney, Sewell and Mrs. Boscow Take Offices on Monday

Peters Becomes Judge

Three Legislators Begin Service January 14

R. Frank Peters, Hillsboro attorney, will be sworn in as circuit judge of the 19th district, comprising Washington and Tillamook counties, Monday as successor to the veteran jurist, George R. Bagley. On the same day four county officials, recently re-elected to offices which they now hold, will begin new terms.

Judge-elect Peters is a native of Washington county and has had 24 years of active court practice. He attended local schools and the Tualatin academy, graduated from the University of Oregon law school in 1910. In 1917 he became a member of the local law firm of Hare, McAlear & Peters and later served as state representative in the 1929 and 1931 sessions. He was elected to the circuit bench this fall over H. T. Bots, Tillamook county candidate.

County Commissioner H. D. Kerkman of Schefflin and Coroner Fred Sewell of Hillsboro will start their second elective terms Monday. Mrs. Maud Boscow, county treasurer, and J. W. Barney, county surveyor, will begin their first elective terms, having been appointed during the last two years to fill vacated positions. Barney was named as surveyor in September, 1933, when Earl Hobbs resigned and Mrs. Boscow was appointed treasurer following the death of her husband, W. W. Boscow, in March, 1934.

An entirely new county legislative delegation will take seats when the state legislature convenes at Salem January 14. None of the three recently elected legislators have ever served in either house of the state assembly. J. W. Hughes of Forest Grove and E. L. Ross of Hillsboro will act in the house of representatives, while George M. (Continued on page 10, column 2)

New Corn-Hog Plan Outlined

College News Service—Second corn-hog campaign in Oregon to give all growers of these commodities an opportunity to sign up again for the 1935 adjustment program, will probably get underway soon after February 1, announces Frank L. Ballard, vice-director of the extension service. Start of the new program is being delayed until the state late in January to complete the final details.

The new contracts which growers may sign or not, as they choose, are more simple than the first ones. In general the new plan follows the old, but varies as to rate of reduction and benefit compensation, and as to crop restrictions. Growers who signed the 1934 contract will use their already established base, but will need to reduce their hog production only 10 per cent under that base instead of 25 per cent. The benefit payments will be \$15 a head on the number represented by this 10 per cent, instead of \$5 a head on the 75 per cent allowed to be produced as in 1934.

Corn acreage need be only 10 per cent under the established base though it may be cut 30 per cent, the maximum for which payment was made last year. Benefit payments will be at the rate of 35 cents a bushel instead of 30 cents. Both corn and hog benefit payments will be made in two installments instead of three.

Restrictions are removed on what was formerly called contracted corn acreage, as are restrictions on use of other crop land or livestock. No one who has gone out of the corn or hog business since the base was established will sign the 1935 contracts, as the ruling has been made that benefit payments will not be made where less than 25 per cent of the base in either case was produced in 1934, unless the failure was outside of the grower's control. Growers who did not sign the 1934 contracts may sign the new ones.

Izaak Walton League Dinner Monday Night

Installation dinner of the Washington county chapter of the Izaak Walton league will be held at the chamber of commerce rooms at 7 p. m. Monday. Members of the game commission have accepted an invitation to be present and have invited Governor-elect Charles H. Martin.

County Receives SERA Funds Month of January

Washington county's allotment for January under the SERA program amounts to \$14,365, according to R. W. Weil, county relief committee chairman. Word was also received today that the county's share of state liquor funds would not be available until January 15, making it necessary to cut down relief and work relief until that time.

About to Make His Mark in the World



Traditional ringing of the local Methodist church bell by Albert Tozier, former Hillsboro resident, to herald the passing of the old year and the coming of the new, was performed Monday night for the 63rd consecutive time. The re-enactment of the bell-ringing scene was the climax of a watch night program at the church attended by 100 persons.

Rotary Backs History Plan

Collection Here Historical Local Relics Urged That the Rotary club sponsor the collection of everything available in a historical way in this community and secure a place for the safe-keeping of all collections contributed was advocated by E. J. McAlear in a talk before the Hillsboro Rotary club at noon today. President R. E. Wiley promised that the board of governors would take up the matter immediately and put a committee to work on it.

Attorney McAlear cited the lack of appreciation for the historical background of Hillsboro, Washington county and Oregon and of the pioneer hardships that build this great country. He held of the wonderful collection owned and gathered by Albert Tozier, former local newspaperman and now of near Champeau, and urged that it be maintained.

Developments in Hillsboro and surrounding territory in the period since he came here 26 years ago were told by the speaker, who said that instead of being so pessimistic over depression conditions we had many blessings for which to be thankful.

Growth of population, improvement in the school systems, paving of streets, installation of sewer and drainage systems and other changes were pointed out by McAlear. He said taxes had been high, but considering developments they probably have not been so bad. Turning of the city water and light plant over to the power company and development throughout the country electrically were told. He cited the many conveniences in living here today as compared with a quarter of a century ago.

Sherman Mill Hearing Set

Final hearing in the receivership of the Sherman Mill company has been set for Saturday morning, according to an order signed last week by George R. Bagley, circuit judge. Several other orders authorized the receiver to sell the property and certain secured claims. The mill went into receivership recently, following a friendly suit filed by two employees on behalf of workers, W. C. Christensen of Hillsboro was named receiver.

Press Time for Argus Moved Up

Distribution of the Argus will be made throughout the county on Thursday mornings until further notice in keeping with the efforts of the publishers to give readers and advertisers the best of service. All community correspondence should be in the office not later than Monday and all advertising must be turned in earlier.

Dog License Fees Now Due, Payable

License fees for 1935 on dogs owned in Washington county are now due and payable and must be paid before March 1 in order to avoid payment of \$1 penalty in addition to the regular fee. Licenses will be the same as in 1934, namely: \$1 for males and spayed females and \$1.50 for females.

Farmers' Union to Elect Officers Here Saturday

Officers will be elected by the Washington county unit, Farmers' Union, Saturday at Veterans' hall in Hillsboro. Meeting is called for 10:30 a. m. with pot luck lunch at noon.

Ag Outlook in County Optimistic

County Agent Predicts Farm Improvement to Continue During Coming Year

1934 Advance Cited

Dairy Groups See Progress State, Federal Programs

(By Wm. F. Cyrus, County Agent) More optimism is evident among the farmers of Washington county at the present time than a year ago. Prices of farm products are somewhat improved in some lines while in others there has been little improvement. Some farmers express themselves as believing that conditions are actually decidedly better. There are others who believe that the apparent improved condition is solely a matter of a more optimistic, hopeful feeling regarding the future rather than an actual realization of any more income during 1934 than they had in 1933.

Facts regarding prices and returns on crops to Washington county growers would indicate that the farm return has been somewhat better than in 1933. Looking ahead into 1935, farmers seem considerable reason to believe that the improvement is going to continue.

Benefits Helpful While the year 1934 saw almost a total failure of the wheat crop in this county, the return generally from field crops was perhaps better than for several years. Washington county grows more wheat than any other county in Oregon west of the Cascade mountains. Loss of our wheat crop cut the total crop return rather heavily but benefit payments paid to those farmers co-operating with the agricultural adjustment administration in the production control program returned approximately \$45,000 to those farmers who participated.

Last June it looked as though there was a hay surplus that might become rather burdensome before the year was out. Almost unexpectedly a demand for this hay arose in the middle west and up to date somewhere near 2500 tons of hay have been moved out of this county to eastern markets. This hay movement has apparently just about solved the surplus hay problem in this county.

There is still some surplus hay, but if the rest of the winter is just an average one the hay we have left on hand need not cause anyone any special worry. With normal feed demands in western Oregon in the next three months, we will have only a normal surplus of hay for shipment to distant markets.

Some comment has been made from time to time to the effect that the hay that has been bought here for middlewestern use has been purchased at such a figure as to permit heavy profit taking somewhere along the line. The (Continued on page 8, column 5)

County Files Tax Complaint

Complaint in one of the largest delinquent tax foreclosure actions ever undertaken in Washington county was filed with the county clerk Saturday by G. Russell Morgan, district attorney. The action involves approximately \$100,000 in taxes delinquent for the years 1930 and prior and names about 1500 defendants owning approximately 1350 parcels of land.

Certificates of delinquency totaled considerably more than 2100 when the foreclosure action was first contemplated, according to District Attorney Morgan, but a large number of these were re-deemed prior to the filing of the complaint. The district attorney and his assistant, Walter Hutchison, have worked during the past two months preparing the complaint which covered more than 100 pages.

Water Firm Hearing to be Held Friday

Inquiry regarding records of the Oregon-Washington Water Service company here will be held at the court house tomorrow (Friday) at 10 a. m. by the state public service commission. The hearing is the result of a complaint filed June 16 by the city council on behalf of 99 local customers of the company.

Testimony to be taken will include information as to the location of records of the Hillsboro branch of the company and why they should not be kept within the state hereafter. A number of grievances among present customers of the company were presented in the complaint and the book value of the plant and the operating expenses were excessive.

Sharp Realty Practices Held Cause Destitution in County

When payments cannot be made, he is ousted, leaving behind several hundred dollars in improvements which are immediately capitalized. The tract is offered as a separate parcel, perhaps mostly cleared, at a substantial increase in value.

"We have documents which show that some property has gone through several hands, being resold each time by the same dealers at increased prices. Some of the property was unloaded at as high as \$250 an acre.

"Various methods are used to pump revenue or its equivalent from the clients. A small or sizeable down payment in cash is taken. Then after they have been milked dry, they are ousted. In many instances there is no contract of sale, but merely receipts given by the buyer during his tenancy."

Conditions such as these occur most frequently in the eastern part of the county, according to Mills. The situation frequently comes to light during investigations under the rehabilitation program.