

CONVICT PAIR ELUDE POSSES

Clues That Seemed "hot" At First Fade Out After Officers Trace

(Continued from page 1)

criminals. Flynn was sentenced to 15 years in prison in Multnomah county, December 6, 1929, on an assault and battery charge. Duncan was sentenced from Douglas county in 1925 on the charge of assaulting an officer. While held in the Douglas county jail, Duncan contrived to make a "sap" from putting pieces of a heavy coffee cup in a sock. With this he attacked the jailer and escaped, being recaptured in five days.

Flynn weighs about 150 pounds, and is five feet, nine and one-half inches in height. A tattoo of a woman in red and blue is on his left forearm. Duncan is about the same height as Flynn, has blue eyes and light complexion.

PORTLAND, Ore., Jan. 30 — (AP)—Lee Duncan and Dan Flynn, convicts who escaped from the state penitentiary at Salem last night, were believed to be in Portland tonight.

The proprietor of a pool hall at 2nd street and Foster road told deputy sheriffs tonight he believed two men who stopped at his business place for about 20 minutes today were the convicts. They continued toward Portland, he said.

Deputy sheriffs Keller and Talley showed the proprietor photographs of the two men and he said he was confident they were the ones who had stopped.

BILLS FOR TAX ON INTANGIBLES READY

(Continued from page 1)

members of the commission, since an allowance would be made of interest paid as an expense between gross and net income on intangibles.

The commission said its reason for this stand was not contradictory to its former statements and that it desired to conserve for the state the moneys already secured along with much more the commission feels advisable.

The specific point on which the former intangible act met its Waterloo was the decision of the court that the 1929 measure was a property tax since it assessed a 5 per cent tax on the gross of intangible revenue, irrespective of how much money was borrowed for their purchase or to carry them. On this basis, the court held, all intangibles held by corporations must be included under an amendment to the constitution providing that direct taxes must be levied equally among all holders of the property. Since the old intangibles act did not assess income from intangibles held by corporations, the court held the measure discriminatory.

Ruled Not Tax Upon Property

Courts have ruled, the tax commission said yesterday, that a tax on the net income from intangible revenue, rather than on the gross income, was not a tax on property but a true tax on income, and as such could be levied on individuals and not on corporations, and yet be within the provisions of the constitutional amendment.

The tax commission feels that with the excise tax operative on corporations, with an income tax operative on individuals and with a further income tax on individuals on net revenue received from money and credits, the move to add intangible property to the assessment and taxation roll will be well under way.

A preliminary hearing was held on the two measures yesterday at a joint meeting of the assessment and taxation committees of both houses. When the bills come in next week they are expected to bear names of legislators rather than the committees since the latter groups feel they can give a more unbiased consideration to the measures without the hindrance of the committee's name on the bill.

Clyde Anderson Seeks Damages After Collision

Clyde K. Anderson Thursday filed suit against C. C. Ingram to recover a total of \$292.75, damages alleged to have been sustained in an automobile accident at Shiping and Summer streets January 24.

Anderson alleges the defendant was negligent, driving with defective brakes and in excess of 20 miles an hour and that he failed to give the right of way. Plaintiff's car was damaged to extent of \$200, the complaint says, and he lost the use of it for seven and a half days, which at \$15.50 a day amounts to \$93.75.

Tremors Again Spread Terror In Oaxaca Area

MEXICO CITY, Jan. 30 — (AP)—Sharp earthquakes Thursday spread terror in southern Mexico, shaken by tremors Jan. 14, and were estimated to have been felt in 15 or 13 states.

Some damage was reported, especially in Oaxaca, which received the worst of the previous disaster.

Too Late to Classify

FOUND—Dog, small black female, white forehead and breast, collar about year old, O. H. Golt, 137 N. Cottage, Tel. 2317.

Audit of State Industry Reveals Loss of \$214,033

(Continued from page 1)

tion were found. Respecting the deficit the auditor remarks: "Undoubtedly some of the deficit could be charged to pioneering or experimental expense and set up as an asset. Being the only industry of its kind in the United States, experiments have been necessary. For that matter the industry as a whole might be considered as an experiment.

Loss Is Shown

The following is the profit and loss statement for the period from September 30, 1927, to September 30, 1930:

Sales	.....	\$789,227.13
Cost of goods sold:		
Inventory 9-30-27	.....	\$ 245,726.68
Purchases	.....	\$744,904.62
Labor & Mfg. exp.	.....	23,164.06
Insurance	.....	23,724.75
Depreciation	.....	33,738.32
Auto exp.	.....	18,206.41
Junked equipment	.....	10,737.14
1,066,475.80		
Inventory before adjustment	.....	1,512,293.48
9-30-29	.....	501,019.26
311,183.22		
Manufacturing loss for period	.....	\$ 214,033.64
Commissions paid	.....	2,068.93
General and adm. exp.:		
Office salaries	.....	\$ 4,154.95
Office expense	.....	1,826.77
Matrons sal. & exp.	.....	2,775.99
Trav. exp.	.....	3,619.32
Coll. exp.	.....	141.30
Exp. plots	.....	25.37
12,542.20		
14,608.23		
Financial expense:		
Interest, loans	.....	22,834.00
Insurance, loans	.....	1,741.98
Storage, loans	.....	456.50
Bad debts	.....	5,561.33
Discounts allowed	.....	2,019.22
33,613.53		
Net loss from operation	.....	70,117.86
Profit and loss charges:		
Adjustment of inventory	.....	143,665.79
Loss on sale auto	.....	250.00
143,915.79		
Loss for period	.....	\$ 214,033.64

Bartram Makes Comment

After a study of the auditor's report Col. Bartram in a letter to the board of control submitted a statement of "apparent overcharges" which if allowed would reduce the deficit \$39,773.01. His letter further said: "Taking the report as a whole we feel very much encouraged in view of all the circumstances and problems surrounding the development of this industry."

"The state of Oregon has up to this time and including this year subsidized the growing of flax in a very substantial way.

"The flax industry has been Americanized from the orthodox methods employed in Europe and the United Kingdom.

"The plants have never run full time throughout any year, with the overhead expenses naturally having to be carried on for the entire year."

The comparative balance sheet shows that the deficit at the beginning of the period was \$44,915.49; and at the end \$273,949.13. The cash position had altered from \$83,949.38 in 1927 to \$900.22 in 1930. Of the \$245,000 emergency appropriation granted in August, 1930, cash balance of \$533.38 remained on September 30.

The inventory of flax products increased \$138,103.50 in the period and the inventory of flax pullers decreased \$16,492.63. The investment in flax buildings grew \$6,129.19 and in flax machinery \$44,302.83.

On the liabilities side accounts payable had increased from nothing to \$41,998.97 and notes payable from nothing to \$10,439.74. The net worth of the property after deducting the depreciation is \$562,723.75.

The detail of manufacturing expenses shows \$79,666.51 paid for labor in the flax industry and \$82,906.11 for salaries to persons not prisoners.

The state has made total appropriations for the benefit of the industry of \$796,997.17. Of this amount \$418,997.17 carried provisions for repayment and \$380,000 carried no such provisions.

The audit was first begun in May, 1930, but the books were not posted so the audit had to be delayed until entries could be posted, being resumed the latter part of November. The auditor says: "This condition was caused by the bookkeeper apparently having too much other clerical work."

Depression Hits Industry

The report comments on the effect of the business depression on the flax industry as follows: "This industry like many other business enterprises has felt the depression existing in the markets of the world to a considerable degree. The price received for the various products at the present time is much below that received a year ago. There is also, I am informed, almost no market for some of the products. This has caused the sales of receipts to be greatly reduced while the expenses of operation remain practically the same.

"The report, being a financial one, does not touch on the value to the institution in having such an industry for the occupation of the convicts; nor does it remark upon the value to agriculture and to state development of the industry.

Now Before Legislature

It is expected with the filing of this auditor's report that the ways and means committee will not be considered further. The problems of the flax industry are expected to be aired in sessions of the ways and means committee.

The state flax industry is a part of the penitentiary plant of which Henry W. Meyers is superintendent. The direct management of the industry is in the hands of Col. W. B. Bartram. The general authority over the whole institution rests in the state board of control.

The board of control is known to have devoted much thought to the problems of the industry. Recently it ordered a reduction in acreage to be contracted for in 1931. Its further actions have awaited the audit which members of the board are now studying.

Prisoners Leave In Fog; Sheriff Waves Farewell

Four prisoners at the county jail made it to the outside world in the fog Friday morning. Only the sheriff and deputies were on hand to pass out the hats and coats.

Three of the men, awaiting on a liquor charge, went out after they had put up \$350 bail each. They were Joe and Ed Deguire, brothers, and S. N. Bowes, who were arrested together earlier in the week.

Carl Tallon finished time on a liquor violation sentence and was released from jail.

Conspiracy Case Now up to Jury

SPOKANE, Jan. 30 — (AP)—After 13 days of testimony and arguments, the liquor conspiracy case against Sheriff Pete Wheeler and seven other Chelan county residents was given to a jury in federal court early tonight.

COLUMBIA PICTURES PRESENTS

BUCK JONES Men Without Lives

GRAND

Also Rin-Tin-Tin in

KEN MAYNARD FIGHTING THRU

Not leaving without

The LONE DEFENDER with RIN-TIN-TIN

Talking Comedy, Fables Comedy and News

TARKINGTON WINS BATTLE FOR LIGHT

(Continued from page 1)

creator of "Fenrod," "Seventeen," and "Alice Adams," saw again. Three Fair of Glasses Needed

Special glasses are to be prepared for him to wear, one while eating, another for reading, and a third when looking at distant objects.

"I guess I will have to have a holster made to carry them about," he remarked whimsically as he sat on a hospital bed, smoked cigarette after cigarette and talked of literature and life. His monogrammed cigarettes are twice as long as the ordinary kind, three times as thick and many times stronger.

"I will continue to write but no more drama," he said. "It isn't fair to the producer. I don't know the tastes of New York and unless a play pleases there it hasn't a chance.

"My writing in the last few years has been easy compared with the time when I used to do the stuff in longhand. Now I just sit in an easy chair and dictate five hours a day to my stenographer. Then she and my wife read to me."

Tarkington expressed the opinion that the time may be coming when there will be no more novels and novelists.

"Perhaps in two or three hundred years," he hazarded, "mechanical apparatus will permit people to push a button or two and see produced whole works in color."

"If that ever takes place, writers will be producing material for that type of production."

Tarkington said he was pleased that the Nobel prize went to an American, Sinclair Lewis. Later, however, he observed that "The present school of pessimism and sophistication in American art is imported. It is unreal and unnatural. We are naturally an optimistic race and a people not easily discouraged. It is this characteristic that should prevail."

MORTON SERVICES HELD AT LEWISTON

Harry Morton, former Salem resident, died suddenly at Lewiston, Idaho, Tuesday, according to word received here. Funeral services were held at Lewiston.

He was connected with the Portland Railway Light and Power company when the offices of the old firm were located at the corner of Commercial and State streets. He lived in Salem for several years and was active in social and fraternal circles, especially the Elks and Masons.

From Salem, Mr. Morton went to Idaho and for several years was connected with a loan and investment business in Lewiston. He is survived by his widow and two daughters.

Whitsett Dies; Hurt in Crash

ROSEBURG, Ore., Jan. 30 — (AP)—S. D. Whitsett, 70, prominent Douglas county stockman, died here today from injuries received when his automobile collided with a freight truck driven by Donald Savage. The accident occurred two miles south of here this morning.

MARSHFIELD, Ore., Jan. 30 — (AP)—The mercury climbed to 72 degrees here today, the warmest January day on record here. The previous high mark, which was equalled last Tuesday, was 70 degrees, recorded in 1902.

Adams Funeral Services Held At Spring Creek

Funeral services for Mrs. Mary Catherine Short Adams, 73, Willamette valley pioneer who died at her home at Spring Creek Jan. 23, were held Sunday at the Spring Creek schoolhouse, and interment was made in Spring Creek cemetery.

Mrs. Catherine Short was born in Linn county July 30, 1858. Her

HEY! MICKEY MICE Another Big Show Today!

Mickey's Latest Picture "The Haunted House"

Plus— A GREAT MYSTERY!

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Warner Bros.

Doors Open At 1 P. M. Admits 5c

Last Day of this Thrilling Melodrama

If your sides split easily Do Something

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JAMES HALL · IRENE DEL ROY · LEW CODY.

Warner Bros. Vitaphone Production Directed by Roy Del Ruth

LAST TIMES TODAY

A COMEDY RIOT

WARNER BROS. **ELSINORE**

The Call Board

By OLIVE M. DOAK

WARNER'S CAPITOL

Today—Helen Twinstreet in "Cat Creeps."

WARNER'S ELGINORE

Today—James Hall in "Divorce Among Friends."

HOLLYWOOD

Today—Lem Maynard in "Fighting Thru."

THE GRAND

Today—Buck Jones in "Men Without Law."

parents, Elder John Wesley Short and Mary Ann Short cross the plains from Iowa in 1853 and settled on the Albany prairie. In 1859 they moved to Waldo Hills, 11 miles east of Salem. In October, 1873, she came with her parents to Klickitat county, Washington, returning in July, 1875 to Waldo Hills.

She was married September 24, 1879, to Elder Jacob Edwin Adams and returned with her husband to Klickitat county, where they lived six years in the Pine Forest neighborhood north of Goldendale. In 1885 they moved to her old pioneer home at Spring Creek, where she lived until her death. Her husband was pastor of the Spring Creek and Cedar Valley Baptist churches for 23 years prior to his death 12 years ago. She joined the Baptist church some 40 years ago. Her youngest son, Hugh, passed away in November, 1909.

Surviving children are Claude, Klickitat, Wash., Roy of Colton and Chris of Goldendale, Wash. Two sisters, Mrs. T. T. Hinshaw of White Salmon, Wash., and Mrs. Susan Smith of Sutherlin, also survive her.

Sorority House Mother Missing

EUGENE, Ore., Jan. 30 — (AP)—A search was under way here today for Mrs. Lila Thatcher, about 50, house mother at Chi Omega sorority.

Mrs. Thatcher has been missing since Saturday night. Fear has been expressed for her safety. She had been in ill health recently.

Marshfield Has 72 Degrees Heat

MARSHFIELD, Ore., Jan. 30 — (AP)—The mercury climbed to 72 degrees here today, the warmest January day on record here. The previous high mark, which was equalled last Tuesday, was 70 degrees, recorded in 1902.

STARTS TOMORROW

WARNER BROS. **CAPITOL**

"TOP SPEED"

The Season's Mirthquake

BERNICE CLAIRE · LAURA LEE JACK WHITING · FRANK McHUGH

MISS TARTAR GIVES PLEASING RECITAL

By OLIVE M. DOAK

Miss Lena Belle Tartar, contralto, scored a triumph with her audience Thursday night, when she appeared in a delightfully well balanced solo recital in Walker hall, accompanied by Dorothy Pearce.

From the depth of "Qui sedes ad dextram" by Bach through "Auf Dem Meere" by Franz; "Die Meinsehrt"; Brahms; the dramatic "O Don Tatala"; Verdi; the soft "Zueignung"; Strauss, and into the modern lighter things Miss Tartar sang with ease and swift and sure adaptation of interpretation and dramatic expression.

For a voice so distinctly a deep contralto, the modulations and fine shadings of tone were quite outstanding. In "Zueignung" and "Die Nacht" the effect was almost that of a delightful lullaby, the tones were so soft and caressing, yet back of them was a secure power that was distinctly felt in "O Don Tatala."

Miss Tartar has the sort of voice which makes one wish that she would sing without accompaniment so that no tone nor finest shading would be lost in the piano tones.

The Thursday night program was sponsored by the American Legion auxiliary and it was the first time that Miss Tartar has appeared in recital in Salem for a very long time. Her first program this year was given in Eugene. Her reception in Salem, while not as large as it should have been, made up in enthusiasm what it lacked in number. Encores were demanded and were graciously given.

MONDAY LAST DAY TO START BILLS

Three house bills, two senate measures and a house joint memorial, asking congress to act favorably upon the bill providing a temporary embargo on wheat and corn products and to add poultry products to the list, were passed in the short session of the house Friday morning.

Ralph Hamilton, chairman of the legislative and rules committee, announced Monday was the last day on which members may introduce new bills. Measures to be introduced after that date require the approval of the legislative committee.

Bills passed by the house today were:


H. B. 7—By Deuel and Senator Miller—To permit United States to acquire land for migratory bird refuges and to conduct fish cultural investigations.

H. B. 10—By Anderson, Bronaugh and Byrum—To permit motor vehicles to operate exclusively

WARNER BROS. ELGINORE

JOE E. BROWN

IN



WARNER BROS. **CAPITOL**

PROTEST RAISING WAGE EXEMPTION

Protests are coming in from all parts of the state in regard to the bill proposed by Senator Woodward of Multnomah raising the exemption of wage earners from \$75 to \$125 per month, according to reports made by the legislative committee of the Salem Credit Men's association at the regular noon luncheon meeting on Friday.

Merchants are opposing the bill on the ground that it would make debt collection from wage earners almost impossible. The bill has been referred to the judiciary committee of the senate which may grant a hearing on the measure.

Roy Wassam gave a report of the luncheon of the Portland Credit association at which several local members were guests.

Nurses' Visits Reduced Where Fund Not Aided

Dr. Vernon A. Douglas, county health officer, has notified rural schools of the county that do not contribute to the expense of the county health department will hereafter receive but two visits a year from the public nurses, one in the fall and the other in the spring. Emergency service will, of course, be given.

The retrenchment is necessary because of reduced funds on which the department is operating this year. Changes were definitely determined following conference with the county school superintendent, Mrs. Mary L. Fulkerson.

SORE THROAT THOXINE Capital Drug Store

Almost instant relief guaranteed with one swallow of

THOXINE

Capital Drug Store