Cause Different This Time, Hinging on Poor Guess As to tax Income

Budget Director and Meier Busy Lopping off all Loose Outgo Items

By SHELDON F. SACKETT Old Man Oregon is now prepared to join with Uncle Samuel and Mr. Municipality in the current chorus of complaint about governmental deficits, shrinking revenues, crying need for econdmies and imperative demand for budget balancing.

Unless aall omens are wrong, the state of Oregon deficit which has been a considerable "trifle" of three million dollars for several years, is almost certain to have increased at least \$1,000,000 when the end of 1932 is reached.

Oregon has had deficits before but the financial illness has been caused by one thing: over-spending by the legislature of the money raised by direct and indirect taxation and since the direct taxation was a prior claim determined last night, against each of the 36 counties raising the money, the state knew to a dollar how much it would raise by its property tax. Revenue Shrinkage Cause of Deficit

The current deficit is a defi- in municipal court on Monday, cit, true enough, but the causes islative appropriations of 1931 for that year and 1932, were slightly more than the budgeted trians the right-of-way while income by taxes, but vetoes, referendum and reduction of costs lanes. will hold the actual expenditures below the estimated rev- but not fully rational when she enucs. The painful deficit this was taken to Salem general hospiyear comes from one main cause: | tal by ambulance. A few hours lavast shrinkage in 1932 revenues | ter she regained mental normalcy. over the generous estimates made in December, 1931, by the state that her condition was "satisfactax commission.

Heretofore, the tax commis- skull was not fractured. Whether sion could determine the prop- or not she suffered other injuries erty levy and know with mathe- is a question, he stated. matical certainty how much money the treasury would receive. This year the direct tax | was turning west on Court street on property was cast aside and after going south on Liberty, was the state exchequer was forced driving at about 10 miles per fering in this state in the winter to rely upon income taxes, intangible taxes, excise taxes and dieton with the bumper, spinning cussed and planned for at a speinheritance taxes as its main her around and throwing her to source of financial support with indirect taxes on insurance policies, corporations, and similar levies bringing up the secondary estate saleswoman, whose resi-

As the half-year mark approaches it is now certain that the \$3,500,000 estimate for income taxes which include excise and intangibles levies, is going to be at least \$1,300,000 too high; the state tax commission feels certain that \$2,200,000 will cover all income to the state from this source. Add to this \$1.300,000 shrinkage, at least \$300,000 more shrinkge in the \$2.554,000 of estimated miscellaneous revenue and the state will be observed in Salem today finds itself faced with a deficit at Marion Square. This for the of \$1,600,000 in addition to the past number of years back has \$2.600,000 deficit with which the been one of the outstanding 1932 year would have ended meetings of the year for a large provided revenues came in as an- number of those early settlers

What can be done about this gon and Salem. deepening financial hole into which the state is falling? Solution Matter of Simple Arithmetic

The first thing to be done is one of the committee said, "the the same policy pursued by Mrs. are cut 25 per cent: she retrenches. Like Mr. Micawber, housewives and states alike know formal program and afternoon of that income of 20 shillings, out- visiting. Group singing of "Amergo of 19 shillings, sixpence means ica" will be lead by Dr. L. E. content, but income of 29 shill- Barrick. ings and outgo of 20 shillings, sixpence, means torture.

Thus it is that Henry Hanzen, of the speakers on the program. budget director, now fully awake Others will include Frank Davey, to the fact that the state must cut cargo or be financially em- T. Rigdon will read one of his barrassed when the year is over. has started rigorous retrenchment in all departments. Doubtless the large estimates of revenue made by the tax commission in December, 1931, Iulled Director Hanzen into false security; while many of the retrenchments have been made early this year. wage cuts and some eliminations should have come sooner than the last six months of the state's biennium.

Hangen has a mammoth job ahead of him, in any event, in whacking \$1,600,000 out of the total of \$5,570,000 which are the expenses to which the state is subjected in 1932. These expenses do not include the carry-over deficit from 1931 and former years nor are expenses not under the 6 per cent limitation included. These expenses \$1,480,000 in total, settlement, without any guarantee largely mileage taxes for the from the United States that war higher educational institutions, debts would be cancelled or revisare not to be cut a cent for the ed, was being prepared today by colleges already have been re- the great powers represented at duced \$1,081,000 and the other the Lausanne conference. items in the total are fixed charges.

Institutions Will

On the \$5,570,000 total, Hanzen is going to make some handsome cess over the weekend and many savings. The state penitentiary of the delegation chiefs went to will turn back to reduce the sur- Geneva.

Bonus Army's Ranks Thinned but Leader Seeks New Recruits

Disappointed, Many go Home But Part of Exodus is for Purpose of Bringing new Groups; "150,000 by Fall" Made Slogan

WASHINGTON, June 18 .- (AP) -A call for recruits to fill widening gaps in their ranks and swell their numbers to 150,000 was issued tonight by leaders of the veterans army, disappointed and disgruntled by the senate's defeat of State Convention Closed in the bonus measure. The number of former service men here, which has been estimated at 20,000, diminished somewhat as

Severe Injuries: First

Case for new law

other injuries, which could not be

by city police on a charge of fail-

ure to give right-of-way to a pe-

destrian. She was cited to appear

then released on her own recogni-

crossing streets in pedestran

Mrs. Middleton was conscious,

The attending physician said

Witnesses to the accident told

police that Mrs. Dorrance, who

daughter of Mrs. L. H. Ellis, real

dence is also 705 North Liberty

The annual "Pioneer" picnic

who laid the foundation for Ore-

The number to be expected

runs into the hundreds and both

nioneers and the vounger gener-

ation are invited to attend for as

young ones will be pioneers some

original poems to "Oregon."

by Miss Dorothy Pierce.

Clough-Barrick will give

D. A. V. INCORPORATED

the pavement on her back.

The driver of the automobile,

othe more discouraged groups refused to heed the urging of stump speakers that they remain to carry on the fight for \$2,400,000,000 on their bonus certificates. By nightfall police trucks had

evacuated 300 and the roads leading from the capital were dotted with members of the tattered army plodding homeward. One of the principal withdraw-Mrs. Donald Middleton has als was that of the official Massachusetts delegation, headed by

John H. Fahey of Watertown, who had been appointed chief aide to W. W. Waters, the veterans' commander-in-chief. Before leaving, Fahey told the Struck by an automobile as she was walking in a pedestrian lane commander he agreed with other at Court and Liberty streets yes- veterans who contended the

terday afternoon, Mrs. Donald groups should "be home working Middleton, 25, of 705 North Li- for their interests in the forthberty street, suffered severe in- coming elections rather than sitjuries to the head and possibly ting in Washington.' ranks, recruiting officers were dispatched early today to St. Mrs. Nellie E. Dorrance, of 532 Louis, Chicago, Mobile, Daven-

key cities. Waters' last word to them was: Have 150,000 men here by fall." are somewhat different. The leg- zance. Mrs. Dorrance is the first during the day, but attributed person to be arrested under the their departure to a determination new city ordinance giving pedes- to return home for more recruits.

tory" and that he thought her State - Wide Conference at Portland is Called by Governor Meier

Mobilization of Oregon's resources to stamp out human sufhour. The car struck Mrs. Midof 1932-33 will be thoroughly discial conference to be held tomorrow in Portland at the call of The injured woman is the Governor Julius L. Meier.

"I realize that a serious situation exists." Governor Meier said last week. It is evident that some united action is necessary. I believe that Oregon has sufficient resources to care for its citizens and that we can work out a plan where hunger and distress will be

acting as chairmen of the county Ition. relief committees. There also will | "I was urged to run by a group bor, Amrican Legion, railroads, other organizations.

Advice received late Saturday (Turn to page 7, col. 1)

Kowitz to Pick Campaign Group With Much Care

A picnic dinner beginning at 1:30 o'clock will precede an intive committee of ten to serve with Chris J. Kowitz, newly elect- State college in 1925 and has ed chairman of the county repub- since been associated with his lican central committee, will be father J. C. Perry in the drug held up for a few days, Kowitz business, being one of the pro-H. C. Porter of Aumsville, piannounced yesterday. He said he prietors. oneer of about 1850, will be one wanted to go over the new list of 79 precinct committeemen thoroughly, choosing men for the Silverton, and Peter D'Arcy. W. executive committee who were able to give time to the coming campaign. The men will also be picked on the basis of geography, group of numbers accompanied each area in the county having a

man on the committee. Kowitz said a fund will be raised in Marion county to defray the coming campaign expenses. In WASHINGTON, June 18. -1930 this fund amounted to \$350. AP) - President Hoover signed In the presidential campaign in into law today legislation incor- 1928 the amount was larger. No porating the Disabled American state help is expected for the Veterans of the World War. county committee.

Reparations Agreement Is Dratted at Lausanne

18-(AP)-A final reparations

This information was obtained from quarters well informed about what the leading European nations are planning.

The conference itself was in re-

LAUSANNE, Switzerland, June | peared that this project had been given up, largely because it might election in the United States. The scheme to arrive at a final settlement of reparations without any commitment from the United States looked toward the possibility of creating a favorable impres-

sion on the American public. Under this scheme Germany's conditional and unconditional annuities provided in the Young plan would be cancelled. German railways would be bonded for an undermined amount and then bal-

Office and Others is **Another Proposal**

Early Hours Saturday; View Many Issues

SILVERTON, June 18-(Spepermit people living in the terri- ed by the board of control. tory affected by the transportation act to decide by ballot whether they should pay the tax or

The same resolution advocated that the lower school boards should be subject to recall.

Opposition to compulsory miltary training was reaffirmed and the executive committee of the grange was urged to use "every means possible" to secure adoption of the voluntary system of In an effort to fill out their military training. It was recommended to the board of higher education that a required course in the study of Kellogg pact and other means of peaceful settle-North High street, was arrested port, Ia., Philadelphia and other ment of disputes be offered for all students not electing military training. Concerning the same The veterans' national head- subject a more liberal interpretaquarters said 150 men had left tion of the rule permitting exception from military training to include conscientious as well as religious grounds was advocated. Five Dollar Auto

License Favored All monopolies, including chain stores, were opposed in another recommendation. Five dollars for automobile license fee combined with a property tax on the cars to be collected with the license was

the subject of another resolution which was approved and which urged the grange to take necessary steps in starting that move-

Remonitization of silver and abandonment of the gold standard was urged in still another (Turn to page 7, col. 3)

the county judges, who are now |dates at tomorrow's school elec-

not to aid secret societies. I tion known as Knights of Ora- meeting, June 28. tory. Later this became one of the high school clubs, the KO's; but it was a literary society and not a secret society when I was in school. The law prohibits secret societies and if elected I would endeavor to apply the law to the best of my ability." Perry graduated from Oregon

Prices of Tires To Rise Monday Due to New Tax

Tire dealers announced Saturday that present prices on tires, which are the lowest in history, will remain unchanged until Monday night, when the excise tax will be added. This will result in increasing the prices on tires and tubes 10 to 15 per cent.

The past week has seen many buyers scurrying to beat the tax. Many other articles besides tires are to be taxed to help balance the budget. Tires, however, being in general use and now being the height of the motoring season, have helt a marked stimulus. Present prices will continue to-

day and tomorrow, but Tuesday the tax will be added.

Friesen Denies Liquor Charges

DALLAS, June 18. - Henry Frieesen, North Dallas service station operator who was recently indicted on three liquor charges, pleaded not guilty to all three harges Friday. He has obtained Oscar Hayter of Dallas as his attorney and the first trial has been plus \$100,000 to \$150,000. The Before this war debts and re- ance sheets, showing Germany to set for July 11. He will be tried ever he authorized the expression 70 Marshall berry pickers were as follows: Men-farm work 314, plans for the activities of the state hospital will do nearly as well although the penitentiary can probably exceed it as a large part (Turn to page 7, col. 1)

Delote this war depts and results and of his attitude on this question still chalked up, however, and not later on the charges of selling which has become one of the issues of the directors' race in to-pickers are expected toward the later on the charges of selling liquor and selling liquor to a minor.

Set for July 11, he will be tried on this question of his attitude on this question still chalked up, however, and not later on the charges of his attitude on this question still chalked up, however, and not later on the charges of selling which has become one of the issues of the directors' race in to-pickers are expected toward the liquor and selling liquor to a minor.

Nurse Board CONGRESS NEAR Head Replies To Ridehalgh END OF

PORTLAND, June 18.—(AP)
—Miss Jane Gavin, exegutive sec-retary of the state board of examination and registration of graduate nurses today answered the criticism of W. W. Ridehalgh, Abolition of State Budget investigator for the state board of control, concerning an expense voucher a member of the board submitted.

Miss Gavin said the expense voucher of \$270, incurred on a trip to San Antonio, Tex., to a national convention of nurses, was charged against a special fund from annual fees paid by the nurses themselves and not from taxpayers' money.

The state board of control allows \$300 from this special fund cial)—Opposition to the high to send a representative to the school transportation act was ex- national convention every two pressed by the grange in the fin- years, Miss Gain said. Ridehalgh al session here early this morn- had said he considered many items ing. The convention decided to on the voucher excessive and reask to have the law amended to fused to approve it until sanction-

Polls Open 2 to 7 P. M. at W. C. T. U. Hall; Much Interest Shown

election looming up only a day away, backers of the four candidates are sitting on the seats of the uneasy and wondering whom the voters will choose. Will the interest at the polls

be light, thus favoring the groups who have been out pledging votes wholesale, it be heavy and landslide against this or that nominee? These are the questions bringing wrinkles to the worried brows of the citizens who are taking the election of two school directors seriously.

lic, however, is a matter which may serve as an impetus to many citizens who otherwise would not take the trouble to vote. Because no bond issues come

up at this election, all persons who are egal voters by virtue of six months' residence in the school district may cast ballots tomorrow. Tax payments will not be a necessary qualification. Two directors are to be elected for three-year terms. Nominees

are Mark D. McCallister, who is just completing his second term on the board; Mrs. David A. Wright, K. C. Perry, and Dr. B. F. Pound. The -olls will open at 2 o'clock

Sharp denial of any report that | tomorrow afternoon in the W. C Reports received by Governor his candidacy was sponsored out T. U. hall, 201 South Commercial Meler indicated that virtually ev- of sympathy for the secret or- street, and close at 7 o'clock. Mrs. ery section of Oregon would be ganizations in the high school Ida Niles will be chairman of epresented at the conference. In- was made yesterday by Kenneth the election board and Mrs. L. H. cluded among those invited are Perry who is one of the candi- McMahan and Miss Constance Kantner, clerks. The results of the election will

be announced at the annual be representative of industry, la- of younger business men who are school meeting to be held at the interested in the schols and in senior high school at 8 o'clock. women's clubs, grange and many civic affairs" said Perry, "and At this time W. H. Burghardt, school district clerk, will make graduated from high school 12 his annual report. Formal canyears ago. When in school I was vass of the vote will be made member of a forensic organiza- at next regular school board

EYE SCHOOL ISSUES

DALLAS, June 18-(Special) The annual school election for District No. 2, consisting of Dallas and adjacent territory to the west, will be held Monday, June 20 in the junior high school building between 2 and 7 p. m. The purpose of the election is to vote on the proposed budget for 1932-33 and to elect two members to the school board. C. L. Crider and Dr. A. B. Starbuck are the two members whose terms expire this year.

The budget being presented this year has been reduced a great deal by the school board from that of last year. The total estimated expenditures for next year are \$70,200 as compared with \$77,750 for last year. The amount to be raised by taxation is \$10,-050 less than in 1931 as the estimated receipts are \$2500 greater in addition to the decrease in the expenditures of \$7550. A financial statement for the

district shows that its bonded indebtedness has been decreased \$4000 during the past year leaving outstanding bonds of \$48,000. There is no warrant indebtedness.

Pound is Against School Activities

That Dr. B. F. Pound is absoutely opposed to secret societies in the high school was the declaration made on his behalf by friends yesterday. Dr. Pound is

Launch Bourbon

Adjournment This Week is Forecast: Economy and Relief Issues Faced

Two Billion Dollar Scheme For Providing Work is Up Before Senate

WASHINGTON, June 18 -(AP)-With the bonus bill out of the way and adjournment next week within easy reach, congress got a running start today on its last major legislative worries unemployment relief and government economy.

The senate opened debate on the controversial \$2,000,000,000 democratic unemployment relief bill, which its sponsors claim will provide work for the jobless and set new blood running through the nation's industrial

In the house, the conference report on the badly battered national economy bill was presented, preparatory to consideration Monday, when a settlement of the dis-With the annual school district puted governmental pay cut controversy may be reached Hoover Gathering Data for Savings

President Hoover began gathering from his departmental heads, in response to a senate inquiry, recommendations for further governmental economies. He obtained from Secretary Mills suggestions for further reductions of \$4,367,000 in treasury funds.

Adjournment plans were still indefinite, but leaders were confident that the end of the session would come next week if no unforseen obstacles arise.

From the democratic leader of the house, Representative Rainey urged that state bonds be retired cannot be determined until to- of llinois, came the suggestion, morrow night when the polls however, that congress should not close. The recent flareup of pub- adjourn sine die, but recess for lic feeling over the secret so- 30 day periods, in order to be on ciety situation in the high school hand to meet any national emergency that might arise. Half a dozen controversies were

bundled into one in the democratic relief bill on which the senate opened debate.

The major controversy is over the provision for a \$500,000.000 public works bond issue, which President Hoover has staunchly opposed. The bill also carries authorization for increasing the borrowing power of the reconstruction corporation by \$1,500,000,-

fair for this year probably will be determined definitely at a conference to be held with Governor Meier in the executive department here Tuesday. This was announced by mem-

bers of the state board of agriculture, following a meeting Saturday. The board inspected the physical plant of the state fair, discussed all items contained in the budget, and considered prospects for holding a creditable fair without creating a deficit. A committee of the board, composed of Fred derson, Silverton; Morton Tomp- Kufner is Held Cockell, Milwaukie; M. G. Gunkins, Dayton, and H. R. Richards, Portland, will confer with Gover-

Henry Hanzen, state budget director, recently sent a letter to Max Gehlhar, director of the state department of agriculture. warning against the creation of any financial deficit in connec- North 23rd street, was arrested tion with this year's state fair.

TORNADO HITS AIRPORT WICHITA, Kas., June 18

(AP)-A tornado which swept en by F. R. Nusom of Gervais, ed at more than \$100,000.

Campaign Fight





Above, Jouett Shouse, chairman of the executive committee of the again." democratic national committee who is on hand at Chicago mak- of the newly established demoplans for the convention Senator Thomas J. Walsh, who New York, arrives. is a Roosevelt candidate for permanent chairman of the con-

Party Leaders to Carry on Fight While he Works At Regular Duties

WASHINGTON, June 18. -(AP) - Seeking to divorce from noted by both democratic and rethe White House the political de- publican leaders. Friends of Govtails of the coming presidential campaign, President Hoover announced today he would withdraw to nominate the New Yorker. from the active drive for his reelection with the exception of a which divided the republican con-

few major speeches. In a brief statement handed to newspapermen, the president as- Shouse believes the way will be must be given to the duties of my

The chief executive added that be removed from the capital to ers for nine candidates with ban-Chicago and New York.

The actual burden of campaign- be established. ing, he explained, will be placed publican national committee.

After Crash as Drunken Driver | Churches Won't

Following an automobile collision at State and Winter streets last night, George Kufner, 280 by city police on charges of driving while under the influence of intoxicating liquor and of pos-

session of liquor. Kufner's car hit an auto driv-Wichita's municipal airport to- route one. Damage to the latter night caused damage to buildings, machine consisted of a sprung equipment and airplanes estimat- body and smashed bumper. Neither driver was injured.

Unemployment Relieved With 460 Provided Jobs

Like a safety valve, the U. S .- | middle of the present week and Y. M. C. A. Employment office may result in another labor shortlem vicinity when it received calls | be in full swing by that time. for 572 laborers. The result was and women were given jobs and est calls for pickers offer one toward the end of the week not cent and half a cent bonus. Only enough berry pickers could be one cent a pound is expected to

found to supply the demand. Last week 367 men and 93 women were sent to work, in bold contrast with but 93 men and 21 tained last week, common laborers women the week before. At the and woodcutters fared better than same time, applications for jobs in the previous week. Twice as fell from 48 to 31.

As the week ended, orders for with the national guard at Camp strawberry pickers were mostly Clatsop. Over the telephone how- filled, Orders for 95 Etterberg and

last week released the heavy pres- age. Picking of late strawberries sure of unemployment in the Sa- and early cherries is predicted to Wages for strawberry picking that over four times as many men | are showing an upward trend. Lat-

be paid for cherry picking. While fruit workers eclipsed others in the number of jobs ob-

many common labor and three times as many woodcutting jobs were secured. Workers were placed last week

Jouett Shouse Swats Hard At G. O. P. Platform in Address Over Radio

Nine Candidates Will Have Headquarters; Farley To Appear Today

By CECIL B. DICKSON Chicago, June 18-(AP)-An ttack upon President Hoover and the republican party was made tonight " .m democratic headquarters by Jouett Shouse as the divided forces of democracy prepared to find their candidates and form their platform next week. Mr. Shouse chairman of the

democratic national executive committee, in a radio speech called the new republican platform "hedging on every controversial issue, accurately reflecting pretty much everything that Mr. Hoover has said since his advent in the White House." He said the prohibition plank

was a "perfect counterfeit of the style and method of Mr. Hoover -it can be read by anybody to accord with anybody's idea." Voters Resentful, Leader Declares

"Instead of being deluged by the one man show that has been put on in Chicago under the name of the republican national convention, a vast number of the voters of America have become embittered and resentful at what they regard as a stupid attempt to mislead and to deceive them Mr. Shouse is the lone holder

cratic fort here but tomorrow and taking lusty cracks at the James A. Farley, the field marrepublican platform. Below, shal of Governor Roosevelt of Farley will organize the drive

of the Roosevelt people to make Senator Walsh of Montana the permanent chairman in the place of Shouse, the choice Smith for that post. This contest appears inevitable

and is destined to bring a showdown between the Roosevelt and anti-Roosevelt delegates at the opening of the convention a week rom Monday. Despite the trouble brewing for the democratic convention, Shouse

and other lenders profess confidence of party harmony afterwards, at least a "reasonable degree of ft." Third Party Threat

Viewed by Leaders The third party threat has been ernor Roosevelt contend the best way to avoid a third party split is The prohibition controversy,

serted "My undivided attention found for a simple declaration in favor of submission of a repeal amendment to the states. On Monday, the Congress hotel in order to gain this end, republi- quarters will become a scene of can campaign headquarters would picturesque activity. Headquart-

ners, pictures and managers will

vention, is another worry con-

fronting the democrats, but

Besides Governor Roosevelt and in the hands of party leaders head- Mr. Smith, the following candied by Everett Sanders, former sec- dates will have headquarters: retary to President Coolidge and Speaker Garner, James A. Reed newly elected chairman of the re- of Missouri, Governor Ritchie of Maryland, Melvin A. Traylor of Illinois, former Governor Harry F. Byrd of Virginia, Governor William H. Murray of Oklahoma, and Senator J. Hamilton Lewis of Illinois.

Admit Election Booster Groups

Reports that a group of men who yesterday were planning to distribute school election leaflets at Salem churches this morning were representatives of First Methodist church brought quick denial from other members of the church. These latter members declared that the church was taking no part in the election.

Dr. B. Earle Parker, First Methodist pastor, averred there was nothing to the reports, that they had "all been knocked into a cocked hat."

According to the reports, the group of men intended to appear at the various churches this morning and hand out printed matter advocating the election of certain candidates for the two school board positions to be voted or

Lincoln Grounds To Open Monday

tomorrow.

open at 1 o'clock Monday, June 20. The director will be Margaret Allen Nelson. A good attendance on Monday is hoped for, since the leader plans to discuss

The Lincoin playground will