

MARION COUNTY TOPS STATE IN DEBT SLASHING

Amount and Percentage of Reduction are Highest Is Holman Report

\$340,000 Paid off in Last Year to Remove Last Bond Obligation

While 32 of the 36 counties in Oregon reduced their bonded indebtedness during the biennium which ended July 1, 1932, Marion county's decrease was greater than any other both in amount and percentage, according to a report just released by State Treasurer Holman.

Marion county's percentage reduction was seven-tenths of 1 per cent of the assessed valuation. Marion county also joined with Josephine, Polk, Linn, Umatilla and Washington counties in eliminating all bonded debt.

"No county has an indebtedness for road and bridge purposes equal to the constitutional limitation of 5 per cent of its valuation.

"Fifteen counties showed slight increases in debt ratios," said Holman. "In six instances the increases were due to declines in assessed valuations rather than to actual increases in outstanding obligations.

Counties which increased their indebtedness during the two years were Multnomah and Coos. Bonds issued amounted to \$2,450,000 and \$300,000 respectively. Joins Counties With No Bond Obligations

"Josephine, Linn, Marion, Polk, Umatilla and Washington counties have no bonded indebtedness. Douglas county has a bonded indebtedness of \$300,000 which was offset by a sinking fund of equal amount.

"Reports indicate that within the next two years Clatsop and Columbia counties will be included in the list of those without indebtedness.

"Ten counties have indebtedness of less than 1 per cent of their assessed valuations, compared with an average of 2.38 per cent for all sections of the state. After deducting increases for Coos and Multnomah counties, the remainder reduced indebtedness during the last biennium by a total of \$1,371,161.25.

Special Mention of This County Made

"Through retirement of \$340,000 bond bonds during the two-year period, Marion county accomplished the largest debt reduction of any county. Marion county anticipated payment of \$170,000 in bonds due July 15, 1933, by retiring them July 15, 1932. Other counties that have made reductions of more than \$100,000 are Baker, Clackamas, Clatsop, Douglas, Klamath, Lane, Union, Wasco and Yamhill."

Percentage reductions, which are affected by changes in assessed valuations as well as by changes in debt status, were highest in Marion county with seven-tenths of 1 per cent. Others closely following were Wheeler, Lincoln and Wasco. Reductions in debt ratios of Baker, Benton, Clatsop, Crook, Curry, Deschutes, Douglas, Klamath, Lane, Tillamook, Union, Wallowa and Yamhill ranged from 45-100 to 10-100 of 1 per cent of the respective assessed valuation of the counties.

Despite tax delinquencies, most of the counties in eastern Oregon reduced their indebtedness during the last two years, the report pointed out.

Holman declared himself in favor of retirement of bonds through purchase prior to maturity dates to obviate necessity of tax levies for debt service.

Reichle Chosen Head of Oregon Deaf Association

J. O. Reichle of Portland was elected president of the Oregon Association for the Deaf at the closing session of the biennial convention at the state school for the deaf here yesterday afternoon. May Hugh Norton of Portland was named vice-president, Miles Sanders of Portland, secretary, and Byrd L. Craven of Portland, treasurer.

Sunday afternoon approximately 200 persons attended the convention picnic at Hager's grove. In the morning Rev. E. Eichmann of Portland officiated at the deaf, conducted religious services.

Sorell Will be Arraigned Today in Slaying Case

Melvin Sorell, 31, who late Friday shot and fatally injured his father, Leon D. Sorell, 48, will be arraigned in justice court here today on a first-degree murder charge. District Attorney Carson announced yesterday.

Funeral services for the elder Sorell were held in Salem yesterday with all members of the family in attendance.

She's Winner in Beauty Contest



Holding tightly to her trophy, chubby, blonde Leona McDowell, 2 1/2 years old, is shown just after she had been declared the winner in a recent baby contest in Los Angeles. Leona, who was born in Shanghai, China, the daughter of Captain and Mrs. Alex McDowell, weighs 30 pounds, 12 ounces. And isn't she a peach?

ACTRESS' HUSBAND IS FOUND SUICIDE

Bern, who Recently Married Jean Harlow, is Found Victim of Bullet

HOLLYWOOD, Cal., Sept. 5.—(AP)—A bullet through the head last night or today ended the life of Paul Bern, motion picture executive and writer, in the idyllic home he gave Jean Harlow, blonde screen actress, when they were married two months ago.

Police said it was an unquestionable case of suicide.

Miss Harlow was visiting her parents, Mr. and Mrs. Marino Bello, when the act was committed. Bern had failed to keep a dinner appointment at the Bello home last night, informing his wife by telephone, according to authorities, that he wished to be alone.

Irving Thalberg, production executive of the Metro-Goldwyn-Mayer studios, who was called to the home in Benedict canyon by a butler who found the body, denied there had been a disagreement between Bern and his wife and authorities tonight said they were making little progress in discovering the cause.

Their puzzlement was increased, they declared, by a note in Bern's handwriting, addressed to Miss Harlow and reading: "Dearest Dear: Unfortunately this is the only way to make good the frightful wrong I have done you, and to wipe out my abject humiliation. I love you, Paul."

A postscript said: "You understand last night was only a comedy."

Miss Harlow, reported hysterical and under the care of a physician, was unable to advance an explanation.

TRIPLE RESCUE IS VIEWED BY CROWD

ATLANTIC CITY, N. J., Sept. 5.—(AP)—A thrilling triple rescue in which a prominent banker, a young woman novelist, and an unidentified girl were saved from drowning in the rough surf today was witnessed by thousands of on-lookers from the board walk and beach.

Swept out to sea by the undertow, Albert D. Graham, 50, chairman of the First National bank of Baltimore, shouted for help and Life Guards Allen Ireland and Jay Mayer went out to his aid in their life boat. As they neared him, Graham was rolled down for the second time, but he maintained presence of mind and grabbed the life preserver tossed to him by the guards.

While the guards were thus engaged, Joan Lowell, prominent novelist and playwright, who was swimming nearby, called for help and the guards immediately threw the life preserver to her. She grasped the stern of the boat, clinging to it until the guards rowed ashore.

In the meantime, a New Hope, Pa., girl, was swimming near the scene of the rescue, became exhausted and started to sink. Life Guards Harvey Fenner and Malcolm Hughes, who had put out in another boat, hauled her safely aboard and took her to the beach tent. Her name was not announced.

KNORR REELECTED

SEATTLE, Sept. 5.—(AP)—The Rev. Alfred G. Knorr, of Aurora, Ore., president of the northwest district Luther league, was reelected today at a business session of the third annual convention.

SALEM'S CORPS IN FOURTH TRY FOR U. S. TITLE

Regarded as Oregon's Best Bet in Competition at Legion Conclave

Concert Thursday Night to Give Home People Good Chance to Assist

One week from tomorrow Capital post drum corps will march onto Multnomah field, Portland, its blue and gold uniforms dazzling crowded stands, to seek its seventh state championship and make its fourth try at the national honors. The corps has lost both one of its state competitions, second place in the national contest at San Antonio, Tex., that year, and fifth at Louisville, Ky., in 1929.

No separate state competition will be held this year. Instead the Oregon winners will be decided by their showing in the national preliminary drills, which will last all day, if Salem places in the first 12 corps there. It will go into its third national finals at 8 o'clock that night. Portland to See Much Of Salem's Musicians

Portlanders and the national convention thousands will see much of Capital post corps. Salem's marching ambassadors will go to the Rose City next Sunday and remain there until the convention ends the following Thursday. While there, the corps will be seen at theatres, in the convention parade on Tuesday, and heard over the radio.

Whether attending the big convention or not, residents of Salem and vicinity will have opportunity to see the drum corps demonstrate how it will tout its bugles, roll its drums and strut through its drills in the national competition. Capital post's pride will go to the audience with their music and the American Legion junior band, directed by W. H. McLaughlin, will reveal the progress it has made in recent months. By way of variety, there will be bicycle races.

A committee of 80 representatives of the chamber of commerce, Ad. Rotary, Kiwanis, Lions and Fraternities clubs will be selling the tickets to the drum corps' entertainment from today on. Tickets also will be on sale at the chamber of commerce. The corps has chosen this way of financing its Portland trip, instead of solicitation.

The drum corps members will profit greatly from their practice on Multnomah field last Saturday night, Manager Tom Hill said last night. On a strange field, the marchers found ragged edges in their drills which now will be ironed out.

Practicing every night, the drummers and buglers are pointing their for the national championship this year with high hopes and confidence.

JUNIOR BAND HEARD

The American Legion junior band Sunday afternoon entertained around 1200 pickers in the Horst yards. The boy musicians will give another program at camp three on Friday night.

Dutra Defeats Medalist Jinx



Olin Dutra, "windjammer" from Santa Monica, Cal., is one golfer who overcame that tradition that the medalist is never the champion. He beat the field by four strokes in the P. G. A. tournament at St. Paul, Minn., and then kept going to achieve the championship, beating Frank Walsh of Chicago Sunday, 4 and 3.

NO WORD RECEIVED OF JAMES HELTZEL

Anxiety Deepens; son Goes to San Francisco to Seek Missing man

Anxiety of friends here deepened Monday as no word came to explain the apparent disappearance of James G. Heltzel, prominent local attorney, who was not aboard the liner Admiral Farragut when it left San Francisco Saturday. He had started from Portland on that vessel, bound for San Diego.

If Mr. Heltzel had simply missed the boat at San Francisco, as was hoped at first, two days would have given him plenty of time to discover that his absence had been noted and to report to authorities there or wire reassurances to his family here.

The family had received no word up to late Monday night. His son, John Heltzel, left Monday night for San Francisco to pick up the traces and attempt to locate the missing man.

The Associated Press wire which brought the first news here that Mr. Heltzel was missing, supplied no additional information Monday night. The Admiral Farragut is not due at San Diego until sometime today.

James G. Heltzel has long been one of the leaders of the Marion county bar. He served as a member of the legislature a number of years ago, and was president of the county bar association last year. He has enjoyed one of the largest legal practices in the city, maintaining his offices in the Ladd and Bush bank building.

Youth Collapses On Street Here

J. W. Kennedy of St. Johns college, Greymore, N. Y., collapsed while leaning against the railing at the Masonic building Sunday night. He was taken to the Deaconess hospital where it was found he was suffering from a recent partial operation for mastoid. He was released that night.

The young man was headed for Eugene where his father lives.

HAND WORK TO BE ABANDONED ON ROAD JOBS

Contracts and Selection of Important Projects new Policy Says Scott

He and Marshall Dana put On Debate at Meeting of County's Clubs

PORTLAND, Ore., Sept. 5.—(AP)—Force account hand labor will be abandoned by the state highway department in favor of the contract plan in its new program, which calls for the expenditure of about \$300,000 of federal funds on the Oregon highways, Leslie M. Scott, chairman of the highway commission announced today.

Scott cited three reasons for change in policy: inefficiency of hand labor, low percentage of utility of some improvements made under that system, and federal regulations which require the contract plan.

"Oregon has spent \$1,500,000 this year for hand labor relief employment by force account," Scott said. "One-half that sum would have done the same work on a competitive contract basis. But the present usable value of the work done is much less; probably not more than 10 per cent of the sum expended. Relief employment by force account, spread widely over the state on many projects, as was done last winter and spring, is deplorably wasteful of public funds; consumes careful economics made in other directions; causes work to be done where it is not needed for practical purposes, or will not be used by the highway system for many years."

Hand Work Deemed Highly Inefficient

"The efficiency of such work ranged from 30 to 70 per cent and averaged 50 per cent or less, and most of the work was placed (Turn to Page 2, Col. 1)

TWO FROM SALEM GIDEONS OFFICERS

PORTLAND, Ore., Sept. 5.—(AP)—Gideons in Oregon and Washington, at today's business meeting of their annual convention, chose Tacoma for the 1933 convention city.

Gordon H. Fraser, of Portland, was elected president of Gideons in Oregon and S. E. Hill, of Tacoma, was elected president for Washington.

The combined Oregon and Washington conventions resolved today to repudiate action of both major political parties in regard to prohibition and voted to support the 19th amendment.

Other Oregon state officers chosen included Aaron Olsen, Salem, president of the Salem camp, vice-president for bible distribution; Daniel C. Schirman, Salem, secretary-treasurer.

LINER CREW MUTINEES

ROTTERDAM, Holland, Tuesday, Sept. 6.—(AP)—The liner Rotterdam arrived in the harbor at 2:35 a. m. today escorted by the mine-layer Meertant, and four policemen went aboard to serve arrest orders on the crew charging insubordination.

Higher Income Levy One Way to Prevent Direct Property Tax

Or State may Ignore Deficit, Overestimate 1933 Receipts Purposely; Injustice Being Done to Some Departments

By SHELDON F. SACKETT

GOVERNOR JULIUS L. MEIER, Budget Director Henry G. Hansen and the state tax commission have a sword of Androcles over their head as the time approaches for the 1933 tax levy, to be made in December. The sword is the probable property tax levy which will be required for state expenses in 1933. To restore such taxes means that the property-tax abolition of 1932 was a temporary, probably unsovereign gesture. To restore such taxes means added burden for the realty owner who can stand them less in 1933 than in 1932. Furthermore to bring back property taxes means that many Oregon counties, now so destitute of cash funds that warrants are unpaid for several years back and are selling at large discounts, will be further embarrassed to remain anywhere near solvent.

The state tax commission, expert in determining state income and expenditure, undoubtedly realizes the problem the state faces. It is very doubtful if Governor Meier foresees the gravity of the impending situation while Budget Director Hansen has for months been talking of balancing the 1932 budget through expenditure reductions and of continuing the process in 1933 by ruthless use of the economy axe.

Increasing Income Tax Might Do It

It is the firm belief of this writer that a state tax on property to the extent of two to four mills must be restored in the 1933 state levy unless one of the following alternatives are consummated:

1. Increase of the state tax on incomes to eight per cent and reduction of the exemption provisions.

2. Open avoidance of the serious deficit in the state's finances and increase of that deficit by a plain overstatement of state funds to come in by indirect and income taxes in 1933.

3. Substitution of new taxes, in lieu of property taxes, to be determined by a special session of the legislature held in December, 1932, before the state tax commission makes the 1933 levy.

Statehouse Opinion Lacking Support

The off-hand feeling expressed around the statehouse is that sufficient budget reduction can be made in 1933 and 1934 to prevent any restoration of property taxes. How far does this opinion tally with the facts?

For the year 1933, the probable minimum financial requirements of the state will be the following:

First-half of 1933-34 budget	\$3,500,000
Higher education and other millage taxes	1,400,000
Bonus levy, minimum possibility	550,000
	\$5,450,000

These estimates make no provision for retiring any of the state's deficit which as stated previously will be more than \$3,000,000 at the end of 1932. The estimated budget for the first half of the new biennium certainly allows for every conceivable cut which can be made. The 1931-32 budget for state outgo was \$9,800,000 when the legislature finished its work. It is hardly conceivable that a reduction for the next biennium could be made to more than \$7,000,000 or nearly a 30 per cent cut. It will be remarkable if state expenses are thus curtailed.

Most of Millages Cannot be Altered

The above provision for higher education and other millages imposed by popular vote is based on a reduced valuation for 1932 but beyond the slight reduction thereby occasioned the millages cannot be altered. They are imposed by law and must be provided for by the state tax commission.

There will be agitation that the state continue to waive any provision for payment from the general fund to the state bonus commission. Such ignoring of the plain provisions of the law was made in December, 1931; it can scarcely be continued this levy time. The state bonus commission has bond maturities within the period September 1, 1932, to December 31, 1933, which amount to \$3,000,000. The sinking fund of the commission is only \$1,200,000. The monthly income of the commission of approximately \$200,000 (Turn to Page 2, Col. 6)

CHANCELLOR OF STATE SCHOOLS MAY BE PICKED

Dr. Kerr Again Looming as Probability Although Opposition Seen

Resignation of Hall Said Harbinger; Zook not Likely to get it

Much speculation abounds over the outcome of the meeting of the state board of higher education in Portland today. The major item of business on the docket will be the election of a chancellor. That item may have been practically decided last night in the usual pre-meeting conferences held in hotel rooms in the city.

After the board adjourned it was learned that some of the opponents of Dr. Kerr threatened to resign if he were elected, claiming it was a "deal." These members are reported still in opposition, though whether they would carry out their threats to resign if Kerr is now elected is uncertain.

Hall Resignation Held Significant

Dr. George P. Zook of Akron, O., visited Oregon at the invitation of the board last month. He left without getting any assurance he would be elected, although those who met him report he was "much interested" in the position here.

The resignation of President Hall of the university is interpreted by the Portland papers as clearing the way for the election of Kerr. It is doubtful however if Kerr would accept unless he has a vote of six of the nine members. Two are reported as "bitter-enders" against Kerr — E. C. Sammons of Portland and Mrs. Cornelia Marvin Pierce of LaGrande. The other two are F. E. Callister and Albert Burch.

Whether either of them has resigned or not is not clear. With the others who are reported as having some executive head now that President Hall has resigned, the board may choose Dr. Kerr. Or it may renew its deadlock.

THREE ARE KILLED AS PLANE CRASHES

PORTLAND, Cal., Sept. 5.—(AP)—Three passengers were killed and the pilot probably fatally injured when a sight-seeing plane crashed during a take-off from Portland airport this evening.

The dead are: Helen, 17, and Virginia, 15, James, daughter of Western Pacific employe here, and Maurine Murray, 25, lumber mill employe living at Graegie, 17 miles from Oreville.

With both legs broken and possible internal injuries, A. N. Hall, 40, the pilot was near death in a Portland hospital.

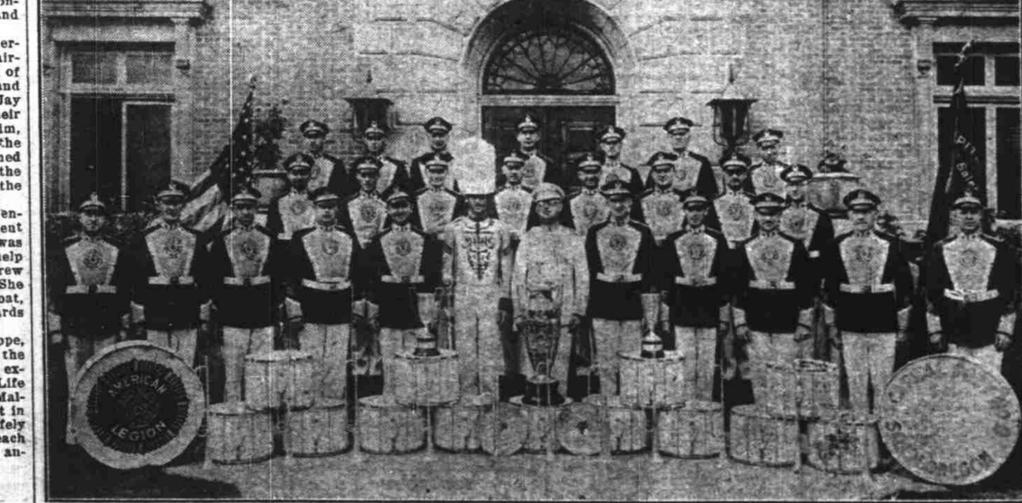
News of the death of her two daughters caused a heart attack which may prove fatal to Mrs. James, her physicians said.

Miltonberger is Getting Better, Physician Avers

George Miltonberger, 19, 920 Tamarack street, is recovering rapidly from the injuries he received last Thursday when he fell from the roof of the Fraternal temple building where he was working. His condition is "very fine," the attending physician reported last night.

Contrary to first belief, the youth did not suffer any internal injuries. He has a fractured wrist and concussion of the brain. The physician said Miltonberger would not be able to receive visitors for a few days yet.

Oregon's Hope in National Drum Corps Contest



Drum corps of Capital Post No. 9, American Legion which is expected to make a strong showing in the annual contest at the national convention next week. The personnel: Back row, left to right: Gus Burg, Frank Whittemore, assistant manager; R. D. Barton, George Chapman, H. E. Shade, Dr. W. W. Looney and Roy Smith. Middle row: E. McDonald, Hadden Bond, William McRae, Ralph Mason, Henry Ahrens, Tom Hill, manager; Frank Strausbaugh and H. R. "Rufe" White. Front row: Dr. C. W. Davis, Ralph Baldwin, quartermaster; Paul Hand, James Flood, M. Clifford Moynihan, Charles Whittemore, drum major; Rudy Schultz, music instructor; Harry Gustafson and Curtis Johnson. Not in picture: L. A. Hamilton, Lyle Henerson, Ray DeGuire, Gustav Erikson, B. O. Klecker and Russell Mudd.

STATE TAX RECEIPTS FOR YEAR 1932 AS DETERMINED BY THE ESTIMATES AVAILABLE AUGUST 1, 1932			
	Estimate	Actual	Deficit
Surplus from 1930 income and excise taxes	\$63,000.00	\$63,000.00	\$0.00
Income laws	3,504,100.99	2,303,071.23	1,201,029.76
Miscellaneous income	2,554,000.00	2,000,628.22	553,371.78
			\$1,754,401.54
Savings available for treasury return less \$300,000 savings deducted in 1932 state levy			\$97,347.51
NET INCREASE IN DEFICIT			\$27,053.73
Deficit end of 1931			\$2,682,923.30
DEFICIT END OF 1932			\$2,490,062.03