

SALES LEVY IS BEATEN 15-13

In Senate; Special Session Adjourns After Repeal Of Property Tax

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income tax." Zimmerman continued. "This tax would be fair and equitable, and would reach the person who is most able to pay."

"We have entered a new era in this state," Senator Dana said. "We have heard the terrible results of the sales tax. There are sales taxes in many states, and we are not discussing a new proposal. This is an emergency measure, and it is approved by this legislature, will stand out a well balanced tax program."

Senator Hess said he always had been opposed to a sales tax, but would have swallowed it were it necessary to preserve the credit of the state. "If we pass this tax we will destroy the incentive for further reductions in governmental expense. This depression is not local, but is a national crisis. The United States. If we want to place this state on a sound financial basis we should defeat this tax. The tax is inequitable, unfair and would further depress the taxpayer."

"This legislature should not pass a sales tax until we are certain what savings can be made in our governmental expenses. You are striking at the small man and woman who are unable to pay," Hess said he favored a graduated income, inheritance and gift levy.

Ultimate Consumer Pays All, Says Goss
"The ultimate consumer pays every tax," Senator Goss declared, "whether it be the professional man or the farmer. There is no ideal tax. We are always willing that the other fellow should pay the tax. There are too many legislators prone to criticize our officials. These officials have said that the state needs more money. The sales levy is not a severe tax. We must accept conditions as we find them. I have heard people say that they will refer to the sales tax. That is their privilege, provided they give their judgment rather than their feelings."

"No one has proposed this sales tax as a cure-all. Tax delinquencies already are 30 per cent in this state, and the land owners are in no position to pay a property levy. It is the duty of this legislature to provide means whereby the counties, municipalities and state may continue to function and not go into bankruptcy. The counties would benefit under the sales tax. The point of greatest stress is the counties."

Senator Strayer declared that during the days of prosperity the state budgeted up a large number of functions, some worthy and some unnecessary. "I believe we should first determine how much our expenditures can be reduced before we pass a sales tax. The logical way is to have the ways and means committee do a thorough job and pare down our requirements."

Sales Levy Is Last Resort, Declared
Representative Hazlett declared that sales tax is the last resort of nations. "It has bankrupted many counties," Hazlett said, "and we should not adopt such a levy. Mississippi, which has been lauded as a glowing example of states having a sales tax, is one of the most backward commonwealths in the United States, and is repudiated a large block of its post-war bonds." He said that more than 60 per cent of the tax would be imposed upon the retailer rather than being passed on the consumer.

"There are many small businesses in Oregon on the brink of ruin, and if you enact this tax law you will force them into bankruptcy," Hazlett continued. "The passage of this bill would mean a one per cent tax on every dollar, and would aggravate the cause of our present depression."

Hazlett then quoted from newspaper stories sent out from Salem in which officials were quoted as saying that unless the state income tax or some other revenue levy was approved by the voters the property tax would have to be restored. He said these stories apparently were inspired to sway the voters, and were not based on facts.

Financial Condition Of Counties Stressed
Senator Upton stressed the financial condition of the counties. "We have added burdens to the counties," Upton said, "while at the same time we have attempted to relieve the state. The governor has reduced your property tax this year, but yet we have 80 per cent of delinquencies. We should forget about the state budget and state expenses, and find some way to pay our county obligations."

"There are only two ways of having a government. One is to pay by tax and the other by slavery. Virtually every man in Oregon has a mortgage on his home. In a few more years all the land will be in the hands of the counties. You don't have to examine the budget to know that the people of the counties need protection. I believe the counties should get 60 per cent. The farmer will pay less under this tax than any other plan that may be devised."

"This is not a tax imposed on the man who has ability to pay," Senator Wheeler declared. "This tax is directed at the man who is unable to pay. It does not help the man who is down and out. I am opposed to any legislation that will tax the poor man. I favor the income tax."

GOLD-DIGGER



When we tell you that this pretty miss is a gold-digger, please do not confuse the term with the Broadway interpretation. Miss Mary Conely, of Los Angeles, is practicing gold-digging in a school for prospectors and is shown as she operates an air drill. The yellow streak on the wall behind her is supposed to represent a vein of the precious metal.

FARM UNION ELECTS GRAY AS PRESIDENT

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brought forth and all were urged to see their senators and representatives and bring this matter strongly to their attention. Dramatic reductions in taxation is also to be urged.

A. L. Schulz, president of the Big Four Telephone lines, and A. G. Rempel, spoke on reduction of switchboard fees for the rural lines. The consensus of opinion seemed to be that in the present crisis the rural phone users would rather cut off at the city limits than pay the excessive switch-board fees charged by the telephone company.

A. G. Rempel conducted the installation of the new officers. Mrs. Delmar of Sidney-Talbot local gave a reading at the opening of the afternoon session. And the ladies of that local served a chicken dinner.

BUILDERS ELECTING DIRECTORS MONDAY

(Continued from page 1)
B. Grabenhorst; transportation—Albert A. Mickel; loans—P. H. Bell; members at large, seven—E. C. Bushnell, George Cooper, W. J. Liljequist, Frank P. Marshall, L. T. Mackenzie, George Sardam, L. R. Schoettler.

America is Told Peace Prospect In China Better

WASHINGTON, Jan. 7.—(AP)—The impression that prospects were brighter for a settlement of the Shanghai incident prevailed here tonight as the result of a message which the state department received from Nelson T. Johnson, American minister at Peking.

Rush to Place Other Produce In Relief Bill

WASHINGTON, Jan. 7.—(AP)—Striving off a host of amendments that would seek to throw nearly every major agricultural commodity within the covers of their emergency farm bill was the big job to which its democratic sponsors tonight looked forward.

Salem Linen Mill On Fire Again Early This Morn

The Salem Linen mills plant, 1485 Madison street, was affire at 1:30 o'clock this morning. Extent of the blaze was not yet fully determined.

HOUSE PASSES SALE TAX BILL

Surprise Result Following Warm Debate is Climax Of Final Session

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provide more money for them to spend.

Representative Beckman of Multnomah county said his heart was against the sales tax, his intention for it. He declared that at the start of the session he was hopeful budget balancing by the state would eliminate taxes. Inasmuch as loans against the state are unsecured save by taxes which will probably be levied, to repeal the levy on real property would be to jeopardize the state's credit.

Representative Donald G. Ryan of Clackamas county registered his opposition to the proposed measure on the grounds that self-sustaining activities should be put under the general control of the state and made to provide sufficient revenue to support the general fund.

Herbert Gordon, Multnomah county representative, said he was forced to vote for the sales tax in order to afford relief to reality.

Lowell Paget, representative from Multnomah county and active in the legislative group which engineered the sales tax to a vote yesterday, moved the previous question. Paget's voice broke as he made the motion. A heavy tax of committee discussion had weakened it.

Speaker Snell put the question and declared it carried before a chorus of startled "no's" could arise to demand a roll call.

From Bankruptcy
Representative Snedecor then closed the debate. He declared taxes must be levied somewhat in accordance with the ability of people to spend inasmuch as ability to pay based on income and on property was rapidly drying up.

Representative Carl Abrams of the county, rising to explain his vote, protested at alleged "tagging" of debate by the speaker and protested at amendments which he said had not been made. Abrams said he would support the measure, nevertheless. A number of other legislators joined with him in protesting closure of debate and in contending that other amendments to the bill were needed.

CALVIN COOLIDGE IS LAID TO REST

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over which he held the reins of government for five and one-half years had earlier shown respect and its sympathy to his widow.

It was in his home there, "The Beeches," that he died, stricken without warning by a heart attack. Today his body was carried from the home to the church where for an hour it lay in state as men and women and children filed past in their last farewell.

Bourbons Would Keep Tax Rates Low as Possible

WASHINGTON, Jan. 7.—(AP)—If and when it becomes necessary for the democrats to enact their proposal for higher income taxes, party leaders said tonight, the new rates will be governed by the then prevailing needs of the treasury.

FIRST UNIT OF 'ARMY' IS HERE

500 are Expected Today; Senate Votes to Give Committee Hearing

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circumstances at a joint meeting of the unemployment committees of the senate and house tomorrow afternoon.

SPECULATION OVER CABINET RESUMES

HYDE PARK, N. J., Jan. 7.—(AP)—Cabinet selections and future policies commanded the attention today of President-elect Roosevelt as he silently watched the row in Washington over income tax increases to balance the budget.

Announcement that Senator Walsh, of Montana, veteran senate prosecutor of the oil scandals investigation, would be a caller here tomorrow, revived speculation over the cabinet. He has been mentioned for attorney general.

It is expected that Roosevelt and Secretary of State Stimson will meet Monday night at the New York city home of Roosevelt. The decision of the president-elect to take up personally with Secretary Stimson the intricate threads of international affairs also has led to belief he has determined upon his secretary of state.

FARMERS TO INVADE IOWA STATE HOUSE

LE MARS, Iowa, Jan. 7.—(AP)—Protesting against farm foreclosure sales, 1000 northwest Iowa farmers served notice today they would appear at the state house to demand relief laws as the legislature convenes next week.

Their action came as a development of a mass meeting of members of the farmers' council for defense after they had halted a foreclosure sale on the farm of John Schimberg for \$1,000.

Helpful Hints for Healthful Living

Knowledge
"To know is science, but merely to believe one knows is ignorance," said Hippocrates, "father of medicine." When you are tempted to self medication, remember that you do not know. Your physician is a trained scientist—he knows.

Where Science and Ethics Reign

CAPITAL DRUG STORE
405 State J. H. Willett Telephone 3118

SOLON-ELECT IS PARDONED AFTER SENTENCE PASSED

OLYMPIA, Wash., Jan. 7.—(AP)—A full pardon was granted by Governor Hartley today to Nelson G. Robinson, 29-year-old Seattle state representative-elect recently convicted of a statutory charge involving a young girl, within a few hours after sentence had been pronounced in Seattle.

The governor said his action was based upon sworn statements by the girl's mother and physician that the crime charged had not been committed.

In Seattle, a few hours previously, Superior Judge Matt L. Driscoll had sentenced Robinson to from one to five years in the state reformatory.

Information to Link Halloran With Judd Case

PHOENIX, Ariz., Jan. 7.—(AP)—An information specifically accusing John J. Halloran, wealthy Phoenix lumberman, as "accessory to the crime of murder" in connection with the Judd case was filed today by County Attorney Rens L. Jennings.

The information was presented through instructors from Superior Judge Howard C. Speakman, who yesterday sustained Halloran's demurrer to a previous grand jury indictment, returned after the inquisitorial body has listened to the "whole truth" story of Winnie Ruth Judd, convicted of killing Agnes LeRoy and accused also of the slaying of Hedvig Samuelson.

FEDERAL JURYMEN CONVICT REYNOLDS

PORTLAND, Ore., Jan. 7.—(AP)—A jury in federal court here today convicted H. Lawrence Reynolds, formerly operating as the Reynolds Finance company, on all four counts of a federal grand jury indictment charging him with conspiring to embezzle funds from a national bank. Sentence is scheduled to be pronounced Tuesday.

Wynter R. Patterson, former teller of the Citizens National bank of Portland, was indicted jointly with Reynolds, and pleaded guilty. He appeared as chief prosecution witness.

CAPONE'S ALLY IS GANGLAND VICTIM

CHESTERON, Ind., Jan. 7.—(AP)—Ted Newberry, ally of Al Capone, was removed in his own grim manner today from Chicago's underworld.

Shotgun and pistol slugs mutilated his head and body, found on a lonely Indiana road near Lake Michigan. At his waist glittered a cluster of diamonds and emeralds, one of the jeweled belt buckles Al Capone presented his pals.

Metropolitan police, investigating the first assassination of a gangland "big shot" in more than a year, feared the death of Newberry presaged another outbreak between factions fighting for control of Chicago's liquor and vice rackets.

DESIRES FOR PEACE SHOWN BY CHINESE

SHANGHAI, Jan. 7.—(AP)—Despite public clamor for armed action against Japan, indications today were that the nationalist government at Nanking would adopt a policy of avoiding any steps aggravating to the Japanese.

Chiung Kai-Shek, the strongest military commander of the nation, apparently dominated a series of conferences which resulted in this decision. No official announcement of the government's policy was made, but it was evident that China desired a quick settlement of the conflict resulting from Japan's occupation of the city of Shanghai.

With the national government seeking restraint, the newspapers gave prominence to extravagant reports of the Shanghai situation. The papers printed statements the government was making extensive military preparations in anticipation of widespread trouble, and these reports fed the fires of public indignation.

The policy of restraint was based on the theory that by it, the country would be most benefited. It was said, however, that if the Japanese attacked anywhere within China the Chinese troops would resist.

WOMAN LOST 20 POUNDS IN 4 WEEKS

Mrs. Mae West of St. Louis, Mo., writes: "I'm only 28 yrs. old and weighed 170 lbs. until taking one box of your Kruschen Salts just 4 weeks ago. I now weigh 150 lbs. I also have more energy and further more I've never had a hungry moment."

Fat folks should take one half teaspoonful of Kruschen Salts in a glass of hot water in the morning before breakfast—it's the SAFE, harmless way to reduce as tens of thousands of men and women know.

For your health's sake ask for and get Kruschen at Perry's Drug Store, Capital Drug Store, or any drug store—the cost for a bottle that lasts 4 weeks is but a trifle and if after the first bottle you are not joyfully satisfied with results—money back. Adv.

EXPOSITION PLANS OF SCOUTS TO GET UNDER WAY JAN. 9

Preparations for the Boy Scout merit badge exposition to be held in the armory here February 10 and 11 will get definitely under way tomorrow when committee men of Cascade area council begin arranging for commercial exhibits. These displays will be in line with the work required of scouts in earning merit badges.

Decision to start preparation at once was made at a meeting of the general exposition committee, of which A. C. Haag is chairman, held yesterday noon at The Spa.

EX-SENATOR DIES

THOMASVILLE, Ga., Jan. 7.—(AP)—Guy Despard Goff, former United States senator from West Virginia, died at his winter home here today. He was 66 years old.

JOBS INCREASE, FIRST WEEK OF 1933 IN SALEM

The first week of 1933 brought twice as many jobs to men registered at the U. S.-Y. M. C. A. Employment bureau as did the last week in 1932. D. D. Dotson, assistant manager, reported last night. The number of jobs, 35, however, still was wholly out of proportion to the number of registrations, 272.

Of the 35 jobs, 31 were common labor, two farm work and two selling. No women received work through the bureau last week.

APPOINTMENT OF R. BETTENCOURT ASKED

Residents in road district No. 28 1/2, in the Roberts section, yesterday recommended to the county court that R. J. Bettencourt

LEAGUE OF CITIES DELEGATES HERE MONDAY TO CONFERENCE

Government representatives of many of the cities in Oregon will assemble here tomorrow for the two-day annual state conference of the League of Oregon Cities which will be opened at the chamber of commerce at 10 a. m. Among the delegates will be William M. Briggs, city attorney of Ashland, who is a past president of the league and now chairman of its legislative committee.

55 MOTORISTS GET TICKETS; DOUBLE PARKING DRIVE ON

City police undertook a vigorous drive on double parking motorists downtown yesterday, on orders of Chief Frank Minto, and finished the day by tagging 55 automobiles. The chief announced that the drive was not a temporary move but one that would be continued until double parking and resultant congestion of thoroughfares were eliminated.

Of 19 motorists tagged for this offense Friday, only two had been penalized in municipal court yesterday. Both paid \$1 fines under the label of forfeited bail.

SAVE 33 1/3% ON BRAKE RELINING

Now there's no excuse for having faulty brakes that may cause a fatal accident. These new, revised prices are lower than ever before for guaranteed work by skilled men using the highest grade lining. Come in today. Have your brakes machine tested FREE. They may need only an adjustment. If they need relining we save you at least 33 1/3%.

Make of Car	Old Price	New Low Price
FORD		\$5.75
CHEVROLET	\$10.80	\$7.50
BUICK	19.00	13.00
CHRYSLER	17.70	12.10
STUDEBAKER	16.80	12.30

LIMITED TIME ONLY
Other Cars Proportionately Low.
All Work Guaranteed. We Use the High Quality

Firestone BRAKE LINING COMPLETE SAFETY SERVICE

Firestone GUM-DIPPED TIRES
give you extra strength, extra safety and extra service at no extra cost. Come in and let us show you why.

Firestone Firestone
COURTESY TYPE 4.40-21
SAFETY TYPE 4.50-21
\$3.18 each in pairs
\$4.47 each in pairs

SCIENTIFIC BRAKE ADJUSTMENT AS LOW AS 50c AS Complete Battery Service on all makes FREE TESTING REPAIRING FREE BRAKE TEST

Firestone Service Stores Inc.
(Formerly Smith and Watkins)
Center and Liberty Sts. Tel. 9144

Statement of Condition
Mutual Savings and Loan Association
December 31, 1932

ASSETS	
First Mortgage Loans	\$866,457.85
Real Estate Subject to Redemption	2,923.25
Real Estate Owned	\$4,120.07
Real Estate Sold on Contract	17,691.75
Loans to Members on Certificates	16,750.00
Furniture & Fixtures	912.44
Accrued Interest Receivable	5,000.00
Investments in other Associations	2,006.00
Insurance Advanced on Loans	298.96
Notes Receivable	27.90
Cash on Hand	1,872.08
	\$448,059.40

LIABILITIES	
Members Investments	\$438,567.02
City Assessments Payable (Not Due)	991.05
Accrued Taxes	419.92
Notes Payable	950.00
Other Debt Items	94.26
RESERVES:	
Contingent Reserve Fund	\$212.98
For Dividends	1,050.61
Undivided Profits	2,763.56
	\$448,059.40

County of Marion)
State of Oregon)
I, A. A. Lee, Secretary of the above named Association, do hereby certify that the above statement is true to the best of my knowledge and belief.
A. A. LEE, Secretary.

Witness: H. O. WHITE, President.
Subscribed and sworn to before me this 7th day of January, 1933.
FRANCIS H. SHEPHERD,
Notary Public for Oregon.
My Commission Expires 1-30-34.