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# The Oregon Statesman

FOUNDED 1851

Salem, Oregon, Tuesday Morning, January 17, 1933

**WEATHER**  
Unsettled with rain today, clearing and colder Wed. Max. Temp. Mon. 38, Min. 24, river 5.6 feet, rain .01 inch, north wind.

EIGHTY-SECOND YEAR

No. 253

## LEGION CHIEFS TAKE STAND ON STATE ISSUES

Endorse Appropriation for National Guard Shown in Meier's Budget

Advise Educational aid be Discontinued; Disfavor Syndicalism Repeal

The American Legion of the department of Oregon speaks through its executive council after the expression of an assembly of 200 legionnaires from 33 counties of the state meeting in Salem all day Monday adopted resolutions:

Endorsing the continuance of the national guard as a unit in the national defense organization with the appropriation recommended in the governor's budget.

Opposing repeal of the criminal syndicalism act.

Endorsing work of the child welfare commission and the legion, as now organized.

Favoring continued appropriation of \$10,000 for employment of a service officer at the veterans' hospital.

Opposing abolition of the county indigent fund.

Recommending no further educational aid be provided for veterans, and that the commission be abolished.

The resolutions came after the assembly organized in the morning and appointed Harold J. Warner of Pendleton general chairman and appointed subcommittees who worked through the noon hour, reporting back in mid-afternoon. The reports drew extended discussion. The one favoring continued provision for a service officer at the hospital drew warm fire, the contention being made that the legion organization should bear the expense and not the state. It was developed that through the work of this officer very substantial sums had been obtained for veterans in the state and for welfare work, which justified support by the state at large.

Find Bonus Loans Not Had as Planned

The subcommittee on veterans' aid commission visited the offices of the commission and spent considerable time investigating its affairs. The report presented by Stanley Meyers, Portland, chairman, stated that while the commission needed more time to complete its study, the investigation made showed the affairs of the commission far better than reports had indicated, and that its delinquencies on loans were not worse than with private loan companies. The committee which consists of Meyer, E. F. Bailey, Eugene, Harold Warner, Pendleton; Floyd Cook, Lane, Goodell, Thos. D. Stoughton, Portland; Mike Walker, Independence, and Harold Sexton, The Dalles, was continued for ten days to make further survey and report back to the executive council.

Not much time was given to speech-making, but Congressman-elect James W. Mott was called on. He vigorously assailed the "propaganda" of the National Economy league which seeks to reduce the payments to ex-service men, and predicted that its activities would lead the legion together into greater political activity on behalf of veterans. Fred Kiddie, president of the senate, also spoke briefly. Earl Snell, speaker of the house, and Mike Kiddie and Mott, also a legionnaire, was a guest.

Cost of National Guard Here Lowest

Jack Eakin, department commander, Dallas, presided, and Carl Moser, state adjutant, Portland, acted as secretary. The report of the committee on national defense declared regarding costs of the guard in this state that it was the highest per capita cost, \$237.50, against Oregon with a per capita cost of \$75, the lowest in the United States, the average being twice that of this state. The national government has expended in the state in the last biennium for the national guard, \$1,978,440.90. Donald McLeod of Ashland was chairman of the subcommittee.

## Legislative Happenings

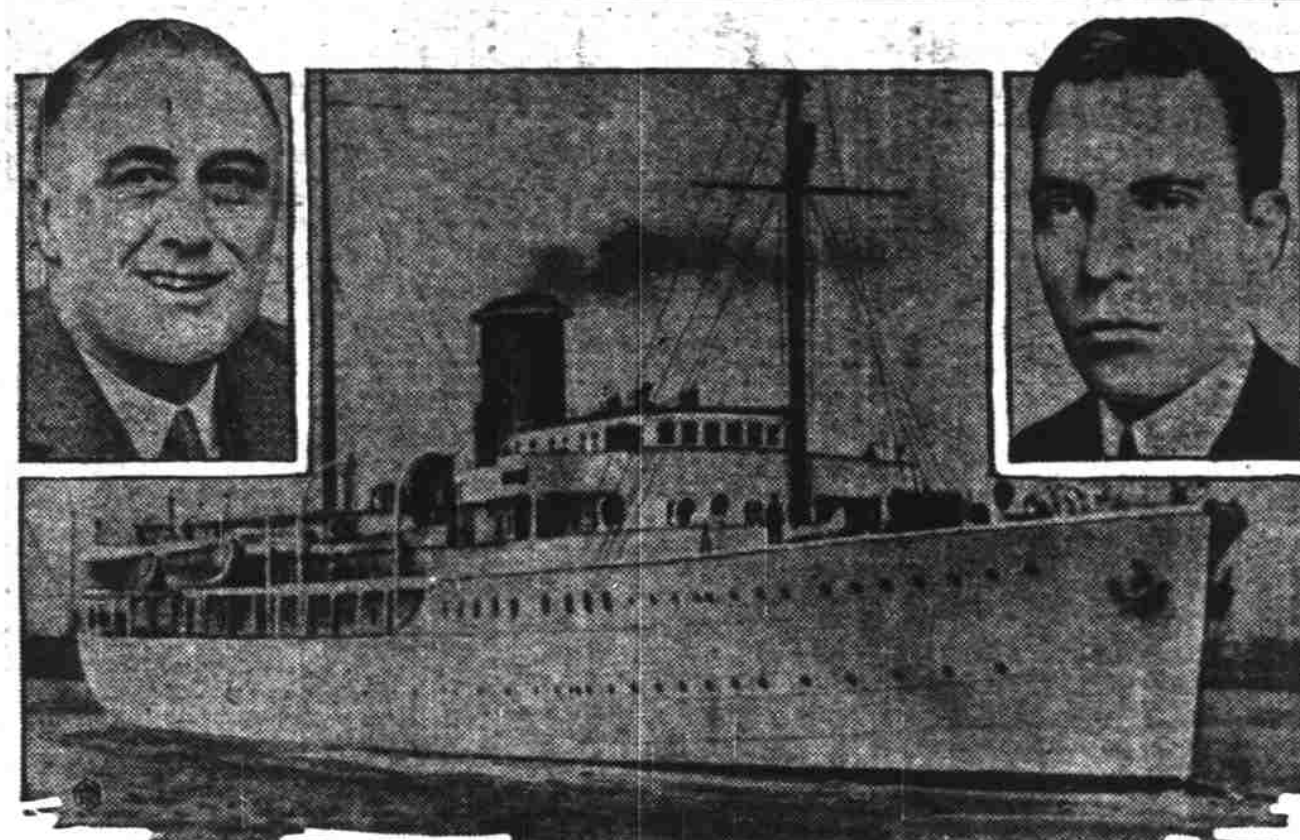
Governor Meier delivers special message to legislature on utility control and seven-point utility program is introduced, backed by the recommendation of Utilities Commissioner Thomas.

Bill proposing authorization of managerial plan for counties, to be optional with each county, introduced in senate.

Salary reductions for governor, secretary of state, state treasurer and attorney general also filed in senate.

Sharp increases in inheritance and income taxes proposed in bills filed in house.

## F. R. Plans Cruise Before Inaugural



The palatial yacht Nourmahal, owned by Vincent Astor (left), famous society sportsman, on which President-elect Franklin D. Roosevelt (right) will cruise in southern waters for a complete rest before he takes up his duties at the White House on March 4. The cruise is to be one of complete relaxation and, aside from Mr. Astor, the host, and Mr. Roosevelt, there will be no one aboard but officers and crew. The president-elect will not take even a secretary, it is said. They will start early in February.

## RECORD CROWD AT LEGION GATHERING

Spanish war Vets Honored, Many Legislators and Visitors Present

The program tendered on by Capital post, American legion, last night in honor of Hal Hibbard camp, United Spanish war veterans, and legionnaire legislators was attended by the largest crowd in the history of the post, according to Commander Allan G. Carson. The entertainment, arranged for by J. T. Delaney, symphony orchestra directed by Dr. R. W. Hans Seltz, to jazz, and from a Boy Scout ceremonial to negro tap dancing.

After nearly three hours of entertainment, the guests and legionnaires, with the wives, enjoyed a supper. Wives of the Spanish war veterans and legislators met with Capital unit auxiliary of the legion and heard the program numbers given over for their benefit.

Leslie R. Hale of La Grande, state commander of the Spanish war veterans, addressed the men briefly, as did Commander LeRoy Hulet of Hal Hibbard camp.

Special thanks were voiced to the Portland firemen's quartet for their clearing other engagements and coming to Salem. Personnel includes Capt. Johnson, "Piccolo Pete" Thompson, "Chuck" Sled Schiedler, and "Vic the Great" Brown. Mrs. Victor Brown accompanied the quartet.

Three persons assisted, who were not named before the meeting: Elva Almsier and V. P. "Tiny" McMannara in a piano duo, and Ruth Bedford, accompanist for Ronald Craven, tenor soloist.

## School Transport Under Lower Per Capita Basis

Thomas E. McClean, contractor with the Salem school district to provide bus transportation for rural students, will bear the brunt of the lessened transportation allowance occasioned by a recent decision of the Marion county board of directors. This act became effective January 1, 1933, and cuts \$5 per pupil on transportation allowance to and from school.

Approximately 400 students are thus transported. The former allowance amounted to \$40 per pupil making a total of \$16,000. The \$5 slash therefore means that McClean must operate for some \$2000 less yearly.

Principal Fred Wolf of the Salem high school was requested by the board to make out a report up to the first of the year thereafter figuring at \$35. When approached on the matter McClean replied that as yet

## Fire Losses Here Reveal Rapid Gains

Salem's losses by fire in 1932 increased seven and one-half times over that of 1931, according to the report made by Chief Harry Hutton to the city council last night.

Last year losses from buildings damaged or destroyed totaled \$96,683.23 of which \$76,424.78 was covered by insurance. In 1931 this loss amounted to but \$16,812.50 with \$15,882.50 paid by the insurance companies.

Losses of contents in buildings attacked by fire last year were even higher and further out of proportion with 1931. For 1932 they were \$116,872.40 as against \$12,132.50 in 1931. Insurance companies last year made \$96,392.38 of this loss good, while in 1931 they paid back \$11,132.50.

The total loss for 1932, however, was a little less than half of that for 1930, when the city was struck with an epidemic of disastrous fires, including that which razed the Larmer warehouse.

Fire alarms last year totaled 411, an increase of 83, while calls out of the city numbered 24, one more than in 1931, and false alarms dropped from 13 in 1931 to six in 1932.

Last summer the fire department personnel was reduced from 45 men and officers to 35.

## PEDESTRIAN KILLED WHEN CAR STRIKES

PORTLAND, Ore., Jan. 16—(AP)—Eric A. Pederson, 37, of Portland, died in a hospital here tonight from injuries suffered when he was struck by an automobile on the Pacific highway two miles south of Aurora.

Police reported the elderly man was walking along the highway and was hit by a car driven by C. Y. Murnane of Salem. He was given first aid by Mrs. Gerald Smith of Woodburn, then taken to Portland by ambulance. State Trooper Farley Morgan investigated the accident. He said Murnane was not to blame. No arrest was made.

Murnane's claim that Pederson was walking in the center of the highway was borne out by the fact that the left, or inside headlight of his car was smashed by the impact state police here reported. Murnane said he could not see the aged man because of glare of approaching car lights.

Pederson was taken to Multnomah county hospital by Golden ambulance of Salem.

## TIMBER YIELD TAX MEASURE STUDIED

Method of Retrieving Much Of Delinquent Amount Is Viewed by Bill

The house committee on forestry met Monday night for the first of a series of meetings to consider the timber yield tax measure introduced by Rep. Donald J. Ryan of Clackamas county.

The session was devoted solely to unraveling of technicalities of the measure. Its sponsor claims that adoption will enable the state to retrieve a large portion of \$6,500,000 in forest property taxes now delinquent.

Under the proposed measure a 10 year transitional period would be entered by the state to eliminate the present ad valorem levy on timber and substitute a yield tax to be collected at time of cutting timber. The present property tax would be cut 10 per cent a year until reduced to 5 cents an acre called a "forest fee."

The yield tax after adoption of the measure would start at 1 1/2 per cent and increase one per cent a year until it reaches 13 1/2 per cent. A major provision of the bill would enable timber owners now delinquent in tax payments to enter into contracts with county courts to pay off delinquencies in a series of 10 annual payments. Thirty-five per cent of revenue from the yield tax would be apportioned directly to counties in which collected. Sixty per cent would go to the state general fund and from there reapportioned to counties according to their share of timber in relation to the state supply. Five percent of the tax is calculated for operation expenses.

## COLD WAVE SNEAKS UP; 19 REGISTERED

Winter again was fully upon Salem and vicinity this morning as the thermometer fell steadily from a maximum of 45 degrees Monday to 19 at 4 a. m. today. The clear sky which hung over the city Sunday night, began clouding up this morning, bearing out the weather bureau prediction of unsettled weather and occasional rains today.

For Wednesday, however, the forecast is for clear skies and low temperatures.

BEND, Ore., Jan. 16—(AP)—Forces of winter sneaked into the Bend country last night behind a camouflage of budding pussy willows, and threw a rampart of snow, the heaviest in more than four years, eastward from the Deschutes river.

Eight inches of fluffy snow, holding only .81 of an inch of moisture, fell here last night.

PENDLETON, Jan. 16—(AP)—The temperature dropped to 17 degrees above zero here last night. There was a heavy frost this morning.

## Wheeler Espies Unique Way to Cut State Cost

Quintessentially, arose Lane county's weather-beaten Senator Wheeler as state pay cuts of from 5 to 60 per cent were discussed at the ways and means committee last night.

"It seems to me that state salaries are too low," he dryly remarked. "If they were high enough, and the same graduated scale of cuts were continued and applied, we could do away with salaries entirely."

## SHARP RISE IN INHERITANCES LEVY FAVORED

25 per Cent on big Estates Provided in Bill Filed in House Monday

Income Measure is Similar To one Turned Down by Voters Last Fall

Sharp increases in the state inheritance tax and a moderate raise in income taxes, authorization, estate and telephone systems, and prevention of domestic agricultural "dumping" are objectives sought by sponsors of three of the 13 new bills introduced to the house of representatives Monday.

Four measures included in the house total were placed by Otto K. Paulus, Marion county.

If a measure introduced by Rep. Frank H. Hilton of Multnomah county, is adopted as part of the revenue raising legislation to be passed by the house and senate, estate and inheritance taxes in Oregon will shoot up from the present maximum of 10 per cent to 25 per cent. Estate levies would begin at \$7000 at 3 per cent and continue to one-fourth of an estate's valuation, if more than \$1,500,000.

Income Bill Similar To One Defeated

An income tax that in its revenue raising effect is practically identical to the measure defeated at the November general election, was introduced by Representatives Graham and Eckley and Senators Fisher and Haslett.

The bill provides for \$1000 exemption for single persons, \$2000 for married couples and the present \$400 exemption for dependents. The measure is different from the general election measure mainly in that the "Wisconsin clause" exemption provision wording of the defeated bill was changed.

The proposed bill would require payments from 1 to 6 per cent of taxable income, calculated (Turn to page 2, col. 1)

## PLAN INTERVENTION IN LOG RATE CASE

Directors of Salem chamber of commerce at a meeting held Monday, voted to intervene and act in support of a hearing to be held February 8 before the Public utility commission in the complaint of the Spaulding Logging Co. versus the Valley and Siletz Railroad company.

The Spaulding Logging company's mill in Salem was closed February 13, 1931, and it is claimed that the reason was the high freight rates charged by the Valley and Siletz Railroad company, which prevented the mill from shipping logs to Salem at a price that would enable the mill to compete with other mills.

The Spaulding company has large holdings in Polk county that require shipment over the Valley and Siletz railroad and Southern Pacific railroad companies, a total haul of about 45 miles. In the hearing to be held before the public utilities commissioner the Salem chamber will be represented.

FISHERMAN DROWNS TILLAMOOK, Ore., Jan. 16—(AP)—The body of Terry Long, 28, was found in Tillamook bay Sunday by Bob Burness, Myron Randall and Ray White, fishermen. Long had been missing since Tuesday. His boat was found Saturday anchored near the tide flats.

## Late Sports

PORTLAND, Ore., Jan. 16—(AP)—Roy Rob of Jackson, Mich., defeated Walter Achlu, Dayton, O., Chinese grappler, two falls out of three in the main event of tonight's wrestling match here. Roy weighed 157 and Achlu 155.

Roy took the first fall in 11 minutes with a reverse back slam. Achlu evened the count by pinning Roy's arms across his own neck for a "self strangle" hold. The Chinese won the fall in 18 minutes. The deciding fall went to Roy in 6 minutes with a reverse headlock.

Cyclone Burkhardt, 156, Wichita, Kansas, defeated Sailor Tom Ryan, 160, Corvallis, on a foul after each had taken a fall in the semi-final.

La GRANDE, Ore., Jan. 16—(AP)—The Whitman university five defeated Eastern Oregon Normal school, 52 to 29, in their basketball game here tonight. Mills, Whitman forward, was high individual scorer with 15 points. At half time the score was 23 to 13.

## Oregon isn't Alone In Seeking Revenue; 42 States Doing it

Other six Legislatures Would be too but are Not in Session; Similar Problems Face All; Make Government Simpler

By HOMER MCCOY  
CHICAGO, Jan. 16—(AP)—A record breaking legislative hunt for revenue is on in 42 states. The assemblies of the remaining six—Virginia, Kentucky, Florida, Mississippi, Louisiana and Alabama—are not in session.

One hand on the public pulse, the lawmakers are seeking to answer the people's demands to eat, if unable to work, to live in a less complex political unit and to pay less for that privilege.

With the other hand, they are preparing for or grinding through the legislative hoppers measures designed to revise taxes, relieve unemployment and reorganize governments along simpler, less expensive lines.

To save a dollar here and spend it there, with regard for the exigencies of the time—that is the trend shown, the moves to shift (Turn to page 2, col. 1)

## NEW FINANCE PLAN FOR DOCK IS TOLD

City to Obtain R. F. C. aid, Proposed; Inspector's Pay may be Raised

Spending less than an hour in the council chamber, city aldermen heard a new proposal for financing the municipal dock program, last night put through first and second readings of a bill to increase the building inspector's salary, refused to appropriate \$100 for support of the League of Oregon Cities legislative lobby, heard appointments to city boards and hurried through a list of reports and petitions.

Sponsors of the municipal dock plan proposed is for the city to obtain the Reconstruction Finance corporation loan at 5 per cent for 25 years. Officials of the Salem Navigation company, in a letter to the council, estimated that the dock would cost from \$50,000 to \$75,000 instead of \$100,000, and that rent, interest, insurance and payments on principal of the loan would, under a plan of increasing annual installments, amount to \$4200 the first year and \$7800 at the end of the 25th year.

If the bill turned over to the ways and means committee is finally passed by the council, the building inspector will receive \$2000 straight salary and up to \$400 more from fees collected. Under the original schedule for 1933, he would receive only \$1800.

The council unanimously elected (Turn to page 2, col. 5)

## GILMOUR PLANT IS REVISITED BY YEGG

Safe at the Gilmour distributing plant south of town was visited Sunday night by robbers, making the second attempt in three nights. Sheriff A. C. Burk reported yesterday. Petty cash, totaling \$6.97, was taken Sunday night, along with the face of the safe itself.

The plant manager had taken away a large sum Saturday night, as an attempt to break the safe was made Friday night, but nothing secured. Friday night thieves took about \$160 from the Richfield gas distributing plant, and inasmuch as no return was made there Sunday night, the thieves are inclined to blame the same workers.

The sheriff's office is working with state police on the thefts.

## PAY CUTS FOR HIGH OFFICIALS FAVORED

Governor, State Secretary, Treasurer and Attorney General Mentioned

Two brief sessions were held by the state senate Tuesday, during which 14 new bills and two resolutions were filed. The senate then recessed until 10 a. m. today. Members spent most of the afternoon with committee hearings and the conference of unemployment.

Probably the most important bill provided for material reductions in the salaries of the governor, secretary of state, attorney general and state treasurer. Under the proposed new salary schedule the governor's compensation would be reduced from \$7500 to \$5500 a year, while the salaries of the secretary of state and state treasurer would be cut from \$5400 to \$4500. The attorney general would receive \$4500 instead of \$5000 as provided in the existing laws. The salary bill was sponsored by Senator Burke. Managerial form of government in all counties in Oregon is provided in a bill introduced by Senator Upton. Provision is made in (Turn to page 2, col. 1)

## BILLS FOR RELIEF OF JOBLESS EYED

The joint unemployment committee of the Oregon house and senate held its first meeting Monday to consider two bills and two resolutions on this subject which have already been introduced.

A bill by Senator Spaulding authorizes the state to borrow \$10,000,000, to be loaned to unemployed workers for the payment of wages. These loans would draw interest at the rate of five per cent and be limited to a period of five years.

Senator Lee has introduced a bill providing for a "back to the land" movement. This bill provides that all lands reclaimed by the state and counties through tax foreclosures shall be made available to the unemployed.

Resolutions discussed at the meeting provide for the appointment of a new joint unemployment committee to study the housing, and that all state armories and Camp Clackamas shall be opened for the shelter and comfort of those who are in distress because of financial conditions. The latter resolution was introduced by Senator Spaulding. The two bills and resolutions were referred to subcommittees, with instructions to report their findings later in the week.

## Lockman Coming To Indian School

TOPPENISH, Wash., Jan. 16—(AP)—Promotion of Dr. W. L. Lockman, physician of the Yakima Indian agency here, to a similar position at the Indian school in Chemawa, Ore., was announced at the agency today. Dr. Lockman came to Toppenish 15 months ago from the Fort Belknap agency in Montana.

## Meier Message Plea for Tighter Utility Control

Adoption of legislation to end "frenzied holding" company financing was advocated to Oregon's state senators and representatives in a message Monday by Governor Meier.

The chief executive in a message presented before both houses supported the seven-point program of Public Utilities Commissioner Charles M. Thomas to give the utilities commissions enlarged powers. Governmental supervision of public utility corporations, particularly in the issuance of securities, is sought for the state.

A number of recommendations by the governor included one that the Oregon legislature memorialize the national congress for immediate enactment of appropriate legislation on utilities control. The governor also asked that the payment of service fees to a holding company by a utility on a percentage basis of the gross revenue be prohibited.

## DRASTIC STATE SALARY SLASH RECOMMENDED

Five to Sixty per Cent cut Suggested in Report by Senator Woodward

Delegations of Taxpayers Heard; Urge no Higher Real Estate Levy

Possibility of a saving to the state in excess of \$500,000 through salary and wage reductions for public officials and employees under a revised classification of the state's operating personnel, was indicated by Senator Woodward in a report filed Monday night with the joint ways and means committee of the legislature.

Reductions recommended by Woodward ranged from five per cent for employees receiving up to \$100 a month to 60 per cent for any salary in excess of \$1000 a month. The budget for 1933-34 shows that the salary that would be effected by the 60 per cent reduction would be that of W. J. Kerr, chancellor of Oregon's higher educational system. Kerr receives a salary of \$12,000 a year.

Under this schedule the compensation of Henry M. Hanna, state budget director, would be reduced 40 per cent, while other salaries in the higher brackets would be cut proportionately. Salaries of justices of the state supreme court would not be affected under the Woodward proposal. Objections Seen by Senator Staples

Senator Staples declared the report submitted by Woodward was superficial in many respects, and that not being signed by other members of the joint committee appointed to standardize the salaries and wages of state employees.

"It was my understanding," Staples continued, that the function of this committee was to standardize salaries and wages of state employees, and that any such reductions that we might deem advisable. The committee was instructed to proceed with its standardization program.

A careful analysis of the state deficiency on December 31, 1932, together with a painstaking examination of the state budget for the years 1933-34 was urged by representatives of various taxpayers' organizations who appeared before the ways and means committee. They requested that any new tax levied by the legislature be distributed so that real property would not be compelled to assume additional burdens.

Among those who offered these suggestions were J. H. Burdette, president of the Oregon Taxpayers' equalization league; Elliott R. Corbett, representing the Multnomah tax economy league of Portland; Chris O. Bell, member of the legislative committee of the Portland chamber of commerce; and D. M. Webb, an officer of the Taxpayers' league of Portland.

Senator Staples presented a report covering the activities, financial status and requirements of seven state-aided institutions. These included baby homes, institutions for wayward girls, orphan homes, and other similar welfare centers. Staples pointed out that the requirements for these institutions during the 1933-34 biennium had been estimated at \$336,000, but were reduced to \$70,000 in the budget prepared by the state budget department and approved by Governor Meier.

The committee suggested that it might be possible to reduce the per capita state-aid for these institutions from \$20 to \$15 per month and from \$16 to \$14 per month.

The ways and means committee approved a report recommending a reduction in the budget for the supervision of public instruction from \$39,000 to \$34,000. The committee will hold its next meeting Thursday night, when other reports will be received.

## The Day in Washington

By The Associated Press  
Senate agreed to limited debate for early vote on passing Philippine independence bill over President Hoover's veto when Senator Long (D., La.), relaxed fifth day's filibuster against Glass banking reform bill.

Senator Sheppard (D., Texas), defended prohibition on his thirtieth anniversary, and Representative Schaffer (R., Wis.), sought another house vote on flat repeal.

House passed senate bill for \$75,000,000 in 1933 crop production loans as senate agriculture committee deferred action on house allotment bill until after conference between President-elect Roosevelt and Senator Smith (D., S. C.).