

## DAIRYMEN SEEN AS LEADERS IN JOB-PROVIDING

### Have Held up Their Share Of Employment, States Association Chief

### Will win Next Fight to tax Oleo, Belief; Health Exhibitions Today

Declaring that the dairymen of Oregon have carried their full share of employment and have also fulfilled their obligation to the public in contributing to welfare organizations, making room for men discharged from other industries and meeting tax payments, George H. Fullenwider, of Carlton, president of the Oregon Dairymen's association, officially opened the dairymen's convention here yesterday. The visiting dairymen, representing all phases of the industry were welcomed to Salem by Mayor Douglas McKay at the beginning of their program in the chamber of commerce rooms.

"Persons connected with the dairy industry have learned many valuable lessons during the past few years," Fullenwider continued. "One of these is that the industry must stand as a unit. Our interests are not those of the butter maker, the milk producer or the cheese manufacturer but the common interest of all as dairymen."

Fullenwider said that while the dairy industry has suffered as a result of the depression it was the only one which has withstood the unemployment slump. He declared that as many men were required to milk the 250,000 cows in Oregon at the present time as in the days when prices were more satisfactory.

### Next Oleo Fight Won't be Lost, Claim

Prediction was made by C. L. Mulkey of McMinnville that the dairymen would not lose the next fight to place a tax on oleo. With the assistance of charts, Mulkey pointed out the counties of the state which turned in adverse votes at the recent election. He said people were learning of the benefits of the dairy industry.

National phases of the dairy situation were discussed by Roy C. Jones, extension dairyman of the U. S. Department of agriculture, Washington, D. C. He showed the trend of production with a series of charts.

Frank Messenger, formerly in the London office of the department of commerce, and now located with that service in Portland, discussed foreign markets and the future of Oregon dairy products in the oriental markets.

A. E. Engbertsen, director of the Astoria experiment station, told of coast-wise butter markets and how low prices were affecting the industry.

"Periods of low prices slowly eliminate the inefficient producer," said Engbertsen, "and if they continue long they will eliminate large districts from the dairy business. Oregon dairymen must strive continually to keep their products at a high standard, as they now compare favorably with those of any section of the country."

### Dairy Products Seen As Economic Foods

Welfare organizations and charity groups have found that dairy products constitute the most economical, as well as the most healthful, elements in feeding the great mass of needy persons in Oregon cities, said Paul C. Adams, executive secretary of the Oregon Dairy council. Where no dairy products were included in welfare grocery lists this year, this condition has been changed and at the present time health teachers and nurses, as well as city and county officials, are recommending extensive use of low-cost dairy products to all charity cases.

"If we must care for an alarming percent of our population with this winter we must provide them with an adequate diet which contains those protective foods which" (Turn to page 2, col. 1)

## World Berry Center Arch Comes Down

WOODBURN, Feb. 1.—(Special)—The historic Woodburn arch, which has proclaimed to tourists on the Pacific highway that they were passing through the "World's Berry Center," came down late today—and great was the fall thereof.

A cable which was being used in lowering the heavy signboard, broke and the landmark crashed to earth so abruptly that it was broken in two. The mourned "remains" were hauled a short distance out on the Woodburn-Mt. Angel road and repose there beside the roadway at present.

There has been some discussion of putting the arch up again at Newberg Junction, but nothing definite has been done toward that end.

## TIMBER YIELD TAX SENTIMENT VARIES

### Small Owners Opposed, say It Will Benefit Large Operators Alone

Difficulty of gaining an understanding of the highly technical severance or "timber yield tax" bill was demonstrated last night at the public hearing of the house forestry committee considering the proposed measure.

Guy Gordon of Roseburg, district attorney of Douglas county, although not definitely opposed to the measure, declared the provisions would bear further scrutiny.

Chas. V. Galloway, speaking part of a time as a state tax commissioner, gave technical information as to revenue effects if the bill were passed. Galloway's remarks given as a private Oregon farmer were in favor of the bill. The tax commissioner believed, however, that the measure should provide for assessment of timber land on the same basis as other wild areas rather than the establishment of an arbitrary 5 cents per acre "forest fee," as is proposed.

C. A. Harding, representing small scale Willamette valley lumber operators spoke against the bill, saying that it would shift the taxation load upon the small operator who is forced to cut timber while the larger mill owners would hold their land idle.

Principal provisions of the bill call for a 10 year transition period during which the present property tax on timber would be reduced 10 per cent a year and a severance tax gradually added during the same time. The severance levy would be assessed against the timber at time of cutting and on the actual value of the product.

After completion of the transition period a "forest fee" of not less than 5 cents an acre would be assessed against idle timber lands.

## EUGENE GLEEMEN WILL BE INVITED

Salem Rotary club voted yesterday to sponsor the appearance of the Eugene Gleemen at a concert to be held in Salem the latter part of February. The Eugene Gleemen are an organization of men who love singing, and they offered to come to Salem purely as a good-will gesture from the city of Eugene. Recently they went to Roseburg and gave a program which drew a crowded house. The Gleemen are coming at the expense of the local club, and the Rotarians are going to present the concert at popular prices and use the proceeds for civic service, probably in connection with Boy Scout work.

The speaker at the Rotary luncheon yesterday was Estes Snedecor, member of the legislature from Multnomah county. Mr. Snedecor is a former president of Rotary International having presided over the convention held in Edinburgh in 1920. He gave an interesting review of the history of the Rotary organization and traced its growth during the near-quarter century of its existence.

## Lad Who Killed Father Will Go Free; Justified

PORTLAND, Ore., Feb. 1.—(AP)—The Multnomah county grand jury today returned a not true bill, thereby clearing Robert Shears, 20, of a charge of first degree murder in connection with the fatal shooting of his father, Harrison P. Shears at their home here December 28.

A coroner's jury at an inquest held January 5 held that the shooting was "justified." The younger Shears was said to have concealed a revolver from his father and to have shot when the elder Shears attempted to take it away from him.

## FORCED LABOR IS ADOPTED AS HITLER POLICY

### Couple of Four-Year Plans Proposed; Farm Colony Scheme Revealed

### Reichstag Dissolved, Hope For United Support of Nazi Chief Seen

BERLIN, Feb. 1.—(AP)—After President von Hindenburg had dissolved the reichstag tonight, Adolf Hitler, the new chancellor of the reich, issued a proclamation to the German people in which he announced his government would put through two four-year plans to effect the salvation of farmers and workers.

Compulsory labor service and the establishment of farm colonies, the chancellor said, will constitute "the main pillars" of his program for the reconstruction of the Fatherland.

New elections to replace the reichstag dissolved by presidential decree were set for March 5. Between now and the voting, the government will go to the people in an intensive campaign on the slogan "Hindenburg and Hitler."

Lack of Centrist Support is Reason

The president dissolved the reichstag because of the failure of negotiations designed to bring about the support, or at least the toleration, of the centrist party, which would have permitted the Hitler cabinet to command a majority.

The stirring political events of the last few days—including the resignation of the Von Schleicher government and the unexpected elevation of Hitler—have been reflected in reports of political violence coming from many parts of the reich. Since the national socialist leader became chancellor Monday, 11 persons have been killed and 44 wounded seriously enough to require hospital treatment. Most of these casualties resulted from clashes between communists and nazis. In the last seven days, 29 persons have been killed and 60 dangerously wounded.

## LOAN SHARKS ARE FLYED BY WEST

Ex-Governor West put on the show at the second hearing on the small loan bills before the committee on revision of laws, last night. With characteristic style he argued that the 1931 law made the state a spawning ground for ravenous species of loan sharks, charging from \$5 to 600 per cent per annum. He assailed the banking department with fostering personal finance concerns which grind the poor and helpless. West said the loan sharks had \$500 of the \$5000 fund they raised last session to "put over" the law, stolen.

Mark McCallister, former corporation commissioner, quoted from earnings of the Beneficial Industrial Loan corporation and drew the inference that lower rates could be charged. Representative Dickson, author of a bill to reduce interest rates on loans to 3 per cent a month, spoke briefly; and Supt. Schramm reviewed amendments suggested to present laws.

For the small loan companies Wilber Henderson and Gus Moser urged retention of the present rate of 3 per cent a month as necessary to justify the men to make this class of loans, and protect the public from loan sharks with much greater charges.

## ACTRESS ASKS DIVORCE

LOS ANGELES, Feb. 1.—(AP)—Sue for divorce charging interference with an artist career was filed here today by Marian Nixon, motion picture actress, against Edward H. Hillman, Jr., son of a Chicago merchant.

## Men Want Work

There are hundreds of men in Salem who want work. Maybe they are getting enough of the bare necessities of life to "get by." But they have no money for any personal use. They are anxious to work. Wages are low. As the weather opens up will a few more jobs be given? A few hours work will not cost the householder much, and will be a great boon to the worker.

Call the Employment Office, 3754, and ask for a man or two to do your odd job. Make an effort to look up work for men. Maybe you can do some bartering; Labor for supplies or services of one kind or another.

## Climber Scorns Society Ladder



Some girls employ most of their energy to climbing in the social world, but pretty Irene Brown, of Ojibwa, Wis., does all her climbing in the manner shown here. Irene, who, as far as is known, is the only lady climber in the country, is shown suspended from a high tension electric light pole near Winter, Wis. She likes the job and scoffs at the hazards of falls or possible electrocution.

## PAYMENT OF TAXES QUARTERLY BACKED

### Senate Passes Bill Deemed Of Benefit to Farmer And Home Owner

A measure providing for quarterly payment of taxes, introduced by Senators Lee and Hazlett, was passed by the senate Wednesday. According to the statement of Mr. Hazlett, when the bill came up for final reading, the measure if it becomes law will go far toward making it possible for farmers and home owners to meet their tax payments.

The measure provides that the interest rate shall be reduced from two-thirds of one per cent per month to one-half per cent per month, with a two per cent penalty in cases where the taxes are not paid within the statutory periods. A rebate would be allowed taxpayers who meet their tax obligations promptly. Interest accruing under the law would go to the taxing units, while the counties would receive all moneys derived from penalties.

## MANY SAID KILLED IN 'APRA' TROUBLE

PANAMA, Feb. 1.—(AP)—Private dispatches from Guayaquil tonight said that 6,000 political prisoners Port Lima, Peru, attended the Peruvian congress during which many were slain and wounded. It was said that the prisoners had been on a hunger strike since Sunday. Further details were not given.

"Apra," the war slogan of thousands of Peruvians in 1932 until its use was forbidden, is the shortened name for American popular revolutionary alliance, a left wing organization. Its leaders have denied it is "an international party."

The extraordinary powers that Peruvian authorities received when the constituent assembly approved the emergency laws were used to counteract the activities of this party. Members of the organization are known as "apristas."

## Two Varieties of Loans Are Offered to Farmers

After interviewing approximately 100 farmers asking about Regional Agricultural Credit corporation loans at the chamber of commerce yesterday, A. B. Robertson of Portland, assistant secretary, spoke to clear up certain misconceptions which he found existed. Working with him during the day were Lawrence Wheeler, examiner; George H. Hilton of Grants Pass, Inspector, and Oscar Lee of Silverton, inspector.

"I want to emphasize that where the farmer wants only a loan for seed, it is best obtained through the seed loan office; they will take his crop as security, the interest is lower and fees are less," Mr. Robertson stated.

The Agricultural Credit corporation's purpose, according to Mr. Robertson, is "to assure the farmer of more time to liquidate his loans in an orderly manner," or in other words, to keep him in business. "We are not in business just to relieve the banks, though the loans loosen up credit in the country."

Explaining that his corporation, obtaining funds from the R.F.C., works with the farmer on a strictly business basis, Mr. Robertson pointed out that special appraisers evaluate the livestock, equipment and real estate to be taken as collateral at the expense of the corporation but that the 6 per cent interest combined with mortgage filing and similar fees would raise the total cost on small loans to around 15 per cent.

In granting a loan, the corporation first insures that mortgagees will waive foreclosure during the loan's time limit, from one to three years, and in the case of a tenant taking a loan, ascertains that the landlord will not evict the tenant before the loan is repaid.

The credit corporation loans may be used to purchase livestock or equipment but may not be spent to set a man up in the farming business nor for purchases of other than farm equipment. In the case of dairy loans, the dairyman is required to repay the corporation at the rate of 5 per cent a month if possible, and otherwise at a lower rate arranged for in advance where other than dairying sources of income are in sight.

Mr. Robertson estimated that nearly 75 per cent of the farmers conferring with him yesterday were interested only in seed loans. He took applications for 15 loans and expected to receive some 20 more by mail at his Portland office, 524 Pacific building. (Turn to page 2, col. 1)

## COMPROMISE IS IMMINENT UPON EDUCATION CUT

### Diversion of \$576,000 to General Fund Likely Outcome, Report

### Legionnaires Request Fund For Veterans' aid be Made Available

Although definite revelation of what is to be recommended with respect to diversion of higher education millage to the general fund of Oregon was still being withheld Wednesday night by the subcommittee of the joint ways and means committee which has been studying this question, it was reported that the group was virtually agreed on diversion of \$576,000 in that manner. The \$308,000 continuing appropriations would be left intact. The subcommittee report was being prepared Wednesday night and will be ready for presentation to the general committee today, it was indicated.

Senator Woodward had recommended that \$1,000,000 be diverted from the higher educational millage tax to the general fund, but this was opposed by several members of the committee. Woodward indicated that he would be satisfied with the compromise.

Legionnaires Request Fund For Veterans' aid be Made Available

Officers of the American Legion appeared before the joint ways and means committee Wednesday night and appealed for reinstatement of an appropriation of \$750,000, with which to carry on the work of the soldiers' and sailors' state aid commission. This appropriation previously was discontinued by the state budget director.

Carl Moser, state adjutant of the Legion, declared that while the 1931 legislature appropriated only \$600,000 for this department the activities of its officers had brought more than \$377,000 of federal money to the state during the past two years.

Senator Strayer asked why the American Legion had not returned to the state \$25,000 appropriated by the 1931 legislature for the purpose of bringing the national convention of the organization to Portland. He stated that he had not considered this appropriation in the nature of a loan.

A delegation of Yamhill county farmers, headed by Charles Trunk, presented resolutions to the legislature. (Turn to page 2, col. 3)

## General Sales Tax Looms Again As Legislative Issue; Loneragan Plan Seen as Boon to Counties

## Two Million Dollar Loan Assured State

### Portland and Eastern Bankers Agree to Help Provided Revenues and Budget are not Tampered With; Employees Paid

OREGON'S financial status was decidedly improved yesterday with announcement that a \$2,000,000 loan had been agreed to by Portland banks and the Chase National bank of New York city, contingent upon the state's holding to its taxation program now in effect.

Pending advance of the funds which will probably be made in March and which will enable the state to retire a \$1,024,000 bank loan due April 1, the state highway commission has agreed to advance its funds to the extent of \$750,000.

Immediate good effects from the loan negotiation were felt here Wednesday morning when the bulk of state employees received checks from the state treasurer's office, the advances being made against affidavits from the secretary of state's office declaring the employees had performed their work in January. Warrants cannot be issued until legislative appropriations are voted. Checks received by state employees were in no instances for more than their 1932 rate of pay. (Turn to page 2, col. 6)

## PUZZLE RACKET IS HELD FRAUDULENT

CHICAGO, Feb. 1.—(AP)—A ten-year federal investigation of "puzzle racket" contests in magazines and newspapers throughout the country culminated in indictments today against officers of the W. D. Boyce Publishing company and of the Helen Dawn company, cosmetics makers.

Both concerns were charged with duping thousands of puzzle workers by converting them into salesmen.

The Boyce company, described in the indictment as one of the largest publishing houses in the country, was alleged to have obtained \$2,500,000 in 1929 and 1931 through purported contests which the government said really constituted no more than a subscription scheme for its magazines.

The Helen Dawn company since 1915 has obtained more than \$25,000,000, the government said, and in the single year 1931 collected \$1,300,000 from a half million puzzle solvers. Those who started out to "solve the puzzle and win \$3700 or an automobile" by "finding the faces in the clouds" were eventually required, the prosecutor explained, to buy cosmetics at wholesale and earn "votes" by selling the products.

## LOWERING TARIFF WALLS, F. R. IDEA

WARM SPRINGS, Ga., Feb. 1.—(AP)—Details of a plan for world-wide lowering of tariff walls and stabilization of currencies in exchange for war debts relief were worked out today by President-elect Roosevelt with Senator Hull at his side.

The arrival of the silver haired senator from Tennessee provoked a fresh outburst of conjecture about him for the cabinet and he was listed by some of the cabinet makers here for the secretary of state.

As for the approaching war debts and economic meetings in Washington, President-elect Roosevelt rigidly maintained his silence on what he has in mind. He is going to play a lone hand and he is keeping his thoughts carefully shielded.

## WINSLOW MAY SEEK HOUSE SPEAKERSHIP

Representative George Winslow of Tillamook may be a candidate for speaker in the 1935 house, he admitted yesterday, after spelling off Speaker Snell for the time. Winslow is serving his fifth consecutive term in the lower house and has a good record. He is an attorney by profession.

Speaker Snell comes from Arlington, eastern Oregon, and custom has decreed that a western Oregon man serve the next term as speaker. This makes Winslow from territory from which a speaker probably will be selected. His seniority in service in a house where two-thirds of the present members are neophytes is expected to aid his candidacy if he determines to run.

## Suicide Follows Leonard Arrest In Morals Case

GRANTS PASS, Ore., Feb. 1.—(AP)—W. H. Leonard, 76, real estate operator, insurance man and formerly owner of a taxi line in Grants Pass, was found dead in the county jail here today. Police said he had fatally stabbed himself with a small penknife, apparently overlooked when the officers searched him.

Leonard was arrested yesterday on a morals charge which police said was brought by the father of a 15-year-old girl.

## MEASURE HELD BACK TO AWAIT BUDGET ACTION

### Foodstuffs may be Exempt; Smaller State Units to Receive big Share

### Levy of Less than two per Cent Possible Depending Upon Finance Needs

A general sales tax—regular session model—will be introduced in the house of representatives as soon as deliberations of the ways and means committee are completed.

The new measure doubtless will exempt foodstuffs and "some other necessities." It will provide for a tax of 2 per cent or less on retail sales. "Personal services trades," such as inextricably combine the work of personnel with products sold, probably will not be exempted from tax payment. An example is restaurants.

Ratio of revenues to be handed over to counties is placed at 45 per cent, the remainder going to the state as an offset against the state tax on real property.

The new measure to be drafted is expected to contain a clause that will provide for a special election to refer the tax to the people. This would obviate the danger, after passage of a sales tax bill, of subsequent referendum and holding up of the measure as a means of producing revenue which will provide for the entire present biennium.

### Awaits Determination Of Budget Amount

Representative Frank J. Loneragan of Multnomah county, speaker during the 1931 session, now referred to as the administration whip, admitted last night that the revamped sales tax bill is being held in reserve. Loneragan, who is member of the house committee on taxation and revenues, said the measure would be introduced as soon as extent of ways and means committee budget cuts is known.

Exact percentage of sales tax to be levied will depend on the amount of revenue needed and may be less than 2 per cent but no greater ratio is contemplated, Loneragan said.

Actual printing of the bill has not yet been attempted but the main provisions of the expected measure are almost definitely settled, it was indicated.

The present revelation of sentiment favoring a general sales levy marks the first indication that the measure will be introduced. It would be renewed for the defeat during the last day of the special session called by Governor Meier for the week beginning January 3.

The defeated general sales tax on retail sales passed the house by a large majority, although until a short time before the vote was taken it was thought by political prognosticators to be as good as defeated. By a 15-to-13 vote, the measure lost in senate balloting.

An amendment to the defeated bill would have given counties 50 per cent of revenues. No exceptions were made on any class of goods.

## PROGRESS IS MADE ON HOSPITAL FUND

Satisfactory progress in the debt liquidation campaign of Salem General hospital was announced at a well-attended meeting of friends and subscribers at night. Reports showed preliminary subscriptions totaling \$29,000. Six of the initial subscriptions were for \$1000 and the smallest, \$300. Prospects were reported good for raising the needed funds.

The refinancing plan consists of an endowment insurance arrangement whereby each subscriber is guaranteed return of \$150 for each \$100 subscribed.

"We are confident that Salem will meet this emergency," Chairman Milton L. Meyers declared. "We have great reason to be encouraged by the results of our efforts so far, and with the cooperation of all, we will soon relieve the hospital of its burden of indebtedness."

Broadside listing subscribers and explaining the debt liquidation plan are being mailed to persons interested in maintaining the hospital.

## You! Who Buy Food Read Friday's Statesman

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## The Day in Washington

By the Associated Press

Chairman Borah of senate foreign relations committee said if Great Britain would not consider other world problems in connection with debts United States should stand by previous settlement.

Senate deleted \$19,000,000 for maintenance of air mail service from treasury-postoffice appropriation bill.

Interstate commerce commission legislative committee criticized pending bankruptcy relief legislation affecting railroads and recommended special court or commission department for reorganization.

State department economic experts reported to President Hoover on their negotiations abroad on plans for world economic conference.