

# Method of Financing State Liquor Stores Decided Upon

## HALF MILLION INITIAL FUND

### Control Body May Borrow On Own Resources; Big Profit Anticipated

The method of financing the system of state liquor stores for retailing of hard liquor was decided on at a meeting of the house committee considering the liquor control measure. The bill will make an appropriation of \$500,000, to be used as the liquor commission finds it necessary in establishing the business, this initial investment to be returned to the state from the first profits of the business. It is estimated by Frank A. Spencer of Portland, who has been compiling statistics on the matter, that the annual profits will run to \$3,000,000. It was required that the initial investment of the state would be returned within six months. This would not disturb the finances of the state by the end of the biennium.

In addition the liquor control board will have authority to borrow on its own resources, without pledge of the credit of the state, and to buy merchandise on credit. In this way it is not believed that the full amount of the appropriation will be required.

The bill will also include a provision that pending the repayment to the general fund of the state, the amounts received from license fees and permits will be used to help pay off the capital investment and the fees will not be distributed to the cities and counties until this investment is repaid, which would delay this distribution for a matter of six months.

These ideas were recommended by Dean Walker, who served on a sub-committee studying the subject. The suggestion that the commission conduct its own business and pay its own bills either by a separate authority or by means of a revolving fund was rejected after Rep. Carle Abrams assured the committee that the secretary of state's office would handle the auditing and issuing of warrants expeditiously; and further that it would be a safeguard to the commission to have accounts so handled, allaying suspicion of misuse of funds.

Granting of licenses by the commission for handling of beer and wines would require a recommendation from the county court or the city council, it was voted.

A subcommittee worked last night to draft the amendments to the bill.

### Budgeteers Play Second Fiddle to Cupid on Tuesday

County commissioners and members of the budget committee played second fiddle to Dan Cupid yesterday.

During the deliberations on the \$692,000 county budget, Judge J. C. Siegmund was summoned from the committee room to perform a marriage ceremony for Roy Thomas, 41, of Hood River and Bertha Steele, 38, of Portland. The license application shows the ceremony yesterday was the third for the bride and the second for the groom.

A second marriage license, to Roy Dunn, 28, and Clara Mills, 19, both of Silverton, was issued from the office of the county clerk.

### Bonneville Dam Legislation is Given Hearing

With Senator W. E. Burke presiding, senate and house committees on public utilities and hydroelectric development last night conducted an extended hearing on various phases of pending legislation on the Bonneville project.

Chief among the speakers was Charles M. Thomas, utilities commissioner. He said he was squarely behind Governor Julius L. Meier in the administration's Bonneville program.

More than 10 speakers were presented to an audience which filled the senate chamber to overflowing.

### House Frowns on Government Defy

Representative Herbert Gordon of Multnomah county Tuesday made a motion in the house against permitting people appearing before the legislature at public hearings to defy the president of the United States, the government and legislators. Gordon made reference to the unemployment hearing held at the capitol Monday with 300 unemployed in attendance, at which such remarks were made. Gordon's move met with the approval of the house.

### Cherrian Dance Is Appreciated

Cherrians of Salem were praised for their friendly hospitality last Friday in sponsoring a reception and dance for the special session when both houses yesterday adopted a resolution of appreciation. Each house passed the resolution unanimously.



**Under the Dome**  
Occurrence & Gossip at the Oregon State Government

FROM those subterranean channels where news emanates but cannot be confirmed, comes word that Oregon State and University of Oregon partisans have reached a truce on legislation affecting higher education in this session. The agreement is that neither side will introduce any billmarking this stand is the agreement in the senate that no higher education bills will be allowed to come up on a third reading and a house steering committee understanding that no higher education bills will get out of its clutches.

The moratorium has been made for reasons each school considers mutually advantageous; a legislative fight is considered as potentially injurious to each institution. Eugene group and the Corvallis group have their minions under the dome. There is no lack of whispered conferences among each side and a surfeit of legislative observing posts are kept manned.

On the cuff:  
Comes Tuesday to the session Colonel A. E. Clark who denies he is having anything to do with the gross earnings utility tax bill. . . . Colonel Clark is understood to be a bit miffed over Warwick Hansen's failure to wield a magic political wand which would have made the colonel a United States senator. . . . comes also the redoubtable Jefferson Meyers, six feet plus, ex-member of the shipping board, devout demo and somewhat in the political twilight after the Dollar, art, investigations. . . . Dr. W. B. Morse of Salem was a visitor Tuesday. . . . the doctor, long a member of the state medical board, believes in the Knox bill and although worried about possible bureaucracy thereunder, would prefer that development to a system of private liquor interests controlling the traffic in Oregon. . . . William F. Ellis, appearing for the Salem chamber, is an outstanding "general" in the Oregon NRA army, his organization having been among the first NRA groups in the state to function effectively. . . . Ray W. Gill, head of the state grange, is back from Boise and in full command under the dome. . . . his group supports the Knox bill although with the reservation that prohibition is best and will eventually be returned. . . . Miss Alene Phillips, assistant secretary of state, is a new member of the diet and has profited by the fact of the fact works. . . . George Alexander, assistant superintendent of state police, is an excellent dancer of waltzes and an enforcement officer who loves nothing better than to be in the field hunting fugitives.

Jay Bowerman is the smoothest lobbyist under the dome. Intelligent, experienced in politics, always affable, he knows well the ropes to pull and the method to use. Bowerman is a tillicum of Governor Meier. His capital activities thereby gain prestige. He is lined up with the drug interests in the liquor fight, and with the chain stores.

Leslie M. Scott, state highway chairman, was buzzing about the capitol building Tuesday. Scott has worked untiringly since he took office. Conservative by training and inheritance, he has nevertheless pushed along the two-year program of work of the commission—as long as the federal

government advanced the money. He is opposed to further issues of general obligation state bonds.

Here and there:  
Ted Gillenwaters of Klamath Falls represents all district attorneys of the state at the session. . . . Gillenwater is ambitious, energetic, and is rated as capable prosecutor. . . . years ago he worked for the J. C. Penney company at Eugene but forsook that for the bar. . . . Mrs. Julius L. Meier is seen occasionally at the session. . . . by her bearing, her dress and her speech she is fittingly carried the title of "first lady of Oregon". . . . friends of the Wilson park squirrels is A. N. Bush, Salem banker, who regularly stops en route to his institution to feed the public pets. . . . Bush is an outstanding character among Oregon bankers. . . . a staunch, consistent democrat, he has nevertheless taken little part in politics. . . . is faithfully at his bank each morning. . . . sits at a desk at the front of the institution without any private office shield and follows a tradition by always wearing his hat. . . . the latter is unique: a flattened creation which varies not in style from decade to decade in shape although the actual headgear itself may change.

Stockholders and ratepayers—plus not withstanding, the electric utility lobbies are numerous and well-paid at this session. These lobbyists head a quarter in a downtown hotel. Plentiful anti-Downstead refreshments are on hand and the press and the public, when properly vouched for, are taken care of. What would happen if Judge Charles M. Thomas banned hard liquor as an improper item for public utility expenditures? The expense would probably sneak into other expenditures in another guise for the hand maiden of the majority of legislative lobbies: utility or otherwise, is strong drink.

Proof positive that the session is in earnest is given in the arrival under the dome of Judge L. H. McMahan of Marion county, A. legislator of yesterday, the judge takes to politics like Babe Ruth to baseball. It's always a temptation for the jurist to leave the dreary halls of justice in the Marion county courthouse to make political medicine under the dome. His present compatriots are Messrs. Holman, Burke, Brown, et al. A few years ago he rode the Meier bandwagon and wielded a baton. An immediate aftermath of Judge McMahan's Bull Frog adventure was the presentation to McMahan by Meier of a fine dog; the latter still resides in the McMahan household and is reported to be termed "governor" but between master and donor the ties of political love have broken and McMahan, as customary, leads the opposition. By temperament and experience he is a rugged individualist; he wears no man's collar, he looks, acts and speaks with McMahan-made characteristics. When other circuit judges were bending the knee and refunding to the state a portion of their monthly stipend, McMahan would have none of it. State government was too rotten and corrupt, he averred, to be a beneficiary of any refund on his part.

### Small Truck Owners Plan Initiative Against Present Law; Claim They're Ignored

Initiative petitions aimed to eliminate from Oregon laws chapter 429, known as the motor transportation act, will be in circulation within a short period under sponsorship of small truck owners of the state, C. T. Giffen of Roseburg, chairman of the State Council of Commercial Vehicle Owners, announced last night. Giffen will apply for ballot title for the petitions today, he said.

This action came on the heels of a meeting of the joint roads and highways committee yesterday afternoon at which session Giffen declared small truck owners were not allowed to voice their opinions, while railroad and allied truck representatives were given courtesy of the floor.

All small truck organizations are joining to put over the initiative and truckmen alone will get better than 100,000 signatures in 10 days, Giffen declared. They say 33,000 signatures will be necessary.

"The joint committee is granting the small truck owners minor adjustments, but the members apparently have their minds made up to make no essential changes," Giffen declared. He said, however,

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## SLOT MACHINE BAN HELD OUT

### Representative Martin Says She Will Take Matter To Floor of House

Difficulty in getting the proposed law to ban slot machines and other gambling devices in Oregon out of the house steering committee was being experienced yesterday in the house. Mrs. Hannah Martin, Marion county legislator who sponsored the measure, announced late Tuesday that unless the bill was reported out, she would take the floor to seek a majority vote of the lower house to get the bill before its proper committee.

Mrs. Martin said both Ted Gillenwater, Klamath Falls district attorney, and William H. Trindle, Marion county district attorney, had appeared before the steering committee, urging that the measure be approved as emergency legislation.

Since the repeal of prohibition, slot machines have been placed in huge numbers in Oregon, she averred yesterday. District attorneys and police officers declare the existing law is so full of loopholes that slot machines can be run almost with impunity, defrauding patrons out of thousands of dollars.

The proposed law provides for a \$50 to \$500 fine of a 30 to 180 days' jail sentence, or both, for convicted operators of the machines.

One group in the house is said to propose that the gambling devices be approved by law but subjected to a heavy tax. Proponents of the machines and their owners also favor this plan.

### Compromise on Vetoed Measure Committee Plan

The joint ways and means committee Tuesday afternoon voted to sustain Governor Meier's veto of a bill approved at the 1933 legislative session providing that the unexpended balance of an appropriation of \$50,000 for the hydro-electric commission be transferred to the general fund.

Another bill will be drafted providing that \$27,000 of this unexpended balance be transferred to the general fund. Transfer of the lesser amount was declared necessary because of pending litigation which must be paid for out of the hydro-electric commission funds.

## Bills Introduced at Special Session Tuesday

### SENATE BILLS

- S. B. 53, by roads and highways committee—Giving cities equal rights with the state and counties in the regulation of special carriers.
  - S. B. 54, by Brown—Reducing peddlers' annual license fee from \$50 and \$25 to \$12.50.
  - S. B. 55, by banking committee—To regulate the garnishment of banks and trust companies having branch banks within the state of Oregon.
  - S. B. 56, by Wheeler—Providing that sheriffs, county clerks and county treasurers shall file their reports annually instead of semi-annually.
  - S. B. 57, by Brown, et al—Related to mortgage foreclosure procedure in the sale of real property.
  - S. B. 58, by Woodward—Diverting \$50,000 from appropriation of Oregon National Guard to unemployment relief fund.
  - S. B. 59, by Woodward—Fixing maximum salaries of all public officials and employees at \$3000.
  - S. B. 60, by Woodward—Repealing millage tax for county fairs.
- ### HOUSE BILLS
- H. B. 67, by Beckman—To authorize governing bodies of counties, to contract for the purpose of carrying on administrative functions at joint expense.
  - H. B. 68, by Hilton, Graham and Deich—To amend code to authorize cities to provide for reinstatement of bonded assessments for local improvements.
  - H. B. 69, by Dickson—To encourage state and national agricultural recovery and to foster fair competition.
  - H. B. 70, by Winslow—Creating Tillamook relief survey commission, providing for a supervisor to direct a survey of physical resources in Tillamook county; providing an appropriation of \$15,000.
  - H. B. 71, by Multnomah delegation—Authorizing incorporated cities and towns which have or attain a population of 100,000 or more inhabitants, to issue or sell bonds for the purpose of repairing municipal buildings.
  - H. B. 74, by McAlear—Relating to assessment providing for reduction in levies by county courts.
  - H. B. 75, by A. G. Clarke—To provide for a system of old age insurance.
  - H. B. 76, by Scott and Snyder, Paulus, Wheeler, Hess and Zimmerman—To amend section relating to and licensing instant vendors and providing for payment of their license fees to the common school fund.
  - H. B. 77, by Martin—To amend code on dance halls.
  - H. B. 78, by Representatives Snedecor, Coater—To provide for the construction of five coast bridges to be secured through P. W. A. funds.
  - H. B. 72, by Martin—To prohibit the ownership and possession of gambling devices and paraphernalia.
  - H. B. 73, by Belton—To authorize the county courts to charge a fee for issuing franchises and permits.

### Speeding Up of Court Action is Asked by Hilton

A resolution calling upon the legal profession and courts of Oregon to take note of the apparent public demand for speedy and adequate administration of justice, as indicated by the mod outbreak at San Jose, was introduced in the house Tuesday by Representative Hilton of Multnomah county.

The resolution deplored the illegal acts of mob violence but pointed out a lesson that the people would no longer tolerate evasion of punishment by gangsters, kidnapers and murderers. The attorneys were urged to cleanse their profession of the unscrupulous who are ready to thwart justice. The courts were similarly urged to give less attention to technicalities.

## CUT IN JURIST PAY PROPOSED

### Woodward Sponsor of Bill; Prison Goods Bill is Passed Over Veto

Elimination of that provision of the state constitution which prohibits the reduction of salaries of judicial officers during the term for which they are elected, was proposed by Senator Woodward in a resolution introduced in the senate Tuesday.

Woodward declared that this was one of a series of proposed constitutional amendments and bills through which he hoped to restrict the activities of public officials and employees and reduce their salaries to a level in keeping with the trend of the times.

Other legislation proposed by Woodward would fix the maximum annual salary of all elective and appointive tax-paid officials at \$3000 and transfer \$50,000 from the unexpended appropriation of the Oregon national guard for unemployment relief. The bill fixing the maximum salaries of state officials and employees would continue in operation until March 1, 1935.

Vetoed senate bill No. 259 of the regular 1933 session was passed without a dissenting vote. This bill provided that penitentiary manufactured goods shall not be sold on the open market, and was vetoed by Governor Meier on the ground that its operation might interfere materially with the state flax industry.

The senate approved unanimously a memorial offered by Senator Zimmerman urging the president to use his influence in the passage of the Frazier bill now pending in the United States congress. This bill provides for the refinancing of farm mortgages on a low interest basis.

A bill, by Representative Hermand, reducing poundage fees on smelt from one-fourth to one-tenth of a cent also received favorable consideration. Senator Francisovich said this bill had received the endorsement of the fishermen and the state fish commission.

Under the provisions of a bill introduced by Senator Brown, trial of cases involving mortgage foreclosures could not be heard for one year, provided the defendant filed an answer within the statutory period. Senator Brown explained that this bill would offer adequate protection for persons who were outside of the state temporarily or for some other reason were unable to make a formal appearance.

Two other important bills introduced today would give cities equal rights with the state and counties in the regulation of special carriers, and relieve sheriffs, county clerks and county treasurers of filing reports semi-annually. The latter bill was introduced by Senator Wheeler and provides that these reports shall be filed annually.

A bill introduced by Senator Brown would reduce the peddlers' license fee from \$50 and \$25 to \$12.50 annually.

While neither the cooperatives nor the producer distributors objected to the principle of the bill, they demanded that they be allowed to operate under separate provisions.

Both houses of the special session are slated to adjourn today by mid-afternoon, reconvening here Friday morning. Many of the legislators will remain in Salem where a number of local homes are to be opened to their entertainment. The outlook at the capital Tuesday pointed to a minimum of senate and house debate today with Friday marking the opening of the floor discussions of various pending measures.

## Milk Control is Cause of Strife

### Senator Dunne's bill providing for the creation of a milk control commission with power to regulate the bottle and can trade, brought sharp clashes between the various factions attending a meeting of the senate agricultural committee Tuesday.

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### ASK TAX MORATORIUM

A hearing has been called by the joint ways and means committee for Friday afternoon to consider a house bill by Winslow providing that Tillamook county shall be relieved of paying its state tax for a period of three years. This exemption was declared necessary because of the disastrous forest fire in Tillamook county last summer and the resultant loss in property assessments.

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