

General Gross Earnings Tax is Substitute Proposal

LABOR-GRANGE FOES PROTEST

Law Includes Large Stores And Others; Levy Half To one per Cent

Administration leaders yesterday declared that a gross earnings tax of from one-half to one per cent on all public service corporations, large stores and other enterprises would be substituted for the proposed three to five per cent tax on gross earnings of utilities. According to Representative John E. Cooter of Lincoln county who is expected to sponsor the bill, such a tax will provide twice as much revenue as the originally proposed tax on utilities. The revenues, if and when received, will be used for support of needy elementary schools.

"The governor does not care in what form the tax is finally presented in so long as it produces revenue needed by schools," Cooter stated. He quoted Governor Meier as saying the need of the schools exists and must be met. The tax proposed, levying fees on almost every enterprise except small independent store owners and sales of farm produce, closely resembles a sales tax. The forecast of such a bill being introduced caused the state grange, the Oregon Federation of Labor, and the Railroad Brotherhood Legislative league to issue Wednesday a formal statement condemning the tax.

"The sales tax may be proposed for worthy purposes such as schools and unemployment, but this does not excuse a system of taxation that is wrong in principle," the statement read.

"Proponents of the sales tax who now offer it for school relief are willing to exploit the welfare of the children of the state to accomplish their purpose of engraving the sales tax upon our system." The joint grange statement did not mention the specific tax proposed, but it was interpreted to apply to the administration's gross tax to be introduced Friday.

Any failure of the legislature to pass necessary relief measures will rest squarely with the assembly members themselves, administrative leaders said. "The governor has not only presented a constructive, concise program, but has gone even farther—he has drafted bills incorporating his program," Henry Hansen, director of the budget and Meier's closest political advisor, said.

Hansen indicated that another special session would not be called by the governor. The same belief was expressed Tuesday by Earl Snell, speaker of the house.

HOOVER JOINS IN DECRYING HANGING

(Continued from page 1)
Warner, 19, who had confessed attacking a white girl. The governor declared there was "no justification" for the mob's action Tuesday night in storming the jail and hanging the prisoner to a tree near the courthouse. At Kennett, Mo., Sheriff Thomas F. Donaldson spirited out of town C. D. Ward, 23, a negro, just sentenced to death for assaulting two white women. Authorities said they expected no trouble but took their prisoner to an unannounced place for safekeeping.

At Princess Anne the four men, whose arrest Tuesday by national guardsmen as members of the mob that lynched a negro a month ago brought on a riot, were freed amid cheers as a judge held there was "insufficient evidence" to hold them.

Messages of praise and condemnation continued to come to Governor James R. Rolph, Jr., of California regarding his expressed approval of the lynching at San Jose Sunday night of the two confessed abductors and slayers of Brooke Hart. The governor received 159 messages expressing approval; 33 disapproving.

Funeral services for the San Jose victims were held today. The body of one was buried, the other cremated.

Bills Introduced at Special Session Wednesday

SENATE BILLS

S. B. 61, by Goss—To require statements from branch banks showing the condition of such banks with relation to the territories which they serve.
S. B. 62, by Zimmerman—Providing for the creation of a state bank.
S. B. 63, by Duncan—Reducing slightly the filing fee on involuntary chattel mortgages.
S. B. 64, by Burke et al—Legalizing intrastate marketing agreements under national agricultural act.
S. B. 65, by Chinook—Fixing penalty for attempted extortion of money or property at from 10 years to life imprisonment.
S. B. 66, by Dickson—Relating to peremptory challenges in criminal cases.
S. B. 67, by Dunne—Providing for acceptance of Home Loan bonds and providing for relief when refused.
S. B. 68, by roads and highways committee—Authorizing state highway commission to purchase rights of way in cities having less than 100,000 population.

NEEDY TO BE WELL FED IN CITY TODAY

Veterans, Trindle, Relief Groups Join in Spirit of Helping Others

Charitable organizations of Salem today are distributing Thanksgiving day dinners to more than 1000 shut-ins and needy of the district. This distribution is in addition to the turkey day meals to the 2000 inmates in state institutions here.

Although the majority of the "feeds" will be given transients and floaters, all of the needy families who otherwise would not be able to enjoy a Thanksgiving dinner, will be cared for, reports last night indicated.

The Associated Veterans of Salem expect to feed approximately 700 persons during the day while an additional 100 transients will be given their "feeds" at the Hotel de Minto, where District Attorney W. H. Trindle and his staff will be the hosts.

The district attorney has promised two meals, breakfast at 8 a. m. and dinner at 4 p. m. on the third floor of the city hall. Breakfast will consist of rolled oats, scallions, prunes, bread and coffee. The dinner menu will be roast pork and dressing, creamed carrots and turnips, apple sauce, mashed potatoes, bread, butter, coffee and pumpkin pie.

The Associated Veterans, including the American Legion, Disabled American Veterans, Spanish War Veterans and Veterans of Foreign Wars, will serve dinner at the fraternal temple at 1 p. m. They will also send warm dinner baskets to shut-ins who are unable to attend the dinner. The committee in charge of the affair is M. Clifford Moynihan, Ted Perreboom, Christian Floor and J. M. Elmhurst.

Baskets to be sent to the homes of the needy will be distributed by the Open Door mission. It is expected that more than 100 baskets will be given out. Acting on the suggestion of the Red Cross, the Salvation Army is confining basket distribution to those absolutely in need. The army donations will be enlarged at Christmas time.

All of the organizations are grateful to the donations of food by merchants of the city, leaders stated.

Special dinners were being prepared for inmates of all of the state institutions here, officials reported.

PWA LOAN MEANS FLAX DEVELOPMENT

(Continued from page 1)
Washington, D. C. yet, and further plans for the industry will likely not be forthcoming until he returns to the coast.

PORTLAND, Ore., Nov. 29. (AP)—The announcement was received here from Washington, D. C., today that the special cabinet board of the public works administration and President Roosevelt have approved a self-liquidating loan of \$1,750,000 for the development of the flax and linen industry in this state.

The loan, said to be the first of this nature to be given a private corporation in Oregon, will be

made to the United States National Linen Industries, Incorporated, and will be used to construct a factory in or near Portland, to further the raising of flax in the Willamette valley, and to build retting and scutching plants throughout the flax-growing area. The loan was reported to be the largest yet allocated to Oregon for a non-federal project under the PWA.

The enterprise, it was said, will involve the use of idle land where wheat was formerly grown, and will mean employment for a large number of men and women.

Will H. Lipman is president of United States Linen Industries, Incorporated, which is incorporated under Oregon law. N. M. Ungar is vice-president and treasurer, and Harry M. Kenin and Ralph B. Herzog are legal advisors.

It was stated here that plans for the project have been completed and construction of the factory can be started immediately.

The plan includes the organization of farmers raising flax into small cooperatives with their retting and scutching equipment. The fiber will be manufactured into linen at the factory, power for which, it is expected, will be provided by hydro-electric development at the Bonneville dam.

Nag, Dog Races Hearing Friday

Bills authorizing horse and dog races within a radius of 20 miles of Portland, and providing for the use of scrip as a relief measure, will be considered at a hearing to be conducted by the senate judiciary committee Friday night. Another hearing will be held by the senate agricultural committee to consider the bill providing for the creation of a milk control commission.

The Call Board ..

GRAND
Today—Lillian Harvey in "My Weakness."
Friday—Carole Lombard in "Brief Moment."

ELSINORE
Today—Barbara Stanwyck in "Ever in My Heart."
Plus previews at 9 p. m., McKesson opportunity contest.

Friday—Irene Dunne in "Ann Vickers," from the novel by Sinclair Lewis.

CAPITOL
Today—Double bill, "Flaming Gold" with Bill Boyd and "Don't Bet on Love" with Lew Ayres.
Friday—Dick Powell in "College Coach."

STATE
Today—Wheeler and Woolsey in "Diplomaniacs."
Saturday—Regis Toomey in "The Strange Adventure."

HOLLYWOOD
Today—Hoot Gibson in "The Dude Bandit."
Friday—Double bill, Loretta Young in "Midnight Mary" and Zane Grey's "Life in the Raw."

SENATE APPROVES BANKING MEASURES

Creation of a State Bank is Again Asked; Veterans Memorial Adopted

The state senate yesterday passed five bills on third reading, received eight others, cleared a list of minor documents and adjourned until 11 a. m., Friday. All of the bills approved at yesterday's brief session were recommended by the joint banking committee and amend the state banking code so it will conform to recent federal legislation. The most important of these bills defines capital debentures and capital borrowings and authorizes their issuance to the Reconstruction Finance Corporation and other governmental agencies.

Other bills approved follow: Authorizing state banks and trust companies to subscribe for capital stock of the federal deposit insurance corporation.

Providing for the reorganization of state banks and trust companies with the consent of the board of directors, state superintendent of banks, two-thirds of the stockholders and 75 per cent of the depositors.

Elimination of savings and commercial department banking from and after July 2, 1934, provided that the banks taking advantage of the act have qualified for benefits of federal deposit insurance.

Authorizing banks and trust companies to accept bonds of the Home Owners Loan corporation in exchange for any obligation or real estate in commercial department.

Authorizing a trust company which does not accept deposits, to establish a savings bank, provided it has capital stock of \$500,000. The senate also approved a memorial introduced by Senator Upton urging the Veterans' Administration bureau to re-establish and grant to war veterans of Oregon the same hospitalization benefits received by them prior to the passage of the national recovery act.

Approval was also given a house resolution, by Representative Snider, requesting the secretaries of agriculture and the interior to sanction an appropriation recommended by the Federal Biological survey for the extermination of rodents and predatory animals.

Creation of a state bank is authorized under the provisions of a bill introduced by Senator Zimmerman. This bank would open for business within 15 days after the enabling act was signed by the governor and would have initial capital of \$500,000—provided by the state treasurer. Loans to any one borrower would be limited to \$15,000. A similar bill was introduced at the 1933 regular legislative session but was defeated.

HOUSE PASSES TAX REFUND PROPOSAL

House Bill 40 authorizing refund to cities and counties by the state of taxes paid on gasoline used in city-county owned cars passed the lower assembly Wednesday morning after an hour and ten minutes consideration. Representative Judd of Clatsop county led the fight for the bill which came from the highways committee with a majority report that it do not pass. Representative Paulsen of Marion county stood out against the bill, saying cities in the state were more than receiving their share, without a rebate, of gas tax income since the state highway commission is now permitted to pave main roads through cities.

Four roll calls were necessary to get the bill through: one on the majority and minority reports, one on a call of the house, one on a motion to suspend the rules and one on final passage of the bill.

Forty members voted for the measure, 19 against, one member being absent.



TEUNIS WYERS of Hood River is one of the most energetic housemen. His wife is his capable secretary. Wyers is a young, University of Washington graduate, attorney, who takes to politics naturally and with a verve. At the January meeting he was hobnobbing with a stiff knee and other injuries sustained in an auto accident on route to Salem. Entirely recovered now, Wyers, black mustache, is frequently seen moving about the lower assembly getting views of other members on pending legislation. Wyers is quite lyrical, incidentally, about the first eight months of F. D. R.

For the first time in 10 years Senator and Mrs. Walter Fisher will not gobble turkey with Dr. and Mrs. Stewart, their long-time friends, at Roseburg. Too much legislation and too much fog, is the Fishers' reason for not going back to Douglas county for the holiday. Another extremely valid one is a total of 35 telegrams and about 45 other communications received by the senator Wednesday morning. Mrs. Fisher, conscientious, responds to each. About half concerned a minor Umpqua river fishing season bill which is a major bill to Douglas county. Many of the other wires related to a tax on utility earnings. The security holders of the state have been aroused, voluntarily and by direction, and are momentarily helping Western Union and Postal Telegraph end the year with a whoop of business.

Here and there: W. L. "Big Bill" Thompson, Astoria packer, is a typical big-butt-and-egg man... he invariably smokes a fat cigar, wears well a tailored suit which runs smoothly over his slight paunch, has a stern mien which might well frighten a salmon troller seeking higher pay for fish... Seymour Jones, once house speaker and state agriculturist, drops in on the doings occasionally wearing the turned-up collar and black tie which distinguish his dress... he farms now north of Salem not far from the McNary holdings... Dr. Best of Pendleton like Senator Goss is another one of those young looking men... Best is now 70 but appears in the 50's and likes to dance, eat, walk and converse as well as ever... seen occasionally under the dome is Mayor Douglas McKay of Salem, a snappy, neat chap who enjoys politics almost as much as he likes to sell Chevrolet, ride horseback with his son and fraternize with comrades of overseas days... McKay is Salem's white hope as an eventual gubernatorial candidate... refuting the pro-life arguments for dollar devaluation made by the Committee of the Nation, come more profuse anti-inflation documents to the governor's office... Andrew D. White's book on the pre-Napoleon inflation on France is being shipped out generously... the latest copy to reach the administration is sponsored by the Duke foundation, which got its start from Duke's mixture and has Dorris Duke, "America's richest heiress," as its present-day regent... Homer Angell, former Multnomah county representative, was under the dome Wednesday... he is practicing law assiduously but never too ardently to permit keeping a watchful eye on the interests of the University of Oregon.

Deficit Down This Period to \$1,475,090

Oregon's deficit will have been reduced this biennium from \$4,525,476.83 at the end of 1932 to an estimated \$1,475,090.31 at the end of 1934, the tax commissioners said. Oregon's first deficit was \$480,867 in 1916. It increased to \$932,837 in 1927 and \$2,536,237 in 1928. The deficit then remained approximately stationary until 1931, when it increased to \$3,091,175. It is now \$2,740,621. The estimated miscellaneous receipts include \$670,000 from the state insurance department, \$356,000 support money for non-violent insane and corporation commission \$267,000. The smallest item of revenue was 24 cents from a 10 per cent titling fee for bond registrations.

Here's good news — America's Stars together in a play that captured the world!

MARIE DRESSLER
LIONEL BARRYMORE
Christopher Bear

Starts Sunday, Dec. 3, Elsinore Theatre

Starts Today

State 10 THEATRE

Continuous Show Today 1:11 P.M.

All Seats 10c Except Loges

Hoot Gibson in "The Dude Bandit"

GLORIA HUA / HEA / KEETER / BILL ROBBINS / HOOVER / ATCHLEY / NEAL HART / LAKE / McKEE

— ALSO —

EUGENE PALLETT in "ONE AWFUL NIGHT"

Popeye the Sailor Comedy and Paramount Comedies

Coming Friday and Saturday

Life in the Raw with George O'Brien

Continuous Performance Today—2 to 11 P. M.

Hoot Gibson in "The Dude Bandit"

GLORIA HUA / HEA / KEETER / BILL ROBBINS / HOOVER / ATCHLEY / NEAL HART / LAKE / McKEE

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HIGHWAY PROGRAM BONDS ARE SOUGHT

Governor Asks Approval of \$10,500,000 Issue as Security for PWA

Governor Meier tossed his \$15,000,000 state highway program into the lap of the legislature Wednesday without specific recommendation whether that body should permit the state highway commission to issue the necessary amount of general obligation bonds needed to secure PWA money.

The governor pointed out that the state highway commission had taken a stand against the issuance of general obligation bonds for \$10,500,000 which would probably be required by PWA if the latter body loaned that amount and gave a grant of \$4,500,000 to the state.

"I am anxious that every possible provision be made during this special session to meet the situation which exists with respect to unemployment and the distress arising therefrom," the governor said in his special message read to each house.

"I recommend that you give serious consideration to the plan and method proposed for providing relief through highway construction, financing such projects with funds procured from PWA rather than by direct tax."

The \$15,000,000 construction program was originally recommended last month to the highway commission by Governor Meier. Loan applications for the first \$5,000,000 had been prepared. They have not been submitted because the commission has thus far declined to authorize general obligation bonds. The commission takes the stand that the 1933 session went on record against such an issue.

Credit Women Provide Foods For Charity Box

Thanksgiving cheer in form of a box for charitable purposes was collected by the Credit Women's Breakfast club, which held a dinner meeting at the Marion last night.

The club voted to hold night meetings every other session. Plans were made for a benefit bridge affair in January and the program for the night meeting of the Retail Credit association was outlined by the women's club, which will have charge.

Use Initiative In Efforts for Bus Law Repeal

Initiative petitions seeking repeal of the truck and bus law passed early this year will be on the street by Friday noon, officials of the Oregon Council of Commercial Vehicle Owners, announced last night. Officials filed request for the ballot title yesterday.

About 85,000 signatures are necessary for the petitions.

ELSINORE ENDS TONITE

Continuous Today 2 to 11 p.m.

A New Stanwyck is Born!

BARBARA Stanwyck

EVER IN MY HEART

with KRUGER, BELLAMY

Friday Saturday

The Book That Thrilled Millions!

Sinclair Lewis' Sensational Novel

"ANN VICKERS"

with Irene Dunne Walter Huston Conrad Nagel Edna May Oliver

Continuous Today 2 to 11 p.m. 2 to 3 Any Seat 15c 3 to 20c 11 to 12c Loges 30c

CAPITOL

LAST TIMES TODAY TWO FEATURES

A flaming woman came between them, and fired their lust for

FLAMING Gold

to a drama of the crude oil empire

and

Comedy Drama

Lew Ayres
Ginger Rogers

in "DON'T BET ON LOVE"

Coming Friday & Saturday

The football thrill of the year

'College Coach'

with **DICK POWELL**
Pat O'Brien - Ann Dvorak

Today Lillian Harvey Lew Ayres in "My Weakness"

Tomorrow SHE WANTED A MAN... BUT GOT A PLAYBOY!

Carole Lombard in "Brief Moment"

SALEM'S GRAND

Continuous Show Daily — 1 p.m. to 11 p.m.

OPENING FRIDAY

Chemeketa Players Inc.
Salem's Own Play Producers

Present

"Manhattan Honeymoon"

A 3-Act Comedy Riot
Directed by Helen Pollock Grier

CAST INCLUDES

Mary Shafer Arnold Maizels
Kathryn Rowe Howard Cross
"Pat" Peterson Clifford Hurt
Mary Campbell "Tiny" Frahm
Margaret Mary Zerzan Frank Shafer

Admission 25c Children 15c

Curtain at 8:15

NELSON AUDITORIUM
CHEMEKETA AT LIBERTY