VOTERS DALLY; FEW PICK MAN

Mahoney's Rise is Feature; Martin Men Worried at Trend in Contest

(Continued from Page 1)

land the senator is decidedly fourth man in the race.

An odd thing about the Holman campaign is the difficulty one discovers in finding any individual who will candidly state that he is supporting the state treasurer. His Marion county strength is almost nil; the group which supported him two years ago seem to have swung over to Brown. Hotman himself points to his vote for the state treasurership as ample indication of his political strength but he overlooks the fact that his quarrels with Meier had not at that time disgusted the public and he also overlooks the fact that two years ago he was not seeking a new office in the state while hanging on to his old position. Holman's campaign is a modest one thus far; no newspaper advertising, few pamphlets, no campaign headquarters.

Joe Dunne says he is definitely first man in the race and who can gainsay him until March 18 is past? The chunky senator is going night-and-day in his campaign and is backing up his personal work by a competent organization and considerable campaign publicity. Almost as strenuous personal work is being done by Frank Lonergan, other legislative member seeking the nomination. Lonergan's publicity layout, advertisements, billboard use, pamphlets and cards outdoes the field.

Major General Ulysses MacAlexander of Newport has failed to catch the public fancy and while he is making synthetic speeches about the need of gasoline sales regulation, there is a ring of unreality about his efforts which makes the average voter believe the general is in the wrong squad when he essays a combat in the field political. His erstwhile supporters and promoters, men like Henry Hanzen and Floyd Cook and Jay Bowerman, are souring on their choice and leaving plenty of loopholes to be in the good graces of Joe Dunne or Frank Lonergan if either of the last two should receive the nomination.

ENGINEERS INSIST NORTH FORK BEST

(Continued from page 1)

down to three per cent, they pointed out.

"If they are in possession of the facts, Secretary Ickes and the public works administration will not suggest, but will prohibit the city from paying such a price ($1,045,000 for the existing water system)," the report declares.

The council on Alderman V. E. Kuhn's motion empowered the utilities committee to send a representative of the city to Washington, D. C., when deemed advisable. It is understood that Alderman David O'Hara may be selected as this representative in place of Mayor Douglas McKay, who is in the midst of his campaign for the state senatorship.

Payment of $1005 to Baar and Cunningham for engineering services and including the $5 filing fee on the storage reservoir site applied for Saturday was approved. The engineers reported their major field crews had been stopped because city funds were not available for the payrolls but their office force was compiling data already collected.

Fish Warden is Drowned After Fall Off Rocks

MOLALLA, May 7.-(Special)-While on the lookout for illegal fishermen on the Willamette at Oregon City Sunday afternoon at 3:30, Victor H. Dunton, 47, of Molalla, slipped off the rocks into the fish ladder and was drowned before his body could be recovered from under a rock where it lodged. He was a deputy fish warden. Funeral services for him will be Tuesday at 2 p. m. at the Everhart funeral home here, Rev. E. D. Hornschuch, now of Tacoma but formerly of Liberal, officiating. The Molalla I. O. O. F. lodge, of which Mr. Dunton was a member, will have charge of the services at the Portland crematorium.

Mr. Dunton was born in Algona, Ia., in 1886. He had lived near Molalla for 31 years and had taken part in numerous community activities. He is survived by Mrs. Dunton, four children, John, Wilma, Mildred and Elmer, all at home; father, L. C. Dunton, of Molalla; three brothers, Willis and Forrest of Mollala and Edwin of Portland; three sisters, Mrs. Robert Elkins and Mrs. Ed Hargreaves of Molalla and Mrs. Robert Rose of Portland.

He was also a member of the Encampment at Canby.

Miss Purvine to Get Scholarship

Miss Margaret Purvine, senior scholar in the economics department at Willamette university this year and daughter of Mr. and Mrs. S. Ellis Purvine, has received a scholarship which will enable her to take graduate work at Mills college, looking toward a master's degree. She will enroll there in the fall. Miss Purvine is president of the Beta Chi sorority and an honor student. Prof. W. C. Jones is her major professor. A scholarship is considered an especially high honor this year, for extremely few are being granted.

Real Property Faces Too Big Load of Tax; Relief Imperative, Strain Urges

C. P. Strain, father of the present sales tax law, and noted as having made the first successful assessment of railroads at their true value ever made in the state, said in a statement to The Statesman: "The present crisis is the most critical one that we have known. Our whole structure of wealth and private ownership of property, both tangible and intangible, is about to fall. The title of each city lot, farm, share of stock, bond or mortgage is clouded by impossible tax levies, much of which property is about to be lost for tax delinquency.

"Contrary to the popular idea all classes stand to lose with the owners of taxable property, the heaviest loser being the laboring classes who lose their jobs when payroll industry is forced to close.

"Our present tax delinquency resulted from overloading taxroll property. There is charged up against property on the present Oregon tax rolls $41,576,000 on a total assessed valuation of $958,000,000. This means that if all the property in the state were sold at its assessed value and the proceeds invested in Liberty bonds at 4½% interest, the interest on those bonds would not pay these taxes this year.

Market Value Destroyed

"If taxes are to continue consuming the income, or rental value of tax roll property indefinitely, the market or selling value of such property can not rise but must sink to the low level on which it will pay income; and if there is no income after taxes are paid there will be no market value. A very large share of tax roll property has now reached this level.

"Tax delinquency began to get serious on our 1930 roll when it was $7,774,000. It rose to $12,000,000 on the 1931 roll and to $18,379,000 on the 1932 roll.

"The first four counties reporting this year on the 1933 roll payable now indicates that delinquency will be very great again, perhaps more than last year. Wheeler county at the first date of delinquency had collected only 16.38%; Currie county 9.7%; Columbia county had collected $216,000 on a roll of $700,000, but 38 big taxpayers had paid $144,000 of this leaving only $72,000, or 12.95% paid by all others; Hood River county had collected $137,000 on a roll of $407,000, but 25 big taxpayers had paid $90,000 of this, leaving only $46,000 that was paid by all others.

"The hope that our 3% discount law and federal loans on distressed city homes and farms would result in less delinquency this year apparently was a false one.

Delinquency Huge

"On a total assessment for 1932 payable in 1933 of $1,037,000,000 there was a delinquency of 43.77%, or $453,000,000. But utilities assessed at $185,000,000 were not delinquent. Deducting this we had only $852,000,000 of the common forms of property of which $453,000,000, was delinquent, leaving only $399,000,000 or less than 47% of the property owned by the people that did not go delinquent. It is apparent therefore that over 80,000 out of the 154,000 property taxpayers in Oregon were delinquent last November, many of whom were also delinquent for 1930 and 1931. Unless these delinquent taxes are paid this property must eventually be sold; and when this happens many farmers and small business men and others who are now self-employed operating their own property will be cast out into the labor world to compete in that crowded field for jobs.

Nor is this the end of the demoralization which must result from continued tax delinquency. When tangible property values are lost to owners the whole structure of wealth must go down with it. This includes $20,000,000,000 in life insurance assets; building and loan deposits; bank deposits; all sorts of shares of stock, bonds and mortgages. For tangible property is the foundation of credit. Behind these deposits in the bank; each deposit in building and loan; each share of stock bond and mortgage; each life and fire insurance policy there are factories, railroads, dwellings, farms, city lots, business blocks, machinery, merchandise and other tangible property in all of its varied forms.

Our immediate remedy for this emergency is the present sales tax law. It will yield $4,000,000 or more annually. Its funds will all go to our schools. Three-fourths to the school districts to reduce district tax levies and one-fourth to reduce levies for our county school funds. School district and county school fund levies will be made as usual. From these levies assessors must deduct the sales tax funds credited to each district and to each county, extending only what remains on the tax rolls. That part of the sales tax funds which go to school districts will equalize the benefits as between big and little taxpayers because in thickly settled territory where property holdings are small there are many children requiring teachers although not much taxable property.

Small Districts Helped

Take a district having a $100,000 on the tax roll and three teachers—it will draw $1200 from the sales tax fund. To get an equal sum from a tax levy would require a 12 mill levy. Take another district with a $1,000,000 assessed valuation and one teacher, it would draw $400 which would reduce the levy in that district only 0.4 mills. An assessment of $1000 would receive a benefit in tax reduction of $12 in the first district and only 40 cents in the last one. Funds from this sales tax will yield enough so that in most country districts special levies will not be needed, and in all other districts the levies will be much reduced.

Sales tax funds indirectly will reduce tax delinquency. For taxes are a debt and can be paid only by the delinquent spending less or earning more. In the country districts where tax delinquency is greatest, there will be a very great tax reduction, in most instances. The saving resulting on current taxes will leave more money to apply on delinquent taxes. But these facts are not allowed to reach grange members through the Grange Bulletin, the official organ of the grange. State grange leaders do not permit the publication of sales tax articles; nor do we believe would allow a verbal discussion if they could prevent it. These high grange leaders are shown by their records to be politically minded. George Palmiter was a candidate for secretary of state; C. C. Hulet for congress; Ray W. Gill was in the 1931 legislature and is now a candidate for the state senate. He is also regarded by his faction of the grange and allied forces as a potential future candidate for governor. W. M. Pierce is in congress and is a candidate for reelection. Dr. Slaughter and Morton Tomkins, I believe, sought election to a water power commmission which was to have the spending up to $60,000,000 in state funds to be raised by sale of state bonds to be a direct obligation on property. Tomkins is a candidate for the legislature.

Grange leaders maintain a lobby at Salem and propose legislation to be enacted by the legislature. Failing to secure ratification of their bills these leaders may spread biased reports of such bills and denounce the legislature through the grange bulletin. They may also have the use of 300 grange halls where they may attack public men and measures behind closed doors protected by passwords where the victims have no chance to be heard in self-defense.

To one possessing political knowledge and knowing the recent history of the grange it seems possible that our high grange leaders may not be above using their power for their own political advancement. They seldom if ever initiate any bill to abolish or consolidate boards and commissions or to reduce salaries.

On the contrary, I do not think Mr. Gill will deny that in the 1931 legislature his name was signed to a bill raising the salary of labor commissioner from $3000 to $3600 a year. The grange initiated the lieutenant governor amendment creating a new office. The grange initiated the power amendment which may result in a new bonded debt anywhere up to $60,000,000 of direct obligation on tax roll property.

"The grange has initiated several bills to raise more revenue and are now initiating a law to estblish a state bank to do a general banking business with provision for branch banks anywhere in the state which eventually will create a lot of new jobs, probably for politicians.

"Those in politics as an avocation hope to connect up with soft jobs at high salaries. And the more jobs the better prospect of landing one.

"In calling attention to such obvious facts as these in debate with Mr. Gill at Estacada, I offended him and he promptly invited me to quit the grange. Like the new dictators in Europe Mr. Gill would deny to grange members the right of free speech, arrogating to himself and his coterie of high grange leaders the legislative powers of the state without opportunity for debate, if we rightly interpret his attitude. Being able to finance his initiated measures and the traveling expenses of his workers out of grange dues he possesses a decided advantage of his opponents. In his opposition to our sales tax law he seems to depend on convincing a majority of the people of the state that they will lose some trifling sum during the brief emergency period of two years. In his position it seems that he might better teach his followers the many benefits which all of us derive from tax funds such as free schools, widows pensions, public libraries, good county roads, old age pensions, workmen's compensation.

"We wonder whether there was any political method in the state grange inviting Rufus Holman and not Governor Meier to address the state grange convention at Pendleton last year? Did Mr. Gill and others realize that this gave Mr. Holman a chance to win much support among the five or six hundred delegates from all over Oregon.

It was reported also that a sort of caucus was held in Portland some time ago to pick out from among the progressive republicans a candidate for governor. Was this not contrary to the spirit of our direct primary election law? It was said that Dr. Slaughter spoke earnestly for Mr. Gill but that another was chosen who has since withdrawn.

"Much of the opposition to our sales tax law is predicated on the proposition that incomes instead in the higher brackets should be taxed still higher by the state. The voters are left to believe that abundance of revenue may be found this way. The facts are, however, that whatever big incomes there may have been have shrunk. Only 578 were reported in 1931 that reached or exceeded $5000 each. The largest of these was $62,000 and there were 18 others between $25,000 and $50,000 each, the average for the whole of them was $9,688 each and they all aggregated less than $6,000,000. If they had arisen from income from property this means that these 578 largest fortunes if capitalized at 5% averaged $193,760 each. But the facts doubtless are that the larger share of these incomes arose from salaries, profits and professional fees. The whole of their incomes would not pay Oregon tax bills for two months.

"Our sales tax opponents also fail to tell us what every lawyer and tax student knows, which is that a personal income can be taxed only where its owner chooses to establish a legal residence. Our tax rate on personal incomes is higher than in any other state with the possible exception of Wisconsin. Many have already left the state to escape our income tax laws. And if our income tax rates are to go higher and higher and we keep on talking about capital levies the owners of the larger incomes will in many cases leave the state; and no man with capital enough to establish a payroll industry will ever again come to the state; without payroll industries there will be no jobs. Therefore we can not hope to profit industrially from power development at Bonneville and the Grand Coulee unless we call a halt on the present vote-getting schemes of our politicians.

Must Keep Schools Open

"Finally it all comes down to a few facts. If we would keep our schools open and save those 80,000 tax delinquent homes in Oregon we shall have to vote for our sales tax law for its emergency period of two years and for other laws later which will lift some of the tax load from tangible property and place it on salaries and incomes. The rates of our sales tax law are so very low that they will not impose any real hardship on anyone. There is no tax on articles costing less than 25c and not over one cent on the first dollar nor over three cents on two dollars. The principle of the sales tax law is exactly the same as in business. In business we pay for our living costs according to the quantity we use. Spending our own money we count the cost of each article and buy what we must have or can afford. The sales tax law applies this same principle in a small degree to paying for the benefits of government which are just as real as the benefits arising from food and clothing. Those paying for government like those paying for store goods will count the cost and become better citizens when made tax conscious. Those not on tax rolls but voting tax costs are not now responsible and so are not tax cosucious as they are conscious of what it costs them to buy their living.

"The state grange leaders, The Oregon Journal and the Federation of Labor it seems to me are missing a high opportunity by not pointing out to their followers the benefits of government, the necessity of relieving property of a share of the present tax load and the obligation of all to pay some small share of the cost of government for the free schools, public works and the various other benefits which are provided especially for the poor."

Bids for 4 Jobs Come Up at Next Highway Meet

Bids for four projects, other than those announced earlier in the week, will be considered by the state highway commission at its next meeting in Portland May 17.

The most important of these will involve construction of 1.28 miles of highway roadbed and 66 lineal feet of treated timber trestle on the Austin Creek-Upper Yachats bridge section of the Little Nestucca secondary highway.

Other bids will be opened for the purchase and removal from the Oregon Coast highway of 10 residence buildings, together with sheds and garages. These buildings are located near the towns of Gleneda and Florence.

The commission also will sell on bid a quantity of scrap metals, tires, batteries and other materials.

Mars Purchases Harrisburg Paper

Sale of the Harrisburg Bulletin to H. D. Mars, for 22 years a newspaper editor in this county, was announced late last week. Mr. Mars, who has lived in Jefferson since 1920 and was editor and publisher of the Jefferson Review there until two years ago when he sold the paper to L. L. Shields, has been active in his home community. He was mayor of the city, a member of the city council and a precinct committeeman.

COUNCIL VOTES PRIVILEGE TAX

$25,000 Sewer Bonds Go to Portland Bidders at Sub-Par Figure

(Continued from Page 1)

with the Oregon Electric Railway company, a planning and zoning commission report stated, to have the now unused tracks on High street removed and paving laid in their place.

The council accepted the street committee's recommendation that no action be taken on parking restrictions requested along Miller street between Commercial and Riverside drive. To the police committee was referred a petition signed by Herman E. Lafky and 17 others asking that the parking time limit on State street in the courthouse block be reduced to one hour from the present two to relieve congestion.

RITES WEDNESDAY FOR MARY TEETER

Native of Oregon, resident of Marion county for 66 years and of the same farm in the Rosedale district for the past 43 years, Mrs. Mary Teeter died at her home yesterday at the age of 84 years. She was born in Clackamas county the year after her family crossed the plains from Tennessee.

Uncomplaining and cheerful, Mrs. Teeter was blind for eight years before her death. She was a member of the Leslie Methodist church to which she had transferred her membership when Hope chapel was discontinued. She is survived by daughters, May Lupien, Salem; Emma Wolfe, Shelton, Wash.; stepchildren, Fanny Bullock, Monmouth, Ore.; Grant Teeter, Warm Springs, Ore.; Frank Teeter, Kelso, Wash.; Marshall Teeter, Monmouth; a sister, Mrs. A. J. Monk, Oswego; a brother, Layton Bullock, Seattle; five grandchildren and one great grandson.

Funeral services will be held from the Clough-Barrick chapel Wednesday afternoon at 1:30 o'clock with Rev. S. Darlow Johnson officiating.

Candidate Here for Secretary's Post Democrats

Declaring his own platform was very much in line with that of Willis Mahoney, candidate for the democratic nomination for governor, Everett Logan, candidate for the secretary of state's post on the democratic ticket, was here yesterday in the interests of his candidacy. Logan, a Portlander, said he favored tax relief for the small taxpayer, reduction of boards and departments in the state government, construction of sea locks at Bonneville and publicly owned and operated power lines.

Logan spoke last night at Union hall.

He is a native of Oregon, born on the old Holmes homestead in Polk county, a graduate of the state normal school at Monmouth and of the University of Oregon. He is a member of the Oregon bar. He has engaged in the building industry and in farming in eastern Oregon.

Long Illness of Susan M. Davis Ended by Death

MOLALLA, May 7.—Susan Minerva Davis, 77, died at her home near Molalla Sunday after several years of invalidism. She was the wife of A. V. Davis, who survives her. She is also survived by one son, Omar Williams, of Molalla. Services for her will be Wednesday at the Everhart funeral home, the Rev. James Love officiating. Burial will be in the Odd Fellows' cemetery.

Mrs. Davis was born in Ray Springs, Tennessee. She came to Oregon 50 years ago, settling in the Rock Creek district near Molalla. She was a member of the Methodist Episcopal church.

The Call Board . . .

ELSINORE
Today—"We're Not Dressing" with Bing Crosby.
Wednesday — Robert Montgomery in "Mystery of Mr. X."
Friday—George Raft in "The Trumpet Blows".

GRAND
Today—Spencer Tracy in "Looking for Trouble".
Wednesday—"Stand Up and Cheer".

CAPITOL
Today — Kay Francis in "The House on 56th Street."
Thursday—Double bill, Richard Barthelmess in "Modern Hero" and Ken Maynard in "Branded Men" plus chapter 1 of new serial, "Vanishing Shadow."

STATE
Today — Ronald Coleman in "Cynara".
Thursday only—"Fog" with Donald Cook.
Friday only—Cartoon revue, 8 cartoons, 2 comedies.
Saturday only—"One Man Law" with Buck Jones.

HOLLYWOOD
Today—Double bill, "Smoky" with Victor Jory and "Woman's Man" with Wallace Ford.
Wednesday—First run, "Beggars in Ermine" with Lionel Atwill.
Friday — "The Prizefighter and the Lady" with Max Baer.

NUMBER ON RELIEF ROLLS INCREASING

While the numbers of employable persons getting relief have diminished in the last year, the actual number of persons getting federal aid has increased throughout the United States of late, Ivan White, field worker for the state relief committee, said while here last weekend.

White attributed this fact to the increasing number of persons who have used up all their resources during the depression and whose relatives no longer will help them.

White said Oregon's employment situation had improved considerably but stated the state had tapped some reserves it had built up in order to handle relief work in May.

No persons who cannot work for the relief granted them, will hereafter be taken care of by the state, he said. Counties throughout the state are being asked to care for persons on relief rolls unable to qualify for SERA work projects.

AIRMAIL RETURNED TO PRIVATE HANDS

NEWARK, N. J., May 8.-(AP)-The first commercial plane to carry mail out of Newark airport under the new postoffice department contracts took off at 1:45 A. M. (E.S.T.) today bound for Oakland, Cal. The ship, a giant twin-motored Boeing monoplane, owned by the United Air Lines, carried 1200 pounds of mail and six passengers.

OAKLAND, Cal., May 7.-(AP)-Taps sounds for the army airmail at this transcontinental terminus tonight as military pilots make their last flights before service is resumed by the United Air Lines.

The commercial transport company, in addition to taking over the transcontinental route from Oakland to Newark, N. J., will resume service on the San Diego-Seattle and Portland-Salt Lake City runs.

On the coast route there will be one plane each way daily, starting tomorrow night.

Schedules include:

Southbound		Northbound
9 P.M. Lv.	Seattle Ar.	8:35 A.M.
10:30 P.M.	Portland	7:05 A.M.
12:15 A.M.	Medford	5:20 A.M.
2:45 A.M.	Oakland	2:50 A.M.

Hot Lake Blaze Halted; Damage Reported Heavy

LA GRANDE, Ore., May 7.-(AP)-Damage estimated around $75,000 was caused by the Hot Lake sanitorium fire which was brought under control late today.

The fire started in the attic and borke through the roof before it was discovered. Half of the structure was destroyed, but the hospital proper was damaged only by water. Insurance partially covered the loss, it was announced.

The 11 patients and two babies were uninjured and brought here. The sanatorium is owned by Dr. John B. Gregory and others.

JOHN MILLER DIES

John M. Miller of near Scio, who died Sunday afternoon following a paralytic stroke suffered April 27, was the brother of Mrs. Susan Litchfield and Mrs. Christine Howe of Salem. The funeral service is to be held today at the Scio Baptist church.

Obituary

Tooker

In Burlingame, Cal., May 6, George G. Tooker, aged 84 years. Father of Edward Tooker of Macleay, Floyd L. Tooker of California, Louis T. Tooker and Jimmie M. McFadden of Montana, Irene Walker, Bert A. Tooker, Frank E. Tooker and Fred E. Tooker, all of South Dakota. Remains are being forwarded to Rigdon's. Funeral announcements later.

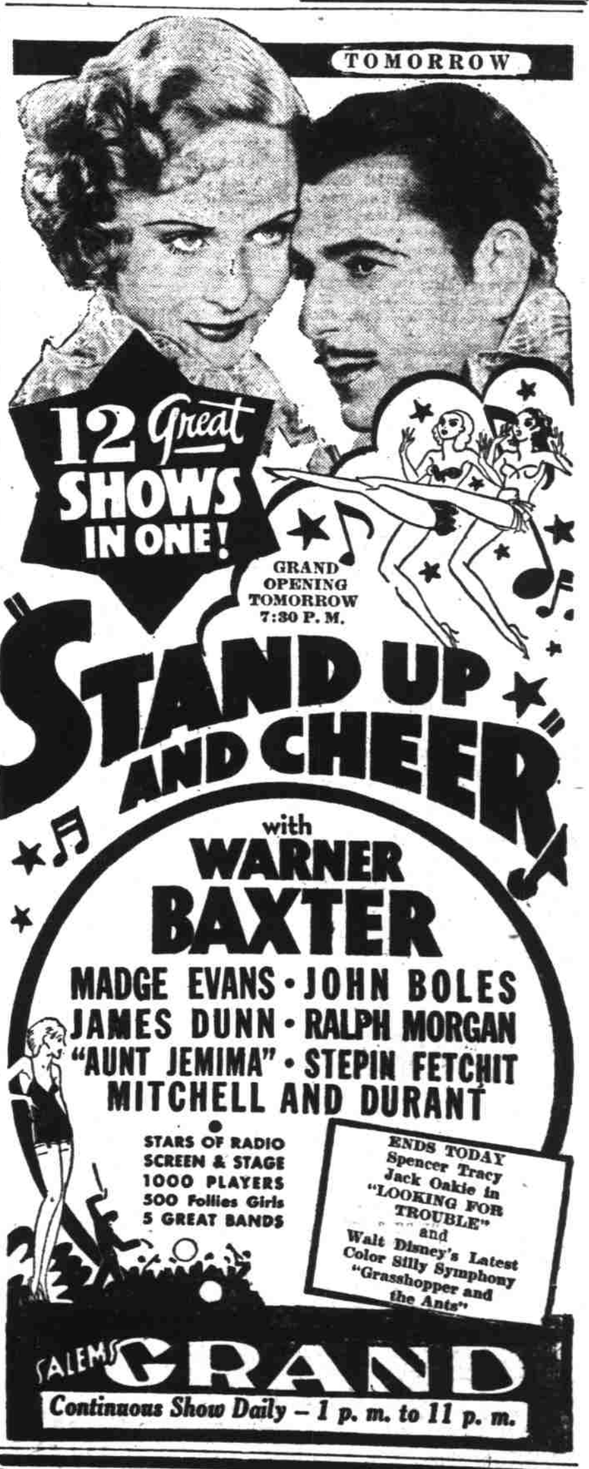
Miller

John Marshall Miller, at the home near Marion, May 7, at the age of 57 years. Survived by widow, Robertat F. Miller; daughter, Mrs. D. H. (Pearl) Crane of Portland; son, George K. Miller of Lebanon; sisters, Mrs. George F. (Susie) Ritchfield and Mrs. Christine Howe of Salem. Member of I. O. O. F. lodge of Scio and a native of Linn county. Funeral services Tuesday, May 8, at 2 p. m. from the Baptist church at Scio under the direction of W. T. Rigdon & Son. Interment Miller cemetery.

Slot Machines in County are Taboo

Operation of slot machines anywhere in Marion county is illegal and state and county officers intende to enforce the law, it was announced here yesterday. District Attorney W. H. Trindle said he considered the law clear and indicated action would be taken against all operators of such illegal machines. Destruction of any seized machines is probable.

DANCE
HE'S HERE! TONITE
Johnny ROBINSON and his ORCHESTRA
MELLOW MOON



WARNER BROS. ELSINORE
Hurry! Last Day!

WED. - THURS.

Ladies Mat. Wed. Thur. 15c

WARNER BROS. CAPITOL
TODAY and WED.
New York's notorious 'gambling queen' was found over the prone body of a crooked gambler.

Kay Francis
IN
"THE HOUSE ON 56TH STREET"
RICARDO CORTEZ
JOHN HALLIDAY
GENE RAYMOND
500 Good Seats 15c Doors Open 6:45

A Home Owned Theater
HOLLYWOOD
15c - 2 Features - 15c

and Second Feature

Wednesday and Thursday are Dime Nights 10c

State 10c THEATRE

TODAY AND WEDNESDAY

We use no drugs or operations. Most FEMALE COMPLAINTS, APPENDICITIS, GALLSTONES, and ULCERS of the STOMACH can be removed. Guaranteed remedies for ARTHRITIS, PILES, SKIN DISEASES, RHEUMATISM, and ailments of GLANDS, KIDNEYS, URINARY BLADDER of men and women.

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