

# Rural Electrification Bill Goes Through House as Amended

## BONDS MUST BE PAID, REVENUE

### Public Utilities Given Option on Power District is to Distribute

The rural electrification bill—only one of the Major Ickes' proposals to the legislature to come into the hopper—was on its way for senate consideration late yesterday after the lower assembly had approved it with only 12 members voting nay.

Earlier in the day the measure passed the house 17 to 20 but its proponents recalled it from the clerk and referred it to committee to make two amendments.

These changes, agreed to unanimously by the house provide:

1. The utility district created under the act cannot issue any general obligation bonds, its obligations being confined to securities secured by the district's revenues and the assets of the electrification board.

2. The board must give public utilities a refusal right over private utilities in buying any power generated by or distributed in the district.

The bill was given the approval and support of the Oregon state senate after that group's representatives here had written into the measure a number of changes from the original bill sponsored by PWA Administrator Ickes.

As passed the first time, the bill would have permitted use of the credit of the state up to 2 percent of the assessed valuation for the purpose of issuing general obligation bonds. This, observers said, would have been a little under \$80,000,000.

Legislative Powers Created

Some found fault with the phrase, still included, which grants to the electrification board all powers "capable of being delegated by the legislature of the state."

Features of the grant bill, not in the Ickes proposal, which were inserted, included:

Board members elective rather than appointive; board members to get \$15 a day while engaged in their duties; right to file on water rights and hold them for ten years without development; exercise of the power of eminent domain; installation of a system of accounting, annual audit and annual report; protection of the charters of cities; no members of the board can own stock in any private utility of any sort.

Representative Hosch, chairman of the utilities committee of the house, lead the debate for the bill. Scoring private utilities for allegedly high operating costs, excessive payments to management and excessive legal fee payments, Hosch declared that House Bill 428 provided a sound way for the public to engage in the operation of its own utility plants.

"I have been told that the new utilities commissioner, Frank McCulloch, is working against this bill already. I serve warning to the legislature that they can thereby determine the loyalties of this new appointee," Hosch stated.

The representative from Deschutes said the rural electrification measure did not provide for general obligation bonds, that it was a carefully prepared measure and one which 900,000 citizens in Oregon wanted.

Representative Angell, Multnomah, characterized House Bill 428 as an essential part of the state's use of Bonneville dam. He said the measure did provide for distribution of power in local communities but did not overlap the federal government's production of power at Bonneville nor the transmission of that power to distribution plants which the federal government is expected to construct.

Krier Wants Referendum

Representative Krier, Wasco, held the bill was the most important to come before the legislature but asked that an amendment be added to refer the measure to the voters of the state. His motion failed.

Representative Graham, Multnomah, was unsuccessful in having the bill referred again to the utilities committee. Opposing this move was Representative Oleen, Clatsop.

Hosch scored the majority report of the Bonneville power commission submitted to the legislature. He said all but one man on the majority report were tied in with private utility interests and that the picture the majority report painted of the state showed Oregon had little possibility of growth, a viewpoint designed to retard the use of Bonneville power, he stated.

House Bill 451 which would authorize cities to collect licenses from beer sellers and to impose a stamp tax up to \$1 a barrel on beer went back to committee in the house yesterday. A public hearing is to be held on the bill.

The proposal won the support of the house committee on control of alcoholic traffic when representatives of Oregon cities asked to share with the state in the right to license beer sellers and to tax beer. The measure came into the house as a companion bill to House Bill 447 embodying changes in the present Knox act.

Brewers are opposing the tax, holding that only one agency in the state should be empowered to license beer dealers and to tax beer. They claim consumers will be forced to receive a smaller glass of beer if cities uniformly impose additional taxes. Only Klamath Falls and Salem have levied taxes on beer in the past year.

Both of Norblad Resolutions Get Senate Support

Two house joint resolutions, both by Representative Norblad, were approved by the senate yesterday.

One of the resolutions requested the state of Oregon to celebrate with appropriate ceremonies the 125th anniversary of its first permanent settlement at Astoria.



HENRY HANZEN weakened this week and came down from Portland to take his first glimpse at the session since the opening days when he told Governor Martin he could not stay on the payroll until his 1935-1936 budget was elucidated to the ways and means committee. Hanzen is his usual quiet, observing self, denying any interest whatever in the legislature, but so long connected with the political scene in the state that he couldn't forget politics no matter how much he might try. The ex-budget director is now the editor and publisher of the Bulletin on the east side in Portland, an eight-page tabloid for which Hanzen has great plans.

Bits: The younger legislators are great tillicums and uniformly have enjoyed the session. . . Senator Wallace, who hails from Bend, looks and acts the dignified part one expects from an upper assemblyman. . . John Gorman, an eight-page tabloid for which Hanzen has great plans.

Bits: Judge Thomas will set up a law practice in Salem rather than return to Medford. . . no more bitter fight has been waged in the third house than the one which has gone on over amendments to the milk control bill.

Independent producers declare the entire control act is jeopardized by the amendment sought by the cooperatives. . . Representative Bull's resolution for a state vote on higher pay for representatives first called for \$3 a day for each day served irrespective of the length of the session. . . \$3 a day seemed too high so Bull changed his resolution to call for \$30 a month per legislator for the term elected; that would be \$720 a biennium or considerably more than the average amount available under an \$8 rate of pay. . . his proposed amendment to the constitution has one chance in a hundred to be adopted by the people.

W. B. Dennis likes to linger about the session. Years ago he was a representative for several terms from Yamhill county.

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The other expresses appreciation for the good faith and honor manifested by the people and the government of Finland in redeeming its pledge to the United States. The senate also adopted a house memorial requesting an aerial survey of the state of Oregon to be made by the federal government at the earliest opportunity.

LIONS CLUB CHARITY SHOW

## SALARY SLASH REDUCED HALF

### Independent Boards to Pay General Fund Amount of Biennium's Saving

(Continued from page 1) Approval of the restoration was given last night without dissenting vote.

Earlier in the day the committee and conferred with Governor Martin and with D. O. Hood, budget director. In a prepared statement after the meeting, which was closed to the press, it was stated that the governor was at first opposed to the suggestions of the committee. When the meeting ended the ideas of executive and the ways and means committee were "more closely harmonized," the statement read.

Throughout the session Governor Martin has issued repeated statements that he was not thinking the state's financial position justified increased payments to state employees.

Senators Strayer and Hess took the lead in asking the joint committee to boost salaries.

In 1933 the state had a deficit of \$3,500,000 but we have nearly gotten out of the hole and I think the employees of the state should get as nearly as possible their old payments," Hess declared.

Fall Restoration Favored by Some

Senator Strayer said he favored full restoration of salaries but doubted if such a proposal would be accepted by the two houses.

The committee struck from its salary appropriations \$1,000,000, an entire section in which it was proposed to recapture for the general fund any increases in salary given state workers, in 1933 and 1934, in a manner contrary to the reduction law of 1933.

Figures released by the committee showed appropriations of \$309,842 over the budget inherited by the present administration from ex-Governor Meier and his budget director, Henry Hanzen.

Hansen estimated the cost of running the state in 1935-36 at \$10,172,823. The ways and means committee already has budgeted \$11,327,794.

The total estimated revenue for the biennium is \$13,726,620, which, after deducting the \$11,327,794 budgeted already leaves \$2,398,826.

Minimum relief demands for the next 18 months at \$6,000,000. The indicated surplus of \$2,398,826 plus the net estimated liquor revenue of \$2,250,000 totals \$4,648,826. This is \$1,352,174 short of filling the \$6,000,000 relief need.

CHAMBER BACKING TOPIC AT MEETING

The Salem chamber of commerce through its president, Howard H. Hulsey, has pledged its cooperation in a localized "let's quit killings" campaign to be conducted here, according to Mrs. Claudia Benson, manager of the Salem district of the Oregon State Motor association. Hulsey expects soon to appoint a committee on this subject. The program will include addresses on safety before various organizations. Those scheduled at present are:

March 5—Kiwanis club, by Dr. E. B. McDaniels, president, and Ray Conway, manager, of the motor association.

March 9—Lions club, by C. B. McCullough, state bridge engineer.

March 9—Salem Woman's club, by William Hammond, head of the state operators' division, state department.

March 12—Rotary club, by R. H. Baldock, state highway engineer.

The first address of the series was delivered at the chamber forum luncheon last week by Conway.

## Editor Stabbed

### Two on Dredge Melba are First Victims When Vessel Capsizes

(Continued from page 1) from their pounding on the rocky surf, were rescued.

The dredge Melba, in tow of the tug Melville, headed for Newport harbor this morning when a storm came up. As she reached the entrance the dredge became unmanageable, rolled and capsized. The two men aboard were plunged into the sea.

A coast guard lifeboat, manned by five men, leaped through the battering surf to the rescue. Waves were running as high as 40 feet. The lifeboat's rudder equipment gave way and the craft overturned. Only two of the five were saved. They were John Hart and Elrod Halsey, picked up from the rocks.

A second lifeboat commanded by Captain Kistemaker cruised in the area for several hours and finally gave up the search only after having twice been nearly wrecked.

## 20-30 CLUB PLANS SAFETY CAMPAIGN

Be prepared to do worthwhile things, to undertake civic projects that can be completed, advised Mayor V. E. Kuhn, in effect, at the Jennie Lind cafe last night in speaking before the group of Salem young men who hope to form a local chapter of the 20-30 club, national civic organization for men between 20 and 30 years of age.

The mayor, who later was elected senior adviser to the temporary organization, declared there was room for a young men's club wherein these men could gain experience in organizing for useful civic enterprise but told them that unless they were determined to become a working organization they had best drop the club plans.

"Understand me, I'm not trying to discourage you," Kuhn continued. "The idea of this club is fine, if you all plan to do your part. There are plenty of things you can do to make it a worthwhile effort."

Members of the Portland 20-30 chapter will attend the next meeting, Tuesday night.

## Steiner Backs Troutdale Plan

Support of Oregon's request for an additional \$4,200,000 grant for a new road from Bonneville dam to Troutdale will be given by Senator Fred Steiner, he telegraphed to the state yesterday. "I am very much interested in the proposal and will be glad to support it," Steiner wired. "I will employ my best efforts to secure an agreement to the Hayden amendment which allots funds for highway construction under the federal act."

## Crash Injury is Reported Minor

Mrs. May A. Hurley, pedestrian who was injured in an automobile accident at State and Winter streets Monday, was sufficiently recovered from her injuries yesterday afternoon to be able to return to her residence, 2016 Lee street. X-ray pictures indicated that she had not suffered skull fracture, as had at first been feared. Her chief injury was a severe cut on the back of the head.

## EXTRA SPECIAL - TONIGHT - 8:30 STUDIO FEATURE PREVIEW

in Addition to "Devil Dogs of the Air" SUPER THRILLER "DEVIL DOGS OF THE AIR" JAMES CAGNEY - PAT O'BRIEN

Thur. - Fri. - Sat. Thrill to Something Excitingly Different! Ginger Rogers Francis Lederer in "ROMANCE IN MANHATTAN"

Octavus Roy Cohen's Liberty Magazine Story "TRANSIENT LADY" WITH GENE RAYMOND - HENRY HULL FRANCIS DRAKE

Added! COMEDY CARTOON SONG HIT NEWS

SEAS 25c

## EGG GRADING BILL BEATEN IN SENATE

Further standardization and grading of eggs sold in Oregon was disappointed yesterday by the senate in rejecting a bill by Senator Carney. The latter supported the bill as a fair one for consumer and producer and a measure supported by the state department of agriculture.

Senator Burke opposed the bill on the ground that it was intended as a rap at the smaller producer.

Burke alleged that the measure would permit the sale of stale eggs, which were now being brought into Oregon from Washington and other states.

Senator McCornack declared that the proposed law would give protection to all persons interested in the egg industry and have a tendency to improve the quality of the product now offered for sale.

## SUNDAY CLOSING IS FAVORED BY HOUSE

A Sunday closing law, amended until its friends hardly knew it, was passed by the house yesterday as a substitute measure to the original closing measure introduced three weeks ago in the lower assembly.

The bill approved by the house does not refer to Sunday nor to religious reasons for observing that day, but does provide that no grocery store or general retail establishment can keep open more than six consecutive days a week. Restaurants, garages, theatres and caterers are among the classes of business excepted from the provisions of the act.

The measure does not apply in any counties of less than 100,000 population.

## NEW DEAL IN RACE MONEYS FAVORED

A new deal in the distribution of receipts of the state racing commission was approved yesterday by the senate judiciary committee.

Under the bill, as amended, both the Oregon state fair and the Pacific International Livestock exposition would receive 31 1/2 percent of the receipts but not in excess of \$37,500 each.

The Eastern Oregon Livestock show at Union and the Pendleton Roundup each would be allowed 5 percent of the receipts, but not in excess of \$5000.

The Northwest Turkey show at Oakland, Douglas county, would receive 1 1/2 percent of the receipts but not to exceed \$1200. The latter allocation would have to be used for the payment of premiums.

The remaining 25 percent of the receipts and any surplus that may accrue would be allocated to the county fairs.

## Anton Knutson Will Upheld by Supreme Court

The will of the late Anton Knutson, former resident of Portland, who bequeathed all his property to his niece, Thelma Knutson, was upheld yesterday by the state supreme court, by Justice Rossman, who wrote the opinion. The property was valued at \$33,000.

Relatives of Knutson attempted to have the will set aside on the ground that he was mentally incompetent at the time the document was executed.

Records in the case showed that Miss Knutson had been attentive to her uncle for many years, while other relatives had been indifferent to him until his last illness.

The court held that there was no evidence introduced to indicate that Knutson was mentally incompetent at the time the will was prepared.

## The Call Board...

- GRAND Today - Edmund Lowe and Victor McLaglen in "Under Pressure"
- Sunday - Shirley Temple in "Little Colonel"
- ELSINORE Today - Cagney and O'Brien in "Devil Dogs of the Air"
- Thursday - "Romance in Manhattan" with Ginger Rogers and Octavus Roy Cohen and "Transient Lady" with Gene Raymond.
- CAPITOL Today - Double bill, Joan Blondell in "Kansas City Princess" and "Conquering Horde" with Richard Arlen.
- Thursday - Double bill, "Murder on a Honey Moon" with Edna May Oliver and "Flirtation Walk" with Dick Powell.
- STATE Today - Double bill "Many Happy Returns" with Burns and Allen and "There's Always Tomorrow" with Blinnie Barnes.
- Friday - First run, "Back to Back" in "The Crimson Trail"
- HOLLYWOOD Today - Shirley Temple in "Bright Eyes"

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LIONS CLUB CHARITY SHOW

Chemeketa Players present "The Blue Bag" a Farce Comedy in Three Acts FRIDAY, MARCH 1st 8:15 P. M. High School Auditorium Sponsored by Salem Lions Club Reserved Seats 35c on sale at Woolport & Legg Drug Store

## Group of Pupils From Evergreen Session Visitors

Eleven pupils from the sixth, seventh and eighth grades of Evergreen school, near Silverton, came in to Salem late yesterday afternoon on a tour in connection with their studies in civics.

They visited the statehouse where they looked in on the legislative session, the supreme court, state library, motor vehicle department and shook hands with Governor Martin. After dining at the statehouse cafeteria, the boys and girls went through the telephone exchange, the city police station and the Cherry City bakery.

## Held Over! Today Only

Crowds Demand We Keep it Another Glorious Day "MRS. WIGGS OF THE CABBAGE PATCH"

SHIRLEY TEMPLE BRIGHT EYES JAMES DUNN

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## RAPPED LIKE RATS

THEY FOUGHT LIKE MEN! DANGERS—THRILLS—ROMANCE! NEW DRAMA—A NEW LOCAL! FOX FILM PRESENTS

Under PRESSURE with EDMUND LOWE VICTOR McLAGLEN MARJORIE RAMBEAU CHARLES BICKFORD FLORENCE RICE

Added! COMEDY CARTOON SONG HIT NEWS

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