

# Compromise on New Corporation Earnings Tax is Proposed

## Graduation of Levy Favored

### Percentage Diverted Into Reserves to Be Basis, Committee Plan

WASHINGTON, March 6.—(AP)—A compromise method of clapping a broad tax on undistributed corporation earnings, key proposal in the Roosevelt tax program, was hinted today by members of a house ways and means subcommittee.

The suggestion, roughly, was: That if a corporation diverts a high percentage of its profits into reserves, instead of distributing them to its stockholders as dividends, a stiff tax should be levied on the amount so withheld.

### Higher Dividends Lower Tax Rate

That if a corporation turns most of its earnings into dividends and diverts only a small percentage into reserves, the tax rate on the sum diverted should be proportionately lighter.

That the schedules be so arranged that a corporation falling in the later group would pay a total of federal taxes no greater than is exacted by the law now in effect.

To illustrate, one committee member said a 15 per cent tax might be applied when a corporation converts 10 per cent of its profits into reserves, and scaled upward to a point at which a corporation withholding 40 per cent of its earnings would pay at a rate of 45 per cent.

Such a plan, it was argued, would meet the insistence of treasury spokesmen that there be no exemption from the new corporation levy, and at the same time satisfy general objections by permitting accumulation of reasonable working reserves without unduly heavy taxation.

## Conway to Speak On Tuesday Night

On account of the fact that Ray Conway, secretary for the Oregon State Motor association, who speaks Tuesday night under the auspices of the history section of the Salem Arts League on "Legends of Oregon," is instrumental in causing the formation of the Chemeketa, Salem's hiking club, interest in his address here is said to be keen, as his talent as a speaker is widely known. Conway was guide for a group of Salem people up Mt. Hood, and he is said to have made the trip so interesting that a hiking club was organized soon after.

Preliminary talks on other angles of Oregon history will precede Conway's address. Judge Charles H. Carr, author of a history of Oregon, and present corporation commissioner, and R. J. Hendricks, an Oregon historian, are on the program. Miss Grace Gilliam, chairman of the history section, in charge of the event, has announced that the meeting is open to those interested in Oregon history. Tickets for the dinner at the Quail at 6:30 p. m. Tuesday may be obtained from her at the state treasurer's office on South High street. As Conway, Judge Cary and Mr. Hendricks are all exceptionally well-informed concerning Oregon history it is believed that this event will prove to be more than usually entertaining and informative.

## All-Day Quilting Held At John Young's Home In Greenwood District

GREENWOOD, March 6.—An all-day quilting was held at the home of Mrs. John Young with these women present: Mrs. Ed Brown, Mrs. B. Bewley, Mrs. Joe Mackay, Mrs. Walter Brown, Mrs. Clark Irving, Mrs. Alfred Brown, Mrs. Al Vernon, Mrs. Ora Lantz and Mrs. Clyde Japman. A beautiful dinner was served at noon. Mrs. George Carroll is ill with pneumonia at her home. She is under the care of a special nurse. The Ed Steele family, former residents of this community, have been ill with the mumps.

## Trio Independence Boys Sign Up With Uncle Sam

INDEPENDENCE, March 6.—Three independence boys who joined the army, Tom P. Pomeroy, Jr., enlisted in the air corps at Randolph field, Calif.; Lewis Robinson enlisted in the infantry, Philippine Islands; and Lewellyn Arrell in the infantry at Vancouver. A recruiting party from the seventh infantry, Vancouver, have been visiting here this week.

## The Call Board

- ELSINORE
  - Today—Double bill, Bette Davis in "Petrified Forest," and "Smiling Irish Eyes" with Phil Regan.
- GRAND
  - Today—The Dionne Quintuplets in "The Country Doctor."
- CAPITOL
  - Today—Double bill, "Drift Fence" with Buster Crabbe and "Nut Farm" with Wallace Ford.
- STATE
  - Today—First run western, "Riddle Ranch."
- HOLLYWOOD
  - Today—Double bill, John Wayne in "Westward Ho" and "His Night Out" with Edward Everett Horton.

## Here and There in Oregon

Associated Press Lensed Wire Service

### Newberg Woman Dies as Result of Burns

NEWBERG, March 6.—(AP)—Mrs. Archie Davis, 51, died today as a result of burns incurred when her clothing was ignited from a stove at her home here.

### Astoria's First Dog Catcher Gives Up Quickly

ASTORIA, Ore., March 6.—(AP)—Yesterday Clatsop county had its first dog catcher in history. Today it was looking for another one. The appointee, J. W. Hillard, resigned.

### Clackamas Sheriff Files for Renomination

OREGON CITY, Ore., March 6.—(AP)—Sheriff E. T. Mass filed for re-nomination on the Democratic ticket today.

### Spanish War Veterans to Meet in The Dalles

THE DALLES, Ore., March 6.—(AP)—State department officers of the United Spanish War Veterans announced today the 1936 state convention will be held here July 12 to 15. They said about 500 delegates will attend.

### Right Lung Removed in Rare Operation

PORTLAND, Ore., March 6.—(AP)—Surgery gambled with death in a unique operation here today. For the second time in modern annals, the right lung of a man was removed. Joe Wolowich, World War veteran, underwent the operation in an attempt to defeat slow death by cancer. Doctors said "barring complications he has a good chance for complete recovery."

### Mt. Hood Hotel Resort Construction Looms

GOVERNMENT CAMP, Ore., March 6.—(AP)—Workmen began clearing snow from the road to the proposed \$300,000 Mt. Hood all-year hotel resort today. Actual construction is scheduled to get underway early in the spring. The hotel will be financed partly by the federal government.

### Galloway to Run for Hood River-Wasco Senator

THE DALLES, Ore., March 6.—(AP)—Francis V. Galloway announced his candidacy for the democratic nomination for state senator from Wasco and Hood River counties today. He formerly was district attorney for Wasco county. He said he withheld his announcement until he was certain his friend, Senator James Hazlett, would not seek reelection.

## Demonstration of Pruning Arranged

A series of pruning demonstrations with discussions on orchard management has been arranged by County Agent Harry L. Riches, and will be held beginning Tuesday, March 10, as follows:

Tuesday, March 10, 9:30 a. m., at the G. L. Weaver farm, one mile south of Liberty school; at 1:30 p. m., at the Jonesmere farm, one mile west of Wacanda; Wednesday, March 11, at 9:30 a. m., at the E. W. Coulson farm, one mile south of Scotts Mills; at 1:30 p. m., at the Conrad Johnson farm, two miles north of Silverton; Thursday, March 12, at 9:30 a. m., on the farm of A. Wolf, two miles west of Sublimity, and at 1:30 p. m., on the farm of Ross Thomsen, south of Jefferson on Greenbridge road. Ralph Beck, Polk county agent, will be present at these demonstrations and will assist with the work. There also will probably be some discussion on the freeze injury of last October. All persons interested are invited to attend.

## Group Back From Trip to Nebraska

Mrs. Gordon Black and Mr. and Mrs. Andrew Hunter have just returned from a motor trip to Nebraska. Mrs. Black visited relatives near Omaha and the Hunters visited in western Nebraska. They covered seven states on their trip, about 2,900 miles. They arrived at Omaha February 13, during a blizzard. They say that Oregon has the best roads of any state they passed through, and that highways here are also much better marked than the others, making travel much easier and much more enjoyable. When they left Nebraska six days ago the weather was at the other extreme and high water was doing damage. People in the lowlands were advised to be ready to move. Needless to say, they were glad to get back to the Willamette valley.

## Blirup Files For Party's Delegate

Carl Blirup of Junction City today filed in the state department here for delegate to the republican national convention from the first congressional district. His slogan:

"For the constitution and sound currency."  
Other fillings:  
William M. McAllister, Medford, republican, for state representative from Jackson county.  
Forrest C. Cooper, Lakeview, republican, for state representative from Lake county.  
J. M. Blank, Canyon City, republican, for district attorney of Grant county.  
R. S. Anderson, Grants Pass, democrat, for district attorney of Josephine county.

### Visit in North

SUBLIMITY, March 6.—Mr. and Mrs. Edward Benedict and daughter Lavonne left for Washougal, Wash., this morning. Her mother, Mrs. Margaret Michels, has been confined to her bed since January with several ailments.

### COURT ST. CHURCH OF CHRIST

Court and 17th Sts.  
9:45 — Bible School — 9:45  
COME TO CHURCH!!  
11:00—"A Lost Art."  
6:30—Christian Endeavor  
7:30—"Strange Things."  
FEATURE: Missionary Playlet by Young People  
A NEIGHBORHOOD CHURCH FOR NEIGHBORLY PEOPLE

### John Wayne

in "Westward Ho"

### Edward Everett Horton

in "His Night Out"

Added - Episode 18 of Serial "BUCK JONES in 'The Roaring West'" News and Cartoon Comedy

Sunday - Monday - Tuesday  
**POWELL**  
A Home Movie  
**Rendezvous**

## Liston, Insurance Veteran Is Called

### Here Since 1900; Funeral Services Scheduled on Monday Forenoon

W. A. Liston, resident of Salem since 1900, and well known in insurance circles throughout the state and the Pacific coast, died at 520 Highland avenue early Friday morning.

He possessed an aggressive pioneer spirit and left New Martinsville, W. Va., where he was born April 11, 1882, at the age of 21 to seek his fortune in what was then the "far west," Kansas. Returning to west Virginia 10 years later he met and married Miss Mary Ann Taylor, and with her and their two infant daughters he again returned "west," this time settling in Cass county, Iowa, where two other daughters and a son, Cleveland, were born. The son died in infancy, soon followed by the mother. Later Mr. Liston married Miss Julia Brown, of Atlantic, Iowa, removing to Salem, at the behest of the Continental Fire Insurance company, for which company he served as state agent for a great many years.

On his father's side Mr. Liston was a descendant of Sir John Liston, of England, whose son, John, was the first of the line to come to America, settling in Vermont. His earliest American ancestor on the maternal side was Christopher Martin, listed as a passenger on the Mayflower.

### Active Democrat

Ever an ardent democrat, Mr. Liston actively followed all phases of political life to the time of his death, though he retired from active business life six years ago when he was stricken with a heart ailment. He considered President Roosevelt "the greatest man who ever lived with the exception of William Jennings Bryan." One of his proudest possessions was a complete file of "The Commoner," published by Bryan. He was also a collector of famous cartoons and in his albums were hundreds of them.

He was a member of Atlantic Lodge, I.O.O.F., Salem Lodge No. 4, A. F. & A. M., and Salem Lodge B.P.O.E. Interment will be in Salem where Mrs. Liston was buried five years ago. The services to be held at Rigdon's mortuary Monday at 10:30 a. m.

Surviving Mr. Liston are the four daughters of his first marriage, Mrs. Celeste L. Harris, Mrs. L. Frances Leon and Mrs. Blanche Margaret Niemeyer, all of Portland, and Mrs. Florence B. Rush, of Tacoma, and the three children of his second marriage, Miss Ethel Liston, of Portland, Mrs. Cecile Dungan and Herbert Guy Liston of Salem. Also he is survived by three grandsons, five granddaughters and two great grandsons.

## Funeral Services Held For J. Drapela, County Residents For 26 Years

MILL CITY, March 6.—Joseph Drapela, 70, who died here February 26, was born in Austria, January 31, 1866, and came to this country 32 years ago, residing in Phillips, Wis., six years, then coming here, where he lived since. Funeral services were held Friday at the Church of Christ.

He was married to Antonia Benez, who died three years ago. Survivors are four children, Mrs. Mary Harper of Grants Pass, Louis and Edward of Mill City and Frank of Portland; nine grandchildren and several brothers and sisters in Austria, Hungary and South America. He was a member of the Z. C. B. J. lodge.

## Miss Nickerson Leaves

SILVERTON, March 6.—Miss Mildred Nickerson, who was here this week to attend her father's funeral, left Thursday for Seattle to resume her studies at the University of Washington. Miss Nickerson will be graduated in June.

25c DANCE 25c  
Tonight  
MEADOW MOON  
SWEET MUSIC!  
Free Bus, State & Commercial

**A Home Owned Theater**  
**HOLLYWOOD**  
Continuous Performance Today 1:30 to 5 P. M., 10c

**TWO FEATURES**  
**John Wayne** in "Westward Ho"  
**EDWARD EVERETT HORTON** in "His Night Out"

Added - Episode 18 of Serial "BUCK JONES in 'The Roaring West'" News and Cartoon Comedy

Sunday - Monday - Tuesday  
**POWELL**  
A Home Movie  
**Rendezvous**

**THE QUINTEPLETS**  
**'THE COUNTRY DOCTOR'**  
with JEAN HERSHOLT  
DOROTHY PETERSON  
10c Today - 10c

**GRAND**

## Mickey Mouse Club Notes

A million and two details to work out—but the "Follies" are shaping nicely. The date is Thursday, March 26. Tell your parents about it, as the show is to be a Mickey Mouse matinee for them.

M. M. C.  
THE Liars' contest is next Saturday, March 14. Those signing up last week were: Lefty Summers, Raymond Rock, Eugene Newell, Paul Rogers, Kent McVey. Today will be your last chance to register.

M. M. C.  
ONLY one boy won a prize in the stage contest last Saturday. He was Dick O'Brien, 506 Market street. The girls were Mary Dulaney, 570 S. Winter; Josephine Stadler, route 4, box 430; Roberta Yocum, 850 E street, and Shirley Watson, 1520 N. 17th street.

M. M. C.  
WATCH The Oregon Statesman for details of a limerick contest to be held soon. Many valuable prizes will be awarded.

M. M. C.  
PHOTOGRAPHS of Mickey Mouse members are still being given away each Saturday. Listen in on the radio, or attend the matinee. Your name might be called.

M. M. C.  
TWO big acts stole the show at the last matinee, the sultar boys, the Priscilla Metzinger studio, and the play, "Life in the Ozarks," which was offered by the members of the "gang." Still, the applause was practically as heavy for Iota and Inez Miller, Dorothy Shephard, Helen Smith, Donald Lewis, Dorothy Lane, Curt Williams, Eunice Jean Miller, and our new addition to the "gang," Richard Tau.

M. M. C.  
AH! The horseshoe! Today! New member entertainers on the stage program—contests—singing of parody songs—chapter six of serial—"Smiling Irish Eyes" and "Petrified Forest on the screen."

M. M. C.  
ONE o'clock—we start. So long. "Zollie"

## Missionary Society of Amity Has Service to Honor First Members

AMITY, March 6.—The Foreign Missionary Society of the Methodist church was entertained Tuesday afternoon at the country home of Mrs. George Wood. A one o'clock luncheon was served. The hostess was assisted by Mrs. George Fuller and Mrs. A. J. Loop. The devotions were led by Mrs. Roy Freeman.

This was a candle service. Each of the 12 women who first organized mission work were represented by a lighted candle. Mrs. J. H. Payne gave the lesson.

## Brush Creek Play Set March 12-14

BRUSH CREEK, March 6.—Work is going rapidly ahead on the annual Brush Creek play which will be given Thursday night, March 12 and Saturday night, March 14, at Brush Creek school. Brush Creek plays are always a comedy from beginning to end given simply for the purpose of making visitors laugh, members of the district report. This year, they say, will be no exception.

The play chosen is "Silas Smidge from Turnip Ridge." Fred Krug playing the part of Silas Smidge, will be complemented by Mrs. D. E. Hillman in the roll of Miss Simplicity McPherson. Another comedy favorite, Luella Forland, will again take part, this time with the name of Neustagnia Twigg.

Romance will be lent to the play in the characters of Judy, an orphan, played by Margery Hillman and Ralph Thornbull, a young minister, played by Elmer Grace. Others taking part are Lyle Krug, Oscar Wigle, Inga Goplerud, Mrs. Theodore Grace, Clold Wigle, Alvin Krug, Orelt Moen and Clara.

## Pythian Sisters Plan Convention

SILVERTON, March 6.—At this week's meeting of the Pythian Sisters plans were laid for the district convention to be held at Albany, May 5, at which time the Silvertown group will put on an exemplification of the initiation of a Knight.

A card party was also planned for March 13, the proceeds to be used for benefit. In charge of the arrangement are Elizabeth Cooley, Eva Brown, Mildred Loe. Both bridge and "500" will be played. The resignation of Rose Specht as guard was accepted and Norma Storansil elected to serve in her stead. The committee appointed to make arrangements for the social night to be held March 17, consists of Lillian Annundsen, Ola Benson, Eleanor Drake and Elizabeth Cooley.

## Bad Luck Dogs Marion Farmers, Including Juror

MARION, March 6.—Elzy Pickard and Harley Libby, farmers of this district, each had some hard luck in the past week. One of Mr. Pickard's work horses cut his shoulder on a barb-wire fence and Monday night a valuable Jersey heifer was stolen out of the barn. The thief has not been apprehended. The following morning in making the fire he accidentally gathered up his glasses with some scrap paper, not making the discovery till the glasses were ruined.

Medicated with ingredients of Vicks VapoRub  
**VICKS COUGH DROP**

## Collins Undergoes Skin Grafting on Arm After Burns by Gasoline Lamp

GATES, March 6.—Ed Collins, who was burned badly with a gasoline lamp several weeks ago, is in the Deaconess hospital at Salem where he is undergoing treatments to graft skin on his arm. Mildred Morrison is at the General hospital at Albany, where she was operated on for appendicitis. She is the daughter of Mr. and Mrs. A. B. Morrison.

Mr. and Mrs. Eibert Larson (Lois Hayward) are rejoicing over the arrival of a nine-pound boy, Jerry Lynn, born March 2. This is the second child; the other a girl, Mrs. Larson is with her mother, Mrs. Ruby Winters.

**ELSINORE** 500 Seats 25c  
STARTS TODAY  
**2 Smash Features**

HE MADE A STRANGE BARGAIN TO DIE!  
The stars of "Human Bondage" score in the stage triumph that stirred the country!

**HAROLD DAVIS**  
**"PETRIFIED FOREST"**  
with **DICK FORAN**  
CHARLES GRAPEWIN  
And Hit No. 2  
WITH A SONG IN HIS HEART...  
A TWINKLE IN HIS EYE!

**"Laughing Irish Eyes"**  
with **Phil Regan**  
Walter Kelly  
Evalyn Knapp  
Ray Walker

MICKEY MOUSE MAT, TODAY, 1 P. M.  
Serial - Adventures of Frank Merriwell  
STAGE SHOW

## CAPITOL STARTS SUNDAY

MIDNITE SHOW TONITE  
**Two Big Features**

Primitive passions... in a paradise of peril! M-G-M's mightiest adventure romance... made in the South Seas!

**'LAST OF THE PAGANS'**  
AN M-G-M PICTURE  
featuring the two lovers of 'Eskimo' **MALA and LOTUS**

— AND SCOOP! SCOOP! —  
SPECIAL RETURN ENGAGEMENT OF PRIZE WINNING STAR AND PICTURE OF 1935

Victor McLaglen Awarded Highest Honors for his Performance in "The Informer"... One of the 10 Best Pictures of 1935!

**Victor McLaglen**  
in  
**'THE INFORMER'**

2 BIG FEATURES  
LAST TIMES TODAY ZANE GREYS' "DRIFT FENCE" / "THE NUT FARM" Wallace Ford

**STATE THEATRE**  
Today Only - First Run!  
**"RIDDLE RANCH"**  
with ALL STAR WESTERN CAST  
—plus—  
"Adventures of Rex and Rinty"

STARTS SUNDAY! FIRST SALEM SHOWING!  
Preview Tonite - 11:15

**MEN CONDEMNED TO LIVE WITHOUT HOPE ON THE ISLE THAT MAN FORGOT...**

Caged men revolt... on the Isle of the Damned... Ruthless murderer appoints himself dictator... seizes governor's daughter for his bride... Then the sleepless vigil... 24 hours a day... day after day... to protect her from the menace of murderous mutineers.

**KING OF THE DAMNED**

CONRAD VEIDT  
HELEN VINSON  
NOAH BEERY  
and  
A Cast of 8000 Players!

ADDED! Major Bowes Newest Amateur Show