The state of the s

## Oregon Again on Even Keel, Governor Informs Legislators

Increases Harmful

Following is the text of Gov-ernor Charles H. Martin's bien-nial message to the Oregon leg-

To the Honorable President and Members of the Senate, and to the Honorable Speaker and Mem-bers of the House of Represent-ativs of the 39th Legislative As-

islative session, and come before you to make a report on my stewardship for the past bleanium. I wish to express to you my eagermess to cooperate in solving the current problems confronting the state government in the best interest of all the culticant of this part. I welcome you to the 39th legterest of all the citizens of this

Oregon has com through the depression years with flying colors. As you know, the deficit of \$1,304,290.31 which faced the state at the beginning of my ad-ninistration has been converted into a surplus of approximately ince 1925 that the state deficit

has been eliminated.

Bonded indebtedness of the state has been reduced to \$49,-108,010, the lowest in 15 years. Out of this total approximately \$46,800,000 is represented by the butstanding obligations of the Oregon state highway commission and the world war veterans' state for legislative enactment to insure aid commission. Both issues are efficient and economical operaaction is taken.

Can Be Eliminated The entire bonded debt of the state can be eliminated under the

For the first time in history, the state of Oregon will remove encies and unforseen demands the property tax from real and that may arise during this legisconstitutional 6 percent limitation, of which more than one-half is for the elementary school fund which is not properly a state tax in that it is collected and distributed solely within the counties. The tax totals thereof will either jeoparthis year is 1.15 mills as compar-ed with 2.86 mills in 1936. This ment to create new revenue ats a reduction of more than \$1,500,060. Due to excellent administration by the world war arans' state aid commiss

property taxpayers in accordance with my avowed program. This has been accomplished through a tructive program of economy which has measured actual needs and demands of the state governmental agencies and provided therefor, within reason, instead of an arbitrary and unsound cutting. This has been effected through the system of budgetary ssembly. It demonstrates anew ne wisdom of sound business cor-lation of governmental activ-

It is essential that the tax load be not increased at this time. Then, the people of this state may all the more enjoy the full bene-fit of the economic recovery and the new era of prosperity upon which we are entering as result

### The Call Board

Today-"More Than a Secretary" with Jean Arthur and George Brent. ednesday—"Theodora Goes Wild" with Irene Dunne.

Today—Jean Arthur and Joel McCrea in "Adventure in Manhattan".

Manhattan".
Vednesday—Two features, reinsue of "The Big House" with Chester Morris and Wallace Beery and "Cavalry" with Boh Steele.
riday—Two features, "Down to the Sea" with Ben Lyon and Ann Rutherford and "Kelly the Second" with Patsy Kelly. Charley Chase, Big Boy Williams.

lig Boy Williams.

Today—Double bill, Frankie
Darro in "Born to Fight"
and Gable, Harlow and Beery in "China Seas".
Thursday—Double bill, the
Marx Bros. in "Nite at the

Marx Bros. in "Nite at the Opera" and Dick Foran in "Guns of the Pecos". aturday—Weaver Brothers and Elviry on the stage and "Here Comes the Marines" with an all-star cast on the

oday—William Powell and Myrna Loy in "After the Thin Man". hursday—Edward Arnold in Edna Ferber's "Come and

Today — First run, Elizabeth Bergner in Shakespeare's "As You Like it."
Thursday on I y—"Heavy to
Take," with all star cast.
Friday—First run, "Living
Dangerously" with Otto
Kruger plus four acts eastern yaudeville on the stage.

MODERN WOME

Hopes Nobody
To Rock Boat

Martin Points Out Budget

Based on Total Income

Of the great developments taking place in Oregon. I refer particularly to the Bonneville dam and the Willamette valley projects. I am sure you will agree with me that it is sound public policy to make the cost of government as little as possible, commensurate with adequate service for the benefit of the entire population.

In Best Position

Oregon has weathered the recent depression, and now is in

Oregon has weathered the recent depression, and now is in the most favored position in the Pacific coast area. Unlike neighboring states, Oregon has no deficit and no warrant indebtedness. She has substantially reduced the tax load of her citizens. She is reducing her bonded indebtedness by sound economic retirement.

This means the people of Oregon can use their money for con-

gon can use their money for con-structive purposes, including full-er development of the varied and rich resources with which nature has so abundantly endowed this

part of wisdom not to rock the boat new and thereby risk losing the preferential and favored position we hold and can enjoy.

In the November, 1936, election, the people spoke in no uncertain terms relative to constitutional and statutory changes in our governmental structure and operation. The "no" vote was emphatic. It clearly indicates that, in so far as major legislation is concerned, they desire no fundamental changes. We, as servants of the peopl,e, should observe that mandate and

impose no unnecessary legislation.
I have submitted to you the state budget for the 1937-38 biennium as my recommendation self-liquidating, and will be re- tion of the state government for tired on schedule unless adverse that period. It is a program designed to encompass the growing needs for state participation in various activities that properly come under its purview. It is prepresent program of retiremnt by dicted on the need for providing 1960 provided no new bonds or obligations are incurred in the mean-vices within the revenue available. It contains, as you will note, an item of \$430,991.98 for contingpersonal property, except for that lative session. It is, in fact, a bal-pertion of the levy outside of the anced budget; with estimated ex-

wy for strictly state purposes for dise the financial standing of the sources. To impair Oregon's financial standing is unthinkable; to impose further burdens upon our already overloaded taxpayers would be deplorable.

the 0.5 levy for that commission has been waived for this year.

The state has done its part in lifting the load from the real the state, revenues measured by income have offset the taxation base on real property under the 6 per cent limitation constitutional ndment. This offset has provided no new revenues and unde the tax laws cannot provide for additional revenue until revenue from measured income also has offset property taxes outside of the 5 per cent limitation. In short, this means there is no additional source of revenue from an income tax of any kind. It also means that there is no additional money.

The tax structure of the state

has demonstrated its soundness by this new phase, for it is lifting the load of taxation from the owners of property, especially the owners of small farms and city

owners of small farms and city homes. I have a special regard for the owners of small farms and the care of themselves. I construct the November, 1936, mandate of the people to mean the tax structure should not be altered or materially changed. It would be wise, I think, for all of us—as servants of the people—to heed that mandate also.

Much has been said recently about the conflict between human and property rights. Let me call your attention to the fact that human and property rights. Let me call your attention to the fact that human and property rights are not in conflict, but are complementary. Each contributes to the other. I implore you not to be led astray by the deceitful, false, and misleading shibboleths of demagogues who maliciously try to create economic, social and political chaos. The sale purpose of these birds who prey on the body politic is to a rea te confusion wherein they may attain their own wherein they may attain their own netarious and selfish ends at the expense of the general public. I warn you against them, especially because they so often speak in a manner that stimulates right-

cous indignation and sincerity.

Classics Nation

Our American system if firmly based on the premise that we exist as a classiess nation except as to individual ability to serve the community and our fellow men. We must not tolerate any activity which tends to divide the people of the nation or of this state into classes that appear hostile to each other. We must not be misled by plausible but designed arguments into enacting laws that will further the work of these destanting structive demagogues. We must act on behalf of, and in the in-

Beware Coughs That Hang On

terests of all of the people of the state of Oregon, and not the organised minorities. We must combat these sinister influences with vigor and aincerity.

We must recognize that property rights exist as the result of human endeavor and activity, that without the human element prop erty has no meaning. We must, however, guard against the undue influence of the wiiful power of concentrated money against human enjoyment. We must set and steer a sound and set and steer a sound and sensible course that will keep us from disaster on the rocks of soppy sentimentality, and the equally dangerous reefs of the greedy, victious, vested interests opposed to the common good. We must exert our efforts to see that money is made to perform its proper function—that of serving men, in-

stead of becoming their master. My friends, in closing, lot us dedicate ourselves to the prop-osition that this legislative session shall be noted for its actions and policies adopted for the good of all the people of this state as distinguished from ill-conceived measures for the benefit of small and selfishly organized groups. Let us give ourselves wholeheartedly to serving this great state so its marvelous potentialities can be developed to the maximum as quickly as possible.

#### Attack on Branch **Banking Imminent**

String Would Ban Setting Up of Subsidiaries in Cities of Oregon

Oregon loomed last night with the announcement yesterday by Sena-tor Cortis D. Stringer that he would introduce a measure in the senate today to repeal the state laws authorizing branch banking. Stringer said the approval of his bill automatically would pre-vent national banks from establishing branches in Oregon.

"My bill has received the approval of a large number of per-sons who are interested in the creation and operation of local banks," Stringer declared.

Another bill concerned with branch banking, not as stringent as Stringer's which would not proregulation, was being prepared for introduction, it was stated.

In the offing was a measure aimed at state employes in the higher income brackets. The measure being prepared would pro-vide that all salaries in excess of \$200 be retained at their present level. The old base salaries under

The salary reduction law of the 1935 legislative session expires in March. In case of no new legislation all state salaries would be restored to their old base at that time. The salary reductions ranged from five to 30 per cent.

Governor Martin has recom mended that all state salaries be restored to their old base and the necessary funds have been provided in the budget.

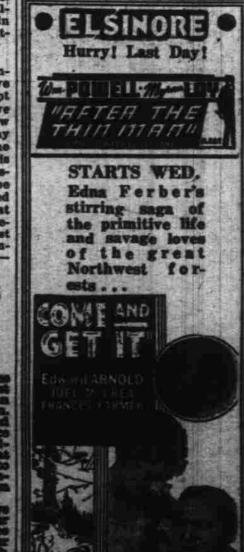
#### **Check Upon Bills Urged by Strayer**

The need for economy and efficiency in handling senate bills at the current legislative session was voiced Monday by Senator Strayer, speaking under the head of special privilege.

Strayer urged that before bills are introduced they be referred to the clerk of the engrossed and enrolled bills committee to determine whether they are drafted

"If you will observe this rule you will save the state money," Strayer declared.

ator Strayer's plan, said much time was wasted at previous legislative sessions in correcting bills which were drafted improperly and not in compliance with the senate rules.



# 2 Committees

Republicans Are Chairmen of 8 Out of 41; Plume Carefully Divided

After the legislation and rules committee had approved a change in house rules providing for the creation of two new committees, those being erosion and flood control and federal relations, Speaker Harry Boivin yesterday morning started the business of the house of representatives on its way with the appointment of

To friend and foe the appointments went with no member having more than one chairmanship. Membership on the all-powerful ways and means committee was considered equal to a chairmanship, Boivin said. Only two of the ways and means committeemen hold chairmanships. They are A. Reanie, chairman of mining and J. H. McCloskey, chairman of food and dairy products.

Republicans received chairmanships of eight of the 41 commit-tees, heaviest duty going to Fuhrer, Marion, banking and cor-porations; Thomas, Polk, educa-tion; Norblad, Clatsop, fisheries; Rennie, Benton, mining; and Hockett, Wallowa, taxation and revenue.

"Antis" Get Recognition Several important chairman-ships also went to members of the ships also went to members of the democratic bloc who opposed Boivin's selection of presiding officer. Representative Eckersley, Clackamas, heads the constitution and law committee; Hyde of Lane the committee on elections; Hoseh of An attack on branch banking in Oleen of Columbia tops assessment and taxation.

Rep. Henry Semon, Boivin's colleague from Klamath, drew the chairmanship of the ways and means group, and Rep. T. A. Livesley, Marion, will preside over the important committee on administration and reorganization. To N. Ray Alber went the chairmanship of the second most powerful house committee, that of judiciary.

The complete list of committees Administration and Reorganisation

Livesley, Bennie, Stephenson, Duiret, Semon, Engdahi, Mahoney,

Agriculture—Duerat, Jones, Kimberling,
Laird, Munroe, Semon, Oleen, Turner,
Miller,

Alcoholie control Dawson, Fatland, Barnea, Friede, Hyde, Leach, Cagter.

Easeasment and farnifou Clean, Alica, Deich, Magrideh, Norton Wilkinson, Harrison, Jeannet, Thomas.

Banking and corporations.— Fuhrer, Turner, Alber, Eckeraley, Hughes, Korton, Munroe.

Bills and mailing—Stophenson, Engdahl, Alber.

berling.
Forestry—Boon, Riddle, Carter, Hosch,
Young, Magruder, Olsen.
Gume—Leach, Young, Fatland, Rockett, Rennie, Staphenson, Wagner.
Health and public morals — Martin,
Waller, Miller, Allen, Bovans, Higgs,
Jeannes, Esson, Thomas.
Highways and highway revenues—Carter, McAllister, Boon, Roth, Staples, Turner, Livesley, Jennings, Fatland.
Horticulture—Harrison, Muaroe, Hogan, McAllister, Jones, Antrim, Jeannest.
Lasurance — Friede, Young, Alber,
Barnes, Livesley, Martin, McAllister,
Norton, Brady.
Lrrigation and drainage—Staples, Kimberling, Jennings, Laird, Magruder, Turner, Semon. Juerst.

Livestock—Hughes, Jennings, Erwin, lockett, Kimberling, McCloskey, Harrison.

Medicine, pharmacy and denistry—
liggs, Waller, Hockett, Hosch, Dawson, bull, Wagner.

Mining—Rennie, Mahoney, Carter, Englahl, Grant, Miller, Jennings.

Motor vehicles and aeronautics—Ma-

COLDS FEVER

### A Home Dynes Theater Last Times Tonight

Adventure in Manhattan

Two Features

#### Dean Walker Heads Ways and Means Committee of Senate; McKay Tops **Highway Group, Spaulding Banking**

Committees of the state senate were named by President Franciscovich immediately after he was elected to his position at the opening of the legislative session Monday morning. Dean H. Walker of Independence was named chairman of the important ways and means committee, the same position he held at the last session.

The list of committees, with the phonson, Cady, Grant.

Military affairs—Hogan, Cady, Bull, Norbiad, Walier, Jeannel, Turner.

Public institutions— French, Barnes Bennett, Bull, Fahrer, Higgs, Martin.

Public lands—Laird, Jones, Eckersley, Oleen, Hocksett, Mahoney, Harrison.

Bailways and transportation— Bull, Bonnett, Allan, Dawson, Engdahl, Staples, Burney, Assessment and taxalign— Wheeley, Angell, Duncan, Dunn, Spaulding, Kiddle, H. Jonnion, Stelwer, Walker.

Banking—Spaulding, Lessard, Stadelman, Dunn, Stelwer, Walker.

Banking—Spaulding, Lessard, Stadelman, Dunn, Stelwer, St COMMITTEES of the state senate were named by Presi-

ler.

Erosion and flood control—Magrudez,
Staples, Antrim, Cady, Eckersley, Hughes,
Erwin.

Federal relations—Bevans, Allen, Esson, Harrison, Thomas, Hyde, Fuhrer.

#### Legislators Use Facilities of Y

Senator Douglas McKay and Representative T. At Livesley have invited visiting legislators by letter to enjoy the privileges offered by the Salem Y.M.C.A. without cost during the present session. In doing so, as members of the Y. board of directors, they followed a custom established many years are by the lete Thomas R. Kay. ago by the late Thomas B. Kay.

That the legislators took the senator and representative at their word was shown by the arrival of several legislators at the Y. yesterday, asking for use of the swimming pool, handball courts and even weight-lifting equipment. The invitations also were ex-tended to wives of legislators to Balentine, Bennett, McCornack, Walker, Strayer.

Roads and highways—McKay, Best, Angell, Chaney, Clark, Steiwer, Eayrs, Ellis, Steples, Bennett.

Bales—Walker, Stringer, Strayer.
Unemployment reliet—Angell, Graham, Carney, Duncan, Strayer, Bennett, Ross.
Ways and means—Walker, Wheeler, Best, Dunn, Strayer, Pearson, Stadelman, Capitel reconstruction—Stadelman, McCornack, McKay, Pearson, Angell, Burks, Duncas. use the gymnasium and pool on Wednesdays and Fridays, women's

"The Y.M.C.A. is anxious to do

#### Vetoed Bill Sent **Back by Governor**

A vetoed bill of the special 1935 legislative session, providing for repeal of student fees at Oregon's higher educational institutions, was returned to the senate Monday with Governor Charles H. Martin's veto message.

Governor Martin declared the proposed amendment was unconstitutional for the reason that the election was approved by a unancestitutional for the reason that the

proposed amendment was uncon-stitutional for the reason that the student fees law already was un-der referendum attack.

Doorkeepers Named J. W. Beveridge, ex-Multnomah county clerk, was appointed assistant sergeant-at-arms of the senate yesterday. Assistant door-keepers are Gordon McCracken and Fred Heilberg. Murray Wade was appointed senate messenger to the printer and Mary Boeshen chief mailing clerk.

ased without opposition or deate. It was a ways and means committee bill appropriating \$25,000 to apply toward the costs

On hand immediately following

Courtesies of the house were extended yesterday to ex-Senator Jack Allen and Mrs. Allen and to City Commissioner J. E. Bennett of Portland who always makes several appearances during the legislative meetings.

Assessment and taxation — Wheeler, Angell, Dunnan, Dunn, Spaulding, Kiddle, H. Johnson, Steiwer, Walker.

Banking—Spaulding, Lessard, Stadelman, Dunn, Staples, Steiwer, Stringer, Claims—Stringer, Ross, Spaulding, Commerce and navigation — Staples, Dickson, Graham, Johnson, Stadelman, Counties — Chaney, Spaulding, Bust, Eayre, Lessard, County and state officers—Balentine, Chaney, Bennett, Barke, Walker, Carney, Johnson, Kiddle, Staples, Scheeler, Education—Graham, Walker, Carney, Johnson, Kiddle, Staples, Scheeler, Election and privileges — Bennett, Wheeler, Balentine, Burke, Ross.

Engroused and enrelled hills—Strayer, Dunn, Wheeler, Federal relations — Eayrs, Balentine, Spaulding. The real workers around the substitute capitol yesterday were not the senators and representatives who organized at a short morning session and quit for the day after an equally short afternoon joint gathering to hear the governor. The hardest workers were those men and women on the trail of jobs. Immediately following the adjournment of the caucuses the work seekers were on the jump, contacting members, pulling strings and otherwise campaigning to put themselves on the state payroll. Evasive and hard to find were most of the legislators who had, for the most part, already made arrangements for their hired help. Channey, Dickson, Ross, Stadelman, Staples.

Egrastry and forestry products—Burka, Kiddle, Balentine, Chancy, Clark, Spaulding Stadelman.

Geme—Dunn, Johnson, Bennett, Clark, Esyrs, Ellis, Kiddle.

Horticulture—Ross, Burke, Duncan, Industries—Chancy, McCornack, Best, Esyrs, Walker.

Insurance—Pearson, Angell, Dickson, Duncan, Staples, Johnson, Osrney, Balentine, McKay, Steiwer, Stringer, Ross, Judiciary — Duncan, Lessard, Angell, Pearson, Stringer.

Livestock — Steiwer, Duncan, Kiddle, McCornack, Wheeler.

Medicine, pharmacy and dentistry—Best, Staples, Carney, Eayrs, Lessard.

Military affairs—Lessard, Duncan, Military affairs—Lessard, Duncan, Municipal affairs—Clark, McKay, Balentine, Chancy, Burks.

Pennt institutions — Johnson, Ellis, Carney, McCornack, McKay.

Printing—Beanett, Angell, Clark.

Public buildings and institutions—Wheeler, Enyrs, Dickson,

Public lands—Ellis, Pearson, Graham,
Steiwer, Stringer.

Bailroads and utilities—Kiddle, Dunn,

It undoubtedly was the thought of a number of new legislators and many onlookers that the session didn't get anywhere Monday, but the fact is that more was accomplished than on the first day of the 1935 special session when disputes over members' eligibility prevented the completion of organization the first day. These same people will probably have similar comment to make at the end of the first week. It was indicated that both houses might recess from Thursday

Public lands—Ellis, Pearson, Granam,
Steiwer, Stringer.

Bailroads and utilities—Kiddle, Dunn,
Bennett, Beat, Lessard.

Besolutions—Strayer, McKay, Steiwer,
Dickson, McCornack,

Bevision of laws—Dickson, Graham,
Balengine, Bennett, McCornack, Walker,

Republican Named

morning.

TOMORROTY!

OUT OF HIS APARTMENT

ONTO THE FRONT PAGES

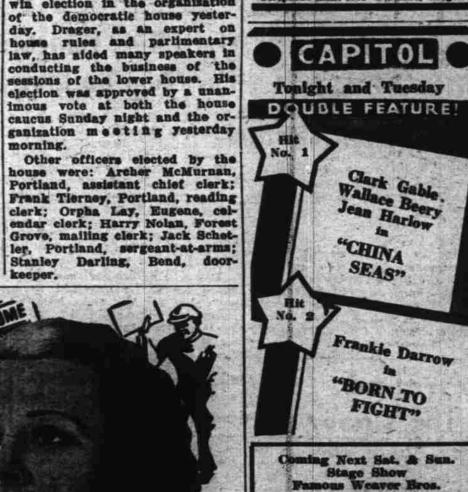
GRAND

DROVE A MAN

For Job in House

# **Famous Treatments**

Dr. C. J. DEAN CLINIC



25 Per

## Around the

Advance predictions that there might be a flood of bills in both Lobby (Continued from Page 1) houses were not borne out the first day when only two appeared in the senate and one in the house. At the regular 1935 session there were five in the senate the first day. A half dozen senators said they had no bills to introduce and that if any materialised they would develop out of committee activity.

Pity the poor doorkeepers. They the opening of the session was Dr. Raiph I. Shadduck, state to whom they should admit on Townsend manager. A Townsend the floor, especially for such ot-casions as the joint session Monshortly. He was conferring with members of the house. they are sure to step on the toes of some influential people.

#### Pages Are Appointed

Pages in the senate were appointed Monday by President Franciscovich. The two boys, Jack Desassise and Edward Fearey, are from Astoria, while the girl, Ila Mills, is a resident of Salem.

STATE Theatre





Nights Kiddies

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