

Reorganization Report Comes in; Recommends Further Study

State Bureaus Decrease, Aim

No Hasty Action Favored By Interim Committee; Changes Outlined

A report dealing with administrative reorganization of state agencies, submitted Thursday to the Oregon legislature, came out with a recommendation that the legislative assembly establish a commission to carry on further research in state administration.

The interim commission on government and administrative reorganization and the state planning board listed recommendations for future action, covering the special field of finance and business regulation, public welfare, and conservation of national resources.

"There is no peculiar merit in consolidation merely for the sake of consolidation," the report declared in summarizing its conclusions. "The commission has attempted to include only such recommendations as could be defended on the grounds of efficiency and economy."

Funds Insufficient

The committee based its recommendation for further study on the lack of sufficient funds to complete the investigation. "This report deals with organization only, and should not be interpreted to imply any criticism of any present administrative offices," the committee asserted.

Funds for Conducting the Studies on Which the Report is Based Came from the State Planning Board and WPA. Director of the studies was Herman Kehrl, director of bureau of municipal research, University of Oregon, assisted by Dr. Carl E. McCombs, staff member of the National Institute of Public Administration.

Copies of the report will be distributed among the legislators. D. O. Hood, ex-budget director under Governor Martin, is chairman of the interim committee.

A department of finance to take over the duties of the budget division, state purchasing agent, accounting, claims and warrant drawing activities is recommended. There would be three divisions in the department of finance, including a comptroller of accounts, purchasing unit and budget service.

The director of this department would be appointed by the governor and would serve at his pleasure.

Combine Two Jobs

The report recommended consolidation of the duties of the executive secretary and private secretary to the governor with budgeting activities placed in the department of finance. The executive secretary is now budget director.

All state welfare agencies would be transferred to the department of social welfare and be administered by a director appointed by the governor.

Further recommendation was made to abolish the reclamation and hydroelectric commissions. The duties of these commissions could be assigned to a division of water resources established in the office of the state engineer.

Regulatory and loan associations would be transferred from the state corporation department to the state banking department.

The board of control would continue to serve as the central purchasing agent, with the secretary of the board acting as purchasing agent.

Shift Gift Taxes

It was recommended that collection of inheritance and gift taxes be taken from the state treasurer and be placed in the state tax commission. The report branded the existing system of making state purchases and auditing accounts as bunglesome, and declared that the proposed new program would eliminate much red tape.

The planning board assisted the interim committee in conducting its investigations.

Members of the interim committee, besides Hood, were A. A. Bynen, N. G. Wallace, H. G. Bowen, E. H. Hill, E. L. Ross and Moore Hamilton.

Lieutenant Governor Plan Approved By Committee When Resolution Gets Attention; Partisan Angle Is Seen

Approval of a House Joint Resolution Providing for the Submission to the People of a Constitutional Amendment to Create the Position of Lieutenant Governor Was Given by the House Resolution Committee Yesterday by a Three to Two Vote. No Minority Report Was Submitted.

Representative Alber opposed on the measure on the grounds that it had already been submitted and been defeated.

"I think it is a good measure," he said, "but I don't see the sense of submitting these things time and again to the voters."

"Speaking on a party basis," Representative Leach declared, "it is very important to the democrats that we have this legislation. We realize the position we are in. I think it should be brought out on the floor of the house."

Leach referred to the situation by which the democrats, in case of the disability of the governor, would lose the control of the state government by virtue of the fact that Senator Franciscovich, president of the senate, would succeed to the state leadership, in a republican.

After amending H. J. M. 4 to recommend to the state of California removal of "unreasonable features" of its borderline inspection rather than to suggest its entire removal, the committee voted approval.

Seek Intervention

Senate sponsors of the house memorial asking the president to intervene in the maritime strike are to appear before the committee.

California Legislation Has a Split Session. In January a three-week term is held for the introduction of bills and passage of emergency bills. Then a vacation is held until March 1st when the second term is held for consideration of bills previously introduced. In the 1935 session 3,636 bills were introduced.

D. O. Hood, former budget director, now representing Gianini's Transamerica corporation in buying Oregon banks, was here for the branch banking hearing.

Courtesy of the senate was extended to former congressman Elton Watkins, prominent Portland democrat, Thursday.

Marion county may follow the suit of several other counties by requesting the present legislature to permit county offices, or at least the clerk's office, to close at noon on Saturdays instead of at 5 p. m. Senator Douglas McKay is understood to be willing to sponsor a bill to this effect. Should the change be made the office would remain open at the noon hour during week days.

Smiling openly yesterday were many senators and representatives who had opposed the suggestion of the governor that the legislature should approve, without question, his budget, pass laws and then go home. The million dollar error shows vividly the dangers in "rubber stamp" politics. It is by study, consideration and consultation that the proper kind of government is evolved.

Oregon football is faced with complete disaster. Such would seem to be the prospect should the constitutional amendment offered in the house yesterday by Representative Harrison providing that salaries of all persons connected with state, city or county government shall not exceed \$5000 annually. Football coaches come high.

To Guy Gordon, state commander of the American Legion, were extended the courtesy of the house yesterday. Likewise, Elton Watkins, former congressman, was recognized by the house members.

Though most of the members of the legislature are recovering from the cold and flu attacks, many of them are still nursing themselves in order to prevent complete disability. In fact, committee members are dividing their time between discussion of prospective laws and good treatments for colds.

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Recess Called Over Weekend

Sessions Today Last Till Monday; Committees Asked to Hurry

After the session this afternoon both houses of the legislature will recess until Monday morning.

As the senate met with little business to transact in two short sessions Thursday, President Franciscovich sounded a warning that unless committees got busy and reported on bills pending that there would be a congestion later on. He urged prompt action, and his advice was heeded by a call for several committees to meet.

Bills coming to the senate with favorable reports were S. B. 25 and S. B. 27 by Sen. Staples, to amend certain laws relating to schools. Another, Lessor's bill to empower directors to give free milk for school children, drew a "no pass" recommendation, but Lessor had the bill and report laid on the table pending inquiry to see if boards now had that power.

Senator Burke's bill to amend the law against drunken driving of motor cars by the repeal of the 1935 amendment which required calling in a physician of the arrested man's own choice and substituting the arresting officer to call in any physician was given favorable recommendation by the senate committee on revision of laws, with the amendment to strike out all reference to calling in a physician. This change conforms to recommendations of a committee of the Oregon bar and was approved by Senator Burke.

Lawyer members of the committee for the amendment would have that power without specific mention in the statute.

The committee also gave a "do pass" report on S. B. 41, 42 and 43 by Walker to allow the state and local units to issue callable bonds. The bills were recommended by the state committee on irrigation approved by the senate.

Thursday night, January 28, was set for public hearing by the committee on S. B. 17 by Carney to define slot machines; and S. B. 18 by Stringer and others relating to deficiency judgments in mortgage foreclosures.

The senate committee on irrigation approved Balentine's bill that plats of land within irrigation districts be approved by the district directors before the land is offered for sale.

Three bills were approved by the senate judiciary committee, as follows:

S. B. 24, by Franciscovich—Validating and ratifying certain refunding bonds issued by the City of Seaside.

S. B. 37, by Angell—Increasing the latitude of certain charitable and educational organizations with relation to the investment of their funds.

S. B. 40, by Walker—Authorizing the state treasurer to pay a lost check without an indemnity bond and declaring an emergency.

The Franciscovich bill giving the fish commission latitude in fixing the dates of opening and closing of the commercial fishing season was approved by the senate fisheries committee. The purpose is to adapt the season more closely to the fish runs.

Damage Insurance For All Is Bill Aim

A bill which would require automobile owners to take out damage insurance costing not less than \$5, in addition to paying their annual license fee, is provided in a bill being drafted.

Automobile owners would not be issued a license until they had obtained their damage insurance. Sponsors said no state agency would be set up for handling the insurance but that automobile owners would be free to obtain this protection in any approved company.

Birthdays Noted

Gladys C. Beardsley, assistant chief clerk of the senate, and enrolled bills committee of the senate, and Mildred Swift, stenographer, celebrated their birthdays Thursday. Senators Strayer and Wheeler made congratulatory remarks and the young women were the recipients of flowers and numerous other presents from members of the committee.

Bill Would Move Property Division

Transferring the so-called property control division of the state government to the state purchasing department, will be provided in a bill to be introduced by the ways and means committee.

The property control division was created at the regular 1935 legislature and has operated under the supervision of Clifford Mudd. He previously was employed in the property control division of the state highway department.

Legislators said the work of this division could be carried on more efficiently under the state purchasing agent.

HOLLYWOOD Today and Saturday 15c Two Features Adventure with the Texas Rangers and the Singing Cowboy.

AUQUA with Smiley Burnette The Tennessee Ramblers AND SECOND FEATURE Most amazing drama since "Dr. Jekyll and Mr. Hyde"

CHARLIE CHAN AT THE OPERA with KEYE LUKE CHARLOTTE HENRY THOMAS BECK MARION BRYAN

THE MAN WHO LIVED TWICE WITH RALPH BELLAMY & MARIAN MARSH Added Buster Crabbe in "Flash Gordon" serial, news and Oswald cartoon comedy.

GRAND

House Bills

Introduced Thursday

H. B. 56, by Munroe and Senator Stadelman—Providing for registration and supervision of industrial organizations. Defining "industrial organizations" as those whose purpose it is to influence the relations between employers and employees; providing for certificates to be issued by the corporation commission and reports to be made to him declaring an emergency.

H. B. 57, by Munroe and Senator Stadelman—To prevent the occurrence of illegal strikes and lockouts; defining what strikes and lockouts are illegal; providing penalty for the breach of the act and declaring an emergency.

H. B. 58, by Miller—Exempt homesteads from taxation and foreclosures.

H. B. 59, by Jones—Provides that the amount of federal grant used in construction of school buildings shall not be considered in computing the cost of the building for the purpose of fixing tuition.

H. B. 60, by Allen—To abolish the position of director of marketing research now held by W. J. Kerr.

H. B. 61, by Semon and Senator Balentine—Concerns the furnishing of water for domestic use, as well as for irrigating and drainage and other purposes.

Suggested Liquor Law Change Eyed

(Continued from Page 1)

or bottled beer—a suggested license fee of \$50. This license would permit "proper" dancing and entertainment.

3—Restricted retail bottled beer—a suggested license fee of \$35. For those establishments not selling draught beer. Dancing and entertainment would not be permissible, outside of radio or phonograph music.

Listed among the other proposals made by the liquor commission were: Giving commission inspectors and investigators the general powers of peace officers and the right to serve and execute warrants of arrest and warrants of search and seizure; raising of the importation tax on bottled wines higher than that on bulk wine; giving the commission the right to seize not only liquor, but other property used in violation of law; an increase of the commission revolving fund from \$25,000 to \$50,000.

The suggested changes will be placed in the form of a bill by Fiebel and placed before the legislature.

Liquor Ad Ban Is Defeated Quickly

(Continued from Page 1)

which the reports were held over until next week.

"I am a business man," Dawson declared, "I believe in getting things out of the way and then taking up the next matter. Next week we may have lots of other business and I think we can all cast our vote on this bill right now."

Representative Hyde opposed the reconsideration on the ground that there were many important facts to be determined and that an opportunity should be given representatives to hear from constituents on the proposed liquor advertising ban.

The committee reports were voted Wednesday night after the alcoholic control committee had spent an hour hearing arguments of the proponents and opponents of the bill in a public hearing. The committee vote was five to one.

Jury Lists From Registration Plan

The list of jurors in Multnomah county and other counties where selections are made by the county clerk would be drawn from the registration lists under a bill, brought to Salem by Elton Watkins, Portland attorney. The bill is an outgrowth of a dispute over jury lists in Multnomah county.

Under the previous practice in Multnomah counties it has been possible to select the jurors either from the registration lists or the tax rolls.

In counties where the county courts have selected the jurors they have been selected from the registration lists.

Two Measures Pass in House

Bandon Reconstruction Is Re-Refered; Limit on Salaries Proposed

Aside from a couple of parliamentary battles that saw the indefinite postponement of one measure and the re-reference of two others, the house continued to mark time yesterday. It did, however, pass two measures, one approval to a memorial to Congress seeking the amortization of land bank commissioner mortgages. Six bills were introduced.

The bill to prohibit liquor advertising went to defeat by indefinite postponement and the two measures designed to aid Bandon reconstruction by a majority vote were re-referred to the committee on taxation and revenue. Declaring that they were favorable to the measures members who instituted the move stated that, because of the time involved in the bills, they believed that they should be printed in the measure. The taxation and revenue committee last night voted the bills out without change.

Amendments Offered

Introduced in the house yesterday by Representative Harrison were two suggested constitutional amendments. One would limit all governmental salaries in the state, including judges, state, county, city, and school officials, to a maximum of \$5000. The other provides that the legislature may not re-enact a measure after it has been voted down by the people or that the legislature may not repeal a law passed by initiative.

Representative Daisy Bevans' bill to compel medical examinations of both parties intending to enter marital relationship was approved without a dissenting vote. Also passed was a measure to put all school custodians and assistants in Multnomah county under civil service. A similar measure, passed in the 1935 special session, was vetoed by the governor.

Exempt Homesteads

Introduced in the house yesterday was a bill relating to the distribution of water by irrigation districts, and a measure to make homesteads exempt from taxation and foreclosures. Two labor measures, one requiring registration of unions and the other forbidding sympathy strikes also came into the house hopper.

Representative E. C. Allen, Multnomah, introduced a bill to abolish the position of director of research and marketing director, now held by W. J. Kerr, in the Oregon higher education system. The other measure, introduced by Representative Jones, provides that the amount of a general grant used in the construction of a school building shall not be considered in computing the cost of the building for the purpose of fixing tuition.

County Hatcheries Provision of Bill

County courts would be authorized to erect, rent and maintain hatcheries for the propagation of salmon and game fish under the provisions of a bill to be introduced by Senator Staples.

The cost would be paid out of poundage fees assessed against all fish caught or sold for commercial purposes within the counties where hatcheries were established. This fee would be restricted to one-half cent per pound.

Every Cageman Has Flu

HOOD RIVER, Ore., Jan. 21.—(AP)—Dalles high school, in cancelling a basketball game scheduled with Hood River tomorrow night, said every member of its team was ill with influenza. Only a few cases have appeared here.

Senate Bills

Introduced Thursday

S. B. 57, by Lessor—Increasing the compensation of circuit judges pro tem of Multnomah county from \$10 to \$20 per day and providing that such judges shall not serve as attorney in any other case during that particular term of court.

Million Error Is Viewed by Solons

(Continued from Page 1)

sum not greater than six per cent of the highest of any of the three preceding years there may be levied only \$7,520,000 for the biennium. The legislature may appropriate more but to do so would incur a deficit, which Governor Martin has sought to avoid.

The remaining million dollars expected from the income taxes must go to reduce the property tax for items outside the six per cent limitation such as higher education.

The Wharton budget had shown a surplus of \$430,000. The error of about a million will cause a budget deficiency of about \$500,000. This may be avoided if appropriations are reduced or if an increase is found in indirect receipts.

Prospects of More Receipts Mentioned

Prospects of pick-ups in receipts were mentioned by John H. Carlin of the state tax commission after Chairman Charles Galoway of the commission has explained the laws governing tax levies. Carlin mentioned the recovery of \$400,000 not used by the liquor board, although appropriated, and \$50,000 from an appropriation for an infirmary at the university. C. C. Chapman mentioned a cushion of perhaps \$200,000 in liquor revenue receipts. Sen. Pearson reported possibilities of an increase of \$100,000 in insurance premium taxes.

Chairman Walker and Semon announced they would appoint a sub-committee to make a survey of revenue prospects, and advised subcommittees on expenditures to hold up work until the first of the week to see how "tough" they would have to be.

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It Led the "Big Ten" Pictures of 1936!!! Don't Miss This!!!

CLARK GABLE JEANETTE MCDONALD SAN FRANCISCO SPENCER TRACY JACK HOLT JESSIE WALSH TED NEALY and 2nd Hit

Gorgeous All-Color! "BOLD CABALLERO" With Bob Livingston

STATE THEATRE TODAY AND SATURDAY!

ANOTHER Gals Show

ON THE SCREEN

GARY COOPER MADELEINE CARROLL IN The GENERAL DIED at DAWN

Quality Quantity

ON THE STAGE

4 BIG ACTS! EASTERN CIRCUIT

VAUDEVILLE

—HEADLINING— The O'Conner Boys Vaudeville's Finest Comedians

Return Engagement MING TOI America's Famous Dancing Star

PERTLE & COMEDY GREEN DUO

STATE THEATRE ORCHESTRA

The Call Board

STATE

Today — Gary Cooper, "The General Died at Dawn."

GRAND

Today — Irene Dunne and Meyvyn Douglas in "Theodora Goes Wild"

HOLLYWOOD

Today — Double Bill, Jean Autry in "Ride Ranger Ride" and "Man Who Lived Twice" with Ralph Bellamy and Isabel Jewell.

Today — Double Bill, Clark Gable, Jeanette MacDonald in "San Francisco" and all-color "Bold Caballero" with all star cast.

ELSINORE

Today — Double Bill, Mae West in "Go West Young Man" and "T. T. Mighty Treve" — an all-star cast. Saturday — "College Holiday" with Jack Benny.

AGAIN! By Popular Demand Eddie Doyle's

12-Pc. Eastern Swing Band Mello Moon SATURDAY, JAN. 23

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Fast gags... Smooth songs... Sizzling dances... Whirlwind romance...

COLLEGE HOLIDAY

with JACK BENNY GEORGE BURNS GRACIE ALLEN MARY BOLAND MARTHA RAYE

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Last Times Today

Mickey Mouse Matinee Saturday 1 p. m.

Chapt. 12 Serial Big Stage Show with Noah Beery Jr.

STATE THEATRE TODAY AND SATURDAY!

ANOTHER Gals Show

ON THE SCREEN

GARY COOPER MADELEINE CARROLL IN The GENERAL DIED at DAWN

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