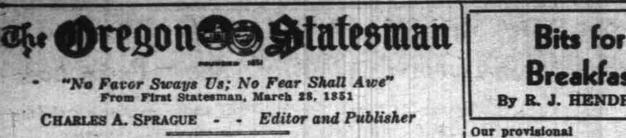
PAGE FOUR



THE STATESMAN PUBLISHING CO. Charles A. Sprague, Pres. - - Sheldon F. Sackett, Secy.

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State Taxes and Finances

THE recent flurry over state finances reminds one of a similar scurrying for an audit in early 1933 when the

state was forced on a warrant basis for a brief period and all hands and the cook got busy to reconcile figures among the various state offices to determine just what the famed deficit amounted to. Auditors of the secretary of state's office, accountants from the treasury, and engineers with slide rules from the highway department did calculations until they finally agreed on a set of figures. In a few months the state was able to retire all its warrants, since then it has extinguished the deficit and accumulated a small surplus.

Keeping books of account for the state is not a simple matter. The budget office prepares a budget based on estimates of income available; the legislature makes appropriations, with no limit on what it can appropriate, but with generally the good purpose of keeping within anticipated revenues. The tax commission makes its levy, estimating the amount needed from property taxes after deducting estimated receipts from other sources. Money as collected finds its way into the state treasury.

On the spending end the machinery works this way: payrolls and bills all go to the secretary of state's office. After they are checked for correctness and legality the secretary of state issues a warrant on the treasury for the payment. The warrants thus issued are paid by the state treasurer if money is on hand for their payment, as is generally the case.

Thus it is seen that a great many departments of government have to do with the provision of income and the expenditure thereof for the state. In the secretary of state's office when appropriations are made books are set up showing the amount of the appropriation. The aggregate becomes the total liability of the state. But many times not all the appropriation is used; sometimes none of a special appropriation is used, For general expenditures if the appropriation is not used during the biennium the sum remaining reverts to the general fund; in this way there is always a little pick-up of money. Other appropriations stand until they are used, or until they are extinguished by law. For example the legislature is now expunging an old appropriation for a vault. When such appropriations are canceled the money then reverts to the general fund.

Another 1 oint to be emphasized is that the state's business is continuous. It does not have to have its books balanced on any particular day. Revenues are being received all the time; expenditures are being made all the time. For convenience and statistical purposes reports are made at biennial intervals. It is easily possible for the state to carry a bookkeeping deficit of a million dollars or so, because of the "spending lag",-not that a deficit is desirable or wanted.

Still other points need setting out in primer style so those unfamiliar with state finances may know the facts. gress urged the separate colonies The state constitution forbids a taxing body to levy taxes in an amount which would exceed by more than six per cent the ing, Georgia established a oneamount levied in any of the three preceding years. This puts house legislature in its 1777 cona top limit on tax levies. However there are certain special stitution, but changed to the dual items, voted by the people which are outside this limitation, either being fixed levies or limited in amounts. These include 1.26 mills for higher institutions of learning, a half-mill levy from 1777 to 1836. for veterans' aid, and sum required for principal and interest on bonds issued when the state assumed interest payment o., irrigation bonds. When the income tax law was passed, in order to prevent this new fund being used for added spending, it was written into the law that receipts of these income taxes should go to extinguish the levy on general property. First the income tax proceeds go to reduce or wipe out the levy made for general purposes, "within the six per cent limitation"; after that levy is wiped out, as it is for 1937 the excess applies against the special funds "outside the six per cent limitation." So long as there was a deficit in the general fund the six per cent increase was added each year to deter- failed to accept proposals made mine the top limit for taxation. The mere fact that there are millions of dollars in the treasury does not mean all this money is available for general spending. The money belongs to separate funds and may be used only for the purposes for which those funds are created. The highway funds are for road purposes; the industrial accident funds for compensation to victims of industrial accidents; higher education funds for higher education, etc. This is all old stuff to persons in close touch with matters of state finance. New legislators, new office-holders have to learn the story when they come to Salem. That is one reason why competent, informed men need to be retained if only to instruct the newcomers in the intricacies of tax laws and state finance.

The OREGON STATESMAN, Salem, Oregon, Thursday Morning, January 28, 1937

What a Boon!

Breakfast By R. J. HENDRICKS 1-28-37

government legislature was unicameral from its beginning to its ending: 5 5 5

The Portland Oregonian's leading editorial for Tuesday, January 11, under the heading "One-House Legislatures," was informative; but it omitted Oregon's own pioneer provisional government legislature.

The Oregonian editorial read: 5 5 5

"A few days ago the Spokane Spokesman-Review remarked editorially that the late Governor Lister of Wshington long preceded Senator Norris in advocating a one-house legislature. The system adopted in Nebraska at the Norris instance was recommended to the legislature of Washington by Lister in 1917-twenty years ago.

"This comment has inspired the Yakima Republic to remind its Spokane contemporary that Governor McBride of Washington, in an unsuccessful campaign for reelection prior to the Lister administration, advocated the singlehouse legislature, and for that matter Nebraska is not the first state to have tried the plan.

"Well, in Oregon, 25 years ago come next November, the people voted on the plan and rejected it. An amendment, initiated by the People's Power League, abolished the state senate. The amendment had other features such as proportional representation in the remaining legislative house, ex-

officio membership in that body by the governor and unsuccessful party candidates for governor; the governor to introduce all appropriation bills with no power on the part of the legislature to increase the amounts. The plan also introduced "proxy voting." That is to say, each member was entitled to cast for or against a measure the number of votes he received in the election.

"Two years later (1914), the State Grange, the State Federation of Labor and the People's Power League sponsored an amendment abolishing the state senate, without offering any other frills or novelties. The 1912 proposal was defeated by the people by a better than 2-to-1 vote; the succeeding simpler proposition was rejected by a nearly 2-to-1

On the train, enroute to her home in Los Angeles from college, lovely Eliz-abeth Harmon meets handsome Ger-"In the early days of the reald Bruton, young stock broker. Full of the zest for living, Elizabeth speaks of her ambitions for a career. After huncheon, Gerald suggests a liquer. public three states experimented with the single-house legislature. Following the Declaration of Inluncheon, Gerald suggests a liquer. Elizabeth had never tasted intoxicants but, fearing her companion may think she had been posing, she accepts. dependence the continental conor states to set up constitutional forms of government. In acquiesc-The

and two glasses the size of thimbles. He poured out a pale liquid that seemed to have captured form in 1789. single

of

three states."

tution.

elect.

5 5 5

Yamhill district having failed to



.UXURY MODEL"

Sage of Salem Speculates By D. H. TALMADGE

The Me of Me If only I could sometimes be Turned inside out for folks to

The part that really is of me-The honest truly Me of me!

carry round a pair of eyes (I didn't order) just to see, And back of them and down in-

My own real self I try to hide.

My face belies the honest Me, And folks don't know, nor care maybe.

To know the self I really know. Only the measly me I show.

But then, if I should really show The real Me, it might be a blow

guess I'll have to keep the face Given to me to start my race. S. S., Salem, Ore.

little one who isn't tall at allwere in town Friday and Saturday. They dropped in for the laudable purpose of dispelling, so far as they might, the weather gloom that has been hanging around of late. They said their father and mother sometimes accompanied them when they came to town to dispell gloom. But on this occasion mother remained at home to some wood, and father split couldn't come because he had to hold the lantern, so that mother could see to split the wood, and so they (the three boys) would be compelled to do the best they could without help from the old folks. This explanation, despite its simple and pathetic nature,

and hilarity. The O'Conner boys, But these things were as nothing which they clothed their presence on the stage-the half-intangible something that everybody (or almost everybody) likes and tu-

reality whatever. The writer men tions the statement flashed on the screen at the beginning of the film that the film does not purport to be biographically accurate. though it does claim to be accurate in spirit. "And that statement," says the writer, "is supposed to make it all right for the producers to commit mayhem. murder and assault when armed with a dangerous weapon, upon the facts of history."

The Oregonian writer continues: "The Hickok-Cody Dicture has no relationship with reality whatever, and yet the critics are supposed to be disarmed by the advance admission of the producers. That makes matters decidedly difficult for those historically-minded persons who actually do have a regard for the true characters of Wild Bill, Calamity Jane and Buffalo Bill, and who wish that these bizarre prim-The O'Conner boys-the tall itives could be revenue, the middlin' tall one and the public as they were." itives could be revealed to the

The Oregonian is just a little unreasonalle. Doubtless Mr. De-Mille's young men and women dug into every book that might throw light upon the careers of Messrs' Cody and Hickok and Miss Calamity Jane, and doubtless they found, as others have found before them, that no two writers are agreed upon any two consecutive points. I have talked with men and women from Deadwood, and I have heard a brother of mine tell of the old days at Abilene and Hays City as he had gathered the tales from old-time lips during a newspaper sojourn in that section, and none of the tales agreed.

Really it does not seem the historically-minded persons, for whose bleeding sensibilities the Oregonian writer is so concerned. should allow this picture of Mr. DeMille's to darken their lives. It was, perhaps, carrying the matter a bit too far when it was made to appear that Jane Canary, in order to save the life of Hickok, whom she worshipped, was responsible for the massacre on the Little Big Horn. But does it seriously matter? There is not much, in truth almost nothing, upon which to base a biography of either Bill Hickok or Jane Canary. Neither of those wild spirits would give a whoop whether they were correctly set forth biographically or not. And knowing Bill Cody, as one who has seen him strut his stuff back in the early '90s, I'd almost guarantee that the only fault he would find with Mr. DeMille's "The

caused waves of laughter to sweep over the audiences that greeted the current bill of vaudeville combined with photoplay at the State theatre. So what? So far as I know, there is no way of accounting for the reactions of an audience to vaude-MAY CHRISTIE ville. What would appear to be the veriest trifle not infrequently marks the line between glumness on Friday and Saturday's bill at the State theatre, did little of an especially noteworthy character. They danced acceptably, did a few acrobatic stunts and sang a little. compared to the atmosphere with

by

Growing "Peppers" FAVORITE children's book of yesteryear was "Five an objection. Its authority was merely advisory. Little Peppers and How They Grew." The title suggests

itself in connection with recent news stories regarding. the budget office of the state. It was reported that years ago the budget was prepared in the office of the secretary of the board of control at a cost of about \$2000 a biennium. Then the office of director of the budget was created for the late Sam Kozer with a salary of \$6000 per year. The recommended appropriation for the budget division for the next biennium is \$24,485.00.

Another "little pepper" whose growth has been rapid is the property control department, a real newcomer, with an allotment of \$35,652 recommended for it during the coming biennium.

Now of course the test is not the direct cost of these departments, but whether they result in savings to the state the which more than offset the sums which the offices cost. The budget office has been a busy place, what with monthly estimates of expenses from all departments, and so forth. What the final score would show we are unable to say; but the growth of these two divisions shows that it does cost money, council. even to save money.

Admiral Byrd, now lecturing in these parts, who declared some months ago his dedication to the cause of peace, has announced he would institute an effort to persuade all signatories to the Pact of Paris to declare a six-month moratorium on war. The purpose is good, and the effect might be beneficial; but in their present mood the beiligerent powers would continue to pile up armaments in anticipation of a touch-off at the end of the period. Besides, didn't the signers of the Paris peace pact renounce war forever, "as an instru-ment of national policy"?

River transportation on the Willamette has not become extinct. On the contrary the locks at Oregon City passed the greatest amount of cargo in history, says the Oregon City Enterprise. The total was 403,260 tons, of which 162,800 tons were in logs, 31450 tons in piling and most of the remainder in paper. Navigation to Salem was discontinued in Salem or the total would have been higher. Low water prevented resumption of steamer service.

With about all the \$200 for the first month gone there is only a little \$18 in the tax kitty by which the \$200 was to be renewed in the Chelan Townsend experiment. The theorists think the fund is said-filling like the widow's cruse of oil. How long ago was it the chain letter gag was enticing people with the promise of getting rich anick?

The house appropriations committee has reported a deficiency bill of \$599,717,518 for "recovery and rallef". The division is not made, but probably the \$590,000,000 is for relief and the reminder for covery made a deficiency were called by the governor, to get the 18; nearly every able bod-ied man in Oregon having joined

some of the spring sunshine in it. system lasted in Pennsylvania Elizabeth tasted hers. The from 1776 to 1790; in Vermont sweet strong stuff was like fire in her veins. "In addition to a single house

"Like it? of representatives the Pennsyl-"It's gorgeous. What did you vania and Vermont constitutions call it?" created both an executive council

SYNOPSIS

CHAPTER II

waiter brought a bottle

"Benedictine." and a council of censors. The Ver-She sipped again. She said: mont framework of government 'It's a bit fiery. Whatever is fi

went further than that of Pennsymade of?" vania with the executive council. "That's a secret known only to Vermont constitution re-

the Benedictine monks." ouired that all hills originating in "But how extraordinary!"

the assembly should be submitted "For centuries, he said, "they to the governor and a council of have made it in their monastertwelve members for their revision ies. And no one's ever yet found and concurrence, or proposals of out the recine."

amendment. If the assembly She thought: "He's chosen this -like a religious blessing on our by the council, the council had meeting-" Every nerve in her authority to suspend the passing body tingled as she looked at him of such bills until the next session and her heart rose.

"But how terrible to be shut the legislature. The purpose of the executive council, as stated way from the world!" she remarked breathlessly. in the constitution itself, was to

promote mature consideration Gerald Bruton's lips twisted in and prevent hasty determinations. a faintly ironical grin. The "In Pennsylvania the executive warmth went out of his eyes as council's authority did not include though a light had suddenly been snapped off. "You're right," he examination of or limited veto agreed tonelessly. over legislation as found in the

"Yet they go into it of their Vermont plan, but general laws, own free will. It seems-inconexcept those of sudden necessity, ceivable."

were held up for final passage from one session of the assembly "To anyone as young as you. 1 until the next. In Georgia, an uppose it's never occurred to you executive council examined prothere can be a hell upon earthposed acts of the assembly, and for some poor devils?"

"Disappointments, you mean? He gave a bitter laugh. "You're out a heavy gold case with the like the child Pippa in Brown- same monogram on it as on his "The council of censors in ing's poem. 'God's in His Heaven. Pennsylvania and Vermont had all's right with the world.' That thirteen members. It was elected was her theme song."

"And what's the matter with at the other." every seven years for a term of that?" she flashed. "Isn't it a one year. Its duty was to inquire thousand times better to believe whether the constitution had been preserved inviolate during the in things-to be happy than miserable?' septenary and whether the gov-

"Weren't you criticizing women ernment had been faithfully exlittle while ago for hiding their ercised. It was also empowered to heads in the sand? More, don't propose amendments, and call constitutional conventions to conyou realize that women are very sider them. The council had the often at the bottom of men's misfortunes?" power of subpoens, and authority

"You mean," she said with unto issue censures, order impeachexpected perspicacity, and quite ments and recommend repeal of pertly, "that behind many monks acts it decided were contrary to in their monastery, 'cherchez la constitution. Vermont refemme'?" tained the council of censors un-

"Not literally, I hope." His eyes til 1870, but the dual-chamber twinkled for a moment, then system was adopted in 1836 by darkened. "But often theoreticala convention summoned by the ly that's quite true."

She thought: "He's had a love "It has been charged that indisappointment. That accounts for stability and passion marked the the lines in his face, and the little proceedings of the one-house legwhite tufts over his earst." And islatures, but it is also surmised she felt a sudden flerce resentthat a desire to be like other ment at the unknown woman who states had much to do with creahad made him suffer. It was untion of a senate by each of the

except in 1843, and every session with definite irritation. was unicameral; had only one Our first provisional governhouse. ment legislature, of 1843, called \$ \$ \$ legislative committee, sat at the

What is more, able men wer Jason Lee mission (where the government itself had been voted members, and great issues were settled. And the laws they passed and set in motion), with nine secame those of Oregon territory members, and formed the constiand Oregon state,

Also, it furnished the early The 1844 body, still called leglaws for California, copied from islative committee, met at Orethose of Oregon, mother of states gon City and had eight members.

west of the Rockies. \$ 5 9

The 1845 body, then and thenceforth called legislature, Our provisional governmen egislature was not bothered with had 13 members; in 1846, 16 members, in 1847, 21, and in budgets. With only \$43.72 in the treasury, and no credit, it fought 1848 18 members, though entitled the Cayuse Indian war, which would now cost a million.

But this is a statement of his-



"You were out till two o'clock this morning, Elisabeth. Might I inquire with whom?

thinkable that any feminine cre-l gentleman is someone who picks ture could have made him suffer. a young girl up on a train and for he was so attractive. pursues the acquaintance without even having the decent manners From his coat pocket he drew to call at her home? How do you know his name is Bruton? Like as not he made that up to impress wallet. He flicked it open.

you. "Will you have one? These are Egyptians at this end. Domestic Elizabeth produced his card. Her step-father glared at it, and with an unbelieving She took a cigarette that had gay red tip to it. He lit it for "Humph!" put it in his pocket.

her. He drew back to light his "Instead of running around at night, it would be much better and more seemly for you to take Suddenly she saw the hand that care of the house. I won't have held the match halt in midair, you going out with Tom, Dick and his eyes looking beyond her. and Harry. As for this man, if he dilate in a face that had curiousis one of the Brutons, it makes it ly whitened. The match slipped all the worse, since he must know from his fingers to the tablecloth,

burning a tiny hole; he did not what's what and what isn't." Elizabeth was no coward to be see it. Someone was coming down browbeaten. She had never got the passage of the luncheon on with her step-father, and now, coach. The someone was a man after a year's absence from home -a heavily set, roughly dressed the breach had widened. With man - who halted abruptly at

their table, exclaiming awkward-"Why. of all things! I-I never expected to see you in this part of the world!" In the living room of the comfortable small house set in the

orange grove that he had purchased on retiring from the army, Colonel McCarthy regarded his step-daughter, Eliazbeth Harmon,

"You were out till 2 o'clock this morning, Elizabeth. Might I inquire with whom?"

gaze steadily. She was essentially truthful and straightforward. She would not prevaricate.

own.

ily-the brokers. We'd a grand time. Wehim?"

ing down." "Without introduction?" The

ing him a grotesque resemblance president of Prun-port Co. is in to a gargoyle. She said hastily: "Oh, we hap-

multuously approves. The bill was, of course, better in some spots than in others. Also it was a more popular bill than

some that have preceded it. It is ever thus with variety programs. The audiences were large, and generous with applause, which fact in itself testifies to the quality of the performance.

It is a waste of time to analyze vaudeville performance. If an average audience likes it, it is good;" otherwise-well, it isn't.

In view of what is going on in the Ohio valley, it does appear that we should be ashamed of ourselves for the complaints we have uttered about our 32-degree temperature, but a fellow must complain about what he has to complain about. We can't help it it we have nothing more grievous than a freezing temperature to complain about, can we? Gee.

Don't part with your illusions. When they are gone, you may still exist but you have ceased to live.-Mark Twain.

Ott Schmidt of the Grand theatre is of the opinion that "Charlie Chan at the Opera," the picture that opened the week at the comfortable playhouse at the corner of High and Court streets, is the best "Chan" film to date, and I am disposed to agree with him. A story more interesting and convincing than the average story, and a mystery more complicated and at the same time more reasonable. A better than usual supporting company, including no less a horror-inspirer than Boris Karloff. An improvement is noted in the work of the bouncing Chinese youth, Keye Luke, who has overacted seriously on some former occasions. Warner Oland, as the Chinese detective who never fails to solve his mystery, was, as ever, beyond criticism.

> Sunday night I chanced to read in Stage (New York) Mr. Cecil DeMille's story of "The Plainsman." It is an interesting story. with a bearing upon the concep-. tion of the picture and the labors incidental to the making of it. I have seen the finished product, and in my opinion, who am of it-is a great picture. Monday morning, glancing at the editorial page of the Portland Oregonian. a habit of 25 years and more, and there are times when I wonder mildly why I do it, I learn that not everybody is pleased with Mr. DeMille's story of "The Plainsbluntly that the Hickok-Cody pic-

Twenty Years Ago

activities of Y.M.C.A. will

February 7.

Plainsman" would be that he had not been accorded the glamour instead of Bill Hickok. Notes

The most laughable news of the past several days-that of shivering tourists in southern California. The most dreadful-that from Cincinnati . . . "Gone With the Wind" Margaret Mitchell's first book, has broken a record. Its sale has passed the million mark . . . Eleanor Powell can "tap" 20 times a second in dancing ... Jeannette MacDonald and Gene Raymond are to be married June 17 . . . The battle of Bunker Hill was fought on June 17 . . Since congress adjourned last June three senators and six congressmen have died . . . A book worth the reading, "White Banners," by Lloyd Douglas . . . I've been around some, but so far I haven't met up with anybody who acts as if he enjoys making out

his income tax report . . . You hear some folks saying they think they've had a touch of flu, and others saying they expect they'll

have it, but you don't hear very many saying they aren't going to have it . . . I met the man yesterday who has had the worst flu attack of anybody in Oregon and lived. He admits it . . . There was a day when folks with a few moments to spend restfully took a 15-13-14 puzzle from their pock-ets and poked at the little blocks with their index fingers. We have now ascended to a higher plane -the crossword puzzle . . . How tough is tough? Of course, nobody knows. But it's safe to say it ain't so tough as some folks who think they are tough think it is . . . I see white pencils on display in the bookstores. I reckon some folks use 'em to draw on their imaginations . . . Says a newspaper wise guy, "Don't swing to the right or left, but stick to the middle of the road." Yes, but doesn't the guy know it's contrary to the traffic regulations? . . . Gosh, how I hate that word "guy"! It is said of a certain legislator that no fault has been found with him since he assumed the office. A sort of course but an indifferent judge, window is open, and a moth

washout, what? . . . This is being written to the accompaniment of a warm rain that came a short time back on a south wind. The miller has fluttered in. Reminds me of something Ed Widger said once when a moth miller fluttered in at an open window. "Darn a bird," said Ed. "that lays holes instead of eggs!" . . . An eastern magazine has remodeled the ancient story of the man who man." The Oregonian states was painting hurriedly because he wished to get the house covered ture has no relationship with before his paint ran out. The later story has to do with a speeder who was driving fast because he had not much gas and wished to reach home before the supply was exhausted . . . Old jokes on new people become new jokes . . . The "Dr. Bull" picture (Will Rogers) is being brought to Sa-January 28, 1917 demonstration of physical new membership drive to start lem for another showing. Opens Saturday . . . A new electric sign at the Commercial Book Store . . . President Carl Gregg Doney

will address men's meeting at city Y.M.C.A. today and Willam-One may traverse most of the business section of Salem in a ette university male quartet will rainstorm without getting wet exsing, luncheon will follow, cept when crossing the streets. Arrivals of 30 years ago recall New Cherry City bakery op- that awnings were few and far

She flushed, but returned his

"How long have you known "I met him on the train com-

Colonel's eyebrows shot up, giv-

more

the memory of last night singing

in her mind, the thought of in-

terference was intolerable. Why,

Gerald Bruton had treated her

like a little queen! The hours

had been golden, unforgettable

Doubly radiant, too, because of

the months of drabness and se-

clusion that had preceded them.

They had dined and danced at

January 28, 1927

But this is a statement of his-torical facts, not an argument for luncheon. It seemed quite natural elected president of sopho

country inn, with the scent of flowering lemon and verbena and the thousand heady odors of a southern spring drifting in at the (Continued on page 9) Ten Years Ago

"I was with Gerald Bruton. You know, one of the Bruton fam-

city for week.

has been

Heights to old S. A. Clark or-chard, 60 A. has been platted into town lots and filed with county court by Mr. and Mrs. George Grabenhorst.

Prun-port machinery and equip-ment on way-R. L. Holsclaw,

Under name of Candalaria

