

Tax Is Shifted On Intangibles

Income Exemption Is Cut in Bill Reported as Favored for Passage

The new tax program of the administration, revised to meet the objective of reducing rates on income from intangibles and offsetting this loss by moderate increases in other forms of income, was nearly ready late yesterday for introduction in the house. Dr. C. T. Hockett of Enterprise, chairman of the house taxation and revenue committee, said his committee would prepare a bill providing:

1. Repeal of the present eight per cent flat tax on income from intangibles and inclusion of this income in the regular tax brackets, with a two per cent surtax placed on all such income.

2. Probable revision of the present income tax law to reduce the exemption for single men to \$700 and for married men to \$1200 and slightly higher rates in the higher brackets.

3. Somewhat reduction in the property tax reduction on corporate income to make the present excise tax raise a slightly larger sum.

Bill Favorite of 15
So far, 15 tax bills have been introduced in the house. But administration leaders predicted most of them would be tossed aside in favor of the administration measures.

Other tax measures would tax chain stores as high as \$200 a store, increase exemptions on intangibles, lower exemptions on the income tax, provide a two per cent surtax on all income, provide a one and one-half per cent tax on retail sales, services and private incomes, and increase income taxes on big incomes by three per cent.

Three bills introduced by the legislative interim tax committee would enact a two per cent tax on business to raise \$6,500,000 a year to pay counties' relief burden, and levy a 1.75 per cent excise tax on automobiles to raise \$1,500,000 a year for county roads and city streets.

18 Bills Introduced
Among 18 bills introduced in the house were two from the alcohol control committee to ban fortified wines, prohibit mixing of drinks by holders of hotel and club licenses and provide a retaliatory tax for wines and beers produced in states which tax Oregon-manufactured beverages.

Other bills introduced included one to appropriate \$15,000 for an Oregon livestock exhibit at the Golden Gate International exposition, to authorize irrigation district boards to contract with federal flood control agencies, and to provide examinations for notary publics and increase their fees from \$5 to \$10.

The house passed 14 bills yesterday, all of them of minor nature.

House Unit Backs No-Diversion Bill

The house highways and highway revenues committee Monday voted a "do pass" report on house joint resolution No. 4, which would prohibit diversion of gasoline tax funds from highway road or street purposes.

This was not regarded as a setback for the bill introduced by the League of Oregon Cities to transfer \$380,000 to work on city streets. The resolution was said to be designed to prevent diversion of funds to such items as relief.

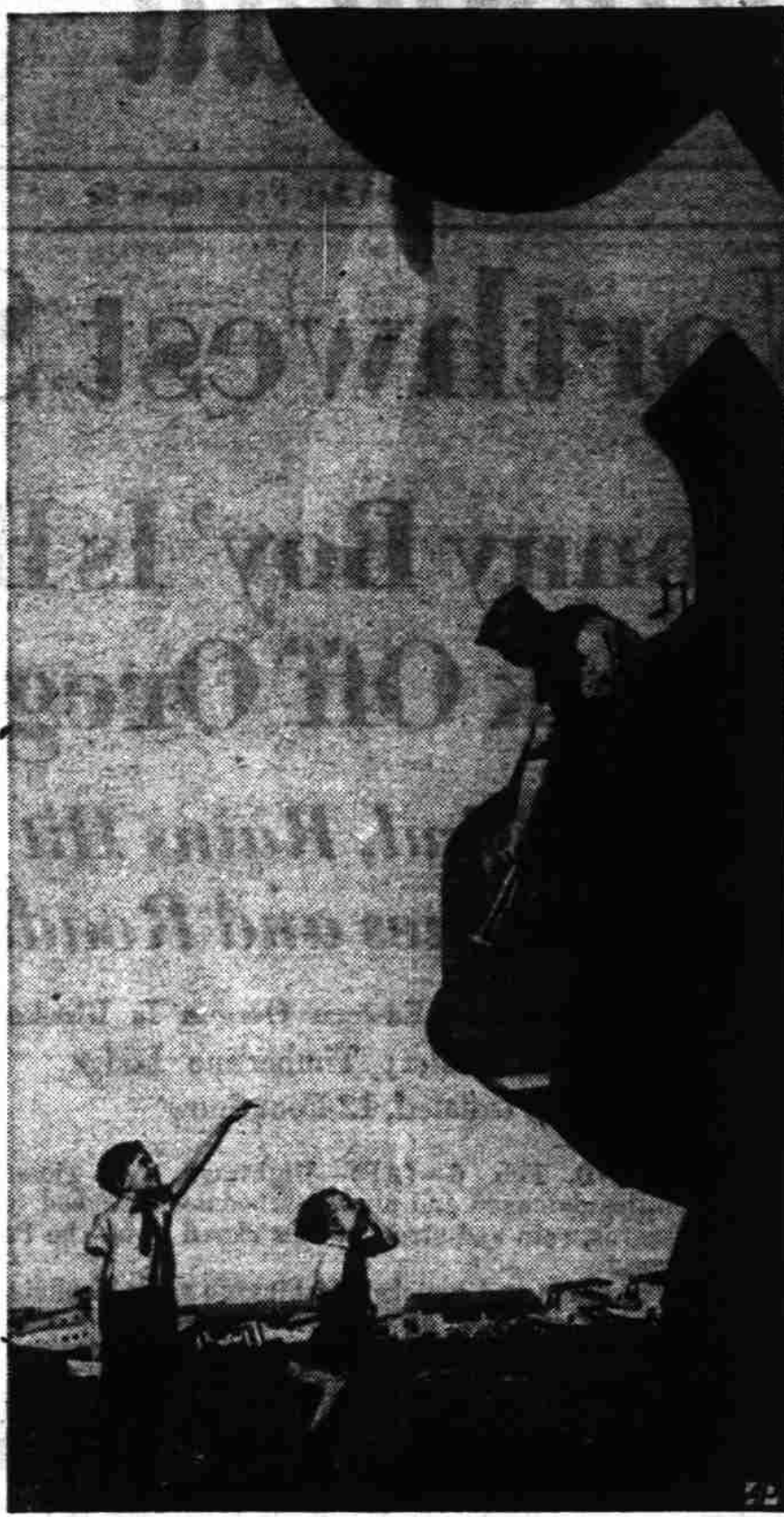
HJR 4 is in the form of a constitutional amendment to be submitted to the voters.

Enjoyable View



SCENERY around Las Vegas, the southern Nevada town seeking to wrest divorce laurels from Reno, has its fine points, says Miss Pauline Honnrich of Las Vegas, who's scenic in her own way. She's a "Mrs." among the money "Mrs."

Real Thing More Interesting



TOY PLANES LOST their interest for David (left) and Sidney Stevenson when this huge bomber stopped at San Juan, Puerto Rico, preparatory to U. S. war games in the Caribbean. The youngsters are making friends with a mechanic.

House Bills

INTRODUCED MONDAY

HB 349, (sub for HB 75)—Relating to office hours of Coos, Lincoln and Tillamook county officers.

HB 349, by irrigation and drainage—Relates to collection of irrigation district assessments.

HB 350, by irrigation and drainage—Authorizes directors of irrigation districts to contract with United States government.

HB 351, by agriculture—Clarifies section regarding notices, relative to flood control.

HB 352, by judicial—Increases the salary of deputy district attorney in Multnomah county.

HB 355, by education—Regulating distribution of certain school funds.

HB 354, by revision of laws—Relates to notaries public.

HB 355, by alcoholic control—Relates to liquor control, particularly to wine licenses and hotel licenses.

HB 356, by alcoholic control—Eliminates the tax on malt syrups and imposes a tax on beer manufactured in states which impose a similar tax on Oregon beer.

HB 357, by highways—Relates to double pay for overtime.

HB 358, by revision of laws—Reduces mileage fees of witnesses, etc. Makes fees uniform throughout state.

HB 359, by revision of laws—Limits practice in justice courts to active members of state bar.

HB 360, by revision of laws—Repeals act relating to some private irrigation and drainage corporations.

HB 361, by livestock—Appropriates \$15,000 to promote exhibition of livestock in San Francisco exposition.

HB 362, by Martin—Includes in narcotic's act a more particular definition of "marihuana."

HB 363, by Chapman—Authorizes state board of control to contract for fire insurance on state buildings under certain conditions.

HB 364, by Chindgren—Relates to operation of bicycles.

HB 365, by French and Grant—Relates to the issuance of county warrants for erection of memorials for soldiers and sailors, with the federal government in connection with the same.

PASSED BY HOUSE

HB 36, by Bolvin, Fuhrer and Sen. Dickson—To provide terms under which executor or administrator may continue operating decedent's trade or business.

HB 38, by Hill—Relating to fishing in Siuslaw river.

HB 60, by McCourt—Relating to corporations.

HB 243, by Herman—Prohibiting livestock running at large on Nehalem highway.

HB 275, by Hockett and Sen. Zurcher—Relating to grouse season in Walla Walla county.

HB 197, by Semon, Turner and Sen. Ballentine—Relating to withholding irrigation water deliveries until assessments are paid.

Illegal Hunting Fines Modified

Partial remittance of fines imposed on six Yamhill county men for having deer carcasses in their possession was ordered by Governor Charles A. Sprague here Monday.

The men involved were Arthur Emiel McMullen, Walter Bernard Schults, Leslie Lowell Churchwell, Hale Rex Wallace, Carl Odol Weidman and Floyd Nelson. The six men were committed to the Yamhill county jail December 22 to serve out their fines. They have served approximately 45 days.

Tenure Law's Extension Aim

New Bill Would Apply Law to School Areas of Less Population

The teachers tenure law, now operative in the Salem and Portland school districts, "would be extended to all school districts in Oregon having a population of 5000 or more, under the provisions of a bill introduced by Senator Harry Kenin, Multnomah county.

The present law applies to only those school districts having a population in excess of 20,000. Retirement age of teachers under the tenure law is 65 years.

Constitutionality of the existing teachers tenure law was upheld by the state supreme court in an opinion handed down May 10, 1938. The United States supreme court later affirmed the Oregon decision.

Bill Sent Governor
The senate passed and sent to the governor a bill by Rep. E. W. Kimberling, Prairie City, to permit cities and towns to rebuild hospitals without being subject to the five per cent bond limitation. Sen. Robert M. Duncan said while the provisions of the bill were statewide they probably would apply only to Grant county which hoped to construct a hospital under a WPA project. There is no hospital within 80 miles of Prairie City, Duncan declared.

Penitentiary Bill In
The Marion county delegation introduced a bill authorizing the state board of control to acquire real property for the use of the state penitentiary.

Signatures equivalent to five per cent of the votes cast for justices of the state supreme court would be required to place an initiative measure on the ballot, under a bill sponsored by Senator Franciscovich, Clatsop county.

Temporary injunctions forbidding the secretary of state from placing proposed initiative measures on the ballot would be prohibited and permanent injunctions would be allowed only in cases where the suit was launched within 20 days after the completed petitions were filed.

County Salaries Increases Billed

Salaries of Marion county officials would be materially increased according to a bill introduced in the state senate Monday by Senators McKay and Jones.

The salary of the county judge would be boosted from the present scale of \$1800 a year to \$2400. Other increases would include moving the county treasurer's pay from \$1500 to \$1600, the county clerk from \$1300 to \$2400, the county assessor from \$1800 to \$2400 and the county school superintendent from \$1500 to \$1800.

SB 276, by Marion delegation—Increasing salaries of Marion county officials.

SB 277, by Kenin—To provide office facilities and clerical assistance to the custodian's civil service board.

SB 278, by Marion delegation—Authorizing state board of control to acquire by purchase or exchange any real property not already belonging to the state in Salem.

SB 279, by Eayrs—Legitimizes children born as result of marrying before six months divorce restriction has expired.

SB 280, by Ellis—Relating to state racing commission.

SB 281, by Kenin—Relating to teachers tenure act.

SB 282, by Balentine—Relating to the business of making financial or credit reports.

SB 283, by Senator Kenin et al.—To provide for licensing of trucks or vehicles used for transportation of bakery products.

SB 284, by Ellis—Relating to tax refunds on motor vehicles and aviation fuels.

SB 285, by Franciscovich—Relating to injunctions against initiative petitions.

PASSED IN HOUSE
SB 57, by Sen. Dickson—Providing for relief of Bertha Bergerson.

SB 164, by Multnomah delegation—Relating to stock running at large.

SB 191, 192, 193, 194, 196, 197—Relating to the recodification of agricultural laws.

SIGNED BY GOVERNOR
SB 109, 114, 120, 135, 47, 133, 110, 83—All relating to recodification of agricultural laws.

Lumberman Dies

PORTLAND, Feb. 6.—(P)—Michael H. Kern, 79, president of the Eagle lumber yards here and an Oregon lumberman for 26 years, died at his home yesterday.

Conscience Hurt



The bizarre story of Dr. Norman Stewart, 2nd (above), conscience-stricken 34-year-old dentist, who, although remarried, returned to Pittsburgh after a long flight from the law and admitted the slaying of his first wife and son, was related by District Attorney Andrew T. Park. Stewart stole \$300 to return to Pittsburgh from Jacksonville, Fla., said Park, leaving the woman he married a year ago there.—AP Telegram.

Legislative Sidelights:

(Continued from page 1)

hospital sometime this week, as she is recovering rapidly from injuries suffered when knocked down by an automobile last Friday night. Rep. Newberry reported yesterday. He also was knocked down and was hospitalized temporarily but missed no time from legislative duties.

The animation "Mama's President" was heard in the senate Monday forenoon when Sen. Dorothy McCullough Lee presided in the temporary absence of President Robert M. Duncan. A temporary speaker of the house on the same day was Dr. J. F. Hoeh, of Bend, who constitutes the minority.

Friends of Tree Rise to Defense Against Removal

"That would cause an upheaval in Salem similar to what might be expected if we took the pioneer off the capitol," said Alderman S. B. Laughlin last night when Alderman E. B. Perrine voiced an opinion before the city council that North Summer street's famed one-tree park, the sequoia, should be removed.

Perrine's suggestion for the removal of the redwood, said to be the smallest park in the world, came upon receipt by the council of a communication in which George H. Riches, chairman of the city park board, stated better lighting facilities should be maintained around the tree to prevent accidents.

The council upheld Laughlin's opinion, agreed that permanent lights should be installed about the tree, and referred the matter to its committee on streets.

Unconscious Pilot May Have Hit 670

SHREVEPORT, Feb. 6.—(P)—Unconscious, Second Lieut. Troy Keith of Barksdale field today dove more than three and a half miles in a pursuit plane at a supposed speed of better than 11 miles a minute before recovering at 9,000 feet and landing safely.

His feat was revealed tonight by officers at the post.

Failure of his oxygen tank caused Keith to fall into the dive. His speed indicator had fixed itself permanently at 500 miles an hour. On that basis Barksdale officers figured his ultimate speed at 670 miles an hour, although pointing out that such terrific speeds are no more than "scientific guesses."

The principal interest was in achieving marriage law conformity between the states from a social standpoint.

Here and there behind and in front of the scenes at the 40th legislative assembly.

"Independent" party in the legislature.

Legionnaire members of the legislature were guests at the meeting of Capital post No. 9, American Legion, on Monday night. The business meeting of the post was followed by a program.

A civics class from the Mt. Tabor school in Portland visited the legislature Monday, with T. D. Kirkpatrick in charge.

D. S. Smith, former Linn county deputy sheriff, looked over the session and recalled that he was a page in the legislature 60 years ago. His father was Delazon Smith, first speaker of the house.

Mrs. Martin Says Wedding Law Sure

Legislator Sees Passing of "Gin Marriage Law" by Washington

Rep. Hannah Martin (R-Salem) expressed belief that the Washington legislature will pass a "gin-marriage law" yesterday on her return to her desk in the house from a conference with Washington legislators to urge conformity with Oregon's marriage law.

Mrs. Martin was a member of a committee which included Dr. J. F. Hoeh (Ind-Bend) and Dr. J. C. Evans, superintendent of the state hospital.

3-Day Wait Required
"The Washington people were very cooperative," Mrs. Martin said, "and virtually assured us they would at least pass a 'gin-marriage law.'"

A bill before the Washington legislature would require a three-day waiting period before issuance of a marriage license.

Mrs. Martin said the committee was asked frequently whether Oregon had lost much revenue since enactment of the Oregon initiative requiring physical and mental examinations before marriage.

She said the committee replied that while there was undoubtedly some loss of revenue the principal interest was in achieving marriage law conformity between the states from a social standpoint.

California Asked To Improve Road

The house adopted a memorial calling on the California legislature to appropriate funds to improve the section of the "Three Flags highway" between Alturas and the Oregon line.

Another memorial adopted petitions congress to appropriate funds to finish construction of the unfinished portion of the Lewis and Clark highway in Idaho.

Hudson D. White Release Refused

Held at State Hospital Despite Arrival of Officer, Warrant

Dr. John C. Evans, superintendent of the Oregon state hospital, Monday refused to release Hudson D. White, 25, to Sheriff A. B. Miller of Walla Walla county, who sought to take him to Enterprise for trial on a statutory charge involving three minor children.

Sheriff Miller carried a bench warrant but this was not recognized by hospital officials.

No Authority to Release
Dr. Evans said the institution had received White under a legal commitment from Marion county and he had no authority to release him to Sheriff Miller or any other person. The commitment was issued here last Thursday.

"White is a patient and was received at the state hospital for a sanity test," Dr. Evans continued. "If he is found insane he will remain at the institution until discharged or ordered released. If he is found sane we will turn him over to the proper authorities for prosecution."

John Sturtevant Funeral Is Today

ALBANY—John Marshall Sturtevant, 38, died at the Albany hospital where he was taken following an accident on the Pacific highway, Saturday night at 11 o'clock. Funeral services will be Tuesday at 2:30 p.m. from the Fortmiller funeral home. Burial will be at Lebanon.

Surviving are four sisters, Mrs. Leota Billings, Seio, Mrs. Hazel Satter, Lebanon, Mrs. Elsie McTimmons, Waterloo, and Mrs. Georgia Gillespie, Albany.

Adam May Edholm
ALBANY—Funeral services for Mrs. Ada May Edholm, 40, wife of Thonard A. Edholm of Albany, will be held Tuesday afternoon from the Fisher funeral home.

Mrs. Edholm died at the Albany hospital Saturday after presumably taking bichloride of mercury, which she mistook for headache tablets.

Surviving are the widower, one daughter, Mrs. Elizabeth May Kennell of Albany, and three brothers.

Neighbors Do Quilting
JEFFERSON—Mrs. Evelyn Wall was hostess to a group of neighbors for a quilting Friday afternoon at her home, one mile southeast of Jefferson.

Rev. P. R. Campbell was in charge of the program presented at the Brotherhood meeting and dinner held at the church. A church board meeting was also held, and it was decided to repair the floors in the church. About 55 members of the church were present.

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