

STATE CAPITAL NEWS

State-Hired Attorneys Savings Investigated Road Receipts Down

By A. L. LINDBECK

SALEM—Legal fees paid to attorneys by state departments during the past four years, other than the attorney general and members of his staff, total more than \$150,000. Of this amount approximately \$110,000 has come out of departmental funds. The remainder, amounting to more than \$55,000 represents fees paid to attorneys handling bank and building and loan liquidations and has come out of the assets of these institutions.

Barnett Goldstein, Portland attorney, who handled the prosecutions against a number of building and loan officials for the corporation department under contract with James W. Mott, received \$18,712 for these services. In addition Goldstein received some \$16,000 for his services in handling building and loan liquidations under the direction of the corporation department.

The firm of Clark and Clark of Portland has received \$7,660 from the Public Utilities commission during the past four years and still has a claim for \$9,750 for services in connection with the recent telephone investigation which has not yet been paid. This firm has also handled most of the work in connection with liquidation of defunct state banks in Multnomah and Columbia counties.

Other attorneys shown to have received fees from state departments or boards during the four years are: H. M. Kenin, \$5830.36 from the medical board and dental board; Wilbur Henderson, \$1393.15 from the dental board and medical board; C. E. McCarty, \$9020 from the game commission; Eugene Marsh, \$600 from the board of embalmers and funeral directors; L. A. Liljeqvist, \$4000 from the land board and \$900 from the executive department; Herzog & Kenin, \$400 from the executive department; Custer Ross, \$785 from the executive department; J. M. Pipes, \$200 from the executive department; Jas. R. Powers, \$2350 from the executive department; A. E. Clark, \$819 from the hydro-electric commission.

Both the land board and the bonus commission have attorneys in every county in the state who handle mortgage foreclosures and other legal work. Records of the land board show that this department has paid out \$21,460 in fees to these attorneys during the four year period while the bonus commission has disbursed \$28,143 among some 50 attorneys, 14 of whom are located in Multnomah county.

No record is available as to the amount paid to attorneys for handling state bank liquidations during the four years but A. A. Schramm, superintendent of banks, estimates the amount at in excess of \$30,000. Governor-elect Martin has proposed that all legal work for the state be centered in the attorney general's department which, of course, would necessitate a material increase in the present staff. Two deputy attorney generals are now assigned to the state industrial accident commission and the state highway department also employs two attorneys with the approval of the attorney general.

Budget Director Hanzen was slightly in error in his reference to "an inherited deficit of \$4,500,000." The state's general fund was in the red only \$2,397,566 when Governor Meier took over the reins of government in January 1931. The deficit reached its peak of \$4,533,475 at the close of 1932 in the midst of the Meier administration and is directly traceable to waiver of the state levy against property for that year. When estimated revenues from other sources failed to materialize the deficit was increased by \$1,434,300 but has been on the decline since that date and, barring unforeseen emergencies, promises to disappear entirely before the close of the present year.

Claims put forth by Budget Director Hanzen to a saving of \$1,269,000 in the budget as approved by Governor Meier for 1935-36 over appropriations and millage levies authorized for the past biennium do not stand up under a critical analysis of the new budget. More than two-thirds of the alleged "savings" is accounted for by an arbitrary reduction of \$850,000 in the revenues of the state's institutions of higher education. Hanzen has recommended a reduction of \$508,000 in the millage revenues of these institutions which he proposes to lop off the 1936 levy. In addition he estimates the gross millage revenues of these institutions at \$350,000 below those for 1933-34 but in this either he or the tax commission is in error since there is a discrepancy of approximately \$231,000 between the two estimates.

The budget director has also charged the \$400,000 appropriation for the liquor commission as an expense charged against the 1933-34 biennium in spite of the fact that the amount was merely loaned to the commission and only \$107,000 of the amount was used.

Another of the budget director's "savings" is represented by the appropriation of \$82,000 made by the 1933 session to meet principal and interest payments on the loan from the industrial accident commission to finance the state office building and the agricultural building. This appropriation was off-set by rentals collected from departments occupying these buildings which went into the general fund. Hanzen has disallowed this appropriation in his new budget and taken credit for a saving of the entire amount. Just how he expects to finance retirement of this obligation is not clear. In spite of the fact that the 1933

appropriations for the circuit and supreme courts and the care of wayward girls fell approximately \$110,000 short of meeting actual expenditures during the past two years Hanzen has arbitrarily fixed the 1935-36 appropriations at the same level.

Institution heads here are very much concerned over Hanzen's attitude toward their budgets which he has also cut back to the 1933 level in spite of increased populations and materially higher costs of commodities and supplies used by the institutions. General maintenance and operating costs of the 11 institutions for the past two years exceeded \$1,500,000. Employees in the state purchasing department point out that the commodity price level today is 20 to 25 percent higher than it was two years ago. On this basis, and ignoring the normal increase in population, these appropriations must be increased by at least \$300,000 if a serious deficit is to be avoided during the next biennium.

Department heads point to the fact that they are not in nearly so good a position to withstand a budget cut today as they were two years ago. Economies enforced by the last legislature have resulted in serious depletion of stocks of all kinds. Typewriters, adding machines and other equipment have also been allowed to deteriorate unduly because of lack of funds to permit an exchange for new equipment as was formerly customary. The Hanzen budget is generally regarded here as a political document designed to put the incoming administration in a hole. Recommendations contained in the budget are purely arbitrary and were made without any information as to the condition or needs of state functions, officials here charge.

Oregon ranks fourteenth among the states of the union in the amount of highways contracted under the Public Works program, according to information received by R. H. Baldock, state highway engineer. Fifty-one percent of Oregon's 1934-35 program has already been contracted, Baldock points out. This is far ahead of the record of either California or Washington.

Net revenues of the state highway department for 1934 were \$3,060,000 below those for the fiscal year 1930-31, according to R. H. Baldock, state highway engineer. This was due to the loss of more than \$4,400,000 in automobile registration fees which dropped from a net of \$6,219,361 to \$1,876,000 with the change from the higher graduated schedule of fees to the flat \$5 fee. This loss was partially offset by an increase of \$700,000 in gasoline taxes and another increase of approximately \$128,000 in motor transport fees paid by bus and truck operators.

Only five percent of the revenue loss was due to a drop in automobile registration from 283,550 cars and trucks in 1930-31 to 279,000 in 1934. Ninety-five percent of the loss was due to legislation reducing the registration fee. Baldock points out citing the fact that the burden borne by automobile owners has been reduced from an average of \$47.40 in 1930-31 to \$36.96 in 1934.

While revenues for state highway purposes decreased from \$10,784,921 to \$7,724,000 the mileage of state highways to be maintained increased from 4360 miles of primary highways in 1930-31 to 4750 miles of primary and 2050 miles of secondary highways in 1934. Baldock points out. "This increase in mileage of state highways transferred to the state a maintenance obligation formerly borne by the counties, amounting to approximately \$500,000 a year."

At the same time revenues of the highway department were being reduced, Baldock points out, revenues available for county roads were also being reduced by repeal of the one mill market road tax which produced approximately \$1,125,000 a year. County levies to match this fund have also been largely abandoned during the past four years, still further reducing revenues for maintenance of county roads.

Local assessments as returned by county assessors have been declining on an average of \$25,000,000 a year for the past seven years, according to a study made by the state tax commission. Valuations on local property as distinguished from utility property, reached their peak in 1927 at \$953,958,046, since which time there has been a decrease each year, this year's assessments totaling only \$775,854,451, a slump of \$178,103,595 in the seven year period. Utility valuations did not reach their peak until 1931 when they totaled \$186,959,976, since which year they have also been on the decline, totalling only \$167,649,954 this year.

Federal aid for the common school system will be forthcoming in the not far distant future in the opinion of C. A. Howard, state superintendent of public instruction, who has just returned from a trip to Washington, D. C., where he attended the council of state school superintendents.

Governor-elect Martin has given his endorsement to the proposed state department of public welfare to take over supervision of all of the state's charitable, penal and eleemosynary institutions. It is understood that he will sponsor a measure creating the new department to be headed by a director to be appointed by the governor and eliminating the state treasurer and secretary of state from any jurisdiction over these institutions.

State officials fail to see any good purpose to be served by the proposed change in the primary election date from May to September. Admitting that it would relieve candidates of a considerable strain and voters of the annoyance incident to a prolonged campaign, it is pointed out that there are many obstacles

New Ford V-8 De Luxe Tudor Sedan Shown



PHOTO shows the new Ford V-8 de luxe Tudor sedan for 1935, which has just been announced. The body lines are distinctively modern and a departure from previous Ford

standards. The cars feature many engineering improvements providing greater riding comfort and increased ease of control. The engine has been moved forward. Passengers

ride closer to the center of the car. The Ford V-8 engine now has a new system of crankcase ventilation. The Tudor sedan is also available without de luxe equipment.

At Heppner CHURCHES

CHURCH OF CHRIST. ALVIN KLEINFELDT, Pastor. Bible School 9:45 a. m. Morning services 11 a. m. C. E. Society 6:30 p. m. Evening services 7:30 p. m. Choir rehearsal, Wednesday 7:30 p. m. Midweek service, Thursday 7:30 p. m. Morning sermon, "What We Need Most in 1935."

Evening topic, "Christ's Love for the Church." The evening services opening with a rousing song service. Start the New Year right. Attend church. "Seek ye first the Kingdom of God and His righteousness and all these things shall be added to you."

The annual meeting of the church was held on Monday evening and full board of elders, deacons and deaconesses chosen. At this meeting the officers of the Sunday school were also chosen for the coming year. Financial reports were read, and these proved to be quite gratifying—in fact the total raised for incidental expenses for the year was just double that of the year before, and each of the auxiliary organizations showed substantial gains.

METHODIST CHURCH. JOSEPH POPE, Pastor. Sunday School 9:45 a. m. Morning worship 11:00. Special music by the choir. Sermon, "Yourself." Epworth League 6:30 p. m. Evening worship 7:30. Sermon, "Life's Chance." Choir practice Wednesday evening 7:30. Prayer meeting Thursday evening 7:30.

The meeting of the W. F. M. S. will be held at the church Tuesday afternoon 2:30. A very hearty welcome is extended to you to attend all the services of our church. PENTECOSTAL TABERNACLE. ALFRED R. WOMACK, Pastor. Sunday School 10:00 A. M. After Services 11:00 A. M. Evening Service 7:30 P. M. Tuesday night, prayer meeting only 7:30. Thursday evangelistic service 7:30 "WE WELCOME ALL"

in the way of the proposed change. For one thing a September primary would preclude the election of delegates to the national conventions which are held in June and it would also prevent a preferential vote on the candidates for president and vice president. Oregon's primary elections have been held on the third Friday in May since 1914 by reason of an act passed by the legislature of 1913. Prior to that time the primaries were held in April, 45 days prior to the general elections which until 1910 were held on the first Monday in June. In the year 1910 when the general election was changed to November the primary was held in September, but in 1912 was returned to April and since then has been held in May.

Approximately \$145,000 a month is paid out in salaries and wages to officials and employees of the state in departments and institutions located in and adjacent to Salem, according to a report by the state department. The report does not include payments made to employees of the highway department other than those in the Salem office, or to faculty members and employees of the state's institutions of higher education or to employees located in the city of Portland.

Fire losses on timber lands under jurisdiction of the state forestry department this year totalled only \$123,463, the lowest record in 13 years, according to Lynn Crommelier, state forester. The 1933 forest fire loss totalled more than \$12,000,000 due largely to the disastrous Tillamook burn. A total of 1257 forest fires were reported this year. Smokers were held responsible for 357 fires and incendiaries for 336. Lightning is credited with starting 130 blazes, debris burners 157, campers 111, lumbering 46 and railroads 11.

Dwight Misner, the Auctioneer who pleases both seller and buyer. Address, Thornton, Wash. 401f

AAA Men Look to Future; Seek More Export Trade

The present tendency among leaders of the Agricultural Adjustment Administration in Washington is to look upon current programs of crop curtailment and control as temporary expedients necessary until the international trade problem has been adequately dealt with, reports W. A. Schoenfeld, dean of agriculture at Oregon State college, who has just returned from a business trip to the capital.

As long as surpluses here make the export market a buyers' market, it is difficult to make satisfactory trade agreements, the leaders say. When this condition is corrected through programs of production control, then it is believed that satisfactory arrangements may be made to exchange a greater volume of America's farm products for goods produced best in other countries, and thereby maintain the international trade deemed essential to greatest American prosperity.

Effects upon the consumer and producer of the present crop control expedients are discussed in a recent statement by Dr. F. C. Howe, consumers' counsel in the AAA. He dealt particularly with the increased price of pork products, saying that the farmer is getting a major part of this increased price.

"Some find it difficult to understand why hog raisers should reduce production when millions want pork," said Dr. Howe. "On the other hand farmers find it difficult to understand why factories should close down or produce less when the farmer wants factory products. So long as goods must be sold at a price, and so long as their supply depends on the purchasing power and not the need people feel for them, farmers like other business men are forced to adjust their production to the market."

"In higher prices for pork, consumers are paying hog producers for their investment and labor. In turn hog producers should be able to pay their part of the city workers' return to fair income. That is the process of recovery," Howe concluded. Other AAA leaders dealing with the "surplus vs. distribution" question have pointed out that while distribution systems have admittedly been faulty, the collapse of the normal export markets brought a condition in many commodities which no amount of perfect domestic distribution could have corrected. The capacity of the human stomach, they said, could not have handled the wheat surplus, for example, even on a basis of free domestic distribution, if production had been maintained at former levels.

MELON GROWERS TO MEET. The Melon Code Control board will meet at the schoolhouse in Irigoin on Monday, January 7, at 1 p. m. The purpose of the meeting is to discuss proposed legislation affecting the melon growing industry. It will also afford the growers an opportunity to bring up anything they have in mind in connection with the code, and provide time for discussion of general problems as well, reports Joseph Belanger, county agent.

WANTS INFORMATION. Mrs. Sarah M. Sprague, Joseph, Ore., would like to communicate with Sarah Tabor or any of her children who may be residing in this vicinity.

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the serving of refreshments Mr. and Mrs. Hill were presented with a beautiful set of silver knives, forks and spoons.

Grow Stem Rot Free Clover. Corvallis—Three Benton county farmers harvested stem rot resistant sweet clover seed this year, according to W. S. Averill, county agent. They are P. M. Finley, Warren L. Averill and P. L. Dodd. This strain of sweet clover was developed on the Oregon Experiment station and recently released to farmers.

Irrigation to Aid Cattle Farm. Gresham—Tentative plans are being worked out for the establishment of an irrigation system to supply water to between 50 and 60 acres of high land on the 600 acre farm of Omar Spencer on Sauvie Island, according to S. B. Hall, county agent, who recently inspected the proposed project for Mr. Spencer. This farm is being developed into a beef feeding establishment, and is now carrying 235 head of feeder cattle and producing grass enough for fall and spring feeding and sufficient hay to carry this number of cattle through the winter, Mr. Hall says. Plans are to make an irrigation system large enough to irrigate 50 or 60 acres of alfalfa and ladino clover, and which can be enlarged to irrigate low land for pasture as well during late summer and early fall.

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