

**SPECIAL SOLON
CALL PROPOSAL
GAINS SUPPORT**

Psychological Time is now
Belief of Staples;
Public for it

Late August or Early Part
Of September Likely
Time for Session

Demand for a special session to provide the machinery for tax relief, as proposed by Governor Julius L. Meier, is gaining momentum over the state, and possibilities of such a session are stronger now than when proposed several days ago. This was the opinion expressed here by several state officials and members of the state legislature.

Senator Isaac E. Staples of Portland, who was here Friday, stated there was no doubt in his mind but that such a session would be called, and added that the "psychological time for such a session is now." The movement for tax reductions in local districts has met with general approval and the enthusiasm of the tax session held Wednesday indicated a special session would be popular with the people of the state.

The governor indicated that if the session was necessary to bring about immediate tax relief, he would call the members to Salem either the latter part of August or the first of September. Decision on the issue is expected within the next two weeks, giving the tax league executive committee time to formulate a program.

Indiana Plan of Control Favored

Just what will be requested of the legislature has not yet been determined, but among other things it is expected the Indiana plan of centralized state supervision of tax levies and bond issues, as proposed by the governor, in his address to the tax meeting, and other authority to reduce taxes will be sought. Some tax changes may also be proposed.

Governor Meier said he was willing to contribute materially to the cost of such a session, which was expected to last from three days to a week.

The need for haste in calling the session is due to the fact that providing that no tax measure may carry the emergency clause, thus forcing a delay of 90 days before the law can be put into effect. Since most budgets are prepared the latter part of December, the legislature must have completed its work before the middle of September, in order to be effective at that time.

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**Tokyo Flight Attempt Fails But
Robbins and Jones Will Try Again**



Photo at top, snapped from another plane, shows the "Fort Worth" breaking through the clouds at the start of its attempt to fly from Seattle to Tokyo without landing. It was forced down at Solomon, Alaska, by the combination of rough weather and an unwieldy load of gasoline. Below, from the left, Kazuo Kamezaki, representing the Japanese newspaper offering the \$25,000 prize the fliers were seeking, Ensign E. E. Dildine of the U. S. Navy, W. W. Connor of the aeronautical association and Reg. I. Robbins, copilot with Harold S. Jones, are shown sealing the barograph which was to record the flight.

**WATER REPORT
FOR CITY WILL
BE FILED SOON**

Details on Mountain Source and Cost Will be Made Available, Promise

Possibility Seen of Work on Filter Plant but Company Silent

A detailed report on the costs of establishing a mountain water system for Salem will be made early next week by Baar & Cunningham, Portland engineering firm, J. C. Baar announced here yesterday after a conference with Mayor P. M. Gregory, City Attorney Trindle and certain councilmen.

Baar's report was expected Friday but he withheld it in order to prepare in greater detail and with greater clearness all the data concerning the proposed mountain water system.

Baar will accompany his report with an optional plan which calls for taking over of the present plant of the Oregon-Washington Water Service company, the completion of its new filter, and the operation of the plant with the Willamette river used as a water supply source.

In the mountain water plant, provision is made for the taking over of the present plant of the Oregon-Washington Water Service company, but a partly-completed filter plant would not be continued.

Propose to Supply State Institutions

It is understood that Baar's report will include figures on the city applying for water for the state institutions. He will make a careful comparison of the costs of operating the filter system which was to have been completed by the present company, with the costs of construction and operation of a mountain water system.

It is understood that the total (Turn to page 2, col. 4)

**Mott Issues
Ban on Loan
Stock Deals**

An order was issued late Friday to all savings and loan holding companies by James H. Mott, corporation commissioner, that no stock of any holding corporation or incorporation shall be sold or exchanged for any savings and loan account of any member of such association, without first submitting to the corporation commissioner a written application. The application must be signed by the member and be in the hands of the corporation department ten days prior to such sale.

The order carries with it the suspension of any holding company which violates the order. Commissioner Mott stated his action was based on complaints received to "twisting" of savings and loan association accounts for incorporation or holding company stock.

He said: "It appears that considerable fraud and misrepresentation has been used in effecting such transfers."

The order is effective at once, and as "an express condition to the continuance of the permit of a holding company or incorporation to sell stock."

**VETERAN MAILMAN
OF DALLAS CALLED**

F. J. Morrison Dies of Heart Trouble While on way To see Specialist

DALLAS, Ore., July 10.—F. J. Morrison, veteran mail carrier on Route 1, Dallas, died of heart disease while enroute to Portland Thursday night. Mr. Morrison had been ill for some time and had just returned from Portland last Friday. He had been in Portland three weeks under the care of specialists. His condition became worse Thursday and it was decided to take him back to Portland for further treatment, but he died before they reached their destination.

He was born March 5, 1871 at Myrtle Creek, Oregon. Mr. Morrison came to Dallas in 1907 and has resided here ever since. On August 1, 1906 he was appointed rural mail carrier and since then has put in nearly 22 years service in that capacity. He has been a member of Marmon Lodge No. 96, Knights of Pythias for nearly 14 years.

Mr. Morrison's death was a (Turn to page 2, col. 3)

**HIGHWAY HEADS
WARNED ABOUT
MINING RACKET**

"Holdup" by Locations of Claims Along Roads Serious Menace

Emergency Federal Funds For Western States Nearly Depleted

SAN FRANCISCO, July 10.—(AP)—More than 100 highway commissioners attending the annual meeting of the Western Association of State Highway Officials here today were warned by S. B. Show, San Francisco, U. S. regional forester, to be on the alert for a "new holdup game which may raise the cost of road building."

This "holdup" show described as the filing of locations, under federal mining laws, on deposits of sand, gravel and stone on public lands along highways, and then erecting ugly buildings, doing excavating and overcharging the state or county for rights of way.

Show urged that federal mining laws be amended to cover only metal bearing ground.

Other speakers at the meeting dealt with various phases of highway construction. Notable among the speakers was Henry H. Blood, chairman of the Utah state road commission and president of the organization as well as head of the (Turn to page 2, col. 6)

**Britain Puts Hoover
Loan Pact in Effect
As Regards Germany**

**Earwigs Pests
In New Role as
Non-Conductors**

**Advices International
Bank no Payment
Now Expected**

**Would be Inconsistent
With Principle, is
Explanation**

SILVERTON, July 10.—Earwigs which have proven a pest in house and garden in Silverton this summer, now appear objectionable in another manner.

When an employee of the Portland General Electric company sought to reestablish electrical service to a house which has been vacant for some time, his efforts seemed to be for naught.

He decided to examine the plugs. To his amazement he discovered that 60 earwigs had made a nest in one socket, thus preventing a contact.

LONDON, July 10.—(AP)—Great Britain today took decisive action to put the Hoover moratorium into effect, so far as she is concerned, by informing the Bank for International Settlements that she would not expect payment of the German reparations installment due on July 15.

In notifying the bank, the government stated that it was renouncing both the conditional and unconditional annuities and that the governments of the dominions and India concurred.

It is now up to the bank to notify Germany of the British action.

The letter to the bank says the step was taken on the ground that collection of the installment due next Wednesday, even if Germany were able to pay, would be "manifestly inconsistent with acceptance in principle of President Hoover's proposal."

Points Out Details Not Yet Settled

It points out that "certain outstanding questions regarding the method of giving effect to President Hoover's proposals remain to be settled."

It is for the settlement of these "outstanding points," the most important of which are the questions of deliveries in kind and of the guarantee fund which France would be required to deposit with the world bank in the event of a German moratorium under the Young plan at the expiration of the Hoover year, that financial experts of the nations chiefly concerned will meet here next Friday.

The British government today issued formal invitations to the nations which will be represented at that conference. They are the United States, Germany, France, Italy, Belgium and Japan.

The United States is to be represented by Hugh S. Gibson, ambassador to Belgium, who will attend as an "observer." America is not a signatory of the Young plan.

**OKLAHOMA CAPITAL
WELCOMES FLIERS**

Noisy Greeting Accorded; Post and Gatty Tell Of Trials Abroad

OKLAHOMA CITY, July 10.—(AP)—This capital city, where Wiley Post and Harold Gatty laid plans for their record flight around the world, paid tribute to the fliers today with a noisy welcome that lasted into the night.

Arriving here by air this morning from Chickasha, where yesterday the state's initial welcome was accorded the fliers and their backer, F. C. Hall, a wealthy oil man, Post and Gatty stepped into the arms of a crowd of "home-folks" for a round of festivities (Turn to page 2, col. 1)

**PRISONER SCANDAL
IN EAST REPORTED**

NEW YORK, July 10.—(AP)—The Sun today said that 250 prisoners, smugglers, bootleggers and other federal felons, sentenced to the Atlanta penitentiary, are housed in barracks at Fort Wadsworth, Staten Island enjoying comparative luxuries they procured by improper money payments.

The newspaper said the convicts outnumbered the soldiers at the fort and that they are lodged in quarters formerly used by army officers, obtaining them by "payments to persons in authority for transfers from Atlanta."

There are no cells in the Fort Wadsworth barracks, no bars on the windows and no sign of a prisoner in the building.

The grounds overlook the Narrows, through which ships pass as they come and go in the New York port. At night the strains of dance music float over the water from Midland beach amusement park, the paper says, to lull the prisoners to slumber.

**Germany Perturbed Over
Loan Conditions Imposed**

BERLIN, July 10.—(AP)—Official Germany is making no attempt to conceal the gravity of the situation which has developed from Hans Luther's visit to Paris where, according to reports reaching here, the French imposed political conditions upon the granting of a loan to the reichsbank.

Chancellor Bruening's office was a bee hive today, conferences with bankers, industrial heads and political leaders, including United States Ambassador Sackett, followed each other in rapid succession.

With the political opposition watching its opportunity, there is a feeling only a good excuse, like surrender by Chancellor Bruening to political pressure from France, is needed to provoke a political upheaval.

Hitherto the chancellor has

**Wife of Scribe
In President's
Party Injured**

WASHINGTON, July 10.—(AP)—Mrs. Frank Connor, wife of a Washington correspondent for the New York Herald-Tribune, was painfully injured in a motor accident today while following President Hoover to his Rapidan camp with her husband.

Their car was attempting to pass a truck and capsized, turning over twice. Other correspondents rushed her to Fairfax, Va., a few miles away. Connor was uninjured.

**Norway Occupies
Greenland Strip**

OSLO, Norway, July 10.—(AP)—Norway has officially occupied that part of the eastern Greenland lying between 75.40 degrees and 71.30 degrees north latitude.

Denmark has exerted a monopoly over the trade of Greenland since 1774. Her administration of the island has not been completed until 1917. The extension of her claims in that year led to a dispute with Norway regarding east coast hunting and sealing rights.

That dispute has continued intermittently until the present.

**Think Grundman
Unhurt; Left as
Result of Debt**

SILVERTON, July 10.—No harm is believed to have come to Herman Grundman, nephew of William Brinkmeyer, who has been mysteriously missing here since June 7. This was expressed this week by county officials, who have been conducting the search. A local posse of 35 men spent one Sunday hunting for the young man.

It is supposed that the missing man left his uncle's farm on account of certain financial obligations which fall due August 1.

**Acceptance of
Bid to League
Parley is Sent**

WASHINGTON, July 10.—(AP)—America added active impetus to the world disarmament movement tonight by wholeheartedly accepting a formal invitation to attend the League of Nations general disarmament conference next February.

On instructions of President Hoover, the American government here reported today the conditions of Cecil Beckley, who shot and killed his wife and stepdaughter near Dixonville a week ago, had improved today. Beckley later shot and seriously wounded himself.

**Slayer Beckley
Gaining Report**

SLAYER BECKLEY, Ore., July 10.—(AP)—Hospital attendants here reported today the condition of Cecil Beckley, who shot and killed his wife and stepdaughter near Dixonville a week ago, had improved today. Beckley later shot and seriously wounded himself.

**BROADSIDE HURLED
AT SHORT SELLERS**

Speculators' Activity Cuts Wheat Price, Hoover Statement Says

WASHINGTON, July 10.—(AP)—Into the growing controversy over government wheat policies, President Hoover tonight hurled a vigorous condemnation of short sales by speculators.

Such activities, he said, have but one purpose, and that is to depress prices. In addition they rob the farmer of his rightful income, the president added, and tend to destroy returning public confidence.

His denunciation was addressed to a "limited number of speculators" and not intended to reflect on legitimate hedging operations.

The chief executive's statement followed repeated requests that the farm board hold off the market the 200,000,000 bushels of wheat acquired to steady prices. Just previous to its issuance the agriculture department reported a bumper wheat crop of 89,000,000 bushels in prospect for this year.

Would Give Names If Not Prevented

Mr. Hoover issued his statement at the request of newspaper correspondents.

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**MONEY CIRCULATION
GAIN IS ANNOUNCED**

WASHINGTON, July 10.—(AP)—The per capita circulation of money in the United States increased 90 cents during June and \$1.81 in the year ending with that month.

The treasury today said there was \$4,213,942,129 in circulation on June 30, which figured on a basis of 125,007,000 population gave a per capita circulation of \$33.68 a month before there was \$4,792,827,452 in circulation which based on a population of 124,853,000 gave a per capita of \$37.66.

Of June 30, 1930, the per capita circulation was \$36.71 based on a population of 123,156,000 with \$4,521,987,962. The year's circulation showed that despite the depression there was an increase in money in use in the country of \$298,001,558.

**NEW ATTEMPT TO
BE STARTED SOON**

Robbins and Jones Expect To Start for Tokyo Within one Week

WASHINGTON, July 10.—(AP)—In about one week's time Reg. I. Robbins and Harold S. Jones hope to take off from Seattle on a second attempt to make a non-stop two day flight from the United States to Japan.

In their first official statement explaining why they were forced to descend near here yesterday after a 2100 mile jump from Seattle, nearly half way to their goal, Tokyo, they said their motor was not powerful enough to make a midair refueling operation successful in high winds. They hope to obtain a more powerful motor in Fairbanks, Alaska, and to have it installed there.

They are competing for a \$25,000 prize offered by a Japanese newspaper for the first non-stop flight between the United States and Japan.

**CALIFORNIA FIRES
ARE CONTROLLED**

SAN FRANCISCO, July 10.—(AP)—Fire which raged on half a dozen fronts today except for a blaze under control throughout California tonight, with one exception, that at Mt. Diablo where a week old blaze flared out of control again.

The Mt. Diablo fire, however, was not in a position to cause damage to anything except brush and grass, and only a small force of men were fighting the blaze.

At Corcoran, 60 miles south of Fresno, a \$1,000,000 blaze destroyed three cotton gins and a large quantity of oil and oil cakes. Some 3,000 feeder cattle in adjoining pens were herded to safety.

A blaze in the Coos Bay Lumber Co. plant at Bay Point caused \$20,000 damages before it was extinguished, officials of the company said.

**STONE CONSULATE
OVER NEGRO CASE**

COLOGNE, Germany, July 10.—(AP)—A small crowd of communists led by a woman hurled a rock through a window of the American consulate this afternoon. Shouts of "Down with America! Free the negroes!" came from the crowd.

Similar demonstrations against the death sentence given eight negroes in Scottsboro, Ala., already have taken place at Dresden and Berlin.

Eight negroes, found guilty of attacking two white girls, are awaiting execution in Alabama.

**Nation Regrets
Poor Treatment
Given Mexicans**

WASHINGTON, July 10.—(AP)—The American government today, for the second time in a month, formally expressed regret to Mexico for the treatment of Mexicans in this country.

The state department delivered a note to Ambassador Teller expressing official regret over the arrest in Chicago for contempt of court of Adolfo G. Dominguez, acting Mexican consul.

Teller yesterday submitted a formal protest. The reply was prepared after the state department had received a report from Governor Emmerson of Illinois that the charge against Dominguez had been expunged from the record.

**Rain Storms in
East do Damage**

PHILADELPHIA, July 10.—(AP)—Eastern Pennsylvania, upper Delaware and northeast Maryland were drenched today by a series of heavy rain storms, causing floods in various sections and hundreds of thousands of dollars damages.

The storms followed a week of high temperature and excessive humidity.

**Nicholas Smith
Denies Guilt in
Spouse's Death**

KLAMATH FALLS, Ore., July 10.—(AP)—Nicholas T. Smith pleaded not guilty when he was arraigned in circuit court here today on a charge of murder in connection with the death of his wife, Mrs. Lenna Lenore Smith.

Smith is accused of having shot his wife to death during a quarrel after she went to a dance with another man. He maintained that his wife had picked up a shotgun and that it was discharged accidentally while they were struggling for possession of it.

Late Sports

TAMPA, Fla., July 10.—(AP)—Wilbur Stokes, 18-year-old Lakeland welterweight, held Sammy Mandell, former world's lightweight champion, to a draw in a colorless ten-round bout tonight. Stokes weighed 146½ and Mandell 144.

SALT LAKE CITY, July 10.—(AP)—Ira Dern, 200, Salt Lake City, defeated Dutch Schlegle, 210, Kansas City, in straight falls in their wrestling match here tonight. Dern won the first fall with a headlock in 15 minutes and the second with a reverse headlock in six minutes.

**Drunken Driving
Charge is Filed**

Two Portland men, Harry Haynes and Joe Curran, were arrested Friday night by state highway patrolmen on charges of driving while drunk. They were brought to the city jail at 9:30 p. m., where they will be held pending hearing.

**Albany Girl is Drowned
Father Rescues Daughter
Furniture Dealers Meet
Portland Backs Roseburg**

ALBANY, July 10.—(AP)—Stella Scott, 19, of Albany, drowned in the Willamette river here tonight. She stepped into a deep pool and disappeared. Her companion said that although Miss Scott was able to swim, she did not again rise to the surface.

The body was recovered by means of grappling hooks an hour later. Authorities said Miss Scott apparently had strangled.

REAFFIRMS STAND
PORTLAND, July 10.—(AP)—The board of directors of the Portland chamber of commerce today reaffirmed its position favoring the location of the national soldiers' home at Roseburg.

The board also instructed the chamber's executive department to urge the federal hospitalization board to make an early selection of the site.

In event the Roseburg site is not chosen, the board reserves the right to recommend another site or sites.

**Oregon
Briefs**

STEPS IN DEEP HOLE
ALBANY, July 10.—(AP)—Stella Scott, 19, of Albany, drowned in the Willamette river here tonight. She stepped into a deep pool and disappeared. Her companion said that although Miss Scott was able to swim, she did not again rise to the surface.

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SURF IS BATTLED
SEASIDE, July 10.—(AP)—Marjorie Watts, 16, of Tacoma, was rescued by her father, E. H. Watts, from drowning in the surf here today.

The girl stepped into a crab hole while bathing. She apparently became excited, swallowed considerable water and was carried away from shore by the surf.

Watts, informed of his daughter's danger, ran to the beach from a short post, tied it about himself and fought his way through the surf to the drowning girl.