

ARBITRATION OF COST ACCEPTED

Gesture Made at Same Time Toward Construction Of New System

(Continued from page 1)

Second, following the vote on arbitration, the aldermen stamped their check on a motion by Alderman Paul R. Hendricks instructing the utilities committee and the city attorney "to proceed immediately to obtain lower rates for all public utilities with which the city and the public deal."

"I want to show the PWA that the council has confidence in them; otherwise they'll turn us down on our loan," Alderman Hughes explained in support of his motion accepting arbitration. And he added:

"The water company is now making a profit of nine per cent on a \$950,000 investment. We could make six per cent with even \$350,000 added for improvements."

The impending need for large scale employment in Salem during the coming winter was given by Hughes as one reason for building the new system.

Legality Question Raised by Townsend

Questions of legality and liability to court action were raised by Alderman Watson Townsend, who maintained that the water bond amendment to the charter made no provision for arbitration but rather for either outright purchase or condemnation proceedings.

Alderman Townsend and Dave voted nay; Boatwright, Fuhrer, Hendricks, Hughes, O'Hara and Olson aye.

A contemplated move by certain aldermen to dismiss the attorneys hired to assist City Attorney Chris J. Kowitz in the condemnation suit, now pending in federal court, went by unmentioned on the council floor.

The resolution regarding a competitive system held that the owners of the private system "demand an exorbitant price," the existing works are "old, worn out, inadequate and most of it is obsolete," and it is to "the best interests of the city to construct an entirely new and competing system."

Proceeding the action aimed at reducing utility rates in general within the city was passage of an ordinance ordering the water company to reduce its monthly rate per fire hydrant from \$2.50 to the \$1.52 originally specified in the company's franchise granted many years ago.

"If we're going to start a rate fight, we might as well try to make other water, and light and telephone rates receive a very large scale down," declared Hendricks. "This (the hydrant rate measure) is apparently just a very brave gesture."

Reduction Scheme Also Questioned

That there is a question as to legality of both the hydrant ordinance and of general rate reduction actions was stated by the city attorney. Kowitz pointed out that the hydrant rate had been increased following enactment of a new state utility law several years ago, an action by the public utilities commission, but with passage of the 1931 utilities act, it might be possible the city could order the charge slashed back to the franchise figure.

To secure reductions in other rates, however, the city must conduct hearings such as those by the state public utilities commissioner, Kowitz further explained. He held there was a legal doubt as to whether or not the city could back down on its five-year contract with the Portland General Electric company to supply street lighting service for \$24,000 a year.

The city is now in the position of approaching the water problem in three ways: Court condemnation of the system, arbitration to determine a buying price and consideration of building a competitive system.

INDUSTRIOUS GROUP LIVES AT LAUSANNE

(Continued from page 1)

At the end of the month's schooling, the county units from which the girls came intend to follow up their cases and help them to get placed once more in the economic world.

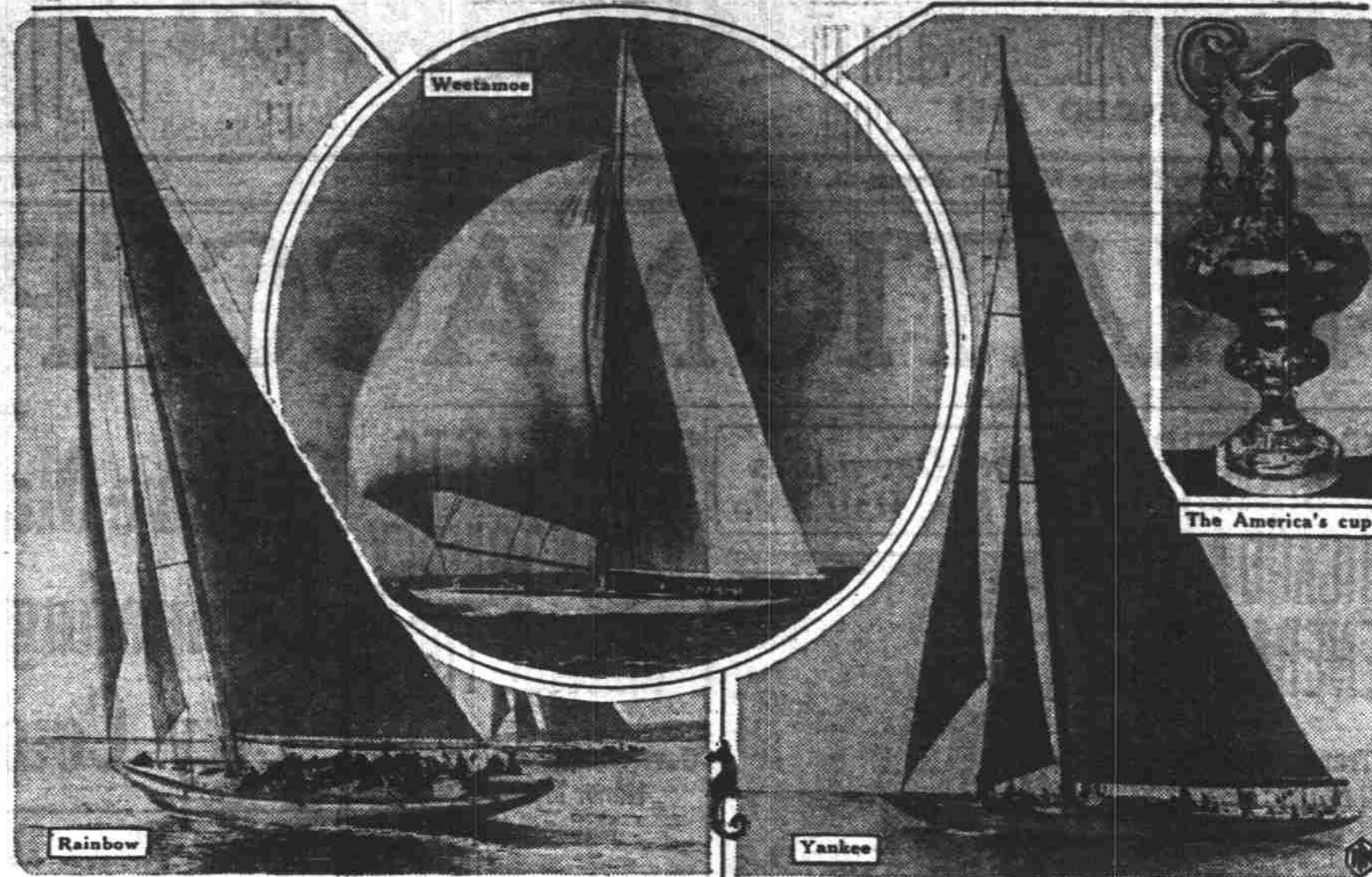
Volunteer talent for firesides and for the daily assemblies in the afternoon is greatly desired, and groups or individuals interested in contributing to the recreational life of the school are urged to communicate with Mrs. Thompson at the hall, telephone 6724.

Drums are Sold By Capital Post To Eagles Team

An additional \$150 will be received soon by Capital Post No. 1 American Legion, from sale of drum corps equipment, and will be used in retiring more of the debts the organization incurred prior to its disbandment last November, it was announced yesterday. The latest sale was of the white snare drums, bought in 1921 when the corps went to the Detroit national convention, to the Roseburg Eagles drill team. The price was considered a good one here.

Remaining equipment of the Salem corps, yet to be sold, consists of the white uniforms bought for use at the Chicago convention last year, and the blue ones first used at Detroit and worn at the Portland convention, at which the national championship was won.

Choice of America's Cup Defender Delicate Chore



Here are the three American built yachts that will meet in a series of races off Newport, R. I., beginning Aug. 22 for the right to defend the America's cup. The winner of the trials will race the British challenger Endeavour next month. Rainbow, built by a

syndicate headed by Harold Vanderbilt, is favored to win the trials over the Westsaco and Yankee, built in 1930. Both these yachts were beaten by Enterprise, which defended the "old mug" in that year against the late Sir Thomas Lipton's Shamrock V.

FEDERAL WORKERS ESCHEW POLITICS

Warning Bulletin Received Here; Allowed to Vote But Little Else

Following the practice of previous election years the federal civil service commission is issuing its warning bulletins regarding political activities of federal employees. Classified employees are, to all practical intents, forbidden all political participation outside the marking of their own individual ballots although they may express privately their political views. The restrictions apply to temporary employees, employees on leave of absence with or without pay, substitutes and classified and unclassified laborers.

Presidential appointees are forbidden by statute to use their official authority or influence to coerce the political action of any person or body, to make any contributions for political purposes from other federal officers or employees, or to discriminate among their employees or applicants for political reasons. Officers are prohibited from requesting or requiring any political service or any political work from subordinates.

Neither are they allowed to hold membership on any political committee that solicits funds, to display such obtrusive partisanship as to cause public scandal, or to attempt to manipulate party primaries or conventions, to use position to bring about their selection as delegates to conventions, to act as chairman of political conventions, or to assume the active conduct of a political campaign.

The criminal code also provides that no candidate, officer or employee shall solicit or receive or be concerned in soliciting or receiving any contribution for political purposes from any officer or employee of the federal government.

Wallace Heads Y. M. Drive for More Members

Paul B. Wallace will head the executive committee for the annual enrollment week of the Salem Y. M. C. A. It was decided at a luncheon meeting of the Y. directors yesterday. Meeting with the group was A. E. Larimer, associate general secretary of the Portland Y. M. C. A., whose services have been offered by the Portland association to Salem for the drawing up of enrollment week plans.

Carle Abrams, Ted Chambers, C. A. Page and George Rhoten will serve as division chairmen, while other members of the committee are Dr. Frank E. Brown, E. E. Sisson, W. L. Staley and C. A. Sprague. Enrollment "week" dates were selected as September 26 to October 5.

The executive committee has been called to meet Thursday noon to select captains for the teams.

Kozeluh Winner Over Frydell in Pro Net Tournery

CHICAGO, Aug. 20. (AP)—Karel Kozeluh, Czechoslovakian star who has held the world professional tennis title seven times, advanced to the third round of the national pro tournament today at the South Shore country club, by a quick victory over Thomas Frydell, Arlington, Va. Kozeluh, mixing his clowning tactics with sound tennis, lost only one game of the three set match, dropping that one in the second set. Frydell reached the second round earlier in the day when his scheduled opponent, Robert Murray, Sands Point, L. I., defaulted.

The Call Board...

ELSINORE
Today—Robert Louis Stevenson's "Treasure Island" with Jackie Cooper.
Friday—W. C. Fields in "The Old-Fashioned Way."

CAPITOL
Today—Double bill, "Romance in the Rain" with Roger Pryor and George O'Brien in "Smoke Lightning."
Thursday—Diana Wynyard in "One More River" and Boots Mallory in "The Big Race."

GRAND
Today—Will Rogers in "State Fair" and May Robson in "Lady For a Day."
Wednesday—Clark Gable in "It Happened One Night" and "Cavalcade" with Clive Brook.
Saturday—Harold Lloyd's newest, "The Cat's Paw."

STATE
Today—Double bill, Edward Everett Horton in "Uncertain Lady" and "The Crosby Case" with Wynna Gibson.
Thursday—Otto Kruger in "The Crime Doctor."
Saturday only—Captain, the dog star, in "Fighting to Live" and Charlie Chaplin in "One A. M."

HOLLYWOOD
Today—Greta Garbo in "Queen Christina."
Wednesday—Robert Montgomery in "Mystery of Mr. X."
Friday—Double bill, W. C. Fields in "You're Telling Me" and John Wayne in "Sagebrush Trail."

REGRET AT RAINY DEATH VOICED HERE

(Continued from page 1)
Congressman Martin: "I feel that the administration and the country at this time have suffered an irreparable loss. It was through his super leadership that the president was able to pass his program through the house."
Senator Steiwer: "The country will be deeply shocked to learn of the loss of Speaker Rainey. He occupied a position which was not less than third in importance in the whole political structure of the country."

TELEPHONE SAVING EYED BY ALDERMEN

(Continued from page 1)
at the end of the vacation season, and installation by the city of its own wires atop telephone company poles for the two and one-half miles of private lines required for inter-fire station alarm

Home Grand Hollywood LAST TIMES TODAY

Garbo QUEEN CHRISTINA
ADDED ANDY CLYDE IN "THE SUPER SNOOPER"
Wednesday and Thursday

Montgomery MYSTERY OF MR. X
Wednesday and Thursday

World News at a Glance

(Continued from page 1)

ROLLER—death before body was found.
WASHINGTON—RFC offered profit on PWA's state, municipal and rail bonds.
CHICAGO—Judge denies Insull separate trial from 17 co-defendants but mentions possibility Insull's health may force one.

WASHINGTON—Morgenthau announces silver nationalization brought in \$3,465,000 ounces.
FOREIGN
BERLIN—Hitler takes as next task selling Nazism to 10 per cent who voted "nein"; confident of unification.
GENEVA—Wheat conference drafts new international agreement with more flexible export control.

FLORENCE—Mussolini drafts busy program for conference with new Austrian premier today.
OTTAWA—Chief investigator of Labatt kidnaping would make ransom payments illegal.
GENEVA—U. S. completes formal adherence to international labor organization; expected to wield wide influence.

Black Widow on Display Here is Growing Feeble

A black widow spider, housed in a small glass jar with ventilated screw-top, which has been on display at Bishop's clothing store for a week was yesterday said to be growing feeble either from lack of proper food or improper housing conditions. Mrs. Isabel Anderson said her grandsons told her it was the much-discussed poison variety of spider and so she contributed her find for display purposes. At the store it has been given two live flies, which it has killed and partially devoured.

Reports are that the arachnids are numerous this summer in the wheat fields of Sherman county, found especially under sacked grain as it lies in the fields. Bill Dehler and C. L. Ireland returned to their homes in Molalla from Wasco last week with two of the spiders in captivity. Dehler's brother was recently bitten by one. Quick application of a tourniquet above the knee and cutting out with a knife of the bitten place at his knee saved him from effects other than a headache and dizzy spell.

2 MORE REVIVAL WEEK HITS

May Robson
Warren William
Guy Kibbee
"Lady For a Day"
Wed. Thurs. Fri. Gable and Cullbert in "It Happened One Night" "CAVALCADE"

Will Rogers Janet Gaynor

Lew Ayres - Sally Eilers in "State Fair" NEXT WEEK
Harold Lloyd in "The Cat's Paw"

DR. CHAN LAM
Chinese Medicine Company
308 1/2 Court, Corner Liberty - Salem
Office Hours: 10 A. M. to 1 P. M. 6 P. M. to 9 P. M. Every Tuesday and Saturday Only
Licensed N. D. Physicians
16 Years in Business
Consultation, Blood Pressure and Urine Test are Free of Charge

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HOCKETT NOMINEE FOR LEGION CHIEF

(Continued from page 1)
Further nominations will be made September 4 and the election held September 17.
Gold wings were presented to Lee U. Eyerly for his airplane services in the roundup, and to Joseph Marcroft for bringing in ten members; bronze wings to R. H. Bassett, for six members. Silver wings represented eight members in the drive.

Appointment of two more state convention alternates was left to the delegates already elected.
Thirty legionnaires among those present last night said they expected to attend the convention at Astoria which opens Thursday: Worthington C. Smith, S. W. Elmore, Ronald E. Jones, Carl Gabrielson, Brasler C. Small, Onas S. Olson, William Bliven, O. E. "Mose" Palmateer, Claude McKenney, Waldo Mills, Dr. G. E. Prime, Dr. Verden E. Hockett, Dr. Laban A. Steeves, Leslie Wadsworth, R. H. Bassett, Dr. B. F.

Stewart got three and one-half miles north of the city before the Ashland chief of police finally located him from the recurrent scream of brakes as motorists, slightly awed, came to sudden halts to let the velocipede wobble down the center of the highway.

Man Aged Three With Velocipede Travels Highway

State 10 THEATRE

Today & Wednesday An Outstanding Program

2 FEATURES

A Knockout Mystery "THE CROSBY CASE" with Wynne Gibson Onslow Stevens

AND "Uncertain Lady"

with Ed. Everett Horton Genevieve Tobin Paul Cavanagh

Pound, Lee McAllister, C. V. Richardson, J. T. Delaney, H. R. White, M. Clifford Moylan, Irl S. McSherry, Douglas McKay, S. E. Weidenfeld, Harry Gustafson, Joseph Pound, Dr. C. Ward Davis, Herman Lafky, Arthur Johnson and Oliver Huston.
Jerrold Owen, editor of the Oregon Legionnaire, left Saturday with Mrs. Owen to join Mr. and Mrs. Earl Small at Seaside and later attend the convention.

Onion Weather Forecaster of Coos Bay Dies

MARSHFIELD, Wis., Aug. 20. (AP)—Marshfield's famous "onion" weather prophet, Ewald Benesch, is dead. He was 69.

Each new year's even Benesch would go alone to the basement of his cobbler shop here and by the light of a solitary candle would cut apart onions until he found one suitable for his queer augury.

Studying 12 circles of the onion, Benesch would essay to foretell the weather for the coming year during the last half hour of the old year and the first half hour of the new.

Accuracy of his predictions won for him a nationwide reputation and each year his predictions were given wide notice in the press.

Five Drowned as Small Outboard Boat Overturns

PORTLAND, Ore., Aug. 20. (AP)—Despite an all day search by deputies with grappling hooks, the Columbia river tonight still held the bodies of two of the five persons who died Sunday afternoon when their 15-foot outboard motor boat turned suddenly and capsized near the Alderwood golf course.

The two bodies unrecovered were those of Marvin Gholson, 37, and his daughter Audrey, 6. Other victims of the river accident were Mrs. Orva McCann, 35; her son, Delbert Ray McCann, 2; and William Arnold Nelson, 5. Four other passengers on the boat—Mrs. Gholson and her daughter Jeanne, 7, and Mr. McCann and his son, Orva, Jr., 5—were rescued by caddies and other witnesses to the sinking of the frail craft.

Gas Gun is New Equipment Here For City Police

A bill for \$211.94 for purchase of a gas gun for the police department was ordered paid by the city council last night. This gun, received Saturday, resembles a sawed-off shotgun in construction. Its 12-inch barrel, however, is an inch and one-half in diameter. With the gun came a dozen shells, each ten inches long, for long range use, and six projecting nauticus gas, and four shells of like size for short range, containing tear gas.

Such weapons were used effectively by Seattle police in dispersing longshore strikers last month.

Man Aged Three With Velocipede Travels Highway

ASHLAND, Ore., Aug. 20. (AP)—With a California license plate attached firmly to the rear of his velocipede, Stewart Petri, aged three, today set the Pacific highway agog, tied up traffic, worried his mother into near hysterics, and worked off some surplus energy.

SLAYING MARKS DOCK SQUABBLE

James Connor, 22, Killed as Recent Strikers Attack Rival Dock Union

(Continued from page 1)
a headquarters of its own instead of the regular hiring hall where other longshoremen are hired. District Attorney Lotus L. Langley said the investigation would attempt to determine if it was generally known among attackers' ranks that any of their number was armed. He also said investigators would try to determine if a private feud was back of the shooting.

During the waterfront strike a brakeman received fatal injuries when he fell from a train which was beset by waterfront pickets. During that riot police fired pointblank into picket ranks and wounded four.

Launching a speedy investigation of today's fatal riot, the district attorney's office gave police the names of 23 men as members of the attacking group. Before noon police had arrested three and held them for questioning.

If feeling has existed between longshoremen who struck and those who worked or offered to work in their places during the strike. Today the Columbia group gathered at its hall, which is a garage with many glass windows, and was promised a police escort to the waterfront. It developed that the police escort went directly to the waterfront instead of to the hall.

The attacking group fled when the siren of an approaching ambulance was heard. Police said they were given license numbers of several of the automobiles bearing the mob.

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ELSINORE

Now Playing Sail the Seven Seas of adventure! Hunt for buried treasure! Live again thru pirate perils, mutiny and hidden dangers.



Beery Cooper

500 Seats 25c

Treasure Island

With LIONEL BARRYMORE OTTO KRUGER LEWIS STONE CHAS. (Chic) SALE

WARNER BROS. CAPITOL

TODAY AND WEDNESDAY TWO GREAT FEATURES

YOUTH! PEP! ADVENTURE!



ROMANCE IN THE RAIN

Doors Open 6:45 with ROGER PRYOR HEATHER ANGEL

"Reach for the Sky!"

All the range reached — and how! When Smoke Mason, trigger-quick fighting fool, reached for his shooting irons.



Zane Grey's Smoke Lightning

with George O'Brien 500 Seats 15c

Be Prepared for someone else's carelessness

You may be always careful, whether driving or walking—yet you cannot prevent accidents happening through the carelessness of others. You can't prevent accidents—but you can protect your family against their consequences, provide for their welfare if something should happen to you. Do this today—with

\$1.00 Statesman Travel Accident Insurance

Application For Insurance

(Age limit 15 to 69) THE OREGON STATESMAN, Salem, Oregon. You are hereby authorized to enter my subscription to The Oregon Statesman for one year from date. It is understood that The Oregon Statesman is to be delivered to my address regularly each day by your authorized carrier and I shall pay him for the same at the regular established rate.

I am not now a subscriber to The Oregon Statesman () I am not a subscriber to The Oregon Statesman () () Renew Policy () New Policy

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I am enclosing a payment of \$1.00 Policy fee. I am to receive a \$10,000.00 Travel Accident Insurance Policy issued by the North American Accident Insurance Company at Chicago, Illinois. Mail Subscriptions Must Be Paid In Advance!