

DISPUTES STIR TAX DISCUSSION

Rumors Grow That Bill May Be Put Off to Next Year But F. R. Denies

WASHINGTON, July 24.—(AP)—A swiftly developing series of disputes involving the president, congress, business and organized welfare agencies today stirred up new but vigorously denied reports that the administration tax bill would be put off until next year.

In quick succession, the day brought these developments:

Horse and Buggy Idea Thrown Back

2. A representative of three welfare groups contended that the president's insistence would mean "going back to the horse and buggy days of private charity."

3. An official poll of house ways and means committee democrats, not immediately completed, strengthened the possibility that the committee might disagree with the president's recommendations that graduated taxes be levied on corporation income taxes.

4. Tight-lipped members of the committee declined to talk about what they were doing after Chairman Doughton (D-NC) described as "traitors" those who told newspapermen what was happening in secret sessions.

The president expressed his ideas at a press conference. He contended that gifts by corporations are made to seek good will; he conceded humanitarian purposes of some corporation gifts but argued that the desirable reason for permitting them to escape taxation were outweighed by the undesirable.

Under present law, a limited exemption is permitted if a corporation can prove its gifts are necessary to the success of its business. A big concern in a small town, for example, may donate without tax to a hospital if that hospital takes care of workers for the concern.

Martin to Meet F. R.'s Uncle at Portland Today

Governor Martin will spend today in Portland where he will confer with Frederick Delano, New York millionaire and uncle of President Roosevelt. Delano is scheduled to arrive in Portland this morning.

Delano is connected with the federal public works administration and will attend a meeting of the Oregon state planning board. The planning board was expected to consider a number of Oregon projects, including the proposed new state capitol building.

The Call Board

GRAND
Renovating. Watch for opening date.

ELSINORE
Today—Charles Boyer in "Shanghai".

CAPITOL
Today—Double bill, Clark Gable in "After Office Hours" and Edward G. Robinson in "Man With Two Faces".
Friday—Double bill, "Mad Love" with all star cast and Tim McCoy in "Justice of the Range".

HOLLYWOOD
Today—Shirley Temple in "Our Little Girl".

STATE
Today—"Mississippi" with W. C. Fields.
Today—"Night Life of the Gods".
Friday—"Murder on a Highway" with Edna May Oliver.
Saturday—"Lost in the Stratosphere" with William Cagney.

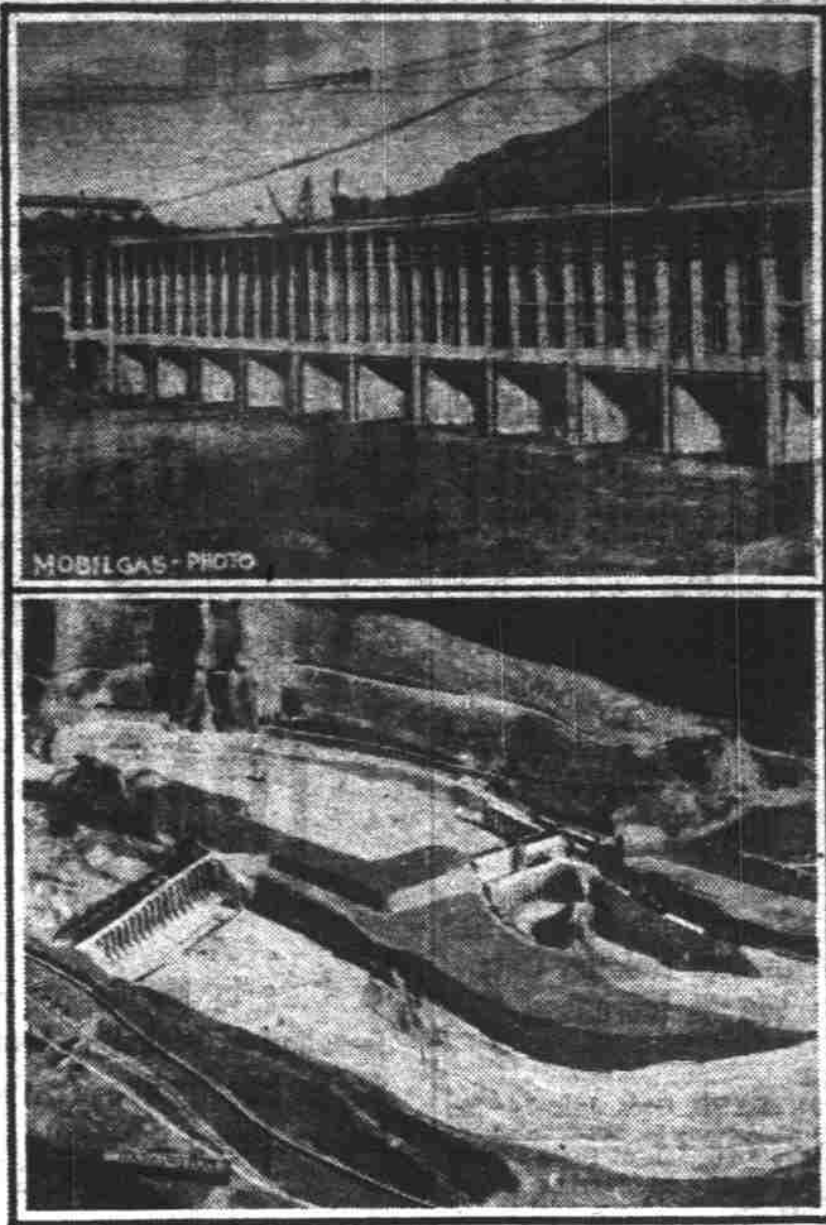
The story of a man who dedicated his life to winning control of a financial empire, then threw away everything he had won for the sake of the woman he loved is that of Paramount's "Shanghai," which comes today to the Elsinore theatre.

Starring Loretta Young and Charles Boyer, "Shanghai" is an intensely dramatic picture of the rise of the new western influence in the heart of the world's oldest empire.

The plot of the picture centers about the rise of Boyer, a mysterious man, from the gutters of Shanghai to the very top of its financial pinnacle.

STATE THEATRE
STARTS Sunday First Run in Salem!
Year's Greatest Picture!
THUNDER IN THE EAST
Produced by Edward Butler - Directed by John Robertson
From the story "Heaven's Gate" by Florence Leighton Playright
ADDED—
Our Gang Comedy, "Washie and Ironie"
Colored Cartoon "Toyland Broadcast"
Metrotone News

Bonneville Work Progresses



The huge Bonneville dam is rapidly taking form, as shown by the top picture of the sub-structure of the power house, obtained recently by the Mobilgas scout car. In the background is one of the mountains of the Cascade range on the Oregon side of the Columbia. Below is a picture of a model of the dam as it will appear when completed. The upper shore is Oregon and the lower shore Washington with Bradford Island in the center. Visitors are admitted to the project on Sundays only, according to the General Petroleum reporter.

SEVERING CONTACT WITH NAZIS TALKED

WASHINGTON, July 24.—(AP)—Senator King (D-Utah) served notice on the senate today that he will ask an investigation to determine whether conditions in Germany would warrant the United States in "severing diplomatic relations."

"I regard the conduct of Hitler and his regime as cruel, brutal and barbarous," he told reporters.

In announcing on the floor his intention to offer a resolution calling for the inquiry, King asserted the Hitler government had been "oppressive to Jews and Catholics" and had failed to discharge its treaty obligations to the United States.

Berlin Spokesman Chuckles
BERLIN, July 24.—(AP)—A propaganda ministry spokesman chuckled with amusement today when informed of the proposal of Senator King (D-Utah) for an investigation to determine whether nazism's anti-semitic and church policies warranted breaking off diplomatic relations with Germany.

Refusing to treat the matter seriously, the spokesman asked: "Is there a best wave on in America?"

BUCK JONES SERIAL TO START SATURDAY

Buck Jones comes to the Elsinore theatre Mickey Mouse malice this Saturday in the first episode of a smashing 15-chapter serial, which sets a new high mark for thrills and excitement.

It is "The Roaring West," with its scenes laid on the great American frontier. The west's most beautiful scenery forms the background for an action-filled battle of wits for the possession of rich gold claims in a district newly opened for settlement, and dangerous, spectacular adventures follow one another in swift succession.

Jones is seen as a cowboy who leads the forces attempting to locate the claims, battling furiously with an outlaw band bent on getting the property away from him. Muriel Evans plays the leading feminine role, and other members of the large cast include Frank McGlynn, Sr., William Desmond, Harlan Knight, Eole Galli and Walter Miller.

Prizes Offered
Come to the matinee dressed as a westerner, and you may be one of the lucky boys or girls to receive a prize for the best appearing cowboy or cowgirl.

Indians alone are permitted to use fish traps to catch salmon in Puget Sound.

HOLLYWOOD NOW PLAYING
Matinee Each Day - 2 P. M.
Shirley—THEY'RE CALLING THIS YOUR GREATEST SHIRLEY
TEMPLE
"Our Little Girl"
Produced by Edward Butler - Directed by John Robertson
From the story "Heaven's Gate" by Florence Leighton Playright
ADDED—
Our Gang Comedy, "Washie and Ironie"
Colored Cartoon "Toyland Broadcast"
Metrotone News

SALARY ABOVE \$1500 UPHELD

Constitution Clause Is No Limit on Amount, Is Lewelling Ruling

(Continued from Page 1)

"The article referred to does not expressly prohibit the legislature from increasing the salary of the governor. If such prohibition is to be read into the article, it must be done by implication only, but the members of the constitutional convention had the opportunity to expressly prohibit the legislature from increasing such salary, and after having done so, as shown by the foregoing excerpt from the proceedings of the convention, they struck out that portion which was clearly a further limitation upon the legislative assembly and left no words to express additional limitation whatsoever. The people thereafter ratified and adopted the constitution as so framed by the convention.

Lack of Limitation Interest Is Noted

"It is common knowledge that the constitutional convention had in its membership several eminent lawyers who were familiar with the rules of constitutional construction, and especially of the fact that the organic law of a state is a limitation and not a grant of power, and by referring to other provisions of the constitution the court is convinced that Article XIII was framed with this rule in mind, as there is to be found more than a score of express limitations concerning the power of the legislature.

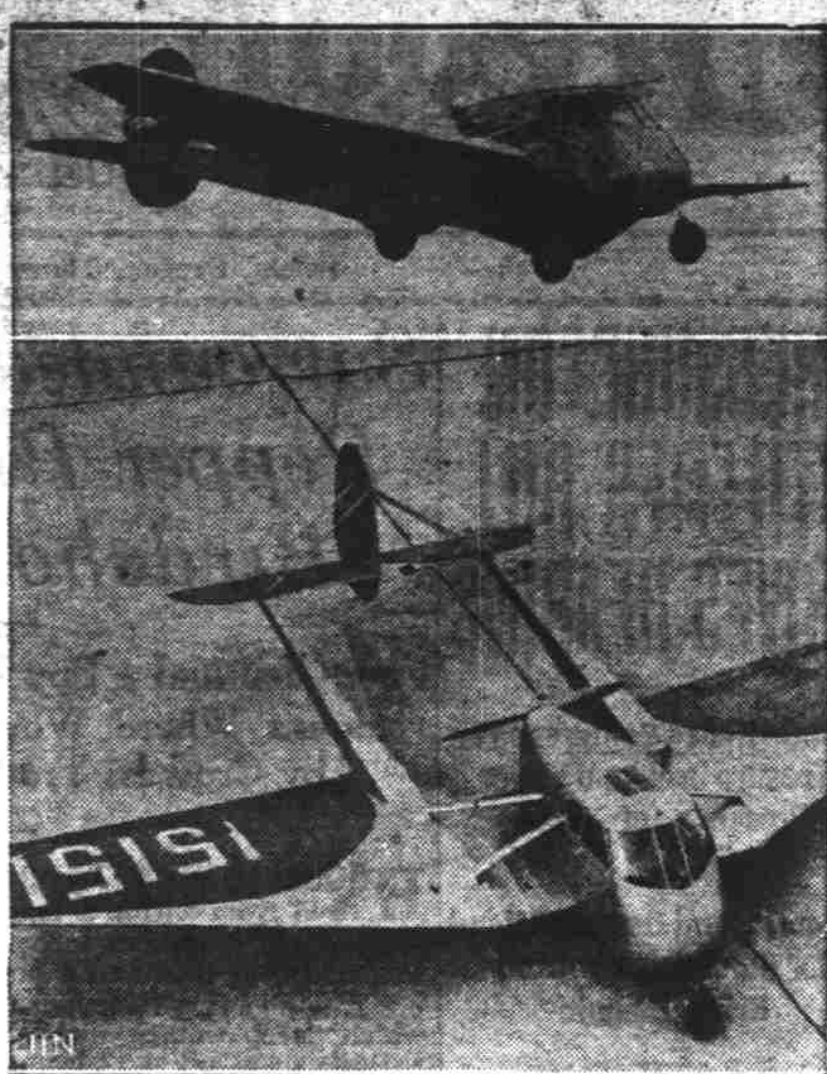
"In Section 23 of Article IV, in fixing compensation of members of the legislature, the convention expressly stated in said article that they shall receive for their services a sum not exceeding \$3 a day from the commencement of the session, but such pay shall not exceed in aggregate \$120 per diem allowance for any one session. As was said in State v. Cochran, 55 Or. 39, 'Why employ these restrictions, if it were sufficient merely to say that their compensation shall be \$3 per day? It is manifest that these restrictive words were employed because the constitutional convention knew that every restriction and prohibition in a state constitution must be clearly stated, and that the law-making department has plenary power, except as restrained, either expressly or by clear implication by constitutional prohibition.'

"The legislature of 1905 increased the salary of the governor, thereby placing its interpretation and construction upon Article XIII of the constitution. This interpretation has been acquiesced in by state officers and by the public in general for 30 years, and while not conclusive the courts are bound to give consideration to an interpretation placed upon a statute by long acquiescence of the legislative assembly and of the people of the state.

"Counsel for plaintiff in his brief, cites 12 C. J. P. 701, as follows: 'Constitutional provisions are presumed to have been made carefully and deliberately framed than is the case with statutes; hence it is sometimes said that less latitude shall be indulged by the courts in their construction.' Failure to Prohibit
Kaiser Was Deliberate

"Applying this rule of law to Article XIII, we must conclude that the members of the constitutional convention by failing to expressly prohibit the legislature from increasing the salary of the governor and by having deliberately taken that provision out of

Claim New Plane "Foolproof"



Heralded as a "foolproof" plane, this ship, two views of which are shown above, has been ordered by the federal government for the department of commerce. The plane, its designers say, can be flown easily by anyone who can drive an automobile. It can land in a steep glide, making it possible to clear high obstacles and get into a small plot of ground. Test flights were made at Ypsilanti, Mich.

the section after it had once been adopted, left no other course for the court than to conclude that said article was carefully and deliberately framed to exclude an interpretation that would read into the article a prohibition that does not appear upon the face thereof.

"The court has read the various cases cited by the plaintiff, most of which are taken from an opinion of the attorney general of this state, and finds none that are applicable to the facts in this case. The decisions cited construe constitutional provisions of other states where express words of limitation were used, or where no long period of acquiescence was present and no contemporaneous construction placed upon the provisions as in this case."

STEIWER PROPOSES BONUS RIDER PLAN

WASHINGTON, July 24.—(AP)—The bonus issue today was forming rapidly into a double hurdle for administration "must" legislation remaining before congress.

Drives for both inflationary and anti-inflationary measures for immediate payment of adjusted compensation certificates were being mapped in the senate.

Senator McCarran (D-Nev) said inflationists have determined to press the \$2,000,000,000 Patman "new currency" bill, vetoed by President Roosevelt, as a "rider" to the new tax measure.

Steiwert Tells Plans
Meanwhile Senator Steiwert (R-Ore) said that if opportunity offers, he will propose a non-inflationary bonus plan as an amendment either to the tax bill or one of the other pieces of legislation which the administration desires enacted at this session.

Destruction of a grandstand by fire forced cancellation of the Arizona state fair for 1935.

"PRESSURE" RIVES UTILITIES HEARING

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committee were reluctant to talk about the incident but Huddell said afterward:

"Pressure" Holding Up Work, Charges
"I'm not trying to block the bill, and am anxious to do everything I can to help bring out a good bill. But these meetings might either be to executive or wide open, and we ought to be relieved of this administration pressure so we as house members can go ahead and work to uphold the house's position."

Wickiup Reservoir Project is Lauded

Recent allocation by the federal public works administration of \$1,000,000 for the construction of what will be known as the Wickiup reservoir on the upper Deschutes river, will prove a boon to the irrigated areas of both Deschutes and Jefferson counties, C. E. Stricklin, state engineer, declared here yesterday.

Stricklin said the reservoir was first recommended by Dr. Elwood Meade, federal reclamation commissioner, and was approved by the public works administration.

Governor Martin filed the original application for the reservoir at the request of a delegation of Jefferson county citizens.

CAPITOL HELD OVER!

FOR Today Only! 2 FEATURES

Clark Gable in "AFTER OFFICE HOURS" and ED. G. ROBINSON in "MAN OF TWO FACES"

FRI. - SAT.

2 FEATURES

"Most Baffling Love Crime Ever Exposed!"

"MAD LOVE" with M-G-M Dramatic Star PETER LORRE and Frances Drake

500 Seats 25c

LORETTA YOUNG and CHARLES BOYER in "SHANGHAI"

A Paramount Picture with WARNER OLAND ALISON SKIPWORTH

Plus—Our Gang Comedy News Events

ACCUSED OF MURDER! Tim strikes back... exposes the terror of the prison!

Tim McCoy in "JUSTICE OF THE RANGE" with Billie Seward

500 Seats 15c

ATTORNEYS BATTLE OVER AAA LEGALITY

(Continued from Page 1)

ing provisions of the code as "an arbitrary and unreasonable exercise of the police power and as such a violation of the 14th amendment to the federal constitution." His attorneys argued that "the right of the merchant to fix his own prices has always been regarded as a fundamental private property right."

Attorneys for the state declared that the act provides what the legislature believed to be "the only practical means of meeting a grave emergency."

Since the decision in the appeal will have great bearing on operation of industries under the Oregon AAA, it is believed that the supreme court will expedite publication of its opinion in the matter.

LAD, 14, DECIDES HOBO LIFE NO GOOD

(Continued from Page 1)

that, they called the matron and fed the little chap.

Now, they're going to find out if his parents are still in Oregon City, and if they want Jack home again.

His parents, according to his story, are John and Elizabeth Stoner, and they live on the outskirts of Oregon City.

Asked what his father did, Jack said, "He don't do nothing except raise a few cows. They made me mad, so I ran away."

"Are you sorry?"

"No, I was just hungry."

Efforts at Grave Identifying are Given Assistance

Excellent cooperation is being received in the effort of the Sons of Union Veterans to secure the full names of all persons buried in the veterans' plots at City View cemetery, E. C. Kruger, 1415 North Fourth street, reports.

Kruger said to date 24 names of veterans buried in the plot had been found. Government headstones will be provided for these graves.

Last week Mrs. Oscar Gustafson of Dotham, Oregon, having read a Statesman article regarding the Sons of Union Veterans' project, wrote to Mr. Kruger to identify the name of her late husband, buried in the veterans' plot.

Seen by the Sage

By D. H. TALMADGE

Ed Erixon, contractor, has the job of remodeling the Grand theatre well started. It will be a good job.

Dave Caplan has a new front. On his South Commercial street grocery store.

A new front to come soon on North Commercial street. The Commercial book store.

Mr. and Mrs. David Converse were visitors to the Breitenbush country this week.

Mr. and Mrs. Clifford Farmer motored to Champoux early in the week.

Mr. and Mrs. M. Mathieson of Rockham, S. D., guests for a few days in the Dr. H. A. Gueffroy home, departed on the return drive Wednesday.

Dr. Prime is having his Court street property so altered that two business rooms will be available on the first floor instead of one. This is the building formerly owned by Frank Halik.

Al Adolph is dated for an early trip to Aberdeen, Washington.

A company of buyers for the Miller Mercantile company is in Seattle this week. Mrs. Brown of the Salem store is in the party. She will return Friday.

Ross Moore, veteran Salem printer, who retired several years ago, is taking life easy in his North Front street home and is in the enjoyment of fairly good health. This item is in reply to certain inquiries that have come from folks who have chanced to miss him on his occasional trips down town.

Carl Porter, manager for Warner Bros. in Salem, has plans in process for a trip to New York to visit his mother.

The Statesman, in the person of Sheldon Sackett, went to the top of Mount Hood Sunday. Mount Hood is something generally "great, stupendous, colossal," which qualifying adjectives are used rather carelessly in this day.

UNION AGREES, END PORTLAND'S STRIKE

(Continued from Page 1)

man said. He added that all should be working by Monday.

Last week the operators offered essentially the same compromise, but without the guarantee of no discrimination.

Original union demands were for 75-cents an hour minimum, 30-hour week and closed shop.

New LOW-PRICED MEALS for COACH and TOURIST CAR PASSENGERS ON THE Portland Rose
"A Triumph in Train Comfort"
Lv. Portland 9:35 p.m. Ar. Chicago 8:50 a.m.
SAMPLE FARES TO CHICAGO FROM PORTLAND
One Way Round Trip \$34.50 \$57.35
In Deluxe Air-Conditioned Coaches Proportionately low One Way and Round Trip fares to other points East.
Union Pacific now offers very low-priced meal service for Coach and Tourist Car passengers on its famous transcontinental train—the Portland Rose. Meals are prepared in the dining car and served at regular meal hours to passengers in their seats.
Breakfast as low as 25c may include scrambled eggs with two strips of bacon, rolls or bread, coffee or milk. Luncheons at 30c. Dinners at 35c are equally attractive. Menus are varied daily.
And pillows are now furnished FREE, for night use to passengers in deluxe air-conditioned Coaches of the Portland Rose.
For information and reservations call on Ticket Office and Travel Bureau Broadway and Washington, Portland, Oregon



A Loan Service to Fulfill Every Legitimate Need

Whether it be business man or farmer, we have a loan service that fits his need. The same is true, too, of the individual for his personal use or with which to repair or remodel his home.

We're interested in your success—talk things over with us.

D. W. EYRE Manager
L. C. SMITH Asst. Manager

Salem Branch of the United States National Bank of Portland
Head Office: Portland, Oregon