

Two F.R.-Opposed Clauses Inserted in "Must" Bills

TAX BILL, GOLD SUITS INVOLVED

Senate Committee Hears of Fund "Siphoning" by Holding Company

WASHINGTON, July 31. — (AP)—Forswearing heated floor fights to come, congressional committees today ran counter to presidential wishes by inserting administration-opposed clauses in two "must" measures.

House ways and means committee democrats agreed to cover President Roosevelt's outspoken objection—that the tax bill should allow corporations to deduct charitable gifts from their incomes.

The senate banking committee reported out the gold clause suit bill after writing into it, again contrary to administration ideas, a provision to allow six months for the filing of suits of recovery of alleged damages from abrogation of gold clause contracts in government obligations.

Utility Probe Warm

Meanwhile, the senate lobby investigating group heard from Stuart C. Ross, accountant for a New York state utility investigating commission, testimony that the holding unit of Associated Gas and Electric had, as Chairman Black of the committee termed it, "siphoned off" \$25,000,000 from the operating companies. The siphoning was done by charging fees against the operating units, the witness said.

The tax bill was pushed along toward the house floor and debate and vote amid criticism of republicans and some manufacturing groups. There was a paucity of praise from democrats.

Adjournment Hinted

The progress of the measure, biggest obstacle to adjournment, also synchronized with a remark by Senate Democratic Leader Robinson that "there is a possibility of congress concluding its work by August 20." Robinson's expression, his first adjournment prediction, carried added weight because it was made as he stepped out from a talk with the president.

There were these foreign field developments in the day's capital affairs: State department officials drafted a formal vote to the nazis government, promising an effort to prosecute those charged with tearing the Nazi flag from the German liner Bremen, docked in New York harbor, surging into world rumors of big mania came a disclosure by Secretary Swanson that the United States contemplated strengthening its Pacific insular fortifications, not immediately but more likely at the expiration of the London and Washington pacts, December 31, 1936.

Other at-home capital developments included:

Price Fixing Dropped

Senate-house conferees agreed that price fixing should be clipped from the administration's AAA bill.

The senate passed and sent to the White House a bill which wiped out virtually the last remnant of the Roosevelt economy act of 1933, restoring all benefits to veterans, the Spanish-American war, Boxer rebellion and Philippine insurrection. Previous acts had restored salary cuts to federal employes and benefits to World war veterans.

SUSPECT ORDERED HELD, BAUER CASE

(Continued from Page 1)

Chicago police that "Jones" had forced him at the point of a pistol to drive from Ann Arbor to Chicago and had performed the operation on him here.

Dr. Bauer was married on July 14 to Miss Louise Schaffer of La Grange, Mo. Friends of Miss Schaffer in Canton said she had been Zenge's sweetheart for eight years, before her marriage to Dr. Bauer and that Zenge had left his home shortly after.

The widow in Chicago was asked by the police to attend the inquest which will be resumed today.

AAA RESTRAINT DENIED

ELIZABETH CITY, N. C., July 31. — (AP)—U. S. District Judge I. M. Meekins of Elizabeth City today denied and refused to grant a restraining order sought to prevent the government from collecting the processing tax on wheat and flour under the agricultural adjustment act.

ALUMINUM MAGNATE WOULD BUY POWER

(Continued from Page 1)

Chicago, is accompanying Dohan during his stay here.

SALT LAKE CITY, July 31. — (AP)—Vast deposits of alumite ore have been located in southwestern Utah near Marysville, and a virtually unlimited supply would be available to manufacturers should plants be established near Bonneville dam on the Columbia river.

THE OREGON STATESMAN and the ELSINORE THEATRE wish to know

Who is Your Favorite Mickey Mouse Club Entertainer!

Fill in the coupon and bring or mail to the Elsinore on or before Saturday, August 3

My favorite is:

Scouts Prepare for National Jamboree



Another army is preparing to march upon the capitol. This time it is a peaceful one, however. It is an army of 35,000 Boy Scouts from every state in the Union, from Canada and Mexico. The time is the week of Aug. 21. Already plans are being made by Dr. James E. West, chief scout executive, to house the visitors in outdoor camps and care for their many needs. President Franklin D. Roosevelt will greet the scouts and review their maneuvers. Among the many events planned is a historical pageant to be given during the scout's stay in Washington.

REQUEST SENT FOR CAPITOL PWA FUND

(Continued from Page 1)

tion has been approved. At that time the governor and the other members of the board of control are expected to recommend to the legislature methods of financing the capitol, the procedure in the selection of architects and the site of the new structure. Final determination of all these matters rests with the session.

The application set out that the federal grant would be contingent upon the state legislature authorizing a direct appropriation of 55 per cent of the cost of the proposed new capitol structure. The state's share of the cost was estimated at \$1,925,000.

A letter written by Governor Martin yesterday to Administrator Ickes read:

"The state board of control, consisting of the governor, secretary of state and state treasurer, has given three months study to this matter and have received able assistance from the state planning board.

"The members of the board of control and state planning board are in complete accord.

"Confirmation of our action will be sought by the legislature, to be convened in extraordinary session and your grant, of course, will be based upon their approval of our action."

McNary Asked to Keep Board Informed

In another letter Governor Martin urged Senator McNary to advise the board of control if additional data was necessary.

A third letter by Governor Martin urged Hockley to lose no time in forwarding the application to Washington.

Attention was called by Governor Martin to a telegram received from President Roosevelt on April 16, in which the latter said he had requested the public works administration to investigate and see what assistance the federal government could give in constructing a new capitol building.

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Heated Paraffin Dangerous; Paint Dealers Benefit

(Continued from Page 1)

Though mice may gnaw through its waxen surface to the jam or jelly below, paraffin is still a favorite covering to seal home-made goods. But this clear, harmless looking material is highly explosive and should be handled as carefully as cleaning fluid.

It is safe only to heat paraffin in a container placed in a pan of water or in a double boiler. Several accidents have occurred in Salem recently from paraffin heating on the stove. A paint dealer reports that his business has been benefited with a number of redecorating orders because of paraffin explosions.

Regarding the mice hazard, there are two solutions. One, invest in a hungry cat, or, second, cap each glass with a tin lid after sealing with the wax.

40 miles above Portland to utilize power developed there.

For many years it has been known that the alumite beds were of future value, and in recent years attempts have been made through legislation and otherwise to promote interest in development.

TEN DIE IN TRAIN DERAILMENT, FIRE

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None of the train crew was injured. Both ends of the train remained on the track as about 16 or 18 of the 76-car train buckled in the middle. Rail officials believed a hotbox in a wheel caused a middle car to leave the track.

A truckload of CCC enrollees from Troy, Tex., reached the scene first. W. A. Hargrove and A. J. Scholes, members of the CCC unit, said they rescued several persons, including five severely injured negroes.

The Call Board

ELMINORE Today — Bette Davis in "Front Page Woman"

CAPITOL Today — "School for Girls" with Sidney Fox and "Go Into Your Dance," with Al Jolson.

STATE Today — Double bill, "Captain Hurricane" and "A Dog of Flanders" and "Saturday"—Robert Armstrong in "Flirting with Danger."

HOLLYWOOD Today — First-run, "Women Must Dress," with Minna Gombell and national screen star contest winners.

Friday — "Ten Dollar Raise" with Edward Everett Horton and Karen Morley, and "The Desert Trail" with John Wayne.

"Front Page Woman," one of the most realistic and exciting of any newspaper screen drama with Bette Davis and George Brent in the stellar roles, will be the feature attraction at the Elsinore theatre today.

It is entirely different from any other newspaper play, dealing with the bitter rivalry of two star reporters, a man and a woman on opposition papers, who are really in love with each other, but do their best to "scoop" each other.

SUSTAINED TIMBER YIELD PLAN URGED

(Continued from Page 1)

many years and declared that in every year since 1925, save for 1929, the lumber industry had lost money. He graphically illustrated how the burden of taxes, fire patrol and interest had made it unprofitable to hold timber with the result that much timber was being rushed to the market at extremely low prices. The heart of improving the condition of the lumber industry is to provide a sounder method of carrying timber, he declared.

Eccles said he favored a compensated tax plan evolved by the forestry school in preference to socialization of all timber and its ownership by the federal or state governments. He admitted the latter plan might some day be adopted. He scored the federal government for its original policy of subjecting timber to private exploitation in the same method that it had handled public lands which later became tillable.

Timber Always to Be State's Basic Industry

Eccles declared that timber must always be basic in Oregon's economy since 82 per cent of the state was not suitable to farming operations.

He sketched a second basic problem of the northwest — the disposition of its wheat holdings. Of a normal crop of 80,000,000 bushels, 60 to 75 per cent of the wheat has been sold in foreign markets, he said. With overproduction abroad, the rise of farthings and of trading quotas, the export market has been curtailed.

Eccles said the emergency export corporation using the process tax for revenues, had been able to market the unmanageable northwest wheat surplus of 1933 while drought had temporarily handled the problems in the succeeding years. He said he knew of no sure remedy for the situation— he said a 50 per cent reduction in acreage would allow the northwest to sell most of its wheat domestically but deemed this "solution" not practical. Letting domestic wheat prices find a low level and thus making wheat sales abroad, without subsidy, feasible, would dispose of the northwest's surplus, he said, but he opined that no political administration would be strong enough to embark on such a program.

Eccles was introduced by George Riches, local bank cashier.

Permit for Lunch Trailer is Given

The city council last night unofficially granted George Gray permission to operate a trailer lunch wagon near the corner of High and Ferry streets pending such time as an ordinance may be prepared and offered to the council on the matter. An amendment offered by Alderman Van Patten stipulated Gray be required to comply with all plumbing and sanitation ordinances in setting up the wagon.

No official action could be taken last night, as the council session was a special one to deal only with final matters of acquisition of the water plant by the city.

STATE THEATRE Today and Friday 2 - Features - 2

"CAPTAIN HURRICANE" — plus — "DOG OF FLANDERS"

CORNERSTONE OPENING HELD

Unites Past, Future; Last Pinnacle of Capitol is Hauled Down

(Continued from Page 1)

viewed briefly the construction of the old capitol, related many incidents in connection with its 62-years existence, and deplored the fire which reduced the historic old structure to a mass of blackened ruins.

Justice Campbell said no building in the west had a more historic background than Oregon's state capitol.

H. Wayne Stannard, grand master of the grand lodge, Masons of Oregon, uncovered the lead casket which he presented to Governor Martin.

New Capitol to Be Fit for Generations

Governor Martin, declaring the old capitol a treasure for the state, said that, nevertheless out of its ashes Phoenix-like, there would rise a more suitable building for the future. "We are going to build a structure suitable for the generations which may congregate here 62 years from today," the governor declared.

He then painted his dreams for Oregon's development to his audience — eastern Oregon grazing land utilized, the Rogue river territory made a sportsman's paradise for the world, the coast territory developed and the Willamette valley made as productive as is Holland which with no more territory than the valley supports six times the population of Oregon.

"This is the dawn of a new day in Oregon," Governor Martin declared. "I envision the time when we shall have great, new manufacturing plants along the Columbia."

"We are all brothers on the state board of control," the governor commented. "This is the happiest board you ever saw. Would Forget Ox Cart Days in Design

"We want a worthy capitol. We do not want a structure looking back for the world, we want a capitol made of logs. We want a simple, artistic, beautiful capitol, built insofar as possible of Oregon material; a capitol in which we will patronize our own producers.

"The day after the old capitol burned I received a telegram from President Roosevelt himself expressing his sorrow at our loss and pledging his help in reconstruction. The papers are going to Washington today to apply for that help and I am satisfied we will get it."

Governor Martin told his hearers that the state was "going to dig into its jeans and pay cash for the capitol. We ought to be proud of our last legislature for its economy," he said. "We have kept down expenses and now we can pay our share of this capitol as we go.

"Go along with me; help me make this a good administration," pleaded the governor. "We can make Oregon a great state. We want good people to come here to live—we don't solicit tramps. We want square, honest, people, not afraid of work and loyal to the United States. We want no communists; no racketeers. We want people who love their religion and their God. We want them to enjoy the state and the new capitol."

Holman Cites State's Unique History

Urging all citizens of the state to forget partisan politics and to carry on behind the governor, Rufus C. Holman, state treasurer, accepted the cornerstones cast from the overnor. He pointed to Oregon's unique position among the states—the only commonwealth brought into the union through exploration and discovery.

Mr. Holman turned the casket over to Earl Seal, secretary of state, who pledged the audience that he would guard carefully the contents of the cornerstones pending their ultimate disposition by the legislature. "May the principles of the old capitol live on to a new and better day," said Seal.

The silver trowel used at the cornerstone laying was in evidence at yesterday's ceremony. It has been in the Patton family here since 1873. Grand Master T. M. Patton of the Oregon grand lodge presided at the cornerstone laying.

Sukiyaki Dinner Also American Dishes

How get there? You walking down Commercial street to 15. Fits fishing market then you stepping upstairs—There we are. 11 A. M. to 2 A. M.

Dr. Chan Lam Chinese Medicine Co.

Without operation—most ailments of stomach, liver, glands, skin and urinary system of men and women can be removed by using our remedies—13 years in business. Licensed Naturopathic Physicians.

303 1/2 Court street, corner Liberty—office open Tuesdays and Saturdays, 10 A. M. to 1 P. M., 6 P. M. to 7. Consultation, Blood Pressure and Urine Tests free of charge.

55 DRIVERS ARRESTED

Permits Dated to 1937 Revoked by New Law LICENSE DATE MISLED

Maybe that automobile operator's license says it expires as late as June 30, 1937. But forget it. If it hasn't been renewed, regardless of its facial expiration date, you're lucky if the state police didn't pass over a small yellow slip of paper yesterday commanding appearance at the office of the justice of the peace. Scores of persons were arrested here yesterday in an operator's license checkup started by the state police, and 55 of them appeared before Judge Miller B. Hayden.

A law of the special session of the legislature made new licenses for drivers mandatory on June 30, regardless of when the old license expires, and apparently a number of drivers don't know it.

Take for instance Miner Edward Gleason, route seven, box 122, who got a driver's license June 25, 1935, on which expiration date was June 30, 1937. He paid a dollar for it. He couldn't see why the officers sent him into court, but under the new law all the court could do was fine him the minimum, \$1, the same jolt Judge Hayden handed to all the violators yesterday. But many of those appearing on the charge had licenses which expired 31 days ago.

In instances where those arrested were not able to pay their dollar fine immediately, Judge Hayden continued the case for sentence to give the offenders an opportunity to raise the money.

Disposition of the cases coming before Judge Hayden yesterday were as follows:

\$1 Fines Levied

Paid \$1 fines: Amos Corhouse, John Siehe, Ivan Martin, Ira Bishop, Robert L. Beckens, George Lovell, Emery W. Hobson, Henry W. Ediger, Bernard Grant, Albert Lynox, Lee Herbert, Dye, William E. Lewis, Clarence Lorenson, Charles F. Stephens, Joe Pieser, Russell Everly, Edmon I. Bellegue, Edward J. Hynes, Alfred W. Krentz, Jerome Hoyt, Jr., Elroy William Call, Howard L. Davis, Ared Johnson, James E. Hart, Frank L. Smith, Harry D. Brault, Harry Davis, Warren Burch, Otobchl Unemoto, Henry Anderson, Carl O. Allen, Mrs. Fred Eynon, Anita Sun, William Folk, Donald H. Corwin, Byron I. Wells, Kenneth S. Roth, Earl A. Thompson, James W. Sample, Olaf Nielson, Mrs. Fred Scheffe, Clarence Henry Walker, L. M. Barrett and Willie Kretzer.

Continuation for time to pay the fines was granted to Edwin Kenneth Slavens, to August 1; Carl Peterson to August 14; Arthur B. McClellan to August 2; Phillip D. Goser to August 10; Howard E. Monnig to August 13; Arthur William Lacey to August 20; Harvey Vail Green to August 6; Marcus J. Aechim and Isaac Jacob to August 9. Isaac Jacob also pleaded guilty to defective brakes and disposition of this charge was also continued to August 9.

Andrew Mattson came up on charge of improper license plates, which he admitted, and the case was continued 48 hours for sentence.

LIQUOR CLEANUP AT RICKREALL SOUGHT

Cleanup of conditions at Rickreall said to emanate from a generous flow of liquor, especially on Saturday nights, was sought this week by a delegation of Rickreall women who appeared before the county court and district attorney at Dallas to ask support to that end.

Petitions put into circulation by the group of women ask that beer licenses of the Bar-B-Q and Ella's Inn licenses be revoked. The group objected to the county approving a license for a beer garden which Ezra Hart is preparing to open near the Haunted Mill, with his son to be in charge.

License Denied

The Polk county court has refused the license application made by Hart.

The group of women sponsoring the move for the cleanup includes Mrs. H. A. Dempsey, Mrs. E. A. Stinson, Mrs. B. F. Lucas, Miss Caroline Burch, Mrs. W. W. Rowell and Mrs. Thomas Burch.

Reuben Fine Wins Chess Title With Arthur Duke 2nd

MILWAUKEE, July 31. — (AP)—Reuben Fine, a youthful chess wizard who loves the game because he thinks "it's hard work and great fun," coasted to his fourth successive American Chess Federation title here today.

Playing the steadiest chess of all entries, the 20-year-old mathematic prodigy met each opponent in a masterful, scientific manner to score seven victories and four draws in what he said was the most stiffly competitive tournament he has entered.

Arthur Duke of Portland, Ore., 25-year-old international team member with Fine, pressed the youthful champion throughout, scoring 7 1/2 points to Fine's eight.

KODAKS - - FILMS DEVELOPING

Films in by 3 at 4 They're Done PATTON'S BOOK STORE J. L. Cooke 140 State Phone 4404

A Home Owned Theater Hollywood

Last Times Today MINNA GONNELL Women MUST DRESS with Gavin Gordon Hardie Albright Robert Light

Friday and Saturday TWO FEATURES 15c

John Wayne 'THE DESERT TRAIL'

And Second Feature \$10. RAISE EDWARD EVERETT HORTON KAREN MORLEY ALAN DINEHART GLEN BOLES Story by Peter B. Kyne

SIX SALEM YOUTHS PLACE, BOX DERBY

Doug McKay, Jr., Wins 1st in His Heat, Medal; All Get Prizes

Six Salem boys, between 12 and 16 years of age, participated in the soap box derby held yesterday in Portland which attracted 400 entries from all parts of the valley.

Each of the boys won third place in his heat with the exception of Douglas McKay, Jr., who took first place in his preliminary race only to be tossed out by inches for first place in the semifinal heat.

Each of the boys, under the rules of The Oregonian and the Chevrolet company who jointly sponsored the "derby," made his own car and piloted it in the race which was run a two-length of a mile course. Tom Medley, 1299 South High street, stayed up until 2 o'clock yesterday morning to complete his racer, and then got up at 3 a.m. to carry his paper route.

Each Gets Prize

Each of the boys won a prize and young McKay, in addition, won a medal for winning first honors in his heat.

David Macaffree of Portland, grand prize winner, will go east to the national soap box derby at Akron, Ohio, August 11.

Entries from Salem were Robert DePrez, 990 North 16th street; Forbes Mack, 1080 Hoyt avenue; Tom Medley, 1299 South High street; Henry Keith, 1320 Nebraska street; Richard Allen, Chemawa avenue; Douglas McKay, sr., 295 Jervis avenue; Douglas McKay, sr., took the boys to the races which lasted from 10 a. m. to 4 p. m. Thousands of Portlanders lined the sides of the race track.

ELMINORE 500 Good Seats 25c TODAY - FRIDAY - SATURDAY

Hold the Press!

—for a scintillating, scintillating, thrill-packed story too hot for cold type!

BETTE CRASHES HEADLINES IN GREATEST ROLE

RISKS DISGRACE TO PROVE SHE'S ANY MAN'S MATCH

Biggest Screen News of Month

Sensational Story of Girl Thrill Hunter

ADDED—Classy Comedy Travel News

CAPITOL TONITE FRIDAY SATURDAY

4 Big FEATURES TOGETHER! IN A LYRICAL MIRACLE THAT IS THE TOPSI!

al jolson ruby keeler GO INTO YOUR DANCE 500 Good Seats 15c

— AND — ANNE SHIRLEY in "SCHOOL FOR GIRLS" with— SIDNEY FOX TOBY WING DOROTHY LEE LOIS WILSON