

Valley Coverage
Alert correspondents in more than 70 communities keep The Statesman pages lively with news of all sections of the middle Willamette valley.

The Weather
Partly cloudy today and Friday, slowly rising temperature; Max. Temp. Wednesday 55, Min. 45, river 2.5 feet, rain .40 inch, southerly wind.

EIGHTY-SIXTH YEAR

Salem, Oregon, Thursday Morning, May 21, 1936

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No. 47

Questions All Nonsense Says Pension Chief

Fails to Relate Details Of Tax Collection and Pension Payments

Collections Are Around Million, Statement of Townsend on Stand

WASHINGTON, May 20.—(AP)—Irritated by sharp questioning regarding his knowledge of the Townsend old age pension movement, Dr. F. E. Townsend, its co-founder, snapped back at a house investigating committee today with a blunt, "Oh, why all this nonsense!"

"As a matter of fact you don't know much about the Townsend movement except the collection of money, do you?" pressed Representative Hoffman (R-Mich.).

"I decline to answer a question of that kind," Townsend retorted. Contributions are near million, says the elderly pension leader, who had remained untrifled for the most part under a barrage of questions during his second day before the committee, readily conceded Townsend club members had contributed "in the neighborhood of a million dollars since the inception of the movement."

"And what did the contributors receive in return?" asked James R. Sullivan, committee counsel. "They got our organization, which is exactly what they paid for," Townsend replied. "We have 8,000 clubs throughout the country and a live working organization."

The pension leader said, however, a third party alliance of the three organizations was not contemplated at this time. Pressed by committee members for details of the plan to impose a transactions tax to raise funds for payment of the \$200 monthly pensions to the aged, Townsend said he believed he knew "a great deal about the plan."

Townsend conceded the age at which pension payments start might be reduced from 60 to 50 or 55, if necessary. "To you expect these people to vote for Townsendites on the assumption they will soon receive a pension," asked Hoffman. "They will, too, as you will find out," answered Townsend.

The retired California physician said he never made more than \$2,500 or \$3,000 a year practicing medicine and denied his organization had ever knowingly taken contributions from poverty-stricken people.

43 Capitol Plans Received to Date

Forty three architects had submitted designs in the contest on plans for the new state capitol building up to late Wednesday afternoon, Arthur Benson, clerk of the supreme court, and in charge of the contest reported.

The state capitol reconstruction commission will meet in Salem next Tuesday, J. A. McLean, chairman, said while here Wednesday on a short visit from Eugene. McLean stated all entries in the national competition for designs for the new capitol must be in Benson's hands by Friday night of this week. They will be turned over to the sub-committee of the commission on Saturday for opening and display.

Jurors will announce the award to the winning architect May 25. Winners of the other five \$1,500 prizes will also be announced at that time.

West Side Route Hearing Is Held

PORTLAND, Ore., May 20.—(AP)—The state highway commission shortened its meeting here today to go to McMinnville for a hearing on the proposed re-routing of the west side highway through that city.

McMinnville residents aired their views on three proposed routes to replace the present "zig-zag" through town. The commission in its brief session here outlined its 1937 road building and repair budget but withheld announcement until later. The group will convene here tomorrow to open bids on 12 projects.

Kizer Reed Regent

PORTLAND, Ore., May 20.—(AP)—Benjamin H. Kizer, Spokane attorney, became a regent of Reed college today under the new program calling for widening the geographical distribution of mem-

Townsend Tells Investigators of His Plan Over Million Collected



Soundphoto of Dr. Francis E. Townsend, backed by supporters of his program who trekked across the continent in a motor caravan, testifying before the house investigation committee at Washington.

More Men Idle in Lumber Deadlock

Log Supply Exhausted at Some Mills; Parley Is Apparently Futile

PORTLAND, Ore., May 20.—(AP)—Strikes a log shortage and damaged mill machinery left several hundred men without work in Portland today as negotiations continued in the current tie-up of logging camps in the western Columbia river area.

State Labor Commissioner C. H. Gram said another meeting of union men and logging operators would be held Saturday in an attempt to reach an agreement. Control of hiring is the principal issue. No announcement was forthcoming from today's sessions.

In Portland today, the large Eastern & Western mill remained idle due to a strike called in protest.

Electric Firm to Declare Dividend

PORTLAND, Ore., May 20.—(AP)—A report of the Northwestern Electric company showed today that the firm had a balance of \$370,533 from operations for the year ending March 31, 1936. The sum represented an increase of \$142,775 from the previous 12-month period.

Net revenue of \$1,425,907 was reported to be an increase of 8 per cent over the previous year. As soon as pending litigation is disposed of and necessary adjustments are made in the par value of common stock, dividends from the \$370,533 earnings, which are accumulated in the surplus account, will be payable to preferred stockholders.

Taxes increased 8 per cent and other operating expenses 9 per cent during the past year, President L. T. Merwin said.

Chief Minto Improved; Seriously Ill at Home

Chief of Police Frank A. Minto was reported last night to be slightly improved at his home here since Monday he has been bedfast. He was ordered to bed by his physician when he complained of severe pains in his legs, which first began last Thursday. The ailment was attributed to nervous strain and complete rest was prescribed. The chief's condition was not believed to be serious. He has been in ill health for more than a year.

Hoffman is Named Delegate But Last Man, Jersey List

NEWARK, N. J., May 20.—(AP)—Gov. Harold G. Hoffman, whose right to represent the republican party at the national convention was challenged because of his intervention in the Hauptmann-Lindbergh case, tonight finished last among the party's four electors at-large, as Governor Alf M. Landon of Kansas won a sweeping victory in the presidential preference contest.

More than 170,000 persons voted for Hoffman's foe, Franklin W. Fort, who sought election solely on the issue that it would "rehabilitate" the governor for "dragging Jersey justice in the mire" in the Hauptmann case.

Although he led Fort by approximately 45,000 votes, the governor trailed the state's high man, former Ambassador Walter E. Edge by more than 37,000 votes. Edna B. Conklin, with 7,000 votes, Landon winner by four-to-one margin. Other developments shown by tabulation of yesterday's ballot were:

Martin Speaks At Banquet of Farmer Union

Cooperative Program in Agriculture Praised By State Leader

Parade of Progress Has Colorful Features; Meeting Near End

MT. ANGEL, May 20.—Four hundred persons who attended the banquet of the Oregon Farmers Union 26th annual convention tonight heard Governor Charles H. Martin and Charles C. Talbot, president of the North Dakota Farmers Union, laud cooperative organization among farmers and point out the potential development of natural resources of the nation.

The governor, speaking concerning increasing markets and natural resources of Oregon, emphasized the value of Bonneville dam in developing a great industrial center on the Columbia river. He said the dam would make Portland a great original market and that not only Oregon but the whole Columbia valley would benefit by this huge project.

William Valley, state surveyor, emphasized Governor Martin also pointed out the usefulness of the Willamette valley survey and ended his talk by saying that he was always proud to be a farmer.

Father Alcun of Mt. Angel also spoke at the banquet. Songs were given by the Mt. Angel quartet and by Miss Agnes Walker. Frank Hopewell of Mt. Angel was toastmaster.

One-Legged Man Is Jail Breaker

LOS ANGELES, May 20.—(AP)—Walter Mumford has only one leg, but he gets out of jail with the greatest of ease.

Mumford, 34, appeared in municipal court today for arraignment on a jail escape charge, and it was disclosed that on May 18, 1935, he escaped twice from the Lincoln Heights jail.

Also, he was arrested twice that day on other charges, of intoxication and begging.

The judge set next Monday as a date for preliminary hearing. Then he cautioned officers who had the prisoner in tow.

Governor Advises Cadets at O.S.C.

CORVALLIS, Ore., May 20.—(AP)—Governor Charles H. Martin told 54 Oregon State college cadet officers today "the hope of the state is in such young men as you, who have never been licked."

His address to the group, which soon will receive commissions, preceded the annual review of the R.O.T.C. unit.

"When you finish here, don't join the grouchies who think everything is wrong with the world. Join the radicals who want to tear everything to pieces," the governor told the cadets.

Outbreaks Harass New Spanish Rule

MADRID, May 20.—(AP)—Labor and anti-clerical troubles continued in various sections of Spain tonight to cause fresh worries for the new government of Premier Santiago Casares Quiroga.

Extremists at Talavera in Galicia province ejected nuns from a convent and appropriated the building for "public use." Civil guards escorted the nuns back to their home and surrounded the structure to prevent further attacks.

Republican Delegation To Organize, Portland

Organization of Oregon's republican national convention delegation of a chairman and secretary will be the order of business of meeting of the committee to be held in Portland Saturday, Frank Derby announced yesterday.

Decisive Vote on Corporation Levy in Tax Bill Looms Today

Guffey Drafts Price-Pegging Coal Measure

Substitute for Rejected Control Bill to Pass Scrutiny, Claims

Question of Passage at This Term Uncertain; Unions Insistent

WASHINGTON, May 20.—(AP)—Seeking to offset swiftly the supreme court's invalidation of the Guffey coal control act, Senator Guffey (D-Pa.) today introduced substitute legislation shorn of all labor provisions but providing for governmental price fixing.

Whether the senate and house majority leaders would demand final action on the measure at this session was a matter of considerable debate.

Guffey himself declined to predict action before adjournment, but asserted the new legislation—largely a duplicate of the original act except for the wage and hour sections taboed by the court—would avoid constitutional trouble because it was based on congress' undisputed power to regulate interstate commerce.

The Pennsylvania senator said he had not conferred with President Roosevelt on the measure, despite a call at the White House. He told reporters it was for the chief executive to say whether it would be placed on the list of "must" bills.

Rudy Vallee Now Single Man Again

LOS ANGELES, May 20.—(AP)—The long-fought domestic warfare between Rudy Vallee and his wife, Fay Webb Vallee, ended in superior court today when she won a divorce.

A property settlement was approved giving her \$100 a week "for the rest of her life or until she re-married," along with a cash sum, the amount of which was not disclosed.

She also received permission to use her maiden name again. The suit technically was contested.

North Sea Limbs Into Sound Port

SEATTLE, May 20.—(AP)—The crippled steamer North Sea, which ran aground at Marsh Point, Prince of Wales Island, Alaska, a week ago, limped into port tonight to be placed in drydock for repairs to a damaged hull.

Members of the crew said the trip south from Ketchikan was uneventful.

After the North Sea went ashore in a dense fog, the steamer Victoria took most of the passengers from the North Sea. Those bound for Ketchikan remained aboard the North Sea.

Defense Rests in PWA Power Case

WASHINGTON, May 20.—(AP)—The government closed today its defense of the public works administrator's \$200,000,000 power program.

The three week hearing in the District of Columbia supreme court is expected to end Friday, when Newton D. Baker, counsel for four utility firms, will submit a final argument for an injunction to prevent PWA financing local power projects.

Sarpolis Defeated

PORTLAND, Ore., May 20.—(AP)—Chief Chivwick, 243, Indianapolis, won the third fall on a foul tonight to defeat Dr. Sarpolis, 220, Cleveland, in a three-fall main event wrestling match.

Bloodhound Figures in Capture of Desperate Fugitive From Prison

Beavers, Regarded as Ringleader in Break From Oklahoma Penitentiary, Caught Without Struggle; Two Remain at Liberty

PITTSBURG, Okla., May 21.—(Thursday)—(AP)—The capture of Claude Beavers, one of the eight desperate convicts who escaped from the Oklahoma penitentiary at McAlester, May 13, was announced here early today by Warden Roy W. Kenny of the Prison.

Beavers, sixth of the gang to be captured, offered no resistance, Kenny said.

"He was just about worn out," the warden said.

Old Boston, the prison's ace bloodhound, was given much credit for the capture. The dog's keen nose led five possumes to the field where Beavers was found.

Kenny said he would leave at once for the prison with the captive, placing him in solitary confinement.

Beavers was caught by a group of officers between here and the settlement of Tl.

First reports said he was unarmed. Possumes began closing in on Beavers early last night. Old Boston struck a hot trail shortly after midnight, and Beavers was captured at 1:30 a. m. (C. S. T.)

Beavers, regarded as one of the most desperate men in the break, was caught less than 20 miles from the penitentiary.

Girl Gets Back Her Purse and Various Extras

CHICAGO, May 20.—(AP)—On the eighth floor of the building where she worked, a thief snatched the purse of Miss Mary Alice Jones, a Sunday school worker. It contained \$700 which she had saved for a trip to the world Sunday school convention at Oslo, Norway.

She chased the thief to the seventh floor, where she tore off his coat. On the fourth floor she ripped off his shirt.

On the third floor, the thief, down to his trousers, gasped: "Lady, I dropped the purse on the seventh floor."

Miss Jones, desisting, returned to the seventh floor. The purse was there.

Allen-Burt Race Still Uncertain

Pendleton Man Leading by 50; Turner Close to Martin in Count

PORTLAND, Ore., May 20.—(AP)—Two democratic campaigns—for the nomination for state treasurer and for election as national convention delegates from the first district—still held the limelight tonight as an aftermath of last Friday's primaries.

Complete returns from all 36 counties, 16 of them official, left Jack Allen, Pendleton automobile dealer, in the lead in the treasurer nomination race by an even 50 votes. The tally to date: Allen 41,880, U. S. Burt of Corvallis, 41,830.

Allen led last night by 59. Checks today lost him 10 in Jackson county and gave him four more in Clackamas, while Burt gained three in Jackson—giving him a net gain of nine.

Asked concerning the possibility of a demand for a recount, Burt said tonight, "I shall abide by the final results. They are not yet definite."

The winner will oppose Rufus Holman, incumbent state treasurer, in the general election next fall.

In the first congressional district (Turn to page 10, col. 1)

Loggins For Multiple Births to Cost No More

PORTLAND, Ore., May 20.—(AP)—An argument for quintuplets—a department store offered today to provide insurance that layettes for five babies will cost no more than for one. The first layette purchased entitles the mother to as many more free as she has babies in excess of one when the "blessed event" arrives.

New Proposal Gains Support In Committee

Flat Corporation Income Tax of 25 Per Cent to Raise 641 Million

Balloting Stage Reached But Possibility Seen Of Further Debate

WASHINGTON, May 20.—(AP)—Equipped with a dozen new sets of revenue estimates from the treasury, the senate finance committee today disposed of minor points of the revenue bill and squared away for a decisive vote tomorrow of the crucial corporation tax feature.

For the latest assortment of plans for taxing corporations and their undistributed earnings the estimated yields ran between \$536,000,000 and \$835,000,000.

The committee argued over them; then postponed action. One member who has been following the trend of committee sentiment closely said that a hitherto unrevealed proposal "appeared to be less objectionable" to many of his colleagues than any other.

It would raise an estimated \$641,000,000 by placing a flat 25 per cent tax on corporation income. It would, however, allow a reduction from the amount of taxable income equal to 40 per cent of the amount of such income paid out as dividends.

Excess Profits Tax Would Be Repealed

The plan also would repeal the capital stock and excess profits taxes and the exemption of dividends from the normal 4 per cent income tax.

Several committee members said nevertheless that the latest computations apparently had done little to solidify support behind any one proposal for rewriting the corporation tax provisions of the bill as approved by the house.

Members said they definitely would reach the voting stage tomorrow and begin the weeding out of the measure and clear the way for the scrap over corporation taxes, the committee approved the house provision for an 80 per cent tax on persons or firms "unjustly enriched" by non-payment of the old AAA processing taxes.

But the details were so altered as to ease up the tax to some degrees.

Non-Resident Alien Would Be Reduced

Other modifications also were agreed on for sections dealing with refunds of tax and clear stocks on hand when the AAA was held invalid, and, tentatively, for (Turn to page 10, col. 3)

Prison Population Reaches New High

The Oregon state penitentiary, with 959 inmates, had reached a "new high" yesterday, former prison records having been cleared when 957 prisoners were in the institution. Warden James Lewis said yesterday that the penitentiary could accommodate 1000 prisoners without overcrowding, due to the extra cell space provided when the new cell block was constructed. Dining room facilities, however, are crowded.

Twenty prisoners have reached the time for release on good time credits, heretofore granted automatically. Since the case of Earl H. Fehl was presented in court, these prisoners have been held in prison, awaiting a court decision. The parole board refused to act on the cases until the court ruled.

The prison population has gained steadily since the Martin administration. It was 800 in 1935, due to the refusal of Governor Martin to grant pardons and paroles except where exceptional cases for release of prisoners was present.

Scout Fund Here Gets Good Start

More than \$1000 in cash and pledges was reported by workers in the Salem Boy Scout financial drive when they held their first report luncheon at the Quells yesterday noon. The 1936-37 budget totals \$3900.

A second report meeting will be held at the Quells today noon. Tentative plans are to hold a victory dinner at the conclusion of the drive.