

Ground Breaking for Capitol Set Monday

Senate Passes Much-Revised Taxation Bill

Note 37 to 24 With Two Oregonians Opposing; Speed in Evidence

\$829,000,000 is Estimate of Revenue; Fight is Merely Beginning

WASHINGTON, June 5.—(AP)—A weary senate tugged and hauled the tattered tax bill to final passage tonight, and sent it to conference with the house where an entirely new revenue measure may be drawn. The vote was 37 to 24.

Loaded with scores of amendments which left only a vestige of the bill passed by the house and of the recommendations of President Roosevelt, the measure was described as capable of bringing in \$829,000,000 in new revenue. It would impose a \$50,000,000 tax burden on all individuals who pay surtaxes on incomes in surtax brackets above \$50,000. From corporations and their shareholders, it would take hundreds of millions of dollars.

Passage Achieved With Record Speed
Passage of the controverted legislation after only three days of debate was said by several senators to have set a record for action on such an important revenue measure.

With adjournment delayed by the death of Speaker Byrns, the house and senate in quick succession earlier had adopted a resolution for a week's recess of congress, beginning Monday.

As finally adopted by the senate the bill swings so far away from tax reform proposal submitted to congress by the president three months ago and embodied in the house bill, that a furious battle confronted it in a virtually certain senate-house conference.

Corporate Income Levies Increased
The major provisions of the bill are:

1. A 15 1/2 to 18 per cent tax on corporate incomes. The present tax is 12 1/2 to 15 per cent.
2. A 7 per cent tax on undistributed corporate earnings, which are not taxed under existing revenue laws.
3. Application of the 4 per cent normal income tax to corporate dividends, which now are subject only to surtaxes.
4. An increase of one per cent in the income surtax on every surtax bracket between \$6000 and \$50,000, plus a flat \$440 boost in the tax on every bracket beyond \$50,000.
5. An 80 per cent "windfall" tax on persons described as "unjustly enriched" by non-payment of the invalidated AAA processing taxes.

Senators McNary and Steiwer of Oregon both voted against the measure.

Nichols and Rice Seek School Job

Only two candidates, Cass Nichols of Bethel, and Roy Rice of Roberts, are in the race for election as member of the non-high school board for Marion county from zone three. C. A. Ratcliff of Morningside, for whom petitions were filed last week, had not filed acceptance yesterday afternoon when the deadline arrived.

Ratcliff, retiring chairman of the non-high school board, stated early this week that he would not accept the nomination as he had signed the petition for Nichols. Ratcliff has served on the board since it was organized several years ago.

The election will be held June 15, for at least one hour following the annual school meeting in the districts in the zone.

Officials Off For Coos Bridge Fete

Governor Martin, Secretary of State Snell and Wallace Wharton, executive secretary to the governor, left for Marshfield at noon yesterday to attend the dedication of the new Coos Bay bridge.

Members of the state highway commission will leave for Marshfield early today.

H. W. Bunker, head of the Coos Bay Lumber company, is entertaining Governor Martin during his stay there.

Festivities of Coos Bay Span Opening Begun

NORTH BEND, Ore., June 5.—(AP)—Nearly 10,000 persons attended festivities today at the opening of a three-day celebration signaling the completion of the \$2,225,000 mile-long highway bridge across Coos bay. Coronation of "Queen" Cherry Golder, a mile long parade, races and luncheons comprised the day's activities.

The principal address is to be given by Gov. Charles Martin tomorrow.

First Aid Station Opened, Sunnyside

Red Cross Leaders Assist in Ceremony; Is First in Marion County

Marion county's first highway first aid station established at the Brown service station at Sunnyside as a project of the county chapter of the American Red Cross, was formally opened yesterday afternoon.

Leaders in the county chapter of the Red Cross, including Judge George Rossman, county chapter president, attended the opening, when a mock first aid demonstration was presented by Dr. Burton A. Myers and Dr. Howard Kurtz, with John Neunschwander of Sunnyside the "patient" whose leg had been broken in the imaginary wreck as cars skimmed the highway at 70 miles an hour.

The first aid station has been fully equipped, even to stretcher, wood splints, half-ring splint for leg fractures, Red Cross first aid kit, blankets and other items. Two highway signs on hand will be placed immediately.

Mrs. J. H. Brown will be in charge of the first aid station, and will be assisted in her work by others in that district who have passed the Red Cross course in first aid.

Sunnyside was selected as the location of the first aid station for two reasons, first, because of the record of accidents along that stretch of highway, and second because a class of Sunnyside men and women spent three months studying first aid to be in readiness to assume the responsibility of the regular first aid volunteers.

Mrs. Brown, Neunschwander, Mrs. Mary Dyer, Mrs. E. O. Beckley and Mrs. George Heckart were members of the Sunnyside first aid class who were on hand yesterday.

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Confused Juror's Vote Is Cause of 14-Hour Deadlock

ROSEBURG, Ore., June 5.—(AP)—A call for a standing vote finally ended a jury controversy here of the panel discovering he had confused his court terms and was voting for the plaintiff instead of the defendants.

Several polls were taken, with 11 voting to free Deputy Sheriff Clifford Thornton and State Policeman Fred L. Perry from liability in a \$10,000 damage suit charging false arrest and imprisonment, brought by Bradford T. Bowles.

Fourteen hours had passed before someone had the thought of the standing vote—which ended the case with an acquittal.

Twelve Thousand Attending Lebanon's Strawberry Fair

LEBANON, June 5.—Lebanon's 27th annual Strawberry Fair opened this morning with the longest and finest festival parade ever witnessed in this city, followed by the crowning of Queen Martha by King Bing Breyman Boise of the Salem Cherrians.

The Cherrians, who marched in front of the parade in their white uniforms, presided at the ceremony of crowning the queen, in a natural setting on the lawn of the high school campus. Each of the festival princesses and Queen Martha Cook of Harrisburg was escorted to the dais by one of the Cherrians.

Dr. J. C. Booth of Lebanon welcomed the 12,000 people estimated to be in attendance at the fair, preceding the coronation ceremonies. Mayor T. W. Munyan spoke in behalf of the city of Lebanon. E. W. Blehm of the Harrisburg chamber of commerce represented the home city of the queen.

A choir and quartet from the high school sang preceding the ceremony and ballet dancing afterwards honored the queen. The

War Declared Against Japan By Cantonese

"Salvation Army" Still Marching Northward; Status in Doubt

Nanking Asks Nations to Keep Out But Claims Move Unauthorized

HONGKONG, June 5.—(AP)—A "salvation army" of the Canton (south) Chinese government marched northward tonight after an independent declaration of war against Japan.

The march against "Japanese aggression" was believed to be an attempt to force the Nanking government into joining Canton in a war on Japan.

(Officials of the Nanking national government said they were uninformed of the war declaration and that the southwestern regime had "no authority to declare war against anyone.")

Asks That Nations Avoid Intervention
(The Nanking government, through Hsu Mo, vice minister of foreign affairs, appealed to the United States, Japan, Great Britain and other powers to aid China by non interfering. He pointed to pledges in the Washington treaty to allow China a full opportunity to develop herself unhindered.)

(A Canton dispatch said the southwestern political council ordered the combined provincial armies to mobilize an anti-Japanese expedition, known as the "people's revolutionary anti-Japanese national salvation forces.")

(Police tightened precautions in Canton and a number of persons were arrested. Food prices rose 30 per cent and the public stored rice.)

(The Domei-Japanese agency reported from Canton that the Japanese consul - general there warned all Japanese residents to "stand by" for eventualities.)

44 Cherrians at Strawberry Fete

The 44 uniformed Cherrians who participated in the Lebanon Strawberry festival yesterday, were well received, according to reports of the members returning here last night. This is the largest group of Cherrians ever to partake in the affair. A crowd of 15,000 people saw the parade and coronation of the queen of which the Cherrians were in charge.

The famous strawberry shortcake was 12 feet wide this year. This is 1 foot larger than any previous cake.

The coronation and program was held in front of the Lebanon school house. Breyman Boise, King Bing, introduced the queen of the festival and spoke on behalf of the Cherrians.

Unlicensed Motorbike Charge Faces Reinard

Following the rule that all types of motor vehicles must be licensed, city police last night arrested Sam Reinard, 360 Fawk avenue, on a charge of operating a motorbike without a license. Reinard was released on his own recognizance pending court appearance.

James R. Hubbard Dies at Spokane

SPOKANE, June 5.—(AP)—James R. Hubbard, born in 1860 at Dallas, Ore., died here today after 63 years in Spokane county. He came here first in 1875 by team with his mother, but they returned to Oregon. He homesteaded at Spangle, south of here, in 1883.

He celebrated his golden wedding anniversary last year. His widow survives, with two brothers, seven children, 31 grandchildren and eight grand-grandchildren. The brothers are D. P. Hubbard, Centralia, and J. E. Hubbard, Independence, Ore.

Bill on Patching Comes Year Late

A \$21.72 bill from the city street department for patching paving last night reached the Salem water commission almost a year late. The bill was for patching done in May, 1935, and was payable by the Oregon-Washington Water Service company, owner of the water system at that time, the commission ruled.

The bill will be returned to the city with advice to send it to the company instead of the water commission.

Townsend Area Leader Sought



Edward E. Margett, California area manager of the OARP, who has not been found by a large force of United States marshals seeking to serve a subpoena for his appearance before the house investigation in Washington, D. C. Frank Arbuckle, regional director, said Margett had "gone north."

Supply of Water Will Be Adequate

Rebuilt Filters on Minto Island Ready; Stayton Project Furthered

The rebuilt Minto Island filter beds will insure an adequate supply of water for Salem through all of the coming summer, Water Manager Cuyler Van Patten reported to the water commission last night. Tests of the filters, completed early this month, showed there would be no repetition of last summer's water shortage at the height of the irrigation season, he declared.

The reconstruction project cost 20 per cent less than the estimated \$5000, the commission was advised. Total expense for work and improvements on the island during the winter and spring amounted to \$3955.84. A single item, rental of a county ferryboat to move sand and gravel to the island, saved \$440. The county charged no rental but requested.

Backing of OARP Is Given to Mott

PORTLAND, June 5.—(AP)—Dr. Ralph Shaduck, state Townsend manager, said today he received word from Frank Arbuckle of Los Angeles, regional pension plan director, that Willis Mahoney was to receive the Townsend support in his campaign for election to the United States senate.

Dr. Shaduck said he also was instructed to give the Townsend support to Congressman James W. Mott, first district republican incumbent, and Walter Pierce, incumbent democratic congressman from the second district.

Meeting on Flood Control Set Here

In order to inform the people of Marion county of the work army engineers are doing toward flood control in the Willamette valley a public meeting to hear the progress reports of government engineers working on the project will be held at the Marion hotel, Douglas McKay, president of the Willamette valley project committee announced last night.

The tentative date set for the meeting is July 10. A banquet will be given to be followed by the open meeting. The date was set after McKay conferred with R. H. Kipp, of the Portland chamber of commerce yesterday. A similar meeting will be held in Corvallis July 12.

While the complete plans for the control of flood conditions will not be available until December 1, sufficient progress has been made to inform the public on the idea of the undertaking, McKay stated.

Roast Only Is Burned When Bakery Has Fire

It was too late to grab knives and forks when city firemen arrived at the Bakerite bakery, 345 State street, with sirens shrilling at 3:35 p.m. yesterday. The cause of the fire alarm, meat roasting cooking over a gas burner, was too charred to be edible.

Range Battle Ends Fatally; Seek Suspect

Darrell Walker, 19, is Object of Search as M. Peacock Slain

Windmill Ranch is Scene of Fatal Quarrel on Rights to Fence

PORTLAND, Ore., June 5.—(AP)—Captain Vayne Gurdane of the Oregon state police said tonight he was informed officers from Canyon City and Prineville were closing in on Darrell Walker, 19, reported to have shot and killed Merritt Peacock, 25, at a central Oregon sheep ranch.

Officers here said they understood Walker and Peacock had quarreled previously over range and fence rights.

PRINEVILLE, Ore., June 5.—(AP)—State police and deputy sheriffs of central Oregon launched a widespread hunt tonight for Darrell Walker, 19, reported by Floyd Senecal of Sulpe, Ore., to have shot and killed Merritt Peacock, 25, at Windmill sheep ranch.

The report was received by Sheriff Ben Groff. Officers said they had not ascertained cause of the shooting nor Walker's home address.

Peacock, resident of Paulina, Ore., was married and had one child. Police said Walker was riding a bay horse and that he was armed with a 25-35 rifle. He was described as slender, about 5 feet 10 inches tall, with brown hair and dark complexion and wearing a white cowboy hat, blue overalls, high-heeled cowboy boots and a buckskin jacket.

The horse was understood to have the brand "O" on the left stifle.

Baccalaureate Is Set Sunday Morn

Parents and friends of the Salem high school graduating class members will be welcome to attend the baccalaureate service in the Elsinore theatre at 10 o'clock Sunday morning, Principal Fred D. Wolf announced yesterday. No admission tickets, as required in other years when seating space in church auditorium was at a premium, will be issued this year.

The senior class, Wolf said, will assemble at the Capitol theatre at 9:30 Sunday morning and march around to the Elsinore and down the main aisle to the reserved section. The same plan will be followed for the commencement exercises next Friday morning.

Rev. George H. Swift, pastor of St. Paul Episcopal church, will preach the baccalaureate sermon on the subject, "Siphons of Dynamite." Special music will be the combined high school choirs and Phil Barrett and Doris Schunke, organist members of the graduating class.

Troch State Champion

LA GRANDE, Ore., June 5.—(AP)—Frank Troch, Portland, with a score of 199 out of 200, won the class A state trapshoot champion here today.

92nd W.U. Commencement On; Baccalaureate Sunday

Willamette university's 92nd commencement exercises will open officially Sunday when Dr. Bruce Baxter, president, delivers the baccalaureate sermon at the First Methodist church. "Open Doors" will be the subject of the sermon. The seniors, faculty and school officials in caps and gowns will march to the church from Eaton hall. The graduating exercises will continue through the week, concluding with the Alumni business meeting Saturday night.

Yesterday the senior chapel services were held. Dr. James T. Matthews, oldest faculty member in point of service who is retiring from full time teaching this year, gave a brief talk. Invocation was given by Dr. Baxter. The senior processional was played by Helen Benner. Frank deLespinasse gave the senior farewell address and the program closed with the singing of "Farewell Willamette" by Maurice Dean.

Songmen Figure in Sunday's Program
In addition to the sermon at the baccalaureate service Sunday, the Willamette Songmen

Ceremony Arranged With State Officials, Commission Taking Part; Harmony Plans Advanced

Neptune Will Run For School Board

Market Proprietor Stands For Economy; Fourth Man in Contest

W. F. Neptune, proprietor of Neptune's market, 1933 State street, announced yesterday that he would be a candidate for a position as school director. Petitions for his nomination were in circulation yesterday. Various groups and individuals brought pressure on Mr. Neptune to file, among them church groups and members of Townsend clubs. Mr. Neptune is a member of Knight Memorial Congregational church, also of Townsend club No. 1.

Mr. Neptune has been a resident of Salem for about 35 years, and nearly all of that time a taxpayer. He has declared his stand for economy in school affairs. For nine years he has operated his present market. While a member of a Townsend club and endorsed by other members Mr. Neptune said he was not making Townsend an issue in the school election. His only child, a daughter, Doris Neptune, graduated from Salem high school, took part of her college work in Willamette and is now a teacher in Astoria high school.

Other candidates so far announced are Walter Minier and E. A. Bradford, incumbents, and a

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Dairy Herd Group Formed in County

As a result of recommendations at the Agricultural economic outlook conference held here last January, representative dairymen met at the chamber of commerce last night and organized a Marion county Dairy Herd Improvement association. Arrangements for the meeting were made by Harry Riches, county agent.

The object of the new association will be to keep an accurate record of individual cows in the herds of the association members to the end that the herd may be improved by selling the poorer cattle. Recommendations for herd improvement will be made by the official tester.

Res. Ross, Mt. Angel, was elected president of the group. Mrs. H. P. Carl, Hubbard, as vice-president; John Rasmussen, of St. Paul; secretary-treasurer; Sam Kline, Mt. Angel, and Vernon Hepler, Canby, directors.

Sufficient dairymen have taken membership in the association to warrant the employment of a full time herd tester.

Roger Morse, extension dairyman, Oregon State college, was present at the meeting last night and helped with organization of the group. No tester has yet been named by the association.

Morals Offense Charged to Enos

Lester B. Enos, route 4, was arraigned in justice court yesterday on a statutory offense. Enos was granted until Monday, June 8 to enter a plea and to consult an attorney.

Bail for the defendant was set at \$2000 which he failed to furnish and was committed to the county jail. Two minor children were involved in the case.

Postoffice Architectural Work Held Up Pending Conference, McNary Wires; Cooperation Assured

COURTHOUSE to Tie in With Two New Buildings Already Assured, Idea Revived by County Official

GROUND will be broken next Monday morning for the new state capitol, when digging of the test pits will begin. Appropriate ceremonies will attend the turning of the first sod, with state officials, members of the capitol commission, the architects and interested citizens present. Francis Keally, associate architect, of New York City, will attend, leaving shortly thereafter to return to his home to begin work of completing the plans.

Yesterday Mr. Keally, accompanied by A. J. Bassett, secretary of the commission, and Walter E. Church, associate supervising architect, went to Eugene to call on J. A. McLean, chairman of the commission, and to see wood carvings which have been suggested as appropriate for use in decoration. Returning they planned to call on Prof. J. Leo Fairbanks at Corvallis, chairman of a committee from the Oregon State Art association, which has been interested in the matter of state capitol art.

Some changes will have to be made owing to the error in the city plat which appeared in the program the architects used as to the elevations of State and Court streets. The plat showed a difference of several feet, whereas actually they are on virtually the same level at the capitol site. Mr. Keally said appropriate changes could be made without material alteration in the building plan. Especial attention will be given, he said, to improving the State street elevation to make that approach in keeping with the importance of the street and the outlook on Willamette university.

Postoffice Plans to Conform, Prospect
Meanwhile progress was made in two separate proposals to insure harmony in the architecture of Salem's civic center.

Conference between the architects for the state capitol and the architects of the treasury department who are designing the new federal building in Salem has been arranged by Senator Charles L. McNary on the appeal of Governor Charles H. Martin. A telegram from Senator McNary to The Statesman carried the following:

"I have just conferred with Mr. Starns, supervising architect treasury department. He will withhold any action on postoffice until architects may have time for consultation and this the architects may arrange upon their return east."

Francis Keally, of the capitol architects, offered while here this week to go to Washington on his return to his home in New York and confer with the federal architects to obtain harmony in design between the new statehouse and the postoffice. The two buildings are in line on the Wilson Park axis, with only the park between. As important units of the civic center of the city a harmony, the architects and many citizens feel, would add greatly to Salem's beauty and reputation.

Coffey Trial Set To Start June 15

Not Guilty Pleas Filed by Two Police Officers in Circuit Court

First of the trials in the two major gambling indictments returned by the Marion county grand jury following its protracted investigation will get under way Monday, June 15, when Orey Coffey, of the Salem police department, will stand trial on the bribery charge against him.

Coffey, who faces three indictments, and Chief of Police Frank Minto who faces two indictments, appeared in court here yesterday before Judge E. C. Latourette of Oregon City and pleaded not guilty to all charges against them. Latourette was assigned to the cases after affidavit of prejudice were filed against the presiding judge here.

Ralph Moody, special prosecutor handling the gambling investigation for the attorney general's office, indicated in the courtroom yesterday that effort would not be made to bring Chief of Police Minto to trial in the immediate future, inasmuch as Minto is not well.

Judge Latourette, here yesterday to hear the pleas of the two defendants, at first urged that the first trial be started next Monday, but at the objection of John Carson, attorney for both Coffey and Minto, the court agreed to delay the trial until Monday, June 15.

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Reconstruction of the courthouse has been brought before the public off and on for some years, but became nearer a probability following the statehouse fire April 25, 1935. After that calamity, the county court appointed a committee of 25 representative leaders from over the county to study the feasibility of building a new and fireproof structure, but the committee, although agreeing to the need for a new building, made no recommendation to that end because it was felt the county finances would not stand such a burden.