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EIGHTY-EIGHTH YEAR

Hughes Roars Way Across Siberian Steppes

Suspect Says He Kidnapped Mattson Boy

Charles Olson Confesses Kidnap - Slaying but Tale Gives Doubt

Black Beard, Age Tally With Description of Mattson Slayer

TACOMA, Wash., July 12.—(AP)—An oral and written confession of the kidnap-slaying of 19-year-old Charles Mattson was made today by a man State Patrol Chief William Cole described as "appearing rational about two-thirds of the time."

The man gave the name of Frank Olson, his age as 32. Cole said his description tallied closely with that of the man sought for the kidnaping December 27, 1936. At Riverville, in the eastern Washington wheat country where Olson was arrested yesterday, Sheriff's Deputy Joe Schafer said Olson gave the name of Frank Smith and later, Clarence Thorp, when picked up there.

After questioning at Riverville before Sheriff Melvin Oestrich and State Patrolman Jack Crooks, Olson confessed the Mattson kidnaping, Schafer said. This was confirmed here by Chief Cole. State Police men questioned Olson.

Olson was brought here yesterday and state patrol headquarters were established in a suite of the Winthrop hotel where the prisoner was subjected to incessant questioning.

Chief Cole said there were many portions of Olson's story which did not check with known facts of the case. R. C. Suran, special agent in charge of the Seattle federal bureau of investigation, said to Tacoma to confer with Cole over the evidence.

Suran's office in Seattle said that as far as known, the \$15,000 federal reward for apprehension of the Mattson kidnap-slayer still stood.

Pictures of the swarthy, black-bearded prisoner were taken by state patrolmen tonight and it was understood an attempt would be made to submit them for identification to Muriel and William Mattson, sister and brother of the slain boy who were in the Mattson home when the kidnaping was carried out.

Mattson says he's not consulted. Dr. W. W. Mattson said his children were at a summer camp and that he had not been consulted by either state or local police.

A second man arrested after being implicated by Olson was released late today when Olson would not identify him.

The man was ushered into the hotel room, the second prisoner starting intently and defiantly at Olson. Neither spoke.

"Is this the man who helped you kill the Mattson?" one of the officers asked.

"No," Olson replied. Officers spent much of the day, Cole said, trying to reconcile contradictions in Olson's confession. He first said four men were in on the job, then later involved only three, finally cutting the number to two—himself and the man he named as an accomplice who later was freed.

Cole said in all probability Olson would be held here throughout the night. He said there was a possibility Olson might be transferred to a jail in Everett, but this depended on what state and federal officials decided over disposition of the case.

Wheeler Reaches Vancouver Water

PORTLAND, Ore., July 12.—(AP)—The 300-foot steamer Charles L. Wheeler, Jr., docked at Vancouver, Wash., at 7 p. m. tonight, completing an epochal voyage through the Bonneville dam sea locks and to the Dalles, 200 miles from salt water.

The Wheeler, negotiating dangerous rapids handily, made fast time for such a large boat. The vessel had penetrated 90 miles farther up the Columbia river than any other large ship.

George A. Pope, Jr., president of the McCormick Steamship company, and Charles L. Wheeler, executive vice-president and general manager, both from San Francisco, made the downstream trip with the ship before flying to Seattle.

12-Year-Old Boy Dies As Bicycle Hits Truck

TILLAMOOK, July 12.—(AP)—Twelve-year-old Jimmy Paul died today when he rode his bicycle into the tail gate of a dump truck. The child's head was injured.

Longest Parade Thrills Throngs of Spectators

Elections Take Vets' Interest For Final Day

Interest Centers in Race for Junior Vice Post With Race Heated

Selection of Next Year's Convention City to Be Made at Session

Election of officers and selection of next year's convention city will highlight today's final business session of the Veterans of Foreign Wars Oregon department convention. Interest in the election will center in the choice of a junior vice-commander, with Leslie A. Willis slated to succeed John R. Snellstrom as commander and John H. Schum to move up from junior vice-commander to senior vice-commander.

Nine men who distinguished themselves in overseas service were decorated in an impressive ceremony on the courthouse grounds early Tuesday afternoon, with Governor Charles H. Martin making the presentations while the Seventh Infantry band stood at attention. The veterans decorated were Douglas McKay, Sherman L. Cross, Virgil Golden, Leon Hansen, C. V. Richardson, Grover Hinkle, G. G. Weaver and Phillip Ringle, all of Salem. Hansen received the purple cross and a silver star for gallantry in action. Blagie received a silver star with palm leaf, a double citation for bravery in action. The others received the purple cross.

Bridges Resolve Is Softened. Action on resolutions was another highlight. The resolution urging deportation of Harry Bridges (Turn to Page 9, Col. 5.)

Japanese Troops Halted in Drive

Chinese Report Japanese Attempting to Bring up More Troops

SHANGHAI, July 13.—(Wednesday)—(AP)—Chinese reported today that Japanese had been stopped seven miles downstream from Kukiang, Yangtze river port 135 miles below Hankow, and were attempting to bring up reinforcements.

Expecting a resumption of the drive toward Hankow, China's provisional capital, however, Chinese strengthened their defenses in Kukiang.

They put into effect their "scorched earth" policy and began a systematic destruction of waterfront properties. Because of "military necessity" they blew up two steel pontoons owned by the Standard Oil company. They occupied British property, where they mounted guns and cut loop.

(Turn to Page 2, Col. 5.)

Woman Dies of Injury After Car Strikes Her

ROSEBURG, July 12.—(AP)—Miss Dora Gammon, 56, died today of injuries suffered last night when she was struck by an automobile operated by Guy Cordon, former Douglas district attorney and ex-state commander of the American Legion.

District Attorney J. V. Long said an inquest would be held.

'London Gentleman's' Name To Be Kept Off the Record

LONDON, July 12.—(AP)—English court tustons are expected to keep off the record the name of the "gentleman in London" figuring in matrimonial troubles of the former Barbara Hutton.

Court Kurt Haugwitz-Reventlow, the Woolworth heiress' Danish husband, prepared to take his side of the dispute into Bow street police court tomorrow, but whether he would take the stand to defend himself against a charge that he had threatened his wife was uncertain.

Despite Mayfair's curiosity and speculation, few believe he would go so far as to name the man he has represented in testimony as wanting to "shoot like a dog." The accusation was made by the countess' lawyers, who said the count demanded tearfully in an interview whether his

He's Organizer Of Huge Parade



Meet William Rush, the man who as general chairman of the parade committee, had most to do with organizing the record-breaking procession which featured the Veterans of Foreign Wars convention. Now a dealer in electrical goods in Salem, Mr. Rush served with the Second Division, 23rd Infantry, and was in France 21 months. —Kennell-Ellis Photo.

Testimony Ended In Foree's Trial

Judge Walker to Decide on Arson Case After Consideration

DALLAS, July 12.—The trial of Lisle B. Foree, past president of the Salem teamsters' union, was concluded here this afternoon. Judge Arlie G. Walker indicated that he would consider the evidence offered and meet with the district attorney and Defense Counsel Ed Goodman next Monday at 1:30 p. m. for a probable decision on the case.

A number of character witnesses were introduced on behalf of the defendant during the forenoon. These included Hobart Kiggins, Frank Marshall, LeRoy Stewart, A. C. Burk, sheriff of Marion county, Mrs. Della Anderson, Otto Klett, Daniel Hay and Dewey Griener.

Other witnesses were Miss Dorothy Lipps, stenographer in the office of the teamsters' union, and Lew Harkins, a member of the union, and the defendant himself. Foree indicated during examination that he had dictated only part of the confession "made" by him and that Clyde Warren, state police officer, had dictated the balance. He also stated that he could not recall some of the statements he was supposed to have made.

(Turn to Page 9, Col. 4.)

Highway Heads at Bridge Dedication

McMINNVILLE, July 12.—(AP)—The state highway department, bus company officials and city officials participated today in a joint dedication of the \$158,131 Whiteson highway bridge and \$10,000 stage terminal.

H. H. Baldock, state highway engineer, said the 1220-foot span and its approaches would eliminate a serious traffic hazard. Glen S. Paxton, designer of the bridge, said it had latest type safety construction with all overhead dangers eliminated.

Four Fires Keep Firemen Working

Four downtown fires, all of minor nature, kept city firemen busy during the time of the VFW parade last night and made necessary disruption of it in at least two instances.

An awning fire at 141 South Liberty, presumably caused by a lighted cigarette dropping atop it from where spectators were viewing the parade out of open windows above, was put out about 7:35.

A wall fire was extinguished at 1385 North Commercial about 7:45; at 7:12 a minor blaze was caught at 2405 Maple, and at 7:25 a call was made to Commercial and Hood.

Postal Receipts High

McMINNVILLE, July 12.—(AP)—Postal receipts reached \$41,428 for the fiscal year compared with \$29,000 in 1937 and \$39,064 last year. Winifred Wisecarver, postmaster, reported today.

Parade Takes Over Hour to Pass by Spot

VFW Procession Hailed as Most Colorful for Many Years Here

Thousands Stand on Curb to Watch Long Line of Marchers Go Past

Salem's longest parade in history and its most colorful spectacle in many years were the gifts to the city of the Veterans of Foreign Wars as that organization's Oregon department convention drew toward a close Wednesday night.

The parade, including more marching organizations, bands, floats and commercial displays, required an hour and 15 minutes to pass by as thousands of spectators thronged the downtown streets and other thousands watched from the vantage point of the two grandstands on Sweetland field where the procession concluded.

It is impossible to pick out any outstanding units or features in the parade; impossible even to list them all. Impressive was showing of VFW posts from all parts of the state and their auxiliaries; bewildering was the number of musical organizations, large and small, adult and juvenile, that contributed to the occasion.

Nor were the parade and the softball game which preceded it the only attractions that awaited the crowd that was attracted to Sweetland field: the convention commission had been too modest in its promises in this respect.

Formal guard mount by troops of the Seventh Infantry with the regimental band participating, was presented before the last (Turn to Page 9, Col. 1.)

Security Changes Forecast at Reed

PORTLAND, July 12.—(AP)—Richard M. Neustadt, regional director of the Social Security board, predicted changes today in the social security act as the knowledge of its operation increased.

The director, speaking before the institute of northwest affairs at Reed college, described the program as a long-range plan and not one to "meet an immediate emergency caused by the depression."

Neustadt criticized the wide spread use of the pension plan and the attitude a person was entitled to help just because he was old, irrespective of need.

T. H. Borg, Stanford university professor of economics, told his audience that obligation as well as rights should and would be imposed upon as soon as "equality in strength" was reached between employers and workers.

He declared industrial strife was "generally as deplorable" as military strife, and losses to "innocent bystanders" often great.

Four Fires Keep Firemen Working

WASHINGTON, July 12.—(AP)—Residents of the northwest and Rocky Mountain states divert more of their income to recreation and medical attention than the citizens of other sections, a department of labor survey of American living conditions revealed today.

Homes cost less but clothes more in the northwest. Portland and Denver families spend more money on automobiles than families in other parts of the nation.

Late Sports

TACOMA, July 12.—(AP)—Completion here today of another heavy program of Pacific northwest tennis tournament matches found only one seeded player eliminated from further competition.

Jack Wellington, Berkeley, defeated V. Allred of Texas in the seeded seventh, 6-4, 1-6, 6-4, in a men's singles match, but victory gained him only the doubtful honor of a quarter-finals meeting tomorrow with Dick Bennett, of Tacoma, seeded No. 1, providing Bennett loses to one of the expected victors over one of the tournament's lesser lights.

Other results today included: Men's singles: Bud Gilmore, Salem, defeated Douglas Lefevre, Seattle, 6-3, 2-6, 7-5.

Patton Trial Jury Decides \$45,600 Just

Verdict Reported at 9:16 After Five Hours of Deliberations

Similar Frizzell Case Is to Open at 9 o'Clock This Morning

The old Patton home at the northwest corner of Court and Summer streets is worth \$45,600, a jury hearing the condemnation suit brought by the state capitol reconstruction commission decided; reporting its verdict at 9:16 o'clock last night after deliberating for slightly over five hours. It took the case at 3:55.

The verdict came more quickly than some observers had expected in view of the complicated nature of the case. One member of the jury, as it retired for deliberation, asked for the use of an adding machine and it was granted. Frizzell Trial To Start At 9 a. m.

Trial of the similar case of the capitol reconstruction commission against Alice B. Frizzell will start at 9 o'clock this morning. The state offered \$10,440; the defense asks over \$25,000.

The award in the Patton case was \$13,600 more than the state had offered and \$17,400 less than the owners, Lucella M. Charlton and Mrs. Hal D. Patton, had asked. It is about \$11,000 less (Turn to Page 2, Col. 5.)

Directors Reject High School Co-op

Board to Take Steps to End Litigation in Retirement Suit

Acting upon a recommendation of the Committee on Back and Neptune, the Salem school board last night rescinded a previous order and went on record against installation of a student-controlled store in the senior high school.

The committee members reported they had conferred with Principal Fred Wolf on the matter and that he was not anxious that the students set up a store for sale of papers, pencils and other school supplies; and the committee said further such action might set a precedent for the two junior highs to follow.

On motion of Director Percy Cupper, the board agreed to ask District Attorney Lyle J. Page to take such steps as are proper to finally dispose of the litigation brought for principals and teachers who arrived at the 65-year retirement age last year. The move was taken to allow the Salem case to be governed by the ruling in the Portland case and will simply result in dismissal of the Salem case.

Under the Portland decision, carried to the state supreme court, (Turn to Page 9, Col. 7.)

Northwest People Spend More Cash On Fun, Medicine

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LOS ANGELES, July 12.—(AP)—Night game: Seattle 5 16 1 Hollywood 3 6 0 Gregory and Spindel; Ale Bolen and Annunzio.

\$8,958,157,600 Budget For Spending Program Is Roosevelt Estimate

President Revises January Budget When Hope for Better Business Fades; Expenditures for Fiscal Year Peace Record

WASHINGTON, July 12.—(AP)—President Roosevelt estimated today that the administration's spending program and other government activities would cost \$8,958,157,600 in this fiscal year and pile up a \$3,984,887,600 deficit.

The president made public a revision of his January budget estimates for the year which began July 1, 1938. Saying the January figures were based on a hope for a decided improvement in business, he added:

"Business conditions not only did not improve, but gradually grew worse." The expenditures for this fiscal year will set a peace-time record. The president estimated the works progress administration and national youth administration alone would cost \$2,135,000,000 in the 12 months ending June 30, 1939. This means, he explained, congress probably will have to appropriate \$500,000,000 more for WPA because funds already made available will finance relief only for eight months.

The estimated spending total is \$2,200,000,000 more than was expended last year. While the net deficit was set at \$3,984,887,600, it was indicated the gross deficit would be \$4,084,887,600, the second largest since the World war. (Turn to Page 2, Col. 5.)

First Round Lost By Dupont, Raskob

Tax Appeal Board Rules They Are Guilty of Evading Taxes

WASHINGTON, July 12.—(AP)—Pierre S. DuPont and John J. Raskob lost a major round today in their fight against government income tax claims which they had denounced as "political persecution."

The board of tax appeals found that they sought to escape taxes for 1929 through sale of securities back and forth to each other. The board did not mention the exact amount due under the decision, leaving that to be determined later. Government attorneys said the figure for Raskob might be about \$1,000,000 and for DuPont about \$600,000.

DuPont disagreed. He said in a statement at Wilmington, Del., that "the amount in dispute, if finally decided against me," would amount to \$250,000 more than he paid for 1929. He said he had paid \$1,250,000 in 1929. He and Raskob can appeal to the circuit court of appeals.

The board's decision against the two sponsors of the anti-Roosevelt American Liberty league was a split one—13 to 3. A majority of the board held that since each man ended up owning the same securities as before, there were no actual sales and therefore no losses to deduct from other income.

Brick Works Fire Ends Famous Kiln

Willamina Brick Factory Made Brick for Many Buildings in State

WILLAMINA, July 12.—The famous old brick and tile factory of the Willamina Clay Products company was destroyed here tonight by fire starting in a kiln. The replacement value of the plant was estimated at \$350,000.

Little water was available for fighting the blaze in the building, located outside the city limits of Willamina. A pumper from Sheridan, nine miles away, answered the alarm but lack of water hampered fire fighters. Grass fires fanned by a brisk wind, started all around the plant but were put out before further damage resulted.

A watchman at the plant said (Turn to page 2, col. 1)

1939 Mosquito Control Urged for Multnomah

PORTLAND, July 12.—(AP)—A civic committee recommended today Portland and Multnomah county provide \$5000 each for mosquito control in 1939. The committee will ask the county legislators to seek the enactment of a law creating a mosquito control district.

WASHINGTON, July 12.—(AP)—Washington politicians wondered today whether President Roosevelt's appointment of Gov. James V. Allred of Texas to the federal district court bench might be a link in a chain of events leading to the entry into politics of Elliott Roosevelt, son of the president.

Some observers felt that if the younger Roosevelt chose to run for some high office in Texas, he might be assured of the support of many political followers of Allred. Although Elliott has given no public indication of political ambitions, there was speculation here that he might be groomed to oppose Senator Connally (D-Tex.), one of the original foes of the president's supreme court reorganization proposal, in the 1940 senatorial primary. There also has been talk among

Yakutsk Next Halt of Globe Circling Plane

Last Reported 1500 Miles out of Omsk on 4th Part of Flight

Plane in Constant Touch With Soviet Weather, Airways Bureaus

MOSCOW, July 12.—(AP)—Howard Hughes was 1,500 miles out, north of Lake Balkal, on his flight from Omsk to Yakutsk at 8 a. m. (12 midnight est.)

Maintaining an average speed of more than 200 miles an hour, he reported by radio he was traveling at 11,600 feet. His top speed was 210 miles an hour. Heading for Yakutsk, Hughes asked more precise data on conditions over mountain ranges between there and Anadyrsk. This is one of the most dangerous districts along his route, with practically no emergency landings available.

NEW YORK, July 12.—(AP)—The Howard Hughes plane racing around the world reported by radio relayed to flight headquarters tonight that it expected to land at Yakutsk, Siberia, at 5:49 a. m. (est.) 11 hours, 43 minutes after the takeoff at Omsk on the fourth leg of the journey.

The message came from Radio Engineer Richard Stoddard aboard the plane and was relayed by overseas telephone from a Russian official named Demchenko, in Moscow. Soviet Assistants In Flight

Demchenko, assigned by the Soviet government to assist the flight through Russian territories, said he had been in constant communication with the plane by radio since it left Omsk and that Hughes told him the plane had not changed course.

Hughes said his party was flying at 10,500 feet and 210 miles per hour after the first 800 miles of the 2,177-mile flight.

He requested weather information which was to be forwarded prior to the arrival at Yakutsk. Hughes reported "crew and machine in perfect condition" but reports of the weather he was encountering were lacking here.

In one contact, Stoddard reiterated in reply to a question by the Russian official that the landing gear was in good condition.

The plane passed over Novosibirsk, 400 miles out of Omsk, two hours, five minutes after the take-off, cruising at an estimated speed of 193 miles per hour.

OMSK, Siberia, July 13.—(Wednesday)—Howard Hughes and his four "round-the-world flight" companions roared into the Siberian dawn today at 4:37 a. m. (2:37 p. m. PST Tuesday) on the fourth leg and second half of their globe-girdling flight.

The American fliers headed their silver monstrosity east across the vast soviet steppes toward Yakutsk, 2,177 miles away.

They were still almost a day ahead of the 1933 flight schedule of the late Wiley Post who circled the world in seven days, 18 hours and 49 minutes.

First major city on the million-mile pilot's itinerary was Novosibirsk, approximately 200 miles east of Omsk, which he planned (Turn to Page 2, Col. 1.)

Horse and Buggy Topped by Auto

L. B. Lardon, 31, was severely shaken and sustained minor bruises when an automobile collided with his horse and buggy, which he was driving on the Silverton road about four miles east of Salem at 5:30 last night.

The city first aid car was rushed to the scene, attendants administered to Lardon's abrasions and escorted him home.

Later last night the first aid car, upon the city physician's order, transported Warren Johnson, a transient in the Deaconess hospital from a sided box car. Johnson, according to aid men, is 65 years old and had evidently been down on his back in the car for two or three days.

Jackson to Talk Sugar Beet Plan

MEDFORD, July 12.—(AP)—Southern Oregon farmers will consider the possibilities of sugar beet production in Jackson county at a meeting here Friday night.

F. C. Reimer of the agricultural experiment station said an unnamed firm was prepared to sign contracts for 300 acres of sugar beet seed production. The returns would average about \$225 an acre.