

Valley Coverage
An alert staff of correspondents keep The Oregon Statesman up to the minute with news of happenings in the valley.

The Weather
Fair today and Wednesday with local fogs on coast, little change in humidity. Max. temp. 78, min. temp. 51. River -3.6 ft. North wind.

EIGHTY-NINTH YEAR

Carl Guenther Chosen City Water Manager

Stripped Lend Lease Bill Passed In Senate and Sent to House

Billion Dollars Is Sliced off FDR Measure

Passage Vote 52 to 28 With Holman Voting Against

\$1,615,000,000 Remains in Bill After Work by Senate

By RICHARD L. TURNER
WASHINGTON, July 31.—(AP)—The administration lending bill, stripped of more than a billion dollars of proposed loans, was passed by the senate today and moved to an uncertain fate in the house.

Waiting there was just such a combination of republican and democratic economy advocates as that which controlled procedure, in the senate and reduced the program's total to \$1,615,000,000.

The original administration bill had called for \$2,800,000,000.

The vote in final passage was 52 to 28. The prevailing vote included 47 democrats, two republicans and three others. The opposing vote included 17 republicans and 11 democrats.

(The vote of Pacific northwest senators was: For — Bone and Schwelbensch of Washington; Clark and Borah of Idaho. Against — Holman of Oregon.)

Bill on House Floor Today
The house rules committee voted 6 to 4 to send the legislation to the house floor tomorrow. Then the subject of debate will be the version of the bill approved by the house banking committee. It cut the program to \$1,950,000,000.

The house leadership had planned to bring up the administration's \$800,000,000 housing bill tomorrow, but decided to make room for the lending measure. There is extensive opposition to the housing bill, and many opponents contended it had been abandoned for the session.

If that were the case, it appeared congress might adjourn Saturday night.

This depended, however, upon fairly rapid work on the lending bill in the conference stage if it should be passed by the house. Differences between house and senate versions would have to be reconciled.

The bill as passed by the senate calls for the issuance of bonds by the RFC to finance the following loans, by the RFC and other government agencies:

- \$550,000,000 for non-federal public works.
- \$500,000,000 for loans for rural electrification.
- \$600,000,000 for loans to tenant farmers.
- \$90,000,000 for western reclamation projects.
- \$75,000,000 for loans through the export-import bank to finance exports of American products.

Senate Cuts Much From Measure
Cut from the bill by the senate's bipartisan economic bloc in the course of a week's intense debate were:

- \$500,000,000 for loans for highways and transportation improvements.
- \$550,000,000 with which the RFC was to have purchased railroad equipment for lease to the carriers.
- \$25,000,000 for the export-import bank's foreign loans.

The economy bloc overrode the administration leadership to write into the measure a provision the bill should be subject to state and federal income taxes. Many speculated whether this might not have a restrictive effect upon the program, because to obtain the money for the loans the RFC would have to float taxable bonds in competition with tax-free government securities.

Although the economy bloc was beaten, almost two-to-one on the question of final passage, the reductions made in the bill depressed the group's greatest triumph since the new deal began.

In the first place, President Roosevelt asked for a program totaling \$3,060,000,000, including a half-billion dollars for foreign loans. So great did the opposition to some provisions become that, when the measure was introduced by Senator Barkley (D-Ky.), the total had dropped to \$2,800,000,000. Then, the senate banking committee pruned another \$310,000,000 from it. By comparison with the bill asked by the president, that enacted today had been cut by \$1,445,000,000.

Mail Car Crew Battles Bandits Who Tried To Seize Army Payroll

One of Robbers Shot and Captured, Other Escapes in Thrilling Gun Battle in Speeding Mail Car of Express

CHAMPAIGN, Ill., July 31.—(AP)—A pair of bandits attempted to seize a \$56,000 army payroll on a speeding train today but were routed after a gun battle with the mail car crew.

One of the robbers was shot and broke his leg before he was captured.

His companion was believed wounded but escaped in an automobile driven by a confederate. State highway police immediately formed a road blockade in an effort to intercept the fugitive and his chauffeur.

Earl Boothman, mail clerk who played a heroic role in the gun battle, gave this account of the wild west foray:

"The bandits, in overalls, boarded the 'blinds' of a four-car Illinois Central passenger train bound from Chicago to Champaign, at Onarga, Ill., 83 miles south of Chicago.

As the train pulled out, they crowded the mail car, and I saw them pull out a .45 caliber revolver. One of them fired at me. I was quite surprised to see a balloon in my backyard."

LONDON, July 31.—(AP)—London's balloon barrage backfired today with a loud "pouff" when one of the huge sausages deflated and dropped into a suburban backyard and another was destroyed by lightning.

The housewife behind whose home the one balloon dropped endeavored herself to all lovers of understatement by remarking: "I was quite surprised to see a balloon in my backyard."

Nine of the captive balloons, which are attached to cables and ring the city as a trap for raiding aircraft in case of war, have been destroyed by lightning and other causes since the idea first was put into operation.

Salem was about as dry as the Sahara every day of the month of July except the 3rd, when a pre-holiday shower netted .41 inches of rain to account for most of the .47 inches rainfall measured.

This rainfall, together with .05 inches on the Fourth and a trace the following day, gave the month just closed a reading slightly above the .40 mean average for July.

The paucity of rain was registered in Willamette river readings which dropped two feet by month's end from the -1.9 foot reading at the beginning of July.

The month was not unusually dry, however. There was less rain in 1938 with .36 inches and in 1937 with .13 inches. Wettest July on record was in 1916, when 2.72 inches of rain fell.

Bombay Goes Dry With Last Spree
BOMBAY, Aug. 1.—(Tuesday)—An expanded police force cleared Bombay's 8,500 bars and liquor shops early today to inaugurate the first new prohibition law since repeal in the United States.

As midnight strikes the date of enforcement, agents with report books immediately took inventories of the stocks of all liquor establishments and sealed them to excise officers who will cart them to government warehouses.

For the natives of Bombay and suburbs it was prohibition; for Americans, Englishmen and other Europeans it was rationing. Liquor flowed freely in the final celebration.

Cantor Sued by Studio Fans Who Say They Were Beaten
LOS ANGELES, July 31.—(AP)—An action was filed today in a Hollywood broadcasting studio was heard today with the filing of a \$751,000 damage suit against Eddie Cantor, screen and radio comedian.

Plaintiffs in the action were Charles Gollub, apartment house manager, and his wife, Mrs. "Miss Gollub," who stated they went to the studio to hear Cantor broadcast. When the broadcast ended, they stated, they arose to leave only to be accosted by a young woman employed by the broadcasting company, who asked them why they were leaving so soon.

When the Gollubs informed the young woman they had seen after-broadcast programs before and were not much interested in political affairs, the plaintiffs said, the woman struck Mrs. Gollub down, referring to her as a nazi.

Gollub, the complaint charged, attempted to protect his wife but was set upon by Bert Gordon, Cantor's assistant, known professionally as the "mad Russian."

The alleged assaults, the Gollubs charged, occurred in spite of their faithfulness in applauding during the regular broadcast at the instructions of a "cheer leader." In applauding, the Gollubs said, they were willing to overlook the circumstances that Cantor's offerings consisted of "ancient and not very funny gags."

Strike Rioting Causes Injury To 46 Persons

Crowd of Strikers Mill About Fisher Plant in Cleveland

200 Non-strikers Under Siege in Huge Works of Body Firm

CLEVELAND, July 31.—(AP)—Thousands of strikers, sympathizers and spectators milled about General Motors' huge Fisher Body plant here tonight where more than 200 workers were besieged following rioting which sent 46 persons to hospitals.

Anthony Peterson, chief of company police, said the over 200 non-strikers trickled out of the plant one by one during the night and that about 230 remained inside.

The situation was tense following Safety Director Elliot Ness' order to clear the area within 500 yards surrounding the plant by 3 a. m.

Food supplies were taken into the factory tonight in a small truck as special delivery parcel post packages.

Pickets said those who came out of the plant were "mostly office and maintenance workers and we don't care much about them." They expressed determination to "keep this plant closed."

Strikes have been under way in ten other General Motors plants. Crowd dwindles by midnight.

At midnight the crowd dwindled to less than 1,000 and unionists said there would be no serious physical resistance to police orders.

Ness said 150 policemen would stand guard throughout the night. Police Chief George J. Matowitz ordered police on 12-hour duty.

Ness declared his proclamation curbing picketing would go into effect at 3 a. m. tomorrow, and would limit pickets to five at each gate. Several union leaders contended he had no legal right to limit the demonstrators.

The company filed suit asking limitation of picketing, and a ban on violence. Hearing was set for tomorrow.

Workers Fed in Cafeteria
The besieged workers were fed in the company cafeteria and cots were provided from the stock that was used during the labor trouble of 1937. Many of the men slept in their autos parked in the factory grounds.

Mounted police stabled their horses in the plant and laid in a store of tear gas and supplies.

About 700 die makers had been working on tools for new 1940 model autos when the strike started. The factory was scheduled to go into production tomorrow. Total employment would range between 5,500 and 6,000 workers.

A police-estimated 5,000 to 6,000 CIO United Automobile Workers and sympathizers, wearing paper mache helmets, overturned non-strikers' automobiles and fought with about 100 policemen as the factory reopened this morning after a weekend shutdown.

A new clash occurred late today in full view of Ness and Mayor Harold H. Burton, inspecting the turbulent strike scene. Mounted police charged the picket line to clear the way for a company car.

A brief melee followed, the crowd smashing windows of the automobile with a shower of rocks. Three men were arrested amid boos and catcalls.

Tear gas clung thickly over the east side strike area this morning and fire hoses were turned on the crowd before the fighting ended.

Sailor Falls off Cruiser, Strokes Into "Dry Dock"
PORTLAND, July 31.—(AP)—Naval recruiting station here said Charles J. Schmitt, member of the USS Nashville's crew, fell overboard today as the vessel passed Cathlamet, Wash., enroute down the Columbia river to Los Angeles.

Schmitt swam ashore and went into "drydock" at a CCC camp, the station reported. He will be sent here by army truck pending instructions from the Nashville.

The Nashville and four other cruisers sailed at the end of Portland's ten-day fleet celebration.

FARM LOSS HEAVY IN EAST'S DROUGHT



Move in Veteran Case not Certain

Hayden and Wife of Man Committed to Asylum Talk With Judge

What action may be taken regarding the war veteran over whose hasty commitment to the state hospital Saturday Justice of the Peace Miller B. Hayden protested remained uncertain yesterday after Hayden and the man's wife had conferred with County Judge J. C. Siegmund.

Hayden asserted Saturday the veteran was taken into custody and committed to the hospital two hours later without any notice being given his relatives as required by law in non-violent insanity cases.

Attention in the case was turned yesterday toward arranging for the care of the man's wife and children, Hayden said, and the decision as to what might be done about the commitment left up to her. He said two courses were available, habeas corpus proceedings, or presentation of the matter to the grand jury, but stated he did not know which, if either, might be followed.

Declaring the commitment proceedings were regular, Judge Siegmund yesterday said he did not care to go into details of the case but felt he had acted properly in taking the war veteran to the state hospital.

Attached to the files in the case were notes and letters written by the veteran.

Crews Open Work For new Trestle

The 1000-foot Oregon Electric railway trestle at Wilsonville that was destroyed by fire Saturday night will be replaced at once, E. B. Nelson, Salem freight agent for the line, said yesterday. A construction crew went to work Sunday clearing away debris left by the blaze and is expected to complete a new trestle within three weeks.

Meanwhile the Oregon Electric freight trains are being routed over the Southern Pacific tracks between Albany and Portland and are giving "service as usual," Nelson said.

The trestle, constructed more than 25 years ago when the electric line was extended to Salem, was extensively rebuilt during the past year.

Storm Halts Job On Sunken Craft

PORTSMOUTH, N. H., July 31.—(AP)—A sudden electrical storm, accompanied by a 60-mile-an-hour wind, slowed salvaging of the sunken submarine Squalus today as navy men bent their efforts toward a second attempt to lift the \$4,000,000 vessel and her 26 dead.

Weather permitting, officers said, a second attempt to lift the submersible from which 33 men were rescued after she plunged 240 feet to the ocean floor May 23, may be made "in about ten days."

Carter Sentenced To two Year Jolt

Robert Carter, 35, of Salem, was sentenced to two years in the state penitentiary when he was before Circuit Judge L. H. McMahan yesterday, waived indictment and pleaded guilty to a charge of contributing to the delinquency of a minor boy. He had been bound over to the grand jury earlier in the day from justice court.

City police arrested Carter Sunday on complaint of the boy's parents.

Local Work Waits Layoff Decisions

New Projects May not Be Started if Dismissal Plan Followed

When work will begin on the state tuberculosis hospital and on Mehana and Keizer schools depends upon the action taken concerning lay-off of long-time WPA employees, local WPA officials said yesterday. Advice from Washington, DC, has been asked concerning whether to start these projects, for which money has been appropriated.

From Washington Commissioner F. C. Harrington Saturday telegraphed all state work relief administrators to suspend action in dismissing persons who had 18 consecutive months or more of WPA employment until final action is taken by congress on a proposal to modify the relief act's requirements.

No dismissals had been made in Marion or Polk counties and it is not known locally how many WPA workers in these counties would be affected by the action, since lists for dismissals were being prepared in Portland.

In case the act is not modified, it might result in the lay-off of enough workers in this vicinity to make it inadvisable to start many new projects until others are completed.

Police Wound Man In Making Arrest

Four Portland Policemen Battle With Fugitive Held to Be Mix

PORTLAND, July 31.—(AP)—A man Portland police tentatively identified as Robert Richard Mix, 26, was shot and seriously wounded tonight in a gun fight with four Portland detectives during which Detective Leonard Shaffer was wounded.

The officers were attempting to arrest the man on auto theft complaint and a charge of having broken jail twice at St. Helens, Ore. However, St. Helens authorities said they had heard that a man believed to be Mix had been picked up at Sioux City, Iowa.

Detective W. L. Brian said the officers had received a "tip" Mix was living at a northeast Portland residence. They encountered the man in a car, which had been reported stolen yesterday, near the house. He fled into the house and officers surrounded it.

He emerged from the front, firing. A bullet struck Shaffer in the left forearm. Brian said the man turned and ran toward the rear of the house still firing whereupon Brian opened fire, one shot penetrating the victim's abdomen, another striking him in the leg and another in the wrist.

Mix was jailed at St. Helens last winter on a larceny count and broke jail Dec. 31.

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Maintenance Chief Raised To top Post

Department Employee Is Selected From Field of 24 Men

Takes Over Post Just 4 Years After 1st Job With Bureau

Four years to the day from the time he became maintenance superintendent of the Salem water department Carl E. Guenther today will assume the management as a result of action taken by the water commission at a special, executive session last night.

The commission elected Guenther to succeed Cyler VanPatten, manager from August 1, 1935, until his death last July 4. His salary was left undetermined and no successor as maintenance superintendent was named. Commissioner O. A. Olson said the maintenance post would be left vacant "indefinitely."

Decision "Not Unanimous"
While the vote by which Guenther was elected water manager was not revealed, Commissioner E. B. Grabenhorst said he felt it should be made known that the commission's decision was "not unanimous."

Chairman I. M. Doughton, who was known to favor Guenther's election, said the appointment was considered as "a promotion for a faithful, proven employee." Commissioners E. B. Gabriel and Van Wiedler also were present at the meeting.

Lee A. McCallister of the state engineer's office was understood to have been the other principal contender for the manager's position out of a field of 24 applicants.

Guenther and McCallister both were applicants for the management when VanPatten was appointed to the position in 1935. Guenther received one vote and VanPatten four when the matter was settled. His appointment as maintenance superintendent followed a few days later.

"I'll try to carry on as I have for the last four years for both the department and the citizens," Guenther said last night after receiving notice of his advancement. Manager Native Of Nebraska

The new manager is 51 years old, a native of Grand Island, Neb. After engaging in the contracting business with his father and in the electrical business, he served as city electrical inspector in East St. Louis, Ill., in 1910 and 1911, and also was employed at the electrical plant of the East

Union and suburban railway company. Enlisting in the United States navy as electrician's mate in 1913, he served in the Mediterranean during the World war and advanced to the rank of chief machinist's mate before he received his discharge in 1921.

From 1921 to 1928 Guenther served as manager of the municipal water and light plant at Horton, Kan., installing two diesel electric units, and from 1928 to 1932 he managed the municipal water and steam-electric plant and served as city engineer at Wellington, Kan. His wife before their marriage was city clerk at Horton.

Guenther came to Salem in 1932 and was employed in construction and Suburban Railway until his appointment to the water department maintenance superintendent August 1, 1935.

The Guenther's live at 1890 Fir street.

She's not Child Bride, She Says

KLAMATH FALLS, Ore., July 31.—(P)—Kathryn Kratzdorf Mallette is no "child bride," she asserted in justice court today when she declared she was 18 years of age.

She was arraigned with her husband Jack, and Ray Dunbar, on fugitive warrants issued in connection with larceny and kidnaping charges in Colorado. Mallette and Dunbar are charged with abducting the girl. Colorado authorities assert she is only 14. The three have waived extradition.

They were arrested while working on ranches in this district.

GOP Picnickers See Bright 1940

OREGON CITY, July 21.—(AP)—Oregon will be the spear-head of a nation-wide swing to the republican party in 1940, Kern Crandall, republican state chairman, predicted yesterday at a Clackamas county republican picnic.

Crandall praised leadership in Clackamas county where only one democrat survived a county republican landslide in the last elections.