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City Hall Paid for In 47 Years; Costs More Than Double Contract Back in 1893 Was \$54,675, Interest Boosts Total Paid to \$138,450, Disclosed Bonds Refunded Twice Without Much Reduction but now City Staff May Call Home Its Own

By PAUL H. HAUSER, jr.
The city officials, to say nothing of the rats, who inhabit the city hall can feel that their home's their own now. The city hall is paid for.
City Treasurer Paul H. Hauser has established, after a lot of checking through rusty old bond records, that the final payment on the big red brick building built in 1893 was made January 20 of this year.

It was made to redeem bond No. 80 held by Genevieve Thompson Smith of Columbia, South Carolina.
That will be a load off the minds of numerous city officials who are frequently being accosted by citizens who inquire, with a knowing leer, "When's the city hall going to be paid for?"

All in all the three story and tower building the city dads bought (on a generous time payment plan) in 1893 has cost the citizens \$138,450. The contract price, paid to the old contracting firm of Hutchins & Southwick, was just \$54,675. The remaining \$83,775 was interest paid out on the original bond issue and two rebondings.
The first bond issue of \$65,000 was authorized in 1899 to redeem outstanding warrants on the general fund amounting to \$51,561.73, caused mostly by paying bills for city hall construction out of that fund, and \$11,522.14 of city hall warrants with interest on all warrants totalling \$18,401.30. The bonds ran for a period of ten years and carried four per cent interest. Interest paid out was \$26,000.
When the ten years were up in 1909 an issue of \$39,000 at four per cent was made to redeem the unpaid balance of the first issue. On these bonds \$31,525 was paid in interest.
On January 20, 1920, the 1919 issue of \$63,000 due plus (Turn to page 2, col. 4)

Petition Is Filed For Airliner Stop Up to CAA now, Chamber Informed; Would Add to Port Facilities

United Air Lines has just filed with the civil aeronautics authority a formal petition asking permission to add Salem and Eugene as regular stops on United's Vancouver-Seattle-Portland-San Francisco-Los Angeles-San Diego route. F. D. Thelen, manager of the Salem chamber of commerce was advised late yesterday.
In its petition to the CAA, which, under the law, must act on all applications for new services, it is set forth that Salem is directly on United's coastwise route, and United states it proposes to use the Salem municipal airport which is now adequate for day operation of all types of aircraft which the line operates.
The petition states that the Salem airport is already designated in its United's certificate as alternate airport, and the petitioner believes that the airport will be made adequate in the near future for night as well as day operation, and United is prepared, it permits to be used, to install its own two-way radio, phone station and radio localizer.
United now operates four trips daily from California to Portland (Turn to page 2, col. 4)

Final Approval Is Given Hatch Bill

WASHINGTON, July 11.—(AP)—The Hatch bill, curbing political activity by an army of state and local government employees, was finally passed by congress today.
The measure was sent to the White House after the senate agreed to changes the house approved yesterday.
The legislation is a companion piece to the original Hatch act, applying to federal employees. The new measure applies to officials and employees working on programs financed in whole or in part by the federal government.
These employees would be forbidden to use their position to influence the result of elections, to coerce other employees or to engage actively in political campaigns. Various selective officials would be exempt from the last restriction.
In addition, the bill would limit individual campaign contributions to \$5000 in any one year and would restrict the expenditures of any political committee to \$5,000,000 a year.

No Advertising in Salem Centennial Program, Warning

The Salem Centennial official program will contain no advertising, and no solicitation for advertising has been authorized, Jerrold Owen, publicity chairman, declared yesterday.
Reports have reached headquarters that unauthorized soliciting for space in a "centennial program" is being done in Salem.
"There is to be no soliciting of merchants or other persons for any endeavor in connection with the Salem Centennial celebration," declared Owen, "and we want to protect the merchants as much as possible, therefore, we would appreciate having information in regard to any activities of this type, in order that we may stamp it out quickly."
Salem Centennial headquarters are located at 250 North High street.

Our Senators Won, 10-3 and 5-1 Home Tonight

The election, originally set for tomorrow, was moved to 8 o'clock when delegates concluded other business earlier than had been expected. The seat of the bishopric will be in Portland, Ore.
This conference is the first western regional meeting of Methodists after the union of the three main groups of Methodists.
Dr. Albert E. Day, of Los Angeles, chairman of the conference committee on the state of the church, urged Methodists to consider migrant farm laborers in the west as "potential assets" of the church to be cultivated by "proper conservation."
Bishop Titus Lowe of Indianapolis recommended spiritual education of American youth as a field of Methodist activities.
Delegates adopted plans for a jurisdictional board of lay activities and a general board of church education.

Defense Case May Be Wound Up Tonight

Knew Shortage to Real, Richardson Insists at Trial

Character Witnesses to Continue Today; Case Proceeds Rapidly

The case of the defendant in the trial of William York Richardson, one-time deputy of former County Treasurer David G. Drager, on a charge of larceny of \$23,520 of county funds, will probably be completed today, Defense Counsel Edwin Keech said yesterday.
The attorney made the statement following almost a full day during which Richardson himself occupied the witness stand to testify on his own behalf.

Keech said that 11 or 12 character and corroborative witnesses remain to be heard before the case goes to the jury, and indicated that only brief time would be required to examine them. Ten similar witnesses were presented within a half-hour before the adjournment of court yesterday.

Testimony of the defendant yesterday evolved chiefly about the existence of the shortage on the treasurer's books, his knowledge of it during his 23-year tenure as Drager's deputy, and his inability to trace it for its origin. Never Knew Shortage Was Actual, Claims

"I first found a shortage on the books about two years after I went into office, which was in 1915," he explained. "I don't remember the exact amount. I called it to the attention of Mr. Drager at that time. Every year thereafter the shortage increased."

Each month he determined the exact amount of the shortage by means of a trial balance, the witness affirmed, but never became entirely positive that the shortage was actual and not a book error.

The latter statement Special Prosecutor Francis E. Marsh challenged in cross examination. He recalled a grand jury session in October, 1938, at which Richardson testified, and inquired whether the latter had stated then that in his opinion the \$23,520 shortage was actual and not owing to faulty bookkeeping.

"This was correct, but there is an if," the defendant exclaimed. (Turn to Page 2, Col. 1)

64 Congressmen Urge FR to Run Exodus to Chicago Is on but President Gives no Sign of Aims

WASHINGTON, July 11.—(AP)—A declaration that President Roosevelt "should accept renomination and continue his aggressive leadership," was issued today by 64 democratic members of the house, while the chief executive continued his studied silence.

Rep. Smith (D-Wash) said that in signing the statement the house members "expressed their earnest desire" that Mr. Roosevelt accept a third term nomination in the democratic national convention which opens Monday at Chicago. Signatures of members from the midwest predominated on the statement.

Third term talk also came from other quarters. Secretary of the House (Turn to Page 2, Col. 5)

West Salem Will Vote, Power Issue

WEST SALEM, July 11.—West Salem residents will vote on the issue of the city acquiring its own power system on September 16, it was decided at a special meeting of the city council tonight.
An ordinance was passed submitting a charter amendment to the people empowering the city to acquire and operate a power and light system in and about the city, with bonds to be issued not to exceed \$50,000.

Election judges appointed are Mrs. Maud Miller and Mrs. Ella Gibson. Mrs. Myrtle Doffrier, Mrs. Irene Douglas and Mrs. Ida Foster were named clerks.

Baxter Leads, 10th Ballot, But Still Is Shy 15 Votes

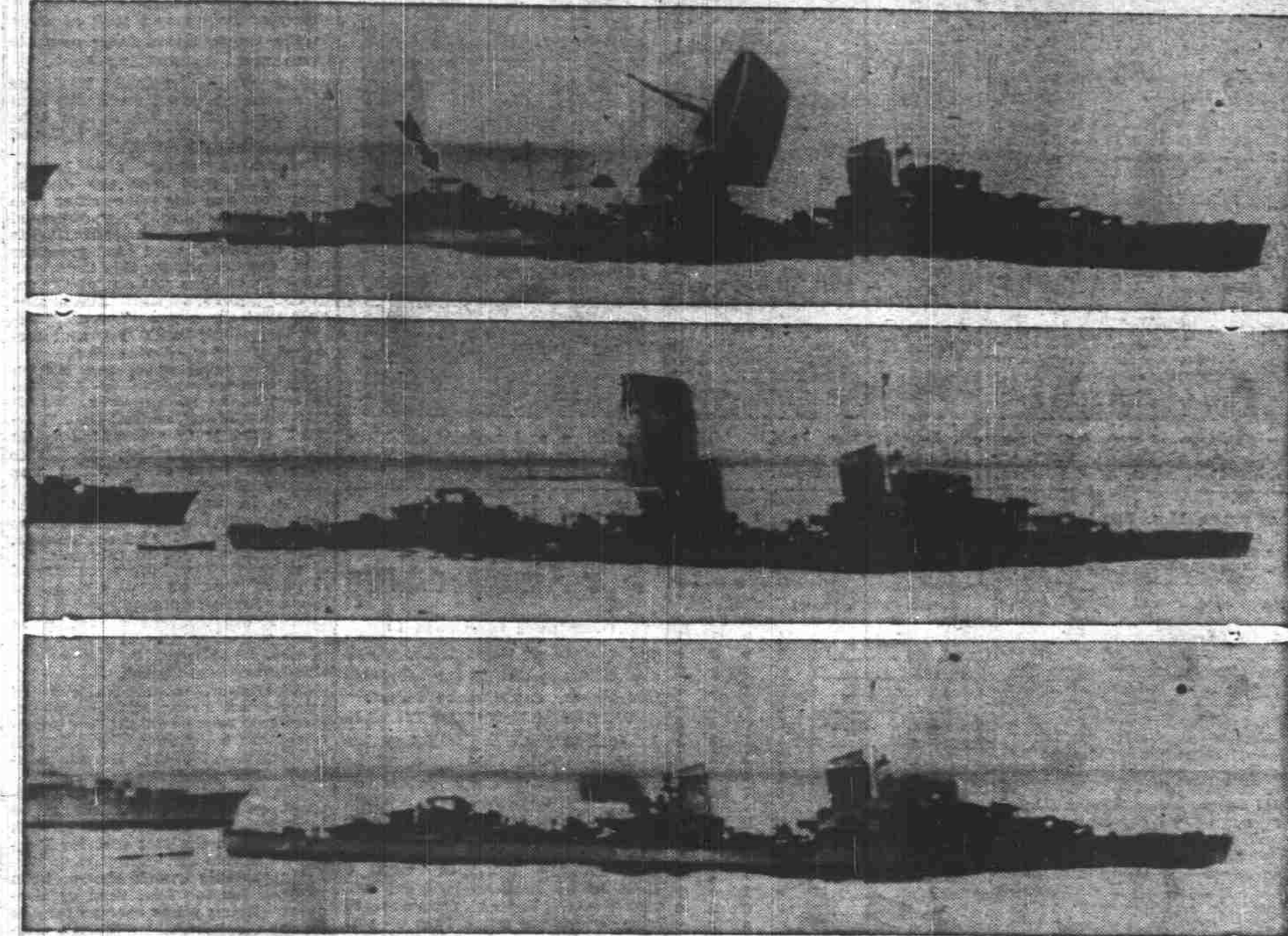
SAN FRANCISCO, July 11.—(AP)—Ten ballots failed today to result in the election of a bishop by delegates to the first western jurisdictional conference of the Methodist church.
The conference business meetings recessed until tomorrow after an eleventh ballot was taken. It was ordered sealed, and will not be counted until tomorrow.

Dr. Bruce Baxter, president of Willamette university, led with 55 votes on the tenth ballot. Seventy votes are necessary for election. Dr. Grover C. Simmons, Nashville, Tenn., and Dr. Walter C. Buckner, Los Angeles, were close behind.

The election, originally set for tomorrow, was moved to 8 o'clock when delegates concluded other business earlier than had been expected.

King Barely Escapes Raid

DEATH PLUNGE OF BRITISH T TRANSPORT IN ARCTIC OCEAN



These striking pictures, according to German sources, show the British transport Omara being sunk by German naval forces in the Arctic ocean, as it plunged stern first. In foreground is a German destroyer; fastened to its stern, according to German sources, is a lifeboat whose passengers have already been taken aboard. A second lifeboat (arrow) makes its way from the sinking transport to the destroyer. According to the caption, the sinking vessel remained in vertical position, as shown in bottom picture, for more than a minute, before making its final plunge.—AP Textmat.

In One Ear

—Paul Hauser's Column
Mayor W. W. (Wild Bill) Chadwick has come through with his proclamation that all males must start wearing underclothes Monday or else...

This has caused us some thought. We have been wearing underclothes for many years, but we have never heard of anyone else doing so.

We suppose even we, good grocers that we are, will have to shed our protective coloration and don a shirt seven shades more glorious than a drunkard's nose.

Our only regret is that we aren't in the same boat as our Mr. Mayor, who has to show business in the advertising department. He's safe by just keeping on wearing the same kind of shirts he's been wearing for 20 years.

For the benefit of sundry athletic coaches in this town we wish to record that Mrs. Grover Jones of Beterstown, West Virginia, recently gave birth to her 15th consecutive son. Her husband's a school teacher too.

DEFENSE NOTE
Sporting goods stores report an increased interest among women in rather highly-powered rifles. One woman came in to one store the other day to trade her .22 in for something with a little more zowie.

"Seriously," she said, "I'm interested only in shooting bluejays and parachute troops."

Firemen Gang up, Save Smith River

CRESCENT CITY, Calif., July 11.—(AP)—The town of Smith River, Calif., first sizeable settlement on the Redwood Empire highway south of the Oregon border, was saved from threatened destruction by fire today through the combined efforts of firemen from Smith River, Crescent City, and Brookings, Ore.

The blaze, of undetermined origin, started in the house of Louis Braido, whose Crescent City firemen arrived today through the combined efforts of firemen from Smith River, Crescent City, and Brookings, Ore.

The blaze was spreading to nearby rooftops.
Crescent City firemen saved Smith River from destruction by fire in 1933.

Provincial System to Be Adopted by France

Petaun With Triumvirate of Advisors Will Have Unlimited Power Until Assembly Forms; President Lebrun to Resign Today

BERN, Switzerland, July 11.—(AP)—Defeated France upset the hourglass tonight and turned back to the old provincial system of a by-gone day, with an authoritarian base and a seat of government in the glittering palace of kings in German-occupied Versailles.

"Capitalism and socialism are things of the past!" cried old Marshal Philippe Henri Petaun, 84-year-old head of state by decree, in a radio address from Vichy heard over France and in neighboring countries. "It is now necessary to fight against all internationalisms!"

Then he outlined France's new system, a strange medley of the political past and the political present.

After he had spoken, the French radio announced that effective tomorrow Petaun would succeed President Albert Lebrun as head of the French state and would become chief of the executive department of the government, a president and prime minister all in one.

Top, he will have full legislative power until a new chamber is formed and in case of serious internal or external crisis he is empowered to legislate without consulting the chamber at all.

His powers will resemble those exercised by the dictator of nationalist Spain, Francisco Franco. He will be backed, however, by a politically wise triumvirate, Pierre Laval, Adrien Marquet and General Maxime Weygand.

With resignation tomorrow, old Albert Lebrun, last president of the third republic, goes into the past.

This, the marshal said, is what is to supplant the dead French republic.
A government of 12 national ministers, headquarters at Versailles (Turn to page 2, col. 3)

Late Sports

HOLLYWOOD, July 11.—(AP)—Fletcher Forrest Orrell held Hollywood to six scattered hits that producer a lone tally and enabled the Portland Beavers to trounce the Twinks 2 to 1 in a Pacific Coast league baseball game tonight. Ruzger Ardizola pitched six-hit ball also for Hollywood, then gave way to Hi Bithorne, who kept his performance lively.

Portland 2 6 0
Hollywood 1 2 6 0
Orrell and Annunzio; Ardizola, Bithorne (5) and Menso.

Oakland 4 12 1
Sacramento 3 9 1
Pippen and W. Rainondi; Kelnake and Ogrodowski.
Los Angeles 7 13 1
San Diego 4 9 1
Stine, Berry (7) and Hernandez; Newsome and Salkeld.
Seattle 5 12 0
Portland 2 2 5
Wilkie and Campbell; Stutz and Springs.

Italians Admit Losses at Sea

But Claim Damage Also Inflicted; Blockade Stressed by Nazi

ROME, July 11.—(AP)—Italy, neck deep now in war, listed heavy manpower losses in air and sea today and combined them with claims of damaging bomb hits on the world's mightiest warship, Britain's 42,100-ton battle cruiser Hood, and the 22,000-ton British aircraft carrier Ark Royal.

Military headquarters said 151 Italian fliers were lost and 103 wounded in the first 20 days of war against Britain.

Moreover, Italy's air chief, General Francesco Pricolo, disclosed that a great part of the Italian aerial force of 300 planes which fought the British fleet in the Mediterranean early this week had come home damaged, with wounded aboard, and that three planes had not come home at all.

In another announcement, the burning and sinking of the Italian motorship Paganini; off Durazzo, Albania, June 28 was acknowledged, with the loss of 220 Italian officers and men. The cause was withheld.

The Italians said the Hood was bombed and set afire and the Ark Royal struck twice with (Turn to page 2, col. 2)

Sawmill's Owner Dies After Fight

ROSEBURG, July 11.—(AP)—Authorities sought tonight to explain the death of Robert Keith, 50, Sutherland sawmill operator, after a fight with employes.

Deputy Sheriff Cliff Thornton said Keith and the employes braved in front of a Sutherland pool hall last night. One of the employes, Thornton said, struck Keith, who fell, striking his head against the curbing. He died at his home near Sutherland five hours later.

Action against the man who struck him will await the outcome of an examination, Thornton said. (Turn to page 2, col. 3)

Mexican Votes Counted but Totals Won't Settle Fracas

MEXICO CITY, July 11.—(AP)—Supporters of Gen. Manuel Avila Camacho, administration candidate, declared tonight he had swept into the presidency by a 5 to 1 majority in the counting of Sunday's election ballots.

Gen. Juan Andreu Almazan, however, issued a statement that he himself would take the oath of office as Mexico's next president Dec. 1 when President Lazaro Cardenas leaves the post.

Almazan's supporters boycotted the official counting centers and set up their own tallying headquarters since they voted in their own election booths Sunday after charging Camacho's election officials barred them from the polls.

The anti-government candidate declared more than 150 Almazanistas had been elected "absolutely legally" to the congress which has a normal membership of 173, and asserted his men would assume their seats in this capital next September.

Recently Almazan declared that if he were elected and not acknowledged he would establish his own congress "in my own home if necessary."
Official electoral results will not be known until September when congress, according to law, proclaims the successor to President Cardenas.
Almazan's followers accused Camacho of importing several thousand "gunmen" in an effort to intimidate the Almazanistas.
Trucksloads of peasants from neighboring towns last night attacked the Camacho headquarters. (Turn to Page 2, Col. 3)

Air Fight Over Britain Grows; Cities Bombed

22 Nazi Planes Downed, Others Are Damaged by Defense Ships

British Casualty Total not Given; Heavier Attack Foreseen

LONDON, July 12.—(Friday)—King George of England escaped death or injury by only a few minutes in a German bombing raid at an undisclosed time and place in southern England, it was disclosed today after a day and night of constant naval air attacks which took a heavy uncounted number of lives.

Where the king was visiting when the bombers roared over was not disclosed "for reasons of security" but it was indicated that he left the scene of heavy bombing only a matter of minutes before the raiders struck.

Also for "security" reasons the government did not disclose the number of casualties across England, but in after dusk renewal of the pounding of southern England alone 14 were killed and 47, including two French sailors, were wounded.

Altogether the British claimed 22 raiders shot down, 13 of them bombers, and "many more seriously damaged."
City Streets Are Machine-Gunned

But uncounted other big bombers and their speedy swarms of escort fighters sliced through, machine-gunning city streets and smashing into residential sections.

Whole towns shook with the force of the biggest blast. In one southeast town light heavy bombs smashed into a residential section.

In the northeast single communities had as many as 30 to 40 dwellings wrecked.

But the late day and after-dusk attacks were concentrated largely on the southeast coast—nearby defenses line to naval captured take-off points for invasion of England.

A British announcement said the day raids could be split into two main actions, both fought over different parts of the south coast. The first lasted three hours, "before lunch," in which time 12 German planes were brought down. The second, in the afternoon, scattered into a succession of dogfights. One patrol of Hurricane fighters shot down a German fighter escort flight and downed (Turn to Page 2, Col. 5)

Army Flier Killed Atop Laurel Peak

SOMERSET, Pa., July 11.—(AP)—A big army bomber, crippled by enemy trouble, crashed in flames atop Laurel Peak, a 1,000-foot mountain in the Alleghenies "graveyard of aviators" late today after the pilot, Lieut. N. R. Dick, of Wright Field, Dayton, O., leaped to his death.

The ship, identified by the army as a twin-motored B-10 model, crashed on the body of the dead pilot, said the report of the flier's parachute "had not been touched." Although a flight book listed another man and witnesses of the crash reported they believed three persons were in the ship, a search of the ruins disclosed no traces of others.

Two Portlanders Killed, Car Crash

OREGON CITY, Ore., July 11.—(AP)—An automobile overturned on the Carver-Estacada road southeast of here tonight, killing two Portland residents and injuring two others.

The dead:
Clement Kippes, 31, owner of a Portland cafe, who was crushed beneath the car he was driving.
Phyllis Miller, 25, waitress, who succumbed at the Oregon City hospital.

Dale Calkins, 26, and Elvin Gallely, 25, both of Portland, were cut and bruised. Their condition was not serious.

Calkins and Gallely said the accident occurred as Kippes attempted to pass another car, swerved onto a soft shoulder of the road and overturned.

Postmaster Confirmed

WASHINGTON, D.C., July 11.—(AP)—Neilson J. Nelson, Jr., was confirmed by the senate today as postmaster at Cottage Grove, Ore.