

# Defense Case Is Near Close

## Never Knew Shortage to Be Real, Richardson Insists at Trial

(Continued from page 1)  
"There was an if about the shortage."  
"Didn't you say that the greater part of the shortage was not due to bookkeeping errors?"  
"I don't know what I told them," the witness replied. "In my mind there is doubt that a shortage ever existed."  
"But you kept track of it for years," the prosecutor remarked.  
"But still I didn't believe it existed. The books always showed there was a shortage, but still I didn't think it was an actual lack of funds."  
Up to Treasurer  
To Report, Contends  
To the prosecutor's question why he did not report the shortage whether it was actual or not, Richardson replied that this should have been the task of Treasurer Drager, and not of himself. It was the latter for whom he was working, he averred. He assured the prosecutor that Mr. Drager was acquainted with the discrepancy between the books and the cash balance for many years.  
Following Marsh's cross examination, Keech asked whether significant mistakes had ever been discovered in the treasurer's accounts.  
"Once there was an error in handling a \$16,000 account belonging to the state," Richardson replied. "It went on for two months, but I had credited it to the state. I hadn't done so, because there was no receipt."  
During his morning testimony, the defendant reviewed his total income from his position in the treasurer's office, sale of wood, milk, walnuts, board of two guests, and the proceeds of a paint business which he sold. This amounted to \$39,307, he reported, against total expenditures over the 24-year period of \$34,955 as shown on records kept by him.  
The witness also reviewed the financial history of the Salem Mining company, in which he was associated with other local men. His total investments in the mine, he said, were \$571.39, from which he received no return.  
Accommodation Checks  
Richardson testified that Drager had always considered the issuance of accommodation checks by the treasurer's office a matter of public service, and that he himself had had authority to do so at will.  
All such checks signed by himself, he said, were marked with an "R" as identification.  
The defendant's testimony was followed by that of Mrs. Julia Turner, Mrs. B. Wilson, Scott Reed and Bard Hughes, all of whom testified as to purchase of milk from Richardson over a pe-

# Knox Takes the Oath as Secretary of the Navy



In the presence of President Roosevelt, Frank Knox, center, Chicago publisher and republican vice-presidential nominee in 1936, took the oath as secretary of the navy administered by Justice Felix Frankfurter, right, of the supreme court.—AP Telemat.

riod of years. Mrs. Pearl Gilbert, sister of Mrs. Richardson, also reported having the defendant's two sons as boarders while they were attending school.  
Robert Baker and Tom Kirsh, courthouse custodians, were also called to testify as to mistakes made by the county treasurer in cashing warrants belonging to them. Williams Thielson, county land agent, and Mrs. Agnes C. Booth, a school superintendent, gave similar testimony as to instances of erroneous payment by the treasurer, either Mr. Drager or Mr. Richardson.  
Final witness was Homer Richardson, son of the defendant, who affirmed that his parents had lived with the minimum of expenditures since his childhood and that they maintained a very modest domestic menage, not having electricity until a relatively late date. His mother, he testified, was not physically able to attend the trial.  
The hearing will continue at 9 a. m. today.

# Senators' Box Score

Second game, seven innings:

	B	R	H	F	O	A
Salem	3	1	0	1	1	1
Wilson, cf	3	1	0	1	1	1
Knell, 2b	3	1	0	3	0	0
Coscarart, lf	3	0	0	1	0	0
Harris, rf	4	1	1	1	0	0
Petersen, c	0	0	0	1	0	0
Williams, 2b	3	0	0	4	2	3
Lightner 1b	2	1	1	1	1	0
Griffiths, ss	3	0	1	1	1	0
Brewer, p	3	1	1	0	1	0
Totals	27	5	7	21	10	1

Spokane B R H F O A  
Stickle, ss 4 1 1 3 3 0  
Aden, cf 3 0 1 2 0 0  
McCormack, lf 4 0 1 2 0 0  
Jolley, rf 3 0 1 0 0 1  
Falconi, 1b 3 0 1 0 0 0  
Martinez, 2b 3 0 3 3 0 0  
Ewart, 3b 3 0 1 0 1 0  
Lake, c 3 0 0 4 0 0  
Budnick, p 1 0 0 0 0 0  
Kinnaman, p 1 0 0 0 0 0  
Totals 25 1 7 21 13  
\*Batted for Kinnaman in 6th.  
Score by innings:  
Salem 010 040 0-5 7 0  
Spokane 000 010 0-1 7 0  
Summary: Error, Lake; runs batted in, Harris 2, Brewer 1, Aden 1. Two base hits, Petersen, Brewer, Home run, Harris. Double plays, Martinez to Stickle to Falconi; Griffiths to Lightner. Left on bases, Spokane 8, Salem 7. Bases on balls, off Brewer 6, Budnick 4, Kinnaman 1, Jones 1. Struck out, by Budnick 3, Brewer 3. Hits, off Budnick 4 in 4 plus innings, 4 runs; off Kinnaman 2 in 2 innings, 1 run. Hit by pitcher, by Brewer, Falconi. Passed balls, Williams 2. Losing pitcher, Budnick. Time of game 1:50. Umpires, Moran and Weisberger.

# Petition Is Filed For Airliner Stop

(Continued from page 1)  
and certain of these trips, which are flown with 12-ton Douglas Mainliners, would serve Salem.  
Officials of United Air Lines, in connection with the filing of the petition, stated that approval by the CAA in placing Salem on United's nation-wide system, would insure Salem having adequate service and offered by a company with adequate financing and already equipped with a fleet of 53 modern twin-engine transports. United proposes to give Salem the same type of service as it now gives New York, Chicago, San Francisco, and other large cities. It is prepared to start service out of Salem as soon as the authority is given.  
Under the civil aeronautics act the date of hearing will have to be set and evidence submitted to show that designation of Salem on United's route would be in the public interest.

# Italians Say Loss Suffered at Sea

(Continued from page 1)  
bombs south of the Balearic Islands Tuesday. This was about the time that other Italian and British naval units were fighting a hot, 6-hour battle in the Ionian sea. (The British deny that any of their ships were damaged.)  
BERLIN, July 11—(AP)—Germany proclaimed tonight that her U-boats bent on a starvation blockade of England, had exceeded even the rate of imperial Germany's unrestricted undersea campaign of the World War in destruction of British ships and British food.  
In the six-week period ended July 8, said a communique, 799,000 tons of "enemy commercial shipping" was sent to the bottom by submarines alone, and this quickened tempo was attributed to the "favorable bases" which Germany acquired on the English channel and Atlantic coasts after knocking out France.  
The claimed rate of destruction was more than 100,000 a week, against a weekly average of less than 55,000 tons lost by the United Kingdom by action of every kind during the 51-month period of unrestricted U-boat warfare loosed by Germany in February 1917.

# Provincial Plan Adopted, France

(Continued from page 1.)  
sailles, but some of the ministers to function in Paris, which also is in Nazi hands.  
Each of the 30-odd French provinces—which were important units in royal and imperial France—to have its governor and complete civil staff, and the 90 prefects of departments to be stripped of much of their power.  
As Pichon told the country of his use of the powers to re-form France so sweepingly granted by parliament, he coughed, wearily and frequently into the microphone.  
"The international capitalistic system is outmoded," he declared.  
"The base of our new state must be work, the family and the fatherland."  
"The government already has passed through difficult hours."  
"It has suffered a new trial—this time from England, which has ungratefully attacked the French fleet demobilized in its harbors after unjustly accusing us of being willing to let it pass into the hands of Italy and Germany."  
"Attacked today by England, France is forced to make new sacrifices."  
"I need your confidence."

# City Hall Is Paid For at Long Last

(Continued from page 1.)  
\$19,000 sewer bonds. The city had on hand only \$12,050 to meet these two issues and so issued a \$70,000 to pay the balance, to be paid over a period of 30 years at the rate of \$3500 annually starting January 20, 1931 and continuing until January 20, 1940.  
This issue paid \$25,000 interest before at long Genevieve Smith of South Carolina cashed in the last bond.  
The total elapsed time from the date the council accepted the contract bid to the final payment was 46 years and seven months.

# Call Board

- ELSMORE  
Today—"The Mortal Storm" with Margaret Sullivan, James Stewart. Plus "I Can't Give You Anything but Love."  
Saturday—Bob Hope and Paulette Goddard in "The Ghost Breakers." Plus "The Biscuit Eater" with Billy Lee.  
GATTOLO  
Today—Dead End Kids in "You're Not So Tough." Plus John Garfield, Ann Sheridan, Pat O'Brien in "Castle on the Hudson."  
HOLLYWOOD  
Today—"The Lone Wolf Strikes" with Warren William and Joan Perry. Plus "Legion of the Lawless" with George O'Brien and Virginia Vale and chapter 14 "The Shadow."  
Today—"Doped Youth."  
Saturday—Warner Baxter and Andrea Leeds in "Earth Bound." Plus "Charlie Chan's Murder Cruise."  
STATE  
Today—"Raffles" with David Niven and Olivia de Havilland. Plus "Shooting High" with Jane Withers and Gene Autry.  
Saturday—midnight show—"Strange Cargo" with Joan Crawford and Clark Gable.  
LIBERTY  
Today—Roy Rogers in "In Old California" with Mary Hart. Plus "Chasing Trouble" with Frankie Darro and Chapter 7 "Dick Tracy's G-Men."

# Air Fight Over Britain Grows

## 22 Nazi Planes Downed, Others Are Damaged by Defense Ships

(Continued from page 1)  
one light plane and three guarded bombers.  
The British acknowledged loss of four planes.  
The British Do Damage Around Boulogne  
Residents of a southeast coast town heard the far-off thunder of exploding bombs and anti-aircraft fire from the direction of Boulogne, France, across the narrow Strait of Dover, and took comfort in the thought that their own air force must be striking back.  
The British raided Boulogne airfields at dawn yesterday and the air ministry announced that five German planes were believed to have been destroyed.  
Watchers along the British coast said they saw the distant glow of one big fire after the other of bombing. They observed that three powerful searchlights the Germans used in previous raids did not appear this time, and might have been put out of action.  
The government announced only that there were "several" fatalities, along with an undetermined number of wounded.  
(For several days, the British have avoided giving specific information as to the slain. But it was clear from the fact that "several" dead were acknowledged in three separate areas, that this time the total of fatalities was considerable.)  
The British staged a daylight attack yesterday on the airfields at St. Omer and Amiens, France. Five planes failed to return.  
(The German high command declared that an entire force of seven German bombers attacked the Amiens airfield at Gilly was shot down.)  
Airdromes, Barge Concentrations Struck  
Airdromes, concentrations of barges and other military objectives in France and the low countries were caught by British bombardment today, the air ministry said.  
The almost continuous Nazi attacks on England appeared to be intended to make the British skies before the last test for England itself.  
Raids this week have been marked for the first time by sizeable fighting plane escorts for the bombers, as though Germany many were preparing for a full-scale aerial offensive.  
Attacks "infinitely stronger" than those thus far are expected by official circles in "the very near future."  
Coupled with this prediction is an expression of official confidence that the bigger raids can be repulsed, thanks to increased domestic plane production and accelerated import of American planes.  
Relations With Russia Improve  
There were other major developments linked with Britain's fight for life:  
The Foreign Affairs Undersecretary R. A. Butler told the House of Commons that success in Britain's attempts to make friends with soviet Russia has "appeared more likely since March when the USSR made a friendly approach to the government and proposed resumption of trade negotiations."  
2. Minister of Agriculture R. S. Hudson acknowledged that Britain faces a food crisis imminently more serious than in 1914 and declared that food production must be increased in the next year to save millions from hunger. To reports from Berlin of growing German success in the Germanys, Hudson replied, however, that the British would continue to eat this winter.

# Filbert Trees or Fanfare? McNary Faces Big Choice

PORTLAND, July 11—(AP)—Senator Charles McNary weighed the importance of the vice presidential nomination and his filbert trees today.  
Ralph Calks, Oregon republican national committeeman, returned from Pismo, the McNary farm near Salem, to suggest a "little clearing" to accommodate spectators at the senator's acceptance address next month.  
The senator prefers Pismo as the site of the acceptance, providing "they won't rain my way."  
The state capitol grounds also have been proposed.

# Defense Program Contracts Signed

WASHINGTON, July 11—(AP)—Working toward a goal of 25,000 new warplanes in the next two years, the national defense commission announced today that \$100,000,000 worth of contracts had been awarded since July 1, when funds for the expansion program became available.  
Officials said the fact that competitive bidding was not required had assisted them in launching the program swiftly. The army and navy merely worked up specifications, found manufacturers capable of handling their orders and then let the contracts.  
First plane deliveries are expected by early fall.  
Dr. George J. Mead, aeronautical advisor to the committee, declared at a press conference today that representatives of the army and navy, aircraft manufacturing companies, the national advisory committee for aeronautics and the reconstruction finance corporation had met Tuesday and had agreed on a program of air defense cooperation.

# One Woman Slain By Ranch Worker Who Shoots Self

PETALUMA, Calif., July 11—(AP)—One woman was dead, another wounded and a ranch hand slain today as the aftermath of a rural argument.  
Mrs. Louise Carminati, 48, was found dead in an automobile belonging to Americo Braga, 24, Braga, near death, staggered into officers who followed him to the residence of a relative. Sheriff Walter B. Sellmer said search for the pair was started after Miss Olympia Garzoli, 63, had been found seriously wounded at the ranch the two women operated.  
Sellmer said Miss Garzoli told him the shootings followed an argument in which the two women upbraided Braga for drinking.

# Murder Charged To Boy, Aged 14

SAN LUIS OBISPO, Calif., July 11—(AP)—A charge of murder was placed today against 14-year-old Jack Harris who has been accused of ravishing and fatally beating an 8-year-old girl.  
The victim of the assault was little Gayle Jones. She died yesterday 24 hours after her naked and beaten body was found in a canyon near the Rancho Descanto school for "maladjusted" boys, which young Harris attended.  
Sheriff Murray C. Hathaway said the youth had signed a confession that he beat the girl with a six-inch rock when she resisted him.

# Sawmill's Boiler Explodes; 3 Dead

HOLCOMB, Mo., July 11—(AP)—A sawmill explosion felt five miles away killed three men and seriously injured six others near here today.  
The dead were Luther Davis, 25, and Elmer Smith, 28, sawmill workers, and W. L. Comp-ton, 55, a farmer who had gone to the mill for a load of lumber.  
Acting Coroner Whit Throver held an immediate inquest and the verdict was "accidental death caused by an explosion of a steam boiler."  
The sportsmen said they believed an open season on winter steelhead was necessary because runs had increased to the point where little natural food was left for trout.  
The legislature would have to approve any arrangement made.

# Clipper to Reach Last Air Frontier

LOS ANGELES, July 11—(AP)—Spanning the "last ocean" to receive regularly scheduled commercial airplane service will start tomorrow when a Pan American Airways flying boat departs for Australasia.  
Starting at its eastern terminus at Treasure Island in San Francisco bay, a 42-ton four-motored Boeing plane—of the same type as that which began trans-Pacific service last year—will come to Los Angeles as a port of call before beginning the long trip over the Pacific.  
Of the world's oceans, the South Pacific alone remains without some sort of airmail or passenger air service.  
The transport company inaugurating the flight between San Francisco and Auckland, New Zealand, the lone American trans-oceanic operator, made its first great venture in long range sea flying in 1935 when it began the service between San Francisco and Manila, P. I., by way of "stepping stone" islands west of Honolulu.

# Democracy Still Plan of France, Baudoin Insists

By JOHN LLOYD  
VICHY, France, July 7—(Delayed)—Foreign Minister Paul Baudoin told me today that France's coming government reforms tend more toward "the American system" than any other.  
This is how he put it:  
The reforms will strengthen the executive power and the chief of state will head his own cabinet, just as President Roosevelt does.  
"There will be no Nazi or fascist salute, no brown or black shirts."  
"Allegations that we are going to copy the German or Italian system are utterly false."  
Baudoin said there would be free elections, the main innovation in mind being establishment of a "family vote."  
CINCINNATI, July 12—(Friday)—(AP)—Fire swept a building housing 30 patients and employees of St. Francis hospital early today, and police reported one person was killed and an undetermined number injured in evacuation.  
Sgt. R. E. Hoffenbach said firemen carried occupants of the building down ladders from second and third floor windows.  
The name of the person fatally hurt was not immediately learned. Only patients not bedridden were quartered in the fire-swept structure.  
Firemen believed the blaze started in a basement laundry.

# Hospital Ablaze; One Person Dies

(Continued from page 1)  
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Firemen believed the blaze started in a basement laundry.

# Milkman Matinee Plan of Theatre

MEMPHIS, Tenn., July 11—(AP)—Introducing the "Milkman's matinee."  
A local theatre announces on Saturday it will give breakfast at 8 a. m. start its feature at 8:30 and wind it up by 7:59 in time for patrons to make 8 o'clock deadlines—all for the regular admission price.  
Three Charges Filed  
City police bookings made last night were Jack Hagenbach, transient, charged with drunkenness; John M. Johnson, 1160 North Church street, failure to stop at a signal, and Patrick Shea, 607 North Capitol street, failure to give right of way to a pedestrian.

# 64 Congressmen Urge FR to Run

(Continued from page 1)  
Ickes expressed to reporters his belief that Mr. Roosevelt would accept renomination—but explained that this was only his own opinion and that it was based on no word from the president.  
The White House still had nothing to say about the third term matter.  
Meanwhile, democrats began an exodus toward Chicago. Congress recessed late today until July 22 to give its majority members a chance to attend the convention.  
Before the recess, Senator Wiley (R-Wis) proposed on the senate floor that the senate campaign expenditures committee investigate a chain postcard which he said was being circulated in Washington to urge President Roosevelt to run for a third term.  
He made the proposal shortly after the committee had decided there was insufficient evidence to justify an investigation of reports that a "high pressure" telegraphic drive was employed in the successful campaign of Wendell Willkie for the republican presidential nomination.  
Having a card before his colleagues Wiley said it urged the recipient to "rally around Roosevelt" and to write to the president, asking him to run for re-election. The recipient was also asked to pass the card on to two friends and to request them to do the same.

# Hungary Advised To Make no Grab

BUDAPEST, July 11—(AP)—The precarious peace of southeastern Europe, hanging by a thread since Russia's Bessarabian grab, seemed assured of at least a temporary continuance tonight.  
Hungary and Bulgaria again have postponed their territorial claims of Rumania, in deference to Germany's desires:  
1. To maintain southeastern Europe on a full production basis for the next winter months during the battle to conquer Britain.  
2. To keep soviet Russia from using Danubian confusion as an opening for another snatch of territory on the third reich's "living space" frontier.  
The sudden switch-about apparently came early Wednesday—about the time confident Prime Minister Pal Teleki and his foreign minister Count Istvan Csaky were traveling to Munich, expecting Germany and Italy would endorse Hungary's dream of immediate acquisition of the province of Transylvania, lost to Rumania in the World war.

**Tomorrow**  
Warner  
**BAXTER**  
Earthbound  
with  
ANDREA LEEDS  
Henry Wilcox  
Lynn Bari  
Also  
"Charlie Chan's Murder Cruise" with Stanley Taylor

Calumet Baking Powder, 1-lb. tin 19c  
Matches, carton 10c  
Crackers, 2-lb. salted 15c  
Jar Rubbers, 3 doz. 10c  
Pink Salmon, 2 cans 29c  
Tang, etc. 29c  
Kitchen Queen, 49 lbs. 1.39  
Sugar, 10 lbs. 49c  
100 lbs. 4.79  
Porters Fruit-lets, 1b. bag 15c  
Rice, 4 lbs. fancy 19c  
Peanut Butter, 2-lb. jar 25c  
Oval Sardines, 2 cans 19c  
Air-flight Coffee, 2 lbs. 25c  
Oregon Star Flour 49s 1.19

Oysters, 5-oz. cans 10c  
Ice Cream, quart 25c  
Mason Jar Lids, doz. 15c  
Borena Soap Granules, giant size 49c  
Lux Flakes, 1g. 19c  
Makes-Jell Pectin 10c  
Jells-quick Pectin 2 for 25c  
Jell-O, 6 flavors 3 for 12c  
Marshmallows, cello bag 10c  
New Nucoa, 2 lbs. 37c  
Pen-Jel 10c  
New Potatoes, 10 lbs. 15c  
Crushed Pineapple, No. 10 tin 59c

WE REDEEM ORANGE AND BLUE STAMPS

Bacon Very Lean 19c lb.  
Cottage Cheese 17c qt.  
Ground Beef 17c lb.  
Bacon Jewels 9c lb.

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We Reserve the Right to Limit Quantities

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**DOPEY YOUTH**  
The most funny picture ever made in America  
Newest Nurture Menary  
A full of make-up  
and gag  
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STATE  
Continuously Show-Matinee 1 P.M.

Jane Withers Gene Autry  
"SHOOTING HIGH"  
2ND BIG HIT  
"RAFFLES"  
Olivia DeHavilland David Niven

**HOLLYWOOD 15**  
TODAY & SATURDAY 2 FEATURES

**ROPEDI**  
GEORGE O'BRIEN  
LEGION OF LAWLESS  
VIRGINIA VALE

And 2nd Feature  
**Lone Wolf Strikes**  
WARREN WILLIAM & PERRY  
Also Color Cartoon, news and Final Chapter "The Shadow"

**LIBERTY**  
TODAY AND SATURDAY  
THROUGH A GUNNLET OF LEAD  
Only one death at the scene... and that was by the silent Colt of the "The Biscuit Eater."

**ROGERS**  
MARTY HART  
In Old California  
GRACE LAWRENCE AND 2ND HIT  
FRANKIE DARRO  
IN  
"Chasing Trouble"  
PLUS CHAPTER 7  
"Dick Tracy's G-Men"  
10c 15c  
Cartoon News

AIR-CONDITIONED — COOLEST SPOT IN TOWN

**WARNER'S ISMORE** SALEM'S LEADING THEATRE

**STARTS SATURDAY - 2 HITS!**  
You'll roar at this picture that's funny enough to make a ghost laugh! Bob and Paulette (Stars of "Cat and Canary") score again scaring ghost! You'll have the time of your life shaking with chills and laughs!

You go tell that  
Zombie he can't  
intimidate me!

**BOB HOPE & PAULETTE GODDARD**  
**THE GHOST BREAKERS**

— COMPANION FEATURE —  
The Heart Story of Two Kids and Their Dog!  
**"THE BISCUIT EATER"**  
with Billy Lee, Cordell Hickman, Helene Millard

LAST TIMES TODAY  
WARRANT SULLAVAN - STEWART  
**"THE MORTAL STORM"**  
— Plus —  
"I Can't Give You Anything but Love," Plus Disney Cartoon