

BUSINESS UPTURN MAKES BILLIONS

A. McCLAIN DEAD; VICTIM OF A STROKE

Years Superintendent of Eugene Municipal Utility Plants

MANY ACTIVITIES

Graduate Of Oregon And Of Cornell And Widely Known

Carl A. McClain, for 14 years superintendent of Eugene's municipal utilities—the light plants and the water service—died Friday evening at 5 o'clock, following a stroke.

Mr. McClain had appeared to be in good health. He was at the office of the water board and did a day's routine, postponing lunch until 2 o'clock. Except for slight signs, he did not seem to be troubled with the heat.

"To a bit tired, didn't sleep so well last night," Mr. McClain told Dr. Bennett, of the water board, as he started for home. "Think I'd better rest up a bit."

Collapses at Home

He drove to his home at 1033 1/2 street and soon thereafter he collapsed. Doctors were called and he seemed to rally but he could not overcome the weakness resulting from the shock.

Major Eliza Large, Walter Fell, president of the water board, and many other citizens joined last night in expressions of regret at Mr. McClain's death.

W. P. Fell, president Eugene water board—Mr. McClain's dearest friend—was a very heavy loss to the water board and the city of Eugene. Community as it did make it a valuable asset.

Mr. McClain was an exceptional person and built will serve as a monument to his work. In 10 years of close association with him in the city of Eugene, I do not know of a single time when I could criticize his actions. He was a man of the highest character and will be missed greatly.

T. O. Russell, president of Eugene number of commerce—The death of Mr. McClain is a distinct loss to the city. He was well equipped technically for his work as an engineer and his study of engineering in his classes at the university I have found to be thoroughly schooled.

Born in Iowa

Carl A. McClain was born at Emmet, Iowa, May 16, 1878. He grew up in Iowa and went to his early schooling in that state. When he was a young man he moved west and lived in Idaho for nearly 10 years.

After he was attracted to Eugene by the University of Oregon.

SEE McCLAIN DEATH STORY PAGE 6

Weather News:

Somewhat cooler in the weather forecast for Sunday and Monday is welcomed. Friday's temperature of 98 degrees was followed by a very warm night, but this morning it was much cooler.

Forecast: Fair tonight and Sunday; foggy on the coast; somewhat cooler in the northwest; moderate breeze.

LOCAL STATISTICS: Minimum temperature Saturday, 52 degrees; maximum Saturday, 98. Willamette river minimum 1.5 feet. Wind from north.

SLEWLA TIDES: Sunday, high, 4:12 a. m.; low, 9:49 a. m.; Monday, high, 4:44 a. m.; low, 10:30 a. m.; Tuesday, high, 5:50 a. m.; low, 11:49 p. m.

"Joining" Classified As Luxury Under Uncle Sam's New Taxes

By ROBERT TALLEY (NEA Service Writer)

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YOU can join a lodge or a college fraternity without paying Uncle Sam a tax on your dues or initiation fees, but if you are initiated into a "social, athletic, or sporting club," you probably will have to pay Uncle Sam the privilege of riding the coat-tail of Uncle Sam.

Whether it is that they do to or whether they initiate you.

The present revenue law continues a section of the Revenue Act of 1928 which puts a 10 per cent government tax on all dues and membership fees in "social, athletic or sporting organizations," where such costs (in the nature of an active resident annual fee) are more than \$25 a year.

Likewise, the law taxes initiation fees charged by such organizations at 10 per cent, if such fees amount to more than \$10.

Specifically exempted by the law are fraternal societies, orders or associations operating under the lodge

STRICKEN!



Carl A. McClain, for 14 years superintendent of the Eugene water board's plants died Friday evening following a heart stroke. Mr. McClain was nationally known for his success in the management of the Eugene municipal properties. Millions of improvements were made out of earnings and water were looked steadily during his management.

2 DROWNED HERE AS HEAT PASSES

Willamette Claims Boy's Life And McKenzie Takes Another

Two persons were drowned late Friday as the intense heat sent Eugene and Lane county people to the rivers for relief.

Eric Larsen, Winther, 11, of route 1, lost his life in the Willamette river at the end of Grand street in an heroic attempt to rescue a companion after a canoe had upset. William A. Clark, 34, of White Salmon, Wash., drowned in the McKenzie river three miles west of Colfax.

The Eugene drowning led to the addition of another life guard at the city swimming pool at Riverview park Saturday. Frank Baker, supervisor of the city playground service and Gilbert Sprague, director at the pool, announced that increased effort would be made to keep children within the limits of the protected area around the pool.

The Winther boy went swimming with Bobby Davis, 10; Bobby Lee, 7; Lois Irene Lee, 11, and Ellen Hamrickson, 13. On their way home they found a boat with sticks for paddles and started to play with it, but while attempting to hold her above the water the pair went below the surface twice. Their cries for help were heard.

According to the story told by rescuers, the Winther lad was a good swimmer. He attempted to save the girl, but while attempting to hold her above the water the pair went below the surface twice. Their cries for help were heard.

SEE LOCAL DROWNING STORY PAGE 6

Cascade Puts On Two Forest Crews

Two road crews made up of about 20 men will start work on the South Fork road in the Cascade national forest Monday, C. C. Olson, superintendent of construction of the forest, announced Saturday.

One crew will start on the Oakridge end of the road and the other will start on the northern end. Clearing and grading will be done on this project. No more men can be taken on, Mr. Olson said.

LA GRANDE, Ore., Aug. 6.—(AP)—Sheriff Jesse Breshers and District Attorney Carl Helm left here today in response to a report from Pendleton that a man is held by officers there who is said to have been the partner of the man who killed Eldon L. Smith, Union Pacific detective at Hilgard, Ore., Thursday night.

The shooting occurred as Smith was attempting to put a number of men off a freight train. The local officers questioned seven more men arrested last night, but they could see five or six men in a huddle, apparently bending down over Smith's body. They probably will be required to testify at tonight's inquest.

High School Case In Supreme Court

SALEM, Ore., Aug. 6.—(AP)—Oregon high school plans were irrevocable today, as decision was reached to throw the high school tuition tax case into the supreme court.

If the tuition law should be unconstitutional, there would be no provision for payment of the school costs of pupils attending high school from outside the district.

The case is that of Weinacht vs. Bower. The lower court ruled that the tax was legal and refused to grant a permanent injunction against its collection. Attorney J. H. Heitler announced an appeal.

TYPHOID BREAKS OUT

BAITMORE, Aug. 6.—(AP)—An outbreak of typhoid fever among the crew of the British steamer, Victoria City, today was under investigation by agents of the Maryland state department of health.

At Detroit—R. H. E. Washington, 10 1/2; Crowder and Berg, Whitehill, Wyatt and Ruel, Hayworth.

At Cleveland—R. H. E. Boston, 10 1/2; Rhodes and Tate, Ferrell and Sewell.

At Brooklyn—R. H. E. Pittsburgh, 10 1/2; Brooklyn, 10 1/2; Meine, Harris, Malone and Grace, Melrose; Heinach and Lopez.

At Chicago, 1st game—R. H. E. New York, 10 1/2; Chicago, 10 1/2; Jones and Grube.

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Brownell Fr; Grand Jury Hearing Possible

Refusal of Zorn and Ramage to Reveal Real Promoters of Bill Determines Case

ALBANY, Ore., Aug. 6.—(AP)—Upon re-examination of evidence submitted at the hearing of Cyril G. Brownell at Portland, in the school moving petition theft case, will depend his attitude toward further action in the matter, Hector MacPherson, Lane county legislator and co-sponsor of the bill, said today. MacPherson will immediately review the evidence with his attorney, he said.

"Further action in the matter will depend on the attitude of the complaining witness," District Attorney Lotus L. Langley said at Portland. He indicated that if Mr. MacPherson, or the Marion League, so desire he will take the case direct to the grand jury.

By SID JENKINS

PORTLAND, Ore., Aug. 6.—(Special)—Information charging Cyril G. Brownell with the theft of 20,500 signatures in petitions calling for the consolidation of institutions of higher learning was discussed in district court here this afternoon by Judge Mears.

"I see no evidence that a crime has been committed by this defendant," said the judge, "and witnesses refused to divulge, if they knew, who is back of the consolidation movement. If the state knows it has not produced the evidence."

In the finding, the district judge refused to bind Brownell over to the grand jury.

Reluctance and refusal of state's witnesses to tell who put up the money to pay for the petitions caused Judge Mears to decide that "nobody" owned the petitions, therefore they were not "property."

"As long as they do not see fit to say who put up the money to finance the campaign, I cannot see where a crime has been committed," Judge Mears said.

No Records Kept

In the complaint under which Brownell was arrested the petitions were said to have been the property of the Marion County Taxpayers League. Throughout the testimony, however, state's witnesses testified that that organization kept no books, had no money.

It had received money, or rather two of its officers had received money, from unknown sources. All avenues by which John Collier, defense attorney, sought to determine who put up the money for the merger petition campaign, led to the office of Ridgeway, Johnson and Kendall, attorneys, but no further.

In effect, Judge Mear's decision was that the Marion county taxpayers' league did not own the petitions and without ownership there could be no larceny.

"I never heard such silly testimony," Brownell said after the verdict. "I am not guilty and never was guilty."

Swisher Grilled

The state concluded its parade of witnesses in the preliminary hearing of Cyril G. Brownell, Portland insurance man, accused of the theft of school consolidation petitions, at 2:40 p. m. today. After John Collier, attorney for the defense, had put E. D. Swisher, petition circulation chief, through a hot cross-bush, who has been described as a confidential aide to Sam Slocum, consolidation campaign manager, after several hours of detailing his duties and surfacing and oiling Kent Shanks section Sherman highway; reconstructing Lime-Huntington section, Old Oregon Trail.

The federal aid was apportioned as follows: Burns-Vale section, Central Oregon highway, 132.2 miles; Nye-John Day section, Pendleton-John Day highway, 51.8 miles; Eugene-Crescent section, Willamette highway, 29 miles; Cannon Beach-Nehalem section, Klamath Falls-Wed section, 17 miles; Dalles-Salmon river cutoff, 7 miles.

SEE BROWNELL CASE STORY PAGE 6

Suspect Is Held In U. P. Killing

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FINISHES LIKE THIS MARK OLYMPICS!



This picture shows Ben Eastman, Stanford flier taking his heat in the 400 metre race at Los Angeles. Bill ran a great race but was forced to bow to his rival Ben Eastman, of Pennsylvania in the world-record making finals. Inset is a picture of Oregon's own Ralph Hill whose fine sportsmanship in not claiming foul against Laurie Lehtinen, great Finnish runner, made Hill the moral victor in this classic race. Timers clocked it as a record making dead heat.

Hill's Sportsmanship Wins Olympic Throngs

Oregon Boy Refuses to Protest Interference By Finnish Runner in Heat of Contest

By ROY CRAFT (Register-Guard Sport Editor)

LOS ANGELES, August 6.—(Special)—Ralph Hill, of Oregon, today is in the position of one who raced his way to a new Olympic record for the 5,000 meter distance without winning the race. Laurie Lehtinen, great Finnish runner and holder of the world's record for the distance, zigged and zagged in front of the Oregon boy to prevent Hill from passing him and winning the race.

Lehtinen was judged the winner after officials had debated for an hour on disqualifying him. To Hill they granted the consolation of sharing honors as co-holder of the new Olympic record of 14:30. Hill declined to protest. He declined to blame his opponent for anything in the heat of a race. This gesture of sportsmanship endeared Hill to first place in the hearts of the multitudes as a hero of the Olympics.

Running Magnificent

Contenting himself with trailing in the pack for six laps, the lanky Oregon boy began to step out. In no time at all, it seemed, he had distanced the field and was dogging the footsteps of the world's champion.

As they rounded into the home stretch, Ralph began to pour on steam in an effort to take the lead from Lehtinen. Then came the zig-zag which is sure to go down in Olympic history. As Hill started to go around Lehtinen, the Finn zigged to the right. Hill shifted to pass on the inside of the leader. Lehtinen zagged back in front of Hill. Hill made a last desperate effort to force ahead, crossing the line inches behind Lehtinen in one of the most thrilling distance races in history.

Boxer Cheer Heard

Lehtinen's tactics drew boos from the crowd of nearly 70,000 in the stadium, the first time in this meeting the fans have shown disapproval of a runner.

The police admitted what they needed was a modern Buffalo Bill who could wheedle badfoes into leaving home and whose eyes could pierce the fog which shrouded the city.

The herd bolted after two bulls staged a good, old battle of the plow. The bulls fought for the plow and then led the dash for freedom.

Spotlighters Are Taken in Douglass

ROSEBURG, Aug. 6.—(AP)—An all night vigil beside the carcass of a spotlighter brought results to State Policeman Fred L. Perry of the game division this morning when he arrested Baxter and William Moore, residents of Buck fork in the southern part of Douglas county, charged with possession of venison.

Investigating reports of spotlighting in the Buck fork vicinity Officer Perry last night found the carcass of a deer which had been recently shot, and which apparently had escaped from the hunters.

The policeman had himself near the body of the animal and arrested the two brothers when they came in to look at the animal.

Baker Box Mills Putting On Help

BAKER, Ore., Aug. 6.—(AP)—The Oregon Lumber company last night started a night shift in its box factory here adding 25 men to its payroll. One hundred and twenty-five men are now employed at the Baker plant and 45 at Whitney which is on one shift basis.

The Standard Lumber company, Baker's largest mill is likely to reopen within a month it was learned today though no announcement was forthcoming at the company office here. The Grande Ronde Pine company at Pendous 25 miles north of here is running one shift in its lumber mill and two in its box factory. Its total payroll of about 175 men is about as large as it has ever employed.

Body Still Sought

SALEM, Ore., Aug. 6.—(AP)—Police today resumed their search of the Willamette river for the body of 29-year-old Ethel A. Fix, drowned early Friday while bathing with friends.

LIBBY'S WILLING TO GIVE SELF UP

Only Second Degree Charge Indicated By Granting Of Bail Privilege

WINSTON SALEM, N. C., Aug. 6.—(AP)—Albert Walker, charged with murder connection with the death of Smith Reynolds, was released from jail under \$25,000 bond today. The action is thought to indicate that charges will not exceed second degree murder against Smith or Libby Holman.

WINSTON SALEM, N. C., Aug. 6.—(AP)—Libby Holman Reynolds, fugitive "Torch Singer," will return "voluntarily" to North Carolina "within a very few days," to answer the charge of husband murder.

This assurance by her father, Alfred Holman, did not deter officers in Ohio, Delaware and New York today from pushing the search for the actress, who is under indictment here for the slaying of young Smith Reynolds a month ago.

Efforts were begun today to obtain bond, pending trial, for Albert (Ab) Walker, 18-year-old chum of the dead man, who is under indictment with Mrs. Reynolds for the murder.

Solicitor Carlisle Higgins had said he believed bond could not be obtained without the physical presence here of the defendants.

Miss Holman's illness, which has been given as a reason for her failure to surrender, was ascribed by her father, a Cincinnati lawyer, to shock and to the fact that she is an expectant mother.

WALKER ON CARPET

HYDE PARK, N. Y., Aug. 6.—(AP)—Governor Franklin D. Roosevelt today confirmed dispatch of a message to Mayor James J. Walker of New York City, ordering him to appear Thursday, Aug. 11, in Albany for a public hearing to defend himself against charges of corruption.

SEE HILL RACE STORY PAGE 6

At Olympics

LOS ANGELES, Aug. 6.—(AP)—A tall, sinewy, Swedish count, John Gabriel Orensterna, won the modern pentathlon of the Olympic games today, beating off the greatest challenge an American entry ever has made to the long supremacy of Sweden in this grueling athletic test.

Orensterna, finishing seventh in the 4000-meter cross country run, last event of the five-day competition, kept his point average at 22, which was low enough to defeat his fellow countryman, Bo Lindman, who finished second with 35 1/2 points.

Lt. Richard Mayo, of the United States Army, Ft. Sill, Okla., a small but wiry man, made a gallant bid to keep the lead which he had held for two days but the long race, about two and one-half miles, beat him and he came in seventeenth in the run and finished third in the final standing, with 38 1/2 points.

His was the best showing an American ever has made in the pentathlon.

OLYMPIC STADIUM, Los Angeles, Aug. 6.—(AP)—In a slinkup of the standings in the two-day struggle for the Olympic decathlon championships, Hans Siverst of Germany, took the lead today from Wilson (Buster) Charles, American Indian. With seven of the ten events completed, Siverst had 6028.25 points and Charles 5595.20. Jim Hansen, American champion, with 5891.41 points, moved into third place.

BERLIN, Aug. 6.—(AP)—Terrific bombing outrages spread overnight in Brunswick and half a dozen other German towns, with several deaths reported in explosions and shootings. The bombings were chiefly in private homes and shops, though in several instances there were open attacks on Hitlerite gatherings.

LA PAZ, Bolivia, Aug. 6.—(AP)—The "Stinson Doctrine" that "let a country concern no territorial rights does not apply to the situation in the Gran Chaco, the Bolivian reply to neutral nations at Washington maintained, Bolivia claimed her troops were mobilized in territory which juridically and historically belonged to her.

ATLANTA, Ga., Aug. 6.—(AP)—The J. K. Orr Shoe company, manufacturers, today reported operation at full capacity and said it was "holding" on its orders.

General Manager C. W. Butler said, "We feel the business tide has definitely turned."

MIAMI, Fla., Aug. 6.—(AP)—M. G. Tancor, self-styled naval captain now awaiting trial on charges of impersonating a naval officer, testified today that Captain W. N. Lancaster, on trial for the slaying of Haden Clarke, said in Nogales, Ariz., that he was

DEPRESSION OVER? SOME SIGNS SEEN

Commodity Prices Going Up As Well As Prices Of Stocks, Bonds

HOPEFUL NOTE HEARD

British Observers Join In Declaring Uncle Sam "Past Crisis"

By RICHARD L. GRIDLEY (United Press Financial Writer)

NEW YORK, Aug. 6.—(AP)—The "prosperity boom" in the security and commodity markets has added billions of dollars in paper value of securities and raw materials and if sustained will send 5,000 Wall Street clerks back to work within a week.

For nearly a month there has been a scramble for buyers for stocks, bonds, wheat, cotton, corn and other products. Manufacturers whose inventories have dwindled to almost nothing also have shown signs of replenishing their stocks.

Sentiment Shifting

This sudden demand for stocks and securities, according to observers, indicates the extent to which business sentiment throughout the country has shifted from the fears of May and June to the present hopefulness.

Commodity Prices

The already sweeping rise in the price of leading commodities is shown in the following table:

Depression Recent Pet.

Commodity Low Price Inc.

Wheat (bu.)... 37 1/2 \$ 3.35 9

Corn (bu.)... 42 1/2 \$ 4.35 8

Flour (bu.)... 4.00 4.20 5

Raw Sugar (lb.)... .0052 .015 102

Coffee (lb.)... .10 .11 14

Butter (lb.)... .21 .21 38

Eggs (doz.)... .34 1/2 .38

Hogs (cwt.)... .55 .55 80

Cotton (lb.)... .05 .05 19

Silk (lb.)... .105 1.40 33

Copper (lb.)... .0445 .0525 18

Lead (lb.)... .026 .031 19

SEE BETTER BUSINESS STORY PAGE 6

BONUS ARMY REAR GUARD HOMEBOUND

JOHNS TOWN, Pa., Aug. 6.—(AP)—The last of the bonus army was scheduled to leave Johnstown by train today at 3 p. m. EST. Less than 500 men were left at the camp when the announcement of availability of railroad facilities was made. They chattered and reported that the train space had been obtained—freight cars for the west bound and passenger coaches for those moving east.

Edward Atwell, chief of staff of the B. E. F., announced that negotiations were in progress for establishing bonus army headquarters in all 48 states. National headquarters, he said, would be 1811 North Capitol street, Washington, D. C.