

Capital Journal

Salem, Oregon
 Established March 1, 1888
 An Independent Newspaper Published Every Afternoon Except Sundays
 at 136 S. Commercial Street. Telephone 4681. News 4882.
 GEORGE PUTNAM, Editor and Publisher
 FULL LEASED WIRE SERVICE OF THE ASSOCIATED PRESS
 AND THE UNITED PRESS

SUBSCRIPTION RATES
 By carrier—10 cents a week; 45 cents a month; \$5.00 a year in advance.
 By mail in Marion, Polk, Linn and Yamhill counties, one month 50 cents; 3 months \$1.25; 6 months \$2.25; 1 year \$4.00. Elsewhere 50 cents a month; 6 months \$2.75; \$5.00 a year in advance.

The Associated Press is exclusively entitled to the use for publication of all news dispatches credited to it or not otherwise credited in this paper and also local news published hereto.

"With or without offense to friends or foes
 I sketch your world exactly as it goes."
 —Byron

The Wet Parade

Connecticut, Iowa and New Hampshire have joined the wet parade, making 14 states which in unbroken succession have voted for repeal of the 18th amendment to the constitution and the legalization of the manufacture and sale of liquor.

The repeal majorities are so over-whelming everywhere that they leave little doubt of the intent of the people to have done with the prohibition farce as soon as possible. Iowa has been strongly for prohibition for decades, yet gave a 3 to 2 vote for repeal and all of the 99 delegates to the state convention are instructed to vote for repeal.

Connecticut gave a 6 to 1 majority to the twenty-first amendment, which repeals the eighteenth, the vote being 236,915 to 35,349. New Hampshire voted 2 1/2 to 1 for repeal—76,000 to 30,000.

The first nine million Americans to vote on prohibition gave a 4 to 1 lead to repeal, the vote being, for repeal 7,095,223, against 1,855,414.

California and West Virginia vote on June 27, and there is no question that they will be for repeal. A closer battle will be staged in Arkansas and Alabama, both long rabid prohibition states, but the sentiment in each has changed materially in the past few years. After these will come Tennessee, July 20; Oregon, July 21; Texas, August 26; Washington, August 29; Vermont, September 5; Maine, September 11; Maryland and Minnesota, September 12; Idaho and New Mexico, September 19; Arizona, October 3; North Carolina, Ohio, Pennsylvania, and South Carolina, November 7. Nebraska and South Dakota will vote November 6, 1934.

It would not be at all surprising if every state in the union ratified repeal—the Literary Digest poll gave only Kansas to the dries and it is questionable whether this politically dry but otherwise wringing wet commonwealth will vote to perpetuate its hypocrisy.

Roosevelt and the Revolt

John W. Kelly in his capital pageant review in the Oregonian, has a graphic account of how President Roosevelt forced the rebelling democrats into support of the administration's compromise on the veterans' compensation bill. The president personally talked to the recalcitrant senators over the phone, while Postmaster General Farley told what would happen to their patronage. Others were shown the veto message already written for the Steiwer-Cutting substitute to restore \$130,000,000 savings.

The situation was a critical one for the administration, for the prestige and leadership of the president was at stake and the entire program, as well, based upon balancing the budget, likely to be upset. Yet the power of the veterans' lobby was so great, that it took a personal appeal to offset it with members of the president's own party. The republicans, of course, voted solidly against the president, but their party has always been one of pensions.

The really surprising feature of the special session was the way those for whom the president has done the most and treated the best, the progressives, turned against him. Though Mr. Roosevelt forced onto the statute books many of the measures they have long clamored for, farm relief, silver, inflation, public works, relief doles, Muscle Shoals, etc., they were his severest critics and opponents.

Though the president recognized the progressives in appointments, inviting at least two; Johnson of California and Cutting of New Mexico to sit in his cabinet and offered appointments to two of them to serve as delegates to the economic conference, has conferred with them and catered to them as no republican president ever did, even providing jobs for their lame ducks, like Brookhart and Blaine, this did not prevent their turning on Mr. Roosevelt and inaugurating the revolt in the closing days.

It is to be hoped the lesson has not been lost and that in future the president will drop the progressives for the democrats.

New Banking Plan

Frank A. Vanderlip, former president of the National City bank, in the current issue of the American Magazine urges reorganization of commercial banks on a "mutual" basis, like that now existing among savings banks. He would make service to depositors, rather than dividends to stockholders, the motivating feature of bank management.

Pointing out that there are some 600 mutual savings banks which are organized without capital and are not operated for profit, containing one-fourth of all the deposits of the country, with an extraordinary record for solvency, Mr. Vanderlip says:

The new banking system which I have in mind would consist of banks organized for the mutual advantages of their depositors. They would be without stockholders and without the necessity of paying dividends. Their officers would be selected by the federal reserve board, an independent authority neither governmental nor representative of money-making stock-holding interests. All the loans would have to be self-liquidating commercial loans, rediscountable at federal reserve banks, thus giving the bank an extraordinary liquidity. The federal reserve system would be the balancing factor, keeping the proper proportion between loans and deposits in various localities and supervising the entire banking system. This plan would give promise of affording banking credit to legitimate commerce in far more ample measure and at lower rates than under the present system, and in that respect would be of advantage to the entire social order.

The method of selecting officers would provide trained and efficient management. With all loans self-liquidating, the assets would always be rediscountable, meaning the end of runs and failures. Other institutions would have to care for functions improperly grafted onto ordinary banking.

TAYLORS TO LEAVE

Aurora—Mr. and Mrs. James Taylor will leave about June 20 for The Dalles. The cherries will soon be ripe and while in The Dalles Mr. Taylor will harvest his cherry crop.

ATTEND SUMMER SCHOOL

Sublimity—Miss Christine Schulte, public school teacher, left recently for Washington, where she will attend summer school. Miss Schulte has taught here for the past five years and will have the school back for the coming year.

RETURN FROM PENDLETON

Turner—Master Fred Mitchell and son Homer and Mr. and Mrs. George Crume returned Saturday night from Pendleton where they spent a week as delegates of Turner Surprise grange to the state grange convention in session there. Reports will be given by the representatives at the regular July meeting of Surprise grange. They visited with Frank Porter at Pendleton, while there, a former Turner resident for many years.

CITY INUNDATED AS WATER SWEEPS THROUGH BREAK



Kelso, Wash., was flooded when a 150-foot section of the Cowlitz river dike broke, sending a two-foot wall of water through the city. Upper: shopping by boat as the river overflowed upon the town and (lower) an aerial view of the community under water. (Associated Press Photos)

The National Whirligig

By PAUL MALLON

Washington—Some economists and speculators grew hot when they heard the administration was working out plans for temporary currency stabilization at London.

Apparently they all reached for telephones and called Washington when they read we were pressing the British into an agreement. They shrieked commodity prices here might be adversely affected. They pleaded with the administration to hold off.

That is the underlying reason why the agreement was not then announced. It is also the reason why the Cox committee in London adjourned from Friday until Monday.

They had to have time to think. There was good ground for the objections. The only inflation we have had so far is based on the supposition that we are off the gold standard. Actually the dollar is still a dollar. There is just as much gold behind it as there ever was.

When we stabilize it, we help our foreign trade. We make international commerce easier. As a long time proposition it is a very necessary thing. But the immediate effect is to stop the inflation buying wave. With the dollar stabilized the delusion of inflation is lost. The only way you can get inflation then is to revalue the dollar domestically.

There are indications that Gov. Harrison of the New York Federal Reserve and Dr. Sprague, our exchange expert, were willing to stabilize at \$4 to the pound. The boys here thought it should be higher. They wanted \$4.25.

Their private little scheme for rinning up the pound with J. P. Morgan began to cost big money after they got it up to \$4.18. It would have cost plenty to push it to \$4.25.

That is one reason why you saw it ease off last week-end.

The idea that the Morgans had anything to do with the war debts agreement is too silly to mention outside of a partisan political argument. That is why only Senator Robinson of Indiana mentioned it in the Senate.

It is true that the Morgans cooperated fully on the exchange manipulation. Nobody will criticize that. For once this country had some cooperation between the government and the international bankers in working out a patriotic foreign policy. It was necessary.

But the administration kept the debts so far away from the Morgans on the inside that the bankers had difficulty finding out what was going on. They received most of their confidential information from England.

Extreme care was taken so Norman Davis and Treasury Secretary Woodin would not get mixed in the debt question. All the inside negotiations were entrusted to Moley. What Moley thinks about the Morgans could not be printed in a family newspaper. The feeling is mutual. He would be on the Morgan black list—not the preferred list like Davis and Woodin.

The presidential advisors whisper that they see no reason why Davis should not continue disarmament work. The truth is they have no one else of his ability or experience to take his place. For that reason they may let him continue. But a great show will be made of keeping his hands out of debts.

Woodin has not been feeling well lately. He may decide any day now that he needs a rest.

Washington is a hot place but it never saw such heat as the administration turned on in the Veterans fight.

It was done with finesse. There were no public statements or radio appeals. The public hardly knew that a major legislative conflict was going on. The usual pressure

tricks were not used. Horse-trading was forgotten. Every Democratic Congressman was put in the glare of an inner floodlight and told to decide now and forever whether he was going to be for this administration or against it.

If your eye had been at the key-hole during the House caucus it would have seen the whole picture. The Democratic leaders trusted their legislators like errant sons. In the secrecy of a party meeting they mined no words. They said they knew the boys might get in bad with the veterans back home, but they could get in worse with their own administration here.

The grey-haired old party men told the youngsters from the north they must go through a primary as well as an election next year. Mr. Roosevelt would not hesitate to support them if they supported him. If they did not it would be a simple matter for the President to write a personal letter to some Democrat in their district recalling this vote.

The young fellows were also reminded the vote would be taken in the open. It would be read, not only by Mr. Roosevelt but also by Mr. Farley. They would probably file it away for future reference. Unquestionably they would consult it from time to time to see who their friends were. Especially if a Congressman was seeking patronage.

This was too much for most of the boys. They wisely decided that self-preservation and party loyalty were one and the same. That is why you saw so many rabid Veterans men supporting the President.

The strategy was apparently worked out by Vice President Garner.

He has been using his new chair for something besides a parking place.

His name never got into the papers but he did most of the talking in the White House councils of war. The Senate side was left to Brynes and Robinson. Garner took the House. No one knows it better. He puts his arguments on a political plane most Congressmen can understand. The results were entirely satisfactory.

The new French propaganda mill is working. Evidence of its subtle suggestions have been noticeable in certain dispatches from London and New York on the exchange situation. The French statesmen are so good at planting misinformation in international conferences that all their statements should be read with the tongue in the cheek.

Mr. Roosevelt's tribute to Congress was fully deserved. No session in recent years acted so unselfishly as a whole. Until the Veterans fight there was more cooperation than could have been expected. The usual belittling of Congress is not in order this year. The A. F. of L. legislative agent Edward McGrady did not get the assistant secretaryship of labor because he did not fit into Miss Perkins' picture. They put him in the Industrial Control setup instead, after trying to get him to go to London. He had been offered the labor job unofficially and had accepted when Miss Perkins stepped in.

LEAVE FOR MONTANA
 Mohama—Mr. and Mrs. Wilson Stevens and family left for Birney, Mont. Friday. They plan to be away for about a month in which time they will visit with Stevens' parents and younger brother, Albert.

METHODISTS IN SESSION ELECT NEW OFFICERS

Portland, June 21 (P)—Election of officers and appointment of committees were high spots of interest in the first session of the 81st Oregon Methodist conference which opened here today at Sunnyside Methodist church.

The Rev. Sydney W. Hall of Ashland was unanimously elected secretary following the resignation of Dr. A. S. Hisey of Gresham. The Rev. Hall was assistant secretary from 1918 to 1924, and secretary from 1924 to 1929. He nominated as his assistants the Rev. E. G. Ronton of Myrtle Point, Dr. C. I. Andrews of Astoria, and the Rev. Edward Terry.

The 81st conference was organized last night with Bishop Titus Lowe of the northwest area, presiding. For the first time in the history of the Oregon conference, lay delegates were added to the standing committees. Herman Clarke of Salem, Homer Billings of Ashland, and L. D. Mahone of Portland were appointed to a new committee which will certify credentials of lay delegates.

The conference organization last night was attended by more than 100 ministers from all parts of the state.

On motion of Dr. M. A. Marcy superintendent of the Salem district and secretary of the bishops cabinet, eight ministers were referred to the committee on conference relations with a view to recommendation. They included Dr. H. Leech of Albany and the Rev. J. C. Mueller for the Newberg German church. Two others were referred for disability reasons with a view to possible retirement. They were the Rev. C. L. Dark of West Salem, and the Rev. C. W. Pogue of Salem. The anniversaries of the board of home missions and church extension and the board of education will be held tonight.

SCHOOL BUS VOTE CANVASSED MONDAY

With 39 districts reporting in up to this morning and many more expected to come in today, County Superintendent Fulkerson stated that the canvass of the vote on the recent county board of education election had been fixed by the district boundary board tentatively for next Monday. If all of the districts are in earlier then the canvass will proceed at once, as soon as the districts have all reported but she doubts if they will all be in much before Saturday afternoon. Saturday evening is the last time allowed under the law for filing of the returns. These returns come in sealed without any notation on the outside as to the vote in the district reporting, so no definite return on the vote is expected until the canvass.

However, Mrs. Fulkerson states that there is no question that the lead against transportation is piling up to a point where there is no question that it has been defeated in the county and quite decisively.

FORMER KAISER HAS CLOSE CALL ON ROAD

Amsterdam, June 21 (P)—The former German kaiser had a narrow escape from death while motoring recently in Holland, it was revealed today.

His automobile was crossing railroad tracks between Amsterdam and

Hearlem when the bars were let down automatically at the moment when Wilhelm's motorcar was on the tracks. One of the heavy bars hit the machine, damaging it considerably. The chauffeur was able to move the car from the tracks only a few seconds before a train hurtled past. The former kaiser, unhurt, continued the drive. Because of a war between auto bus owners on the island of Cebu, P. I. the fare on first-class buses is about one-half cent a mile.

Clearance of All Summer STRAWS \$1.79

Original Values up to \$5.00

What if you are on budget. There is no reason why you can not buy two at this price.

No Refunds—No Approvals

Miller's MILLER MERCANTILE COMPANY INC.



FRONT PAGE TIRE NEWS

Your choice of 4 to 6 complete plies under the tread . . . full floating in live rubber. Extra cushion strip.

Famous anti-skid tread reduces danger of skidding to a minimum.

Thousands of extra miles because it's extra sturdy and built to last.

Goodrich Makes Sensational Bid for Your Business with a Bigger Stronger, AA Quality Tire at \$5.00

Goodrich has done it . . . has ended forever the necessity of buying cheap, "bargain-built" or nameless tires in order to save money.

The Goodrich AA Quality tire is a big, extra sturdy tire . . . specially processed to give abnormally long wear. So you save when you buy it . . . and you save still further through its longer mileage life.

This big Cavalier tire is the Goodrich answer to cheap "bargain-built" tires that many have been buying to keep tire costs down. It's an answer that makes you alone the real winner . . . and at a price you can afford.

No longer say need to shop around for rock-bottom tire prices. Just decide now to make Goodrich "AA Quality" your standard tire. You'll get thousands of miles of extra wear . . . and you'll save real money besides.

Why not begin saving right now? Come in and see this AA Quality Cavalier tire. Prove for yourself how rugged it is. Press your hand on the non-skid tread. Feel it GRIP. You'll agree that here at last is a money-saving tire that has QUALITY, too.

Goodrich AA QUALITY FOR ONLY \$5.00 4.40-21

OTHER SIZES AS LOW AS 4.50x20\$5.40
 4.50x21 5.60
 4.75x19 6.05
 5.00x19 6.55

Subject to change without notice and to any state sales tax.

Goodrich Silvertown, Inc.
 Walter H. Zosel
 198 S. Commercial St. Phone 3442
 AND ALL ASSOCIATE DEALERS

Goodrich Cavalier
 AA QUALITY AT A MONEY-SAVING PRICE

WALKER'S MARKET

178 SOUTH COMMERCIAL STREET

— LOW PRICES —

Is Not a Sign of Poor Quality Here.

GOVERNMENT INSPECTED MEAT

Our Own Make	Small Link	Home Made
Frankfurters	Sausage	Sliced Bacon
Lb. 10c	Lb. 12c	Lb. 15c
Best Cuts	Lean Center Cut	Best Grade
Beef Roasts	Pork Roasts	Oleo
Lb. 9c	Lb. 8c	3 Lbs. 23c
Vegetable	Tender	Choice
Shortening	Beef to Boil	Leg of Pork
3 Lbs. 22c	Lb. 6c	Lb. 12 1/2c

Free Delivery--Open Until 9p.m. Sat. Nite--Dial 8686