

Facts!

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Capital Journal

Weather

Fair tonight and Tuesday, but cloudy on coast, temperature above normal, moderate northwest wind.
Local: Max. 75; Min. 52; Rain. 0;
Wind. -15 ft. Northwest wind, partly cloudy.

48th YEAR, No. 166

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SALEM, OREGON, MONDAY, JULY 13, 1936

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PRICE THREE CENTS

ON TRAINS AND NEWS STANDS FIVE CENTS

SELECT JURORS FOR MINTO TRIAL

RAINS FAIL TO GIVE RELIEF TO DROUGHT AREA

Clouds Evaporate and Record Shattering Heat Continues

No New Rains in Sight But Cooler Weather Likely in North States

Chicago, July 13 (P)—Drought and record-shattering heat clinging to the long suffering middlewest and east in the northern half of the nation today, and life giving rains in portions of the northwest and the south over the week-end, failed out.

Death from prostration and drowning mounted to at least 1,454 and crop destruction continued at a devastating pace with damage in excess of \$300,000,000. A relentless sun seared "the major 1935 natural disaster" in burning waves across the country.

Government meteorologists J. R. Lloyd at Chicago made this a "blue Monday" for harassed farmers in the bread basket of America and the gasping urban dwellers when he announced no new rains were in.

(Concluded on page 2, column 6)

LEMKE TO TALK TO CONVENTION

Cleveland, July 13 (P)—Some two-score Townsend Leagueans arrived here today for the old age pension movement's five-day national convention and received the formal assurances of Presidential Candidate William Lemke that he would address the final session Sunday.

Rep. Lemke, who heads the union party ticket, said in wiring his acceptance of an invitation: "I wish your convention every success and know it will make history and do much to end unemployment and abject poverty in America."

The message of Dr. Francis E. Townsend, leader of the pension movement, is scheduled for Wednesday, the opening day.

State Senator Frank A. Arbutnot of California, who received Lemke's telegram, was among the early arrivals. Arbutnot said there had been a great growth of Townsend interest in the east, the middle west and on the Pacific coast in recent weeks.

Other chieftains here today included Captain Russell Hand of Los Angeles, convention sergeant at arms, and Frank J. Ashe, El Paso, Texas' Townsend club "eldest maximus."

NAVAL DISPLAY ON COLUMBIA AUGUST 3

Portland, July 13 (P)—Oregon citizens will have their first chance to see the fighting strength of the American navy packed into Willamette harbor here August 3-9.

The United States fleet, on a summer cruise, will steam up the Columbia and Willamette rivers, 22 vessels and 5,000 men strong in the most majestic display of sea power in the history of the rivers.

Portland, setting aside the period as fleet week, will provide royal entertainment for the officers and enlisted men aboard the flotilla of destroyers, light and heavy cruisers and relief and hospital ships.

Part of the week's program will include a parade of two battalions through downtown streets, whale boat races and boxing, swimming and baseball competition for Uncle Sam's boys.

TOWNSEND PLAN CANDIDATE LIKELY

Chicago, July 13 (P)—Dr. Francis E. Townsend, author of the old age revolving pension plan, said today there was a possibility that a Townsend plan candidate for president would be nominated at the convention of Townsend club members, opening in Cleveland July 15.

Asked about reports that the convention would endorse Rep. William Lemke of North Dakota, union party candidate, Dr. Townsend said: "There is a great deal of sentiment against our joining any third party movement. It would be like the tail wagging the dog."

Lack Corpse Only to Solve This Mystery

Lacking only a corpse, city and state police had everything necessary to develop a first class murder mystery over the week-end.

Sam Palmer, operator of a service station at the west end of the Marion-Polk county bridge, notified the authorities at 11 o'clock Saturday night that a small roadster stopped for gasoline. The driver, described as a slender, bearded man wearing a black overalls and a cap with a broken visor, apparently held a gun poked into the ribs of his companion, a Chinese man about 30 years old. He was heard to mutter something about "a murder before morning" and his breath smelled of liquor.

Because the roadster did not have a tail light, it is possible that Palmer did not obtain correct license number, for that given the police.

(Concluded on page 10, column 4)

SEEKING TRUCE IN LABOR WAR

Washington, July 13 (P)—Peace-makers attempting to end a split in the American Federation of Labor decided today to propose postponement of a final showdown on the insurance led by John L. Lewis, unless a compromise can be achieved.

While prominent new deal leaders were formally emphasizing the non-interference of the administration in labor's internal conflict, it was learned that a week-end of private negotiations had failed to produce any definite progress toward reconciling the Lewis-faction proposals for industrial-type unions with the dominant craft union objectives of the A. F. of L. council.

As a result, the conciliators prepared to propose to the council—dominated by foes of the Lewis movement—that a final decision on suspension of the rebel committee for industrial organization be delayed until the next executive council meeting or until the federation's annual convention this fall.

Whether such a program would be acceptable to the council appeared uncertain in view of the firm stand it took Friday for "surrender or suspension" of the insurgents and in view of privately expressed sentiments of council members.

PENSIONS FOR ALL VETS ARE OPPOSED

Portland, Ore., July 13 (P)—Western leaders of the American Legion were on record today against proposed universal pensions for World War veterans because "such a move would be detrimental to the cause of disabled war veterans."

In a final session yesterday the Legion's regional rehabilitation conference of area E, embracing western states, Hawaii, and Alaska, adopted a resolution to that effect by Hugo H. Harris, Los Angeles, of the California rehabilitation commission.

With the action, the pension question, subject of discussion since bonuses were paid, came officially into the open for the first time.

The conference also urged formation of a national medical council of outstanding physicians and surgeons to cooperate with the Legion in caring for the disabled.

Walla Walla, Wash., received conference approval for the 1937 conference, but the national committee of the Legion will make the final selection.

Independence Man Dies In Auto Accident, Child Drowned in Gravel Pit

Two fatalities, one on the highway and the other in the water, in addition to several persons sent to the hospital, featured the week-end toll. William Hager, 22, of Independence but formerly of Burns, died in the Dallas hospital late Sunday afternoon from injuries received in an early morning accident near the Oak Knoll golf course on the Salem-Dallas highway. The automobile, driven by Wayne Straw, skidded and overturned. Straw, Carl Fountain and Charles Kelly, were treated for minor injuries.

Howard S. Carpenter, 16, of Parkdale in Hood River county, was drowned in an abandoned gravel pit near Monitor late Saturday afternoon. He had just arrived for a week-end visit with his grandparents, Mr. and Mrs. Samuel Brand-

ALLOT GRANTS TO FARMERS OF DROUGHT AREA

Additional \$3 Millions for Subsistence of Stricken Families

Resettlement and Rehabilitation Program Well Underway

Washington, July 13 (P)—An additional \$3,000,000 for direct subsistence grants to drought-stricken farmers of the midwest was allotted today by the resettlement administration.

A subsequent fund of \$393,000 was set aside for the drought areas last week. Officials estimated that the addition of \$3,000,000 would be sufficient to continue grants ranging from \$15 to \$20 a month per family for two months.

Rexford G. Tugwell, resettlement administrator, plans to leave by plane tomorrow night for Bismarck, N. D., to supervise organization of the administration's emergency drought relief.

Aubrey Williams, assistant WPA administrator, is scheduled to accompany him.

Officials said Tugwell is working on a program for permanent resettlement and rehabilitation of the arid western areas and that he would continue this study at Bismarck.

Joseph L. Dailey and W. W. Alexander, assistants to Tugwell, will accompany him.

RFC SLASHES INTEREST RATES

Washington, July 13 (P)—The administration today threw into gear new machinery to quick-step the nation into further industrial and financial pick-up before the November election.

The \$11,000,000,000 Reconstruction Finance corporation announced important interest rate reductions ranging from one to one-half per cent to banking, industrial and "catastrophe" borrowers.

RFC Chairman Jesse H. Jones said the reduction was made to stimulate further recovery and to enable RFC borrowers to "liquidate their debts to this corporation without undue cramping their operations."

The new reductions are:

1. From four to three per cent for banks and their receivers.
2. From five per cent to a sliding scale of from four to five to industries, depending upon their nature.
3. From six per cent to five for the mining inquiry.
4. From five to a sliding scale of from four to five to real estate through the RFC Mortgage Co.
5. From three to two and one-half per cent to the Commodity Credit corporation.

In addition, there was a lowering of from four to three and one-half per cent on rates to insurance companies, mortgage loan companies, credit unions, livestock and agricultural credit corporations, joint stock and land banks, state funds for deposit insurance of public money, loans for property damaged by floods, earthquakes, and other catastrophes, and building and loan associations, except when the home loan bank rate is higher.

Representative Earl Hill of Lane county is chairman of the legislative committee composed of Senator N. G. Wallace and Representative E. L. Ross. The planning board members are Ed Miller, O. R. Bean and P. R. Parsons.

HOOD DIRECTOR OF KLAMATH BANK

Klamath Falls, July 13 (P)—O. C. Lorenz, Klamath Falls business man, was today elected president of the First National bank. The bank, with total resources of over three and one-half million dollars, has recently been acquired by the Olamanti interests.

The board of directors has been increased to include D. O. Hood, Portland investment dealer who has been in the city for several days assisting in the shift of control.

At the end of June the bank had deposits of over three and a quarter million dollars, a capital of \$200,000 and undivided profits of \$138,226.02.

Sheriff Burk Goes to Trial On July 27

Overruling demurrers of the defense to the indictment of Sheriff A. C. Burk on charges of malfeasance in office by permitting a prisoner in his custody in the county jail to escape, Judge E. C. Latourette today ordered the case to go to trial in the Marion county circuit court at 10 o'clock on the morning of July 27.

Judge Latourette, assigned by the supreme court to hear the case after Judge L. H. McMahon had been disqualified, first set the case for trial on July 20, but complaints by Joseph Hammerley, special prosecutor, and John Carson for the defense that they could not be ready influenced the court to give them an additional week's time.

Burk, indicted on two counts, had been previously accused of the same offenses by a previous grand jury, but the first indictments were quashed on legal grounds.

BRUCE OUT TO BACK LONDON

Topeka, Kas., July 13 (P)—A letter from William Cabell Bruce, former Democratic senator from Maryland, saying he was "bitterly disappointed" in President Roosevelt and "deeply gratified" at Alf M. Landon's nomination was made public today.

The communication was given out just prior to a conference between Landon and George N. Peek, former new deal official and student of farm and foreign trade problems.

Beside the Bruce letter, half a dozen others signed by persons representing themselves as democrats who would support the Landon-Knox ticket were made public at the Kansas governor's office.

Landon sides said Peek, who was the first administrator of the new deal's AAA and later a special advisor to President Roosevelt on foreign trade, had requested the conference with Landon. Since withdrawing from the Roosevelt administration and after splitting with Secretary Hull over reciprocal tariff problems, Peek has been a frequent critic of the new deal.

Peek favored bi-lateral trade treaties as opposed to the reciprocal tariff pacts negotiated by Hull which, under the most-favored nation policy, extend the benefits granted in a single reciprocal treaty to all nations having most favored nation agreements with the United States.

Peek told newsmen "I haven't got that far yet" when asked whether he would support the republican nominee for the presidency.

Peek's remark was made when he was asked whether he was going to campaign for Landon.

STUDY REVISION OF STATE GOVERNMENT

Revision of the state's governmental structure along the line proposed by D. O. Hood in a bill before the 1935 legislature, which was later withdrawn, occupied the attention of two sub committees in session here today.

Three members of the interim governmental committee of the legislature and the governmental research committee of the state planning board were outlining a program of study to be followed in preparing a concentrated form of government to present to the 1937 assembly.

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HARLEM NEGRO RIOT QUELLED BY POLICE

New York, July 13 (P)—Reserve policemen from virtually every station in Manhattan patrolled Harlem today to prevent a resumption of rioting in which three policemen and an uncounted number of negroes were injured last night.

The riot, beginning shortly before 11 p. m., was instigated by a soapbox street speaker, police said. His audience of more than 400 negroes stoned a restaurant owned by whites, smashing a large window, and kicked in the door of a haberdashery.

Three policemen who attempted to stop the mob unassisted were beaten severely.

Three hundred policemen rushed to the district, used clubs and black-jacks for 15 minutes before the last of the rioters fled.

Stroke Fatal to Man Dancing at Resort

Portland, Ore., July 13 (P)—William E. Noonan, 42, was dead today, victim of a heart attack which came last night as he danced at a local resort.

As he fell, he carried his partner, Marge Reynolds, 22, with him. She was knocked unconscious.

TORTURER OF VICE WITNESS HELD KNOWN

Henchman of Lucky Luciano, White Slaver, Sought in New York

Woman Mutilated and Left to Die—Initials Carved on Body

Washington, July 13 (P)—Henna-haired Jean Bell's story that a "killer" mutilated her and left her to die after she "ran out" on a promise to help free Charles (Lucky) Luciano, vice overlord from Sing Sing prison, resulted today in a wide search in New York City for the man she named.

Detectives said that a man answering the description of the torturer who carved the cryptic numerals "3-12" and the initials "C L" on her body and then tried to kill her by gas, had left Washington on a New York bound plane at 4 a. m. Sunday.

They expressed confidence that he, as well as a companion whom the girl described as the possible "finger man" in the plot, would be picked up soon in New York.

While expressing no definite opinion as to the girl's story, Chief of Detectives Bernard Thompson said:

"We are investigating this case as an attempted murder."

The 25-year-old girl, who was rescued from her gas filled apartment.

TOWNSENDITES OFF FOR EAST

Portland, July 13 (P)—Oregon Townsendites, by train and automobile, traveled east today to the national convention of the pension plan organization in Cleveland.

Although the exact number of delegates remained unannounced, Dr. Ralph L. Shadduck, state manager, estimated a minimum of 150 and a maximum of 200, to each of whom would be allowed from the treasury a maximum sum of \$150 for expenses, representing a total outlay between \$22,500 and \$30,000.

Shadduck estimated the national convention would cost \$500,000.

Delegates here indicated that an effort would be made to decentralize the authority of the national organization to permit the choice of state officials by the various state organizations. The election would follow lines of that by which the major parties choose state leaders, local units electing delegates to a state convention.

Enthusiasm for the change grew out of the conflict of authority which appeared within the state organization this spring, when state managers were swapped almost weekly as factions fought over policies.

The Oregon delegation also will make an effort to bring the national convention of 1937 to Portland.

SUICIDE ATTEMPT BY WOMAN FAILS

Roseburg, Ore., July 13 (P)—Mrs. Hardy Fisher, 40, resident of Olalla, was brought to the hospital here this morning suffering from poison reported at the hospital to have been taken with suicidal intent. Dr. J. C. Campbell, attending physician, said the woman would probably recover.

Flood Control Program For Eastern Regions Put Before President

Hyde Park, N. Y., July 13 (P)—Representatives of the New England, New York and Ohio valley groups of the United States flood control federation today laid a three way emergency program before President Roosevelt and said afterward the chief executive had promised to visit some of these areas sometime in August.

The group representing New York, Pennsylvania, West Virginia, Ohio and New England states, presented the following program to the president at his Hyde Park home:

1. That he direct the chief of army engineers to use available war department funds to proceed immediately with borings and other preliminary geological work on emergency projects authorized in the 1936 omnibus \$320,000,000 flood law, without waiting for congress to appropriate the funds next year.

Spokesmen for the group said that the president told them this work already had begun and would continue and that much of the preliminary work could be done by CCC and WPA workers.

2. That the president direct the national resources board to meet with a committee of the federation before August 1 to determine what emergency projects should be started first and when. The projects would be selected first, the program.

(Concluded on page 7, column 4)

HAPSBURG RETURN IGNORED IN GERMAN PACT WITH AUSTRIA

New Peace Agreement Simply for Resumption of Normal Relations with Germany Promising to Keep Out of Austrian Affairs; Plebiscite Necessary to Restore Monarchy

Vienna, July 13 (P)—Austria will retain its independence under its new agreement with Germany and will refuse to join any war like combination, Chancellor Kurt Schuschnigg said today. In an interview with the United Press he explained in detail the negotiation of the agreement and its meaning. He said, specifically, that the question of restoration of the Hapsburg dynasty in Austria would remain dormant for the present. Pierce opposition to the Hapsburgs by Little Entente nations, he said, makes it inadvisable to raise the question.

"The arrangement to which I have come with Germany," the chancellor explained, "is simply one for resumption of normal relations. Such relations can not be said to exist between two countries when one is trying constantly to interfere in the other's internal politics."

"That situation is what frustrated the efforts of the late Engelbert Dollfuss to effect better relations with Germany. In those days, the German government would not stop its instigation and subsidization of Austrian Nazis."

Schuschnigg went on to tell the (Concluded on page 10, column 2)

REDS PLAN FOR BASTILLE DAY

Paris, July 13 (P)—The political heirs of the ragged men who stormed the bastille July 14, 1789, may plan today their determination to take over as their own tomorrow's 147th anniversary celebration of the event.

Communists, socialists and radical socialists, comprising the new popular front, announced that they would make on the route of the military parade which is the feature of the holiday, to cheer the left wing government which they voted into power and to "cheer the army which has been torn from reactionary grasp."

To the government itself the day seemed likely to be an anxious one. First it was considered advisable to concentrate impressive police forces in the capital to prevent outbreaks by fascists; secondly Premier Leon Blum tried anxiously to dissuade farm workers from making good their threat to celebrate the day by going on a strike for higher pay and better working conditions.

In preparation for the celebration, there was a shakeup of chiefs of the mobile guard and the gendarmes. Four high officials were concerned. Fascists expressed the anger at the shifts, believing that they mean another move of the left wing government toward suppressing their activities.

NANKING VEToes WAR ON JAPAN

Nanking, July 13 (P)—Repeated demands by southern Chinese officials for war against Japan were rejected today by the central executive committee of the Kuomintang (nationalist) party.

The committee adopted a resolution abolishing the party's southwest executive committee, dismissed Gen. Chan Chai-Tong as commander of the Kwangtung province armies and condemned southern leaders for attempts to establish independent political and economic groups in south China.

(The southern government at Canton, comprising Kwangtung and Kwangsi provinces, has been seeking assistance from the central government at Nanking for armed opposition against alleged Japanese invasion.)

The conference authorized establishment of a national defense council comprised of leaders of north, central and south China.

A proposal to include Kwangtung and Kwangsi leaders on the council was approved, the action being interpreted as a national government movement to force the southern movement to halt their opposition to central government policies.

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LAST OF CASES OF GAMBLING PROBE OPENS

Chief of Police Tried on Charges of Malfeasance in Office

Jury Completed This Afternoon after Examinations, Eliminations

The jury list for the trial of Police Chief Frank A. Minto was completed at 1:55 o'clock this afternoon and the jurors were sworn in. They are:

Lester A. Reed, mechanic; Lydia K. Yoder, clerk; Jacob H. Dunlap, laborer; Henry D. Miller, farmer; Edward Hovel, farmer; Bertha C. Gatchell, housewife; E. S. Budlong, woodsman; Amos C. Branch, truck driver; H. H. Ammen, dairyman; Frank Grimsa, farmer; Byron McElhenny, farmer; Ernest G. Yergen, farmer.

As soon as the jury had been sworn Special Prosecutor Ralph Moody proceeded with the state's statement of the case.

With Judge E. C. Latourette of Clackamas county presiding, and all of the preliminaries of demurrers and the like dispensed with, the trial of Frank A. Minto, Salem chief of police, on charges of malfeasance in office growing out of allegations that he wilfully permitted the op-

(Concluded on page 7, column 5)

OILING GRANT COMES LATE

While Marion county's application for a 45 per cent PWA grant on a \$35,774 road oiling project has been approved by the national public works administration and the government is ready to proceed with the job, provided suitable labor is available, there is little likelihood that the county will take advantage of the offer, according to Roy Melson, county commissioner.

The reason for failure to take advantage of the offer lies in the fact the application for the project was made nearly a year ago and, in the absence of any action on it by PWA, the county proceeded to include many of the road oiling jobs in this year's regular county road oiling program, which is now about 40 per cent completed.

Melson went to Portland this afternoon to consult with C. C. Hockley, state PWA administrator, relative to the possibility of amending the county's application so that the federal grant money can be utilized to supplement and extend the present county oiling program this year.

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