

Comics

It's a fact there are more real hearty laughs to a square inch of the "Henry" strip than in any other comic. Read it daily along with others on the feature page of the Capital Journal.

Capital Journal



Weather

Partly cloudy tonight and Wednesday, with scattered thunderstorms. Moderate northwest wind. Monday: Max. 82, min. 49. No rain. River -1.4 ft. Northwest wind. Clear

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Salem, Oregon

Tuesday, June 13, 1939

Price Three Cents On Trains and News Stands—Five Cents

Marsh Tells About Closed-Door Sessions

Situation in Tientsin Area Uncertain Today

Japanese Claim Britain Has Acceded to Demands To Avert Blockade

London, June 13 (U.P.)—The Japanese embassy and the British foreign office issued conflicting versions tonight of the Japanese-British dispute in Tientsin.

The embassy said the British foreign office had acceded to Japan's demand for surrender of four suspected Chinese assassins within the British foreign concession of Tientsin, which would have averted a blockade of the British concession and a critical strain between the two countries.

A British government spokesman denied knowledge of the alleged decision to surrender the Chinese and privately ventured the opinion that Mamoru Shigemitsu, Japanese ambassador, was the victim of a hoax.

Shanghai, June 13 (U.P.)—Japanese authorities at Tientsin announced today that they would blockade the British and French concessions at 6 a.m. tomorrow (1 p.m. PST today).

Planning to isolate the concessions from Tientsin proper and from the outer world, Japanese authorities warned all Japanese subjects to avoid both areas.

Tension became worse when a Domei (Japanese) news agency dispatch announced that Maj. E. L. Lay, of the British garrison at Hong Kong, had been arrested at Tientsin and detained on the charge that he photographed a proscribed area of the city.

Japanese have refused all British demands to release Lieut. Col. Christopher R. Spear, British military attaché, whom they arrested at Kalgan and charged with espionage.

All Nations Interested

The impending Japanese blockade was regarded as the first test case in a bid to dominate all foreign areas in China and thus as of importance to every nation, including the United States, with business interests in China.

The American consulate and important American business interests were involved. It was not even certain the Japanese would permit foodstuffs to enter the area.

Japan announced the blockade as a measure of retaliation because British concession authorities refused to surrender men whom the Japanese suspected of having assassinated Cheng Si-Keng, Chinese controller of customs under the Japanese-dominated regime.

Actually, however, the issue was much greater. At Shanghai, at Kulsang and at other places Japan had made it plain that she wanted dominance over foreign as well as Chinese areas in the zone she occupies, and it had long been expected that Tientsin might be made the occasion for a test of her demand.

Many foreign women and children have evacuated Tientsin in recent days. Japanese ships had notified foreign consignees to remove their cargoes from Japanese warehouses in the vicinity, and (Concluded on page 13, column 7)

Prexy Very Frank in Address to Graduates

Chicago, June 13 (AP)—President Robert M. Hutchins told 799 candidates for degrees at the University of Chicago today that "with the finest degree in America you have to support yourselves by pushing buttons eight hours a day."

"We know now that graduation from college does not carry with it the promise that the graduate will even be able to earn a living, to say nothing of acquiring great wealth," Hutchins said in addressing the university's 1939th convocation.

"We must recognize that you may never make a nickel that you would not have made if you had never come here, that your education will not hold you by as much as a single rung up the social ladder, and that with the finest degree in America you may have to support yourselves by pushing buttons eight hours a day."

Hutchins advanced as a primary reason for obtaining a higher education the "urgent political issues that now agitate the world."

"Democracy can survive economic collapse, external pressure, and the

Tax Revision Bill Completed Today

House Expected to Act on Measure Next Week; Flat Levy Substituted for Undistributed Profits Provision; Lawmakers Guard Against Curtailment

Washington, June 13 (AP)—The house tax committee completed the tentative outline of a tax revision bill today in preparation for expected house action on the legislation next week. The proposed draft includes substitution for the undistributed profits tax of an 18 per cent levy on corporations which make more than \$25,000 a year.

With the principal provisions tentatively completed yesterday, the tax committee—a ways and means subcommittee—prepared three more technical revisions this morning.

The committee's general outline was sent immediately to the legislative drafting service for final preparation.

Excise Bill Hastened

Chairman Cooper (D., Tenn.), pointed out speed is necessary for re-enactment of excise taxes which expire June 30. He hopes to have the bill ready for house debate next week.

As Cooper's committee agreed tentatively on major provisions of the legislation, the treasury estimated a federal revenue loss of only \$17,500,000 would have been entailed had the new program been applied to this year's business.

President Roosevelt has insisted tax revision should not bring any great curtailment of revenue. Present receipts from corporation taxes are about \$1,000,000,000 a year.

The legislation's high spots, which follow a general outline by Secretary Morgenthau, would:

1. Substitute for the undistributed profits levy on next January 1 a flat 18 per cent tax on corporations having net income above \$25,000.

2. Continue the present graduated tax on "little business"—corporations with incomes of \$25,000 or less. This scale ranges from 12½ to 18 per cent.

3. Permit corporations to carry over their net operating business losses for two years, starting with 1939.

4. Repeal the \$3,000 limit which can be deducted in calculating taxable income—as excess of capital losses over capital gains.

5. Give corporations the right on June 30, 1939, and again on June 30, 1940, to increase the declared value of their stock but not to decrease it.

Blaine Coles, Banker, Called

Portland, Ore., June 13 (AP)—Blaine B. Coles, 44, distinguished as a banker, churchman and amateur astronomer, died last night.

He was vice-president of the First National bank here, former president of the trust division of the American Bankers' association and had held many other bank and bank association offices.

He also was chancellor of the Episcopal diocese of Oregon and a member of the National Council of the church, an unusual honor for a layman.

As an amateur astronomer he once shared in the discovery of a new star.

pretty pictures painted by the dictators only if the citizens understand the nature and purpose of the state," he declared.

"It will not suffice to have them feel very democratic, or get emotional about it all, or react habitually to such habitual stimuli as the flag, the national anthem, or the Fourth of July. Under our form of government we are ruler and ruled. The citizen must know. Knowledge is the aim of the higher learning."

Laughing out at what he termed "the triviality, futility and confusion of most programs now masquerading as higher education," Hutchins said:

"The colleges and universities must confess that their offerings are such as to drive their students to seek mental stimulation in gladiatorial contests, college life, and the consumption of live fish."

Silk Underwear Strike Quelled In Penitentiary

Mutiny in Prison Mine Ends; Warden Stands Pat Against Demands

Lansing, Kas., June 13 (AP)—A mutiny of 229 convicts in a coal mine at Kansas state penitentiary over silk underwear and food ended without violence today after the rebellious prisoners sent up word to Warden M. F. Amrine they would surrender.

The convict miners capitulated without any concessions from the warden to demands they be permitted to continue buying silk underwear at the commissary and to eat bedtime snacks in their cells.

The strike lasted approximately four hours.

After sending word through Robert Murray, mine superintendent, who with 12 guards was held a prisoner in the 750-foot coal mine, the convicts crowded into the elevator cage at the bottom of the shaft and began their return to the surface.

The prisoners descended into the 750-foot shaft between 7 and 7:30 a.m.

Three hours later they sent Robert Murray, mine superintendent, to the top to reiterate their demands.

"I absolutely will not meet the demands," the warden said.

Amrine sent Murray back with instructions all prisoners who would not work should come to the top. The 22 responded.

Warden Amrine recently issued an order against the convict miners working on the amount of coal they produce in excess of their quotas. The strikers demanded today the order be rescinded.

The warden has ordered the prisoners to stop selling the silk underwear to prisoners but said the fewer than 100 inmates now owning such underwear would be permitted to wear it out. Amrine said the warden was "sex degenerate."

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He expressed belief the two youths, James Williams, 17 of Lawton, Okla., and Robert Blair, 19, of Denver, would attempt to steal an automobile if they had not already done so.

Williams successfully argued a companion, Ferguson, out of a determination to kill Warden Johnson so he could not be a witness to testify to the escape kidnapping, the warden reported after being freed Sunday four miles from the institution.

The supreme court today reversed Judge L. H. McMahon of the Marion county circuit court in the case of W. J. D'Arcy, administrator of the estate of Teresa E. D'Arcy vs. Earl Snell, secretary of state, and Walter Pearson, state treasurer.

By the reversal the higher court set aside a writ of mandamus which would require the secretary of state to issue a warrant for the state inheritance tax fund for \$14,806.58 in favor of D'Arcy as administrator.

D'Arcy had paid this sum as tax on certain real property which belonged to the estate of P. H. D'Arcy, brother to Teresa D'Arcy. He claimed that the tax was not due to the state inasmuch as, according to his contention, the real property never had come into the possession of Teresa E. D'Arcy as the estate of the original owner had not been completely administered.

Sherrard received a broken leg when struck by a car driven by John Werline, who, through his guardians, appealed. In defending the appeal Sherrard asked that the judgment be increased 10 per cent on grounds the appeal was "frivolous," but the high court refused to make the increase.

The case was tried before Circuit Judge Arlie G. Walker of Polk county. Today's opinion was written by Justice Roebman.

Sherrard Award Of \$9000 Upheld

The state supreme court today affirmed an award of nearly \$9000 to William D. Sherrard for personal injuries received when he was knocked down by an automobile at Independence in 1937.

Sherrard received a broken leg when struck by a car driven by John Werline, who, through his guardians, appealed. In defending the appeal Sherrard asked that the judgment be increased 10 per cent on grounds the appeal was "frivolous," but the high court refused to make the increase.

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Joint Parole Board in Session—Both the old and the new parole board met at the penitentiary today. From left to right, Paul Kelly, Lafayette, chairman of the new board; Dr. Floyd Uiter, Salem, retiring member; R. S. (Spec) Keene, coach at Willamette university, new member; Cecil Edwards, private secretary to the governor, member of the old board; Fred Finley, The Dalles, newly appointed director of paroles; Gerald Mason, Portland, member of old and new board, and E. M. Duffy, state parole officer under old board. — Journal Staff Photo.

Davis Slated For No. 2 Job

Portlander to Direct Revamping of Public Utilities Bureau

By Harry Crain

When Frank L. Davis, for years chief engineer of the Portland department of public works under Commissioner Ormond Bean, arrives in Salem within the next few days to assume his new duties under Bean as public utilities commissioner, he will step into the recreated post of assistant commissioner, according to unofficial but well authenticated reports.

Davis, these reports have it, is to be chief executive officer of the department and as such will have charge of all matters pertaining to personnel and reorganization.

Reorganization Pends With his arrival, it is indicated, the initial steps toward reorganization of some departments within the commission will get under way, although it is expected that the re-vamping will be done progressively over an extended period of time.

In its broadened powers Davis' position as assistant commissioner will be a new job. Tom Dellzell carried that title for a time under Commissioner N. G. Wallace, but the position was abolished early this spring.

Bulmore Slated Speaking of reorganizations, the one which has reduced the personnel of employees of the unemployment compensation commission by somewhere near 50 per cent during the past few months has not yet been completed, if usually reliable sources of information are correct.

The "housecleaning" in that department is to be resumed just as soon as the three members of the commission can decide on a successor to Administrator D. A. Bulmore and reach an agreement with that party regarding salary and other matters incidental to the job.

Bulmore, the grapevine has it, is slated to lose his official head on July 1. But, the same sources had it, he was previously scheduled for the axe on June 1.

To Consolidate Jobs One of the first tasks on the program for the new administrator, it is understood, will be consolidation of the job of personnel director—until recently held by Carl Cover—with that of training supervisor and abolition of the position of assistant to the personnel director.

Further information is to the effect that the consolidated job is to be filled through competitive examinations under the commission's regular merit rating system, which will insure comparatively permanent tenure for the successful candidate.

While Cover may be a candidate for the new position, there are strong indications that he is being seriously considered for an institutional management job by the administration.

Eckley Confirmed Washington, June 12 (AP)—The senate confirmed today the following postmaster nominations: Charles E. Bales, Caldwell, Ida.; Arthur T. Combs, Kellogg, Idaho; Victor Eckley, LaGrande, Ore.

Old Board in Last Parley

The outgoing parole board held its last meeting today, considering cases of a dozen convicts who have served a third of their sentences.

Members of the board are Gerald W. Mason of Portland, Dr. Floyd L. Uiter of Salem and Cecil L. Edwards, private secretary to the governor.

The new board, which will take office tomorrow, is Mason, Roy S. Keene of Salem, and Paul R. Kelly of Lafayette.

Portland, June 13 (AP)—The new state parole board surveyed prison welfare problems with associate agencies yesterday preparatory to assuming duties under a legislative act effective tomorrow.

The board, composed of Chairman Paul R. Kelly of Lafayette, R. S. Keene of Salem and Gerald Mason of Portland, met with Fred Finley of The Dalles, director of parole and probation, and representatives of Multnomah county, the prison aid society, Volunteers of America, Salvation Army and community chest.

Corvallis, Ore., June 13 (AP)—John P. Allen, 64, member of the state pharmacy and health boards, died at his home here today.

Allen, once called Oregon's "most outstanding druggist," was the only two-board member in the state. He was named to the board of health on May 25, and he already was a member of the pharmacy board. Governor Sprague insisted that he should serve in both capacities.

Born at Corvallis, Allen was graduated from Oregon State college in 1895. He married Mary Ellen Francis of Portland in 1900. The widow and two sons, Arthur Francis and John Frederick, Jr., survive.

He began business as a salesman and once was cashier of a Corvallis bank. He purchased a pharmacy in 1903 and operated it continuously since.

He was once president of the Oregon State Pharmaceutical association, and was organizer and treasurer of its educational fund. He had been a member of the state board of pharmacy since 1930.

Funeral services will be held at Corvallis Thursday morning, with the Rev. Benjamin D. Dagwell, Episcopal bishop of Oregon, officiating.

Spokane, June 13 (AP)—This was Lieut. Governor Victor A. Meyers' enigmatical reply last night when asked if he would run for governor next year: "A person couldn't be around Olympia for eight years without learning something about the job."

New York, June 13 (U.P.)—Now that she's back in Canada it can be told—Queen Elizabeth's clothes lack that something known as "oomph." That, although they say it in somewhat more elegant language, is what several Fifth avenue stylists told the United Press today.

Aware that their words constituted less majesty—or would have before 1776—most of them said "don't quote me" and went on to add such treacherous remarks as:

"The queen's clothes are—ah—matronly."

"Most American women will prefer to copy the Duchesses of Kent or Windsor. Trimmer, you know."

"Elegant, pretty, dignified and all that, but definitely not smart."

But don't think the queen's hats and gowns—off the face in the one instance and off the ankle in the other—won't have a "tremendous influence on American women."

"They will have just that," said the stylist of a skyscraper place on the avenue.

"The queen's graciousness and beauty," she added, "will bring back a type of woman who has been obscured by the fashions of recent years—the elegant, graceful, feminine, lady-like woman."

She said you could expect a revival of garden teas, formal receptions and the like, attended by women wearing long dresses, big hats with ostrich feathers on them, and carrying fluffy parasols.

Another fashion expert—from an "intimate" little place where people like Brenda Diana Duff Frazier go to shop—disagreed.

"Would American women copy the queen's dresses?"

"Of course not," she said. "She's a queen. If American women go around trying to look like queens they'll succeed only in looking silly."

Mountain States Plan Approved

Reorganization Program Satisfactory to Securities and Exchange Board

Washington, June 13 (U.P.)—The securities and exchange commission has approved a reorganization plan for the Mountain States Power company, submitted by a bondholders' committee and jointly by the company and a preferred stockholders' committee. The two plans are identical.

The company operates chiefly in Oregon, Montana, Idaho and Wyoming.

The plans provide for the issuance of \$8,182,250 of new 5 per cent first mortgage bonds and 53,044 shares of 5 per cent preferred stock.

The SEC approved the reorganization subject to these conditions:

1. That 15 per cent of annual gross operating revenues, including revenues from plants leased to others, be spent for maintenance and/or credited to a depreciation reserve.

2. That the issuance of the new securities be authorized by the public utilities commissioner of Oregon and the department of public service of Washington where the company operates in one small town.

3. That consummation of the plan be effected in substantial compliance with the terms and conditions and purposes represented in the applications and declarations filed with the SEC.

Other Offices Mentioned He also referred to "peculiar things" done not only in the treasurer's office but as to other county officers, referring particularly to cash advances made on salaries and the manner of keeping the records of such advances.

Early in his opening statement he called attention to the fact that in the clerk's office a record was kept of the money that the treasurer should have on hand but that prior to the audit there was no other place except in the treasurer's office where it was known what cash he actually did have. He said on October 31, 1938, the record showed that he should have on hand \$240,388.25 in cash but there was actually \$23,520 less than that.

"Where did the money go?" the prosecutor asked the jury. He told them that if they found Richardson had taken any part of it for his own use he would be guilty of embezzlement, that it wasn't necessary to show he had taken it all.

(Concluded on page 13, column 2)

Not Enough Oomph in Clothes of Elizabeth

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