

THE WEATHER

Humidity 4:30 p. m. yesterday 65 Highest temperature yesterday 52 Lowest temperature last night 41 Precipitation for 24 hours T Precip. since first of month 1.71 Precip. since Sept. 1, 1938 12.15 Deficiency since Sept. 1, 1938 4.32 Rain

Roseburg News-Review

THE DOUGLAS COUNTY DAILY

ROSEBURG, OREGON, WEDNESDAY, JANUARY 18, 1939.

FISH

They're an important subject to Douglas county in bills to be acted on by the legislature. Procedure on the bills and their disposal will be promptly reported in the NEWS-REVIEW.

VOL. XLIII NO. 232 OF ROSEBURG RE

VOL. XXVII NO. 142 OF THE EVENING NEWS

GASOLINE TAX DIVERSION BAN PROPOSED

Tax-Exempt Bonds, Public Salaries Eyed

Treasury Aide, at Senate's Quiz, Estimates Income From Plan Offered by Roosevelt.

WASHINGTON, Jan. 18.—(AP)—John W. Hanes, undersecretary of the treasury said today the treasury might realize \$300,000,000 annually by adoption of President Roosevelt's proposal to remove tax exemptions from future state and local salaries and bond interest.

Hanes, first witness before the special senate committee studying the proposal, said removal of the exemptions would help prevent wealthy persons from avoiding taxes and would stimulate investment in private industry.

In a statement prepared for reading to the committee, Hanes, himself a former Wall street broker, said: "Industry finds it difficult to compete with tax-exempt securities in attracting the capital of individuals in the higher income brackets."

"We are confronted today with a great surplus of capital which does not desire to take a chance and a distinct shortage of that which does. Venturesome capital is needed to induce the investment of cautious capital."

What Exemption Permits Hanes, who was brought into the administration about a year ago for his practical business knowledge and for his efforts to promote cooperation between the government and business, asserted tax exemptions of federal securities sometimes give wealthy persons a source of investment yielding returns equivalent to more than 10 per cent, after adding actual interest and tax savings.

Hopkins, regarded as one of President Roosevelt's most intimate advisers, was subjected to critical questioning by committee members last week on his administration of the WPA.

The new commerce secretary conceded that as WPA administrator he had made some mistakes. If he had the job to do over again, he added, he would not make political speeches.

William A. Harriman, New York banker and chairman of the business advisory council, testified in support of Hopkins' nomination, which probably will be taken up by the senate for final action tomorrow.

Hopkins now is serving as commerce secretary under a temporary appointment made while congress was in recess.

The vote for Hopkins' nomination was 13 to 4, with all republican committee members including McNary, their senate leader, voting "no."

Succeeds Ruppert As Yankees' Ruler



Edward G. Barrow.

NEW YORK, Jan. 18.—(AP)—Edward G. Barrow, 71 years old, is the new president and absolute dictator of the world champion New York Yankees.

As a fitting reward for nearly 20 years' service with the club as its secretary and business manager, Barrow was unanimously named to fill the vacancy created by the death last Friday of Colonel Jacob Ruppert, whose wealth combined with Barrow's baseball wisdom to create the Yankee empire.

George E. Ruppert, brother of the brewer-sportsman, remains as vice-president.

Describing himself as "just a spectator," the Klan leader and members of his family gathered for the services under the direction of Dennis Cardinal Dougherty of Philadelphia.

Bishop Gerald P. O'Hara of the Savannah-Atlanta diocese extended the invitation. Fr. Evans, whose organization in post-World War days was an anti-Catholic, anti-Semitic white supremacy group, said he accepted with "great pleasure."

The Klan in recent years has subordinated racial and religious matters to a program of opposition to "communism and the C. I. O."

Dr. Berry denied freedom on bail. OLYMPIA, Wash., Jan. 18.—(AP)—Ruling kidnapping is a capital offense, Superior Judge Wilson denied Dr. Kent W. Berry, 50-year-old principal in the Berry-Baker abduction case, the right to post bail yesterday for his release from jail pending completion of his appeal to the state supreme court.

Judge Wilson pointed out the state constitution sets forth no person convicted of a capital offense may be freed on bail. "And I may add," Judge Wilson said, "that I believe the verdict of the jury was based on proper evidence, and the jury reached the proper verdict in this case."

Dr. Berry and his three co-defendants have all appealed to the supreme court.

Auto Blow Kills Tulelake Rancher. KLAMATH FALLS, Ore., Jan. 18.—(AP)—William Sauer, 55, Tulelake, Calif., rancher, last night became Klamath county's first traffic accident victim of the year.

Defense From Gas Will Be Shown Here

Contact Camp Planned by Reservists Will Deal With Chemicals as War Weapon.

Preliminary arrangements for a big two-day "Defense Against Chemical Attack" contact camp for all officers and attached personnel of the 382nd infantry regiment scheduled for Roseburg February 11 and 12, are rapidly being completed, and the tentative program being arranged indicates that the visiting officers will be kept busy throughout the week-end.

Major C. S. Pettie, U. S. army, unit instructor of the 382nd infantry, of Eugene, who is staging the contact camp in cooperation with members of Umpqua chapter, host organization to the more than 125 officers expected to attend, revealed today that 1st Lt. Edward K. Purnell, gas officer, 7th infantry, stationed at Vancouver Barracks, Washington, and two enlisted men have been detailed by the post commandant to assist Major Pettie in conducting the camp.

Lt. Purnell and men will arrive in Roseburg Friday prior to the opening of the camp and will act as instructors for both the officers and the general public in the individual and collective defense against chemical attack as well as to demonstrate the equipment and various smokes and gases which will be used.

Equipment To Be Introduced. Among the various pieces of equipment and chemicals Lt. Purnell will introduce.

Klan Head Attends Rites of Catholics. ATLANTA, Jan. 18.—(AP)—Catholic church dignitaries dedicated the newly constructed cathedral of Christ the King here today in ceremonies witnessed by Imperial Wizard Hiram W. Evans of the Ku Klux Klan as an invited guest.

Describing himself as "just a spectator," the Klan leader and members of his family gathered for the services under the direction of Dennis Cardinal Dougherty of Philadelphia.

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Sauer suffered a basal skull fracture when struck down by a car on a Merrill street last Saturday night. He never regained consciousness.

India-Born Girl to Play "Scarlett"



After months of controversy and tests, Tilmom's choice of an actress suitable for the role of "Scarlett O'Hara" in the screen dramatization of "Gone With the Wind," has fallen on a talented beauty of the British stage, Mrs. Vivien Leigh Holman, pictured above.

Holman, wife of a London lawyer and mother of a 5-year-old daughter, was born in Darjeeling, India, daughter of a British stockbroker, who educated her for a stage career in London and Paris, where she scored outstanding triumphs. Critics are wondering if Vivien will impart an English accent to the drawl necessary for accurate delineation of a character south of the Mason-Dixon line, the locale of "Gone With the Wind."

Congress Told of Defense Needs; Another Set of Canal Locks Asked. WASHINGTON, Jan. 18.—(AP)—The army air corps' chief told congress today four new air bases should be constructed in the next two years to complete the defenses of the continental United States.

Major-General H. H. Arnold, testifying before the house military committee at the opening of the public hearings on President Roosevelt's \$552,000,000 defense program, said the new air bases should be built at Puerto Rico, Alaska and two in the United States.

In addition, he said, the air base in Hawaii should be expanded. Meanwhile, it was learned another set of locks at the Panama canal, virtually providing a new channel for America's inter-coastal "life line," may be financed by a bond issue.

Secretary Woodring, informed persons said, has proposed such an arrangement. Members of the house and senate military committees were reported to have listened intently to the proposal in a session yesterday.

Woodring's idea was said to be to use about \$8,000,000 of the canal's \$13,000,000 annual receipts to back a bond issue for the \$200,000,000.

Oregon's Newest Town Arson Target. BEND, Ore., Jan. 18.—(AP)—A man was held for questioning today in connection with an alleged attempt to burn Oregon's newest town, Gilchrist.

Gasoline saturated papers were discovered under two buildings at the lumber community where ultimate development will total around \$2,000,000.

Relief Needs Still Subject Of Argument

Senator Adams Takes Issue With Roosevelt Claim; Fight Over House Slash Looms.

WASHINGTON, Jan. 18.—(AP)—Senator Adams (D-Colo.) took issue today with President Roosevelt's contention more than a million WPA workers must be dropped by June if congress votes only \$725,000,000 for relief.

Adams, chairman of a senate appropriations subcommittee studying the problem, argued that by spreading the reduction over four months, it would be limited to 600,000 workers.

"Of course," he said, "if the present relief load were maintained through the winter, the cut would reach more than a million."

The president renewed his appeal at a press conference yesterday for an \$875,000,000 appropriation to operate WPA until June 30. If the senate agrees to the house-approved cut of \$150,000,000, he said, relief benefits would be lost by between 4,000,000 and 5,000,000 persons—the families of workers thrown off WPA rolls.

Two senators said an informal poll of Adams' subcommittee showed there was sufficient strength to block any increase or decrease in the \$750,000,000 house bill.

They also said a cross-section check indicated any administration move to increase the appropriation on the senate floor would fail. The president's lieutenants, however, were expected to take a cue from his press conference statement and make a determined fight to restore.

PORT ANGELES, Wash., Jan. 18.—(AP)—Prosecutor Ralph Smythe prepared today to direct a sweeping investigation of all Clallam county offices, after two more persons were sentenced in connection with treasurer's office irregularities.

Superior Judge Ralston ordered maximum state prison sentences of five years each for Mr. and Mrs. Robert D. Foster, upon their pleas of guilty to crimes while serving as deputies under former Treasurer Walter Barr.

Foster, 41, World war veteran, admitted second degree forgery, making false entries of negotiable instruments. His wife, Eva, 40, pleaded guilty to being an accessory after the fact in Barr's admitted defalcations.

Barr previously pleaded guilty to grand larceny of \$18,000 in county funds, and was sentenced to a maximum of 15 years. Foster served as Barr's deputy prior to 1936, when Mrs. Foster took the position. County commissioners ordered the general audit yesterday, and authorized Smythe to appoint a special investigator.

PRUNE GROWERS ASK INCLUSION IN AAA. SALEM, Ore., Jan. 18.—(AP)—Petitions signed by 262 prune growers and representing 8000 acres of prune orchards, requesting that the industry be brought under the operation of the federal agricultural act, were presented to J. D. Mickle, state director of agriculture, yesterday.

Other efforts to stabilize the industry, contemplated as the result of recent regional meetings, include requests for legislation setting up standard grades, and utilization of a federal law which pays growers to take marginal orchards out of production.

HOOD RIVER, Jan. 18.—(AP)—Walter T. Doran, 25, Portland Union Pacific track relocation project engineer, escaped without serious injury last night from a rock slide 12 miles west of here which imprisoned him for five and a half hours before rescue was effected.

New Deal Pioneer Dies in Colorado



Edward P. Costigan

DENVER, Jan. 18.—(AP)—Edward P. Costigan, 64, who in 1924 became one of the first senators to demand direct federal relief for the jobless, died last night of a heart attack at his Denver home.

Elected to the senate in 1930 as a democrat, Costigan quickly became recognized as a leader of the liberal bloc that eventually enacted a new deal program incorporating many governmental theories he long had advocated.

Illness forced Costigan to retire from public life in 1936. Costigan left the republican party to become the unsuccessful "Bull Moose" candidate for Colorado governor in 1912 and 1914.

He became a democrat in 1916 and was appointed to the tariff commission by President Wilson. He remained on the commission until 1928, when he resigned with a strong denunciation of the body for asserted incompetence.

Gov. Sprague said the move would "save" the bond "from extinction," and would enable it to function more economically and efficiently.

Rep. C. C. Chapman (R-Portland) said he would introduce a bill to lighten the provisions of the corrupt practices law, under which persons are required to file with the secretary of state the contributions towards candidates and measures.

"My bill would end the fiasco of last fall," Chapman said, referring to the fight of the state Federation of Labor to compel the Oregon Business council to disclose the names of contributors to a \$35,000 fund for support of the anti-picketing law.

Speaker of the House E. R. Fatland answered criticism that the legislature has been slow in getting started.

With one-fourth of the 40-day session over, Fatland said the same number of bills have been introduced as during the first 10 days.

SPORTSMEN-SPONSORED BILLS MEET OPPOSITION OF FISH COMMISSION. PORTLAND, Jan. 17.—(AP)—The state fish commission yesterday opposed a legislative bill sponsored by sportsmen interests which would prohibit use of set nets and provide for regulation of drift nets in Oregon streams.

The commission took no official action on another sportsman-sponsored bill to ban commercial fishing on coastal streams, but indicated it would oppose the bill when called before a legislative committee for testimony.

Three bills endorsed by the Columbia River Fishermen's Protective union were approved. They were:

Legislative Committee Studies Bill

Constitutional Amendment Is Method Suggested; Money For Exhibit at Fair Voted.

By PAUL W. HARVEY, JR. SALEM, Jan. 18.—(AP)—A proposed constitutional amendment forbidding diversion of gasoline tax money and other highway revenues is being considered by the joint legislative committee on highways. Rep. Earl H. Hill of Lane county, chairman of the house highway committee, said today.

Hill said the bill would remain in committee for about two weeks until the committee obtains the report of the legislative interim committee on state and local revenues. He said he did not want the amendment to conflict with any recommendations the interim committee might make.

The League of Oregon Cities has said it would seek to divert \$880,000 a year in gas tax money for maintenance of city streets.

Highway revenues would have to be used for construction and maintenance of highways and streets, enforcement of traffic laws, highway department administration, state parks, and retirement of road bonds.

Moving of the planning board from Portland to Salem would be provided in a bill being prepared by the governor's office. The board would become an arm of the governor's office, and would be housed in the new library building.

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Editorials on the Day's News

By FRANK JENKINS. BY nearly a two-to-one vote, the house of representatives cuts \$150,000,000 from the New Deal's \$875,000,000 relief estimate for the next five months, reducing the amount to be spent in that period to \$725,000,000.

It is probable that the New Dealers foresaw that they wouldn't get as much as they asked for, and so asked for more than they expected to get.

The bill, as passed, provides for relief expenditures at the rate of nearly \$1,500,000 a month, or only a little less than two billion dollars a year, which certainly ought to be ample in a year when business activity is expected to rise materially. The new relief bill still means spending on a vast scale.

But at least it is the first definite move on the part of congress to REDUCE THE SCALE of national spending. For that reason, it is important.

If you approve this first step in the direction of return to national solvency, you should let your congressman and your senators KNOW OF YOUR APPROVAL. If each member of congress receives from his constituents a few hundred letters expressing unqualified approval of this first move back toward financial sanity, the effect will be tremendous.

Your relief, of course, should be spontaneous and genuine, but you might put into your own words something like this: "Dear Sir: I don't know much about 'compensatory spending' or any of the other fancy terms the

(Continued on page 4)