EIGHTY-FIRST YEAR

Salem, Oregon, Tuesday Morning, December 8, 1931

County Budget is Reduced; City Health Item Unchanged

BE \$887,419.05 **BOARD DECIDES**

Health Appropriation Goes In at \$6000; Court to Have Supervision

Threatened Salary cut is Voted Down Because of Already low Scale

levy will be \$887,419.05, or a re-1930 figure. This was the recommendation Monday of a committee of three citizens, meeting in an all-day session with the county court. One of the largest crowds in history attended the session which filled Judge Hill's court room in the clunty courthouse to overflowing.

Of the total reduction, \$60,-095.01 was pared off of county items, while state tax reductions of \$168,053.42 contributed mainly to the decrease which is a little short of 20 per cent. The 1930 tax levy was \$1,081,356.03.

The approval of three items, road and highway appropriations, \$6,000 for the county health fund and retention of the present salary scale for county employes, came after considerable wrangling after the consulting committee had gone into executive session with the county court. Present were Judge J. C. Siegmund, Commissioners Jim Smith and John Porter and the citizens' committee, Keith Powell, Woodburn, George Keech, Stayton, and T. B. Jones, Salem farmer. In addition were Louis Lachmund, Salem, and Henry Zorn, Champoeg, both members of the governor's tax reduction committee for this coun-

Road Patrolman Office Abolished

Before taking up budget items, the committee recommended to the county court that the offices of 61 county road patrolmen be abolished and that one road district for the entire county be created. This plan met with the hearty favor of Judge Siegmund and the two commissioners.

pervisors. Six or seven can probably take care of the work."

was in a precarious position for cent. It also lacked a second. rural delivery crew. Long discussion followed which (Turn to Page 2, Col. 1)

Powers Grins, Chews Gum as Trial Starts For Murders of Five

Yawns When Charges are Read, Sits Immobile While Gruesome Evidence is Shown; Courtroom Filled to Brim

CLARKSBURG, W. Va., Dec. 7 - (AP) - Chewing gum o and grinning, Harry F. Powers went on trial for his

With his back to the 1,200 men, women and children, who filled every seat in the town opera house, he sat on the stage of the improvised courtroom and watched eagerly

Wood Cutting Project

Being Considered

Salem unemployed men may be

given an opportunity to earn the

food and other supplies which they

While the Service is preparing

Starting the Service's employ-

ment undertaking yesterday, Mr.

Service executive board meets at

the Gray Belle restaurant Thurs-

day noon, Mr. Dancy will present

plans for giving men employment

During the first days of the

registration at the U.S. employ-

the majority of applicants were Salem men and heads of families.

With the end in view of relieving

these men, the work promotion

committee is bespeaking the as-

sistance of Salem citizens both in

contributing funds and in supply-

ing employment. Community Serv-

ce officials may be reached

through the chamber of com-

As 50 per cent of the downtown

ffice and store heads have not re-

orted since being urged by two

Service, 20 members of this or-

ganization today will visit these

laces to call attention to this

failure. In addition to seeking the

appointment of the lieutenants,

the solicitors will urge that dona-

tions be made from November sal-

The Oregon chief executive and

his wife will leave here either to-

morrow or Wednesday for Los

Angeles, and will return here in

two weeks to spend Christmas

and New Years with their two

daughters, Mrs. Joseph Ehrman,

Jr., and Mrs. Frederick M. Ganz.

tieth wedding anniversary of

Governor and Mrs. Meier.

Legion Member

Christmas day will be the thir-

List Increases

The six captains of the Capital

Post No. 9, American Legion,

membership teams met last night

though this figure is over 700 be-

low the goal set for the coming

The dues do not fall due until

Unidentified Man

Killed in Crash

PORTLAND, Ore., Dec. 7. -(AP)—An unidentified man about

automobile driven, police said, by

arles to the Service.

California.

ment bureau for emergency work,

at cutting wood.

Institution of a plan whereby

while a jury was being selected. O-He yawned, however, when he The Marion county 1931 tax was accused of murdering two women and three children for duction of \$228,148.43 under the profit and showed no trace of emotion when a demand was made he be hanged for one of the killings, that of Mrs. Dorothy Lemke, of Northbore, Mass. During the testimony of three Some Already Provided and

witnesses heard before court adjourned for the day, the bland defendant sat immobile. When Police Chief Clarence A. Duckworth stepped down from the stand and pulled blood stained garments worn by Mrs. Lemke from a cotton bag. Powers turned his interest toward a stage electrician in the wings.

Coroner Le Roy C. Goff and and their families need is being Dr. Herbert H. Haynes told how worked out by the work promo-Mrs. Lemke, Mrs. Asta Buick Ei- tion committee of Community cher of Parkridge, Ill., and two Service under the direction of of the latter's children had all Chairman W. H. Dancy. been strangled to death, while Harry Sicher, 12, had been gag- to furnish supplies as they are by the voters "to purchase the ged and struck on the head with needed, through the efforts of this plant at the lowest possible price

Townspeople who once had to create employment, filled the streets around the fail shouting his name and who more recently had torn down part of Dancy succeeded in having 10 men the garage in which the killings sent to work on county projects were committed, milled around and one man given a 10-day grubin front of the opera house, un-

CHRISTMAS MAIL RUSH IS STARTED

Telltale clouds of the Christmas storm of parcels and letters already have made their appear-"It will mean a saving of about ance on the horizon at the Salem \$20,000 a year," declared Com- postoffice, according to Arthur E. missioner Smith. "In place of the Gibbard, assistant postmaster. patrolmen we will hire a few su- Christmas packages and money orders are being received from and dispatched to foreign countries in The county health budget item increasing number.

The full fury of the annual gale many minutes during the star is expected to burst forth early chamber session of the budget next week. To keep the office's surgeons. Mr. Zorn made a motion | sails in the wind, application for that the original request for \$8,- hiring 60 extra clerks and car-000 be eliminated entirely. His riers has been sent in to the postal motion died for the want of a department. Three extra trucks second. Mr. Powell then moved will be used in delivering parcels. that the item be reduced 10 per No additions are planned for the

As during the height of the letprompted the Woodburn banker ter and package storm Christmas to make a motion that an mail is liable to delay, postal ofamount not to exceed \$6000 be ficials are urging that gifts and allowed with the provision that cards be sent at an early date. Mr.

AT SAN FRANCISCO the county court be given a rea- Gibbard states that during the sonable voice in the expenditure rush from five to six days is the of the funds. Powell's motion was minimum time to allow in mailseconded by Louis Lachmund. ing packages to the midwestern SAN FRANCISCO, Dec. 7 (AP)-Governor and Mrs. Julius Higher Schools Short of L. Meier, of Oregon, arrived here

Further economies in the oper- lem yesterday, and the conclusion ation of the higher institutions was that the schools should conwill be forced because of deficien- tinue strict economy and endeavor cies in the estimated receipts to get along with the funds availamounting to some \$80,000. Of able. this \$60,000 is from millage taxes because of lower valuation of tution income are reported for the property. About \$17,000 is caused dormitories at the state college by decrease in tuition fees over and some of the other schools. the estimates. The state board of President Kerr reported that the higher education wrestled with dormitories at the college were

WHO WAS

Gay Bandit of the Border?

TOM GILL'S romance of the mes-quite country—the great South-west where men fight for love and gold—etches an unforgetta-ble character, half rogue, half Poblic Most Start and Robin Hood. Start reading it Fri-

Funds; Slash Imperative

Additional reductions in instithe problem at its meeting in Sa- running at 28 per cent under capacity. Students are rooming in private homes where costs are now less than in the dormitories. The receipts are expected to run \$10,-

000 short of normal this year. Two important committees of the board were not prepared to and reported that 210 veterans file reports. The normal school had paid their 1932 dues. Alcommittee, composed of Mrs. Cornella Marvin Pierce, Albert Burch and C. L. Starr, conferred before year, it is satisfactory for the the board meeting but no report present time, according to the was made. The board did vote to captains. keep on file the resignation of President J. S. Landers of Mon- January 1. mouth Normal, whose administra-tion was investigated earlier in the fall. The committee on allocation of courses which will deal ecutive secretary, is working on 75 years old was killed here to-

this question as a member of the night when he was struck by an Dr. Burt Brown Barker, who Roy Herlihy, Portland.
has served as vice-president of the Letters found in the dead man's university with the salary guaran- clothing were addressed to Scott teed by an alumni group, was em- Smith, in care of W. H. McFar-(Turn to Page 2, Col. 2) land, Sherwood, Ore.

NO CHANGES IN

Tax to be \$403,153.41 and Health Appropriation Is Left at \$6000

Council's View Upon Water Mandate Outlined: Fees Of Utilities Raised

The city council approved without alteration the budget adopted by the budget committee November 16. The total to be raised by taxation will be \$403,153.41. which is slightly less than the 1931 budget of \$409,276.57.

An attempt was made to consolidate the item for sanitary inspector, \$1800, with the previous allotment of \$6000 for the health service but this was defeated because the councilmen rallied to make certain that Batty Cooper was retained as city inspector. In spite of assurances that the health board would retain him, the councilmen defeated the proposed

A resolution was adopted in posed purchase of the water system. The council by the resolution committed itself if authorized not to exceed the appaised value committee it will undertake first thereof"; to select for permanent source of supply that which was approved by the greatest number of voters; and to make improvements at the lowest possible cost for materials and construction work suitable for a plant of the bing job. When the Community class and character selected by the voters and approved by the council; and to issue and sell only the amount of bonds which may be necessary to acquire a complete (Turn to Page 2, Col. 8)

CRASHING INTO BUS

Arrested as the result of crashing into a city street bus Sunday morning, Eugene N. Burton of Eugene yesterday was fined \$5 for reckless driving when he appearletters to appoint lieutenants for ed before Mark Poulsen, munici-

soliciting funds for Community pal judge. John Ruble, the Oregon Motor Stages driver, reported to the police that his bus was knocked 10 feet by the impact of Burton's car. The accident occurred at Market and North Capitol streets.

Three occupants of the Burton car suffered minor injuries. They were: Burton, cut over eye; Neil Wells of Albany, bruised, and Wallace Kennedy of Albany, scraped head and broken teeth. Bus occupants were unharmed.

JENKINS FORFEITS 3. T. Jenkins of Newport Sunday volved. morning after he was arrested on a charge of possession of liquor was declared forfeited yesin municipal court. tonight and made the first stop of a mid-winter vacation trip in

Garner Speaker: Republican Hold on Senate Still Remains Intact

Hoover to Submit Message Today; Fight Looms on Tenure of Moses

By F. M. STEPHENSON WASHINGTON, Dec. 7-(AP) The nation's new congress convened today in a calm, quiet manner that belied under-surface tension and the strife-filled issues awaiting its consideration.

The house went into the hands of the democrats. Joyful "rebel" yells greeter the smiling veteran of the party, John N. Garner of Texas, as he ascended the speaker's rostrum, last held by

democrat 12 years ago. Republicans clung to their hold in the senate. It went through the brief routine of swearing in new members in a formal 35 minute session. Its organization problem will be settled tomorrow. A dispute is impending on the reelection of George Moses, of New Hampshire, as president pro tem.

To this divided and politically hostile congress, President Hoover tomorrow will submit his legislative recommendations and a report on the state of the union. Dominent Economic

Problem Recognized Attention was called to the iominant economic problems facing this seventy-second congress which the city council set forth its by an unemployment demonstraposition with respect to the pro- tion on the capitol plaza. Representatives of the organized marchers were halted by the police at the doors of the senate chambers. With tomorrow's reading of

ne presidential message, the congress will plunge immediately in-

There will be no coalition. There until the Army came along. will be politics for it is the dawn vital steps for national recovery soup kitchen. there is promise of prompt, nonpartisan action.

tire and in sombre attitude.

Wage Reduction For Espee Will Go Into Effect

SAN FRANCISCO, Dec. 7 The committee of the Southern Pacific company has directed that a reduction of 10 per cent be made effective January 1, 1932, in the salaries of all officers and employes, without exception as to rank or grade of the Southern Pacific system, except for time becific system, except for time being, however, those covered by Garner Smashes specific contracts or group wage agreements or governed by the provisions of the Federal Railway Labor Act with whom negotiations for reduction are in progress or will be initiated under direction of the proper officer of the Fifty dollars in bail posted by respective employer company in-

Similar reductions for the lines in Mexico are already under active consideration through the took a few practice whacks with a terday when he failed to appear procedure provided by the law of new gavel. that country.

Lenz, Jacoby **AreWinners** At Contract

NEW YORK, Dec. 8.—(Tuesday)—(AP)—Sidney 8 Lenz and Oswald Jacoby triumphed in all three rubbers played at the opening session of the 150-rubber contract bridge match with Mr. and Mrs. Ely Culbertson last night. They acquired a lead of 1715

Lenz and Jacoby wen the first two rubbers with a bonus in each for winning the rubber. The bonus in the third rubber went to the Culbertsons, but they were set so much that Lenz and his partner actually gained points so that nnder experts' interpretation the Culbertsons lost the third rubber

KETTLES OF 'ARMY

Workers Active on Errands Of Mercy: Need Great, Leader Points out

SALVATION ARMY "GOOD-WILL FUND" Menday\$23.78 Saturday 28.99 Total to date \$47.72

Half dollars, quarters, dimes and nickels yesterday continued their merry tinkle, dropped in the street corner kettles presided over by the Salvation Army Lassies, and all but equalled the amount of money received Saturday for the annual Statesman-Salvation Army "Good-Will fund" cam-

The "Good-Will" kettles will be on the streets daily until Christmas.

continued their errands of mercy, to its task of devising a way to partly made possible through the speed American prosperity. That funds obtained in this campaign. Five families yesterday were giv-Assuming congressional auth- en needed supplies. In each case, ority for the first time in a dozen the head of the family was out of years, democratic leaders are work and his dependents were gomoving cautiously but unitedly. ing without the daily necessities Thirty-four transients yester-

of a presidential year. But on the day were given meals at the Army

Adjutant E. Parsons last night roiced a cry of need for a num-In keeping with the spirit of ber of cases which have come to this congress elected a year ago his attention. An invalid has no in the depths of economic adver-crutches. Bables are coming to sity, the membership went about three families, but the little ones ts business today in informal at- will find no clothes awaiting their forum meeting which will be held entry to this world unless generous persons supply them. The ber of commerce, Farmers in Marparents have no funds with which ion and Polk counties have been

As the adjutant and the Salvation Army executive committee Greeley, secretary-manager of the have determined they will need at West Coast Lumbermen's associa-least \$1500 in their "Good-Will tion, and Professor W. J. Gilmore, fund" this year, many contribu- of Oregon State college. tions besides the coins in the street kettles will be necessary to attain the goal.

Contributions should be sent to the Army headquarters or to The Statesman office, from where they will be turned over to Adjutant

His First Gavel

WASHINGTON, Dec. 7-(AP) -Speaker Garner broke his first gavel today.

until evening. The plant, a greater It was after the house, which part of the bunkhouses and most promoted him to the chair, had adjourned. The Texan consented of the equipment was destroyed. to pose for photographers and not known here Monday, as of-

The handle snapped.

All of Former Officers and Directors are out; Brand new Group Will Proceed: Includes Shambrook, Bailey. Ogle and Smith; Hope to Reorganize on Sound Basis and Form Subsidiary Firms

Previous Leaders Announce They Will Terminate Their Contracts Voluntarily: Methods and Salaries are Defended; Stockholders Crowd Into Meeting, Seek Information of Company's Affairs

PORTLAND, Ore., Dec. 7-(AP)-R. W. Clancy, of Portland, was elected president and general manager of the Empire Holding corporation at a meeting tonight of the new board of directors elected at the annual stookholders' meeting here earlier today. Other officers elected were David R. Shambrook. Roseburg. vice-president, and W. R. Bailey, Portland, secretary-treasurer.

DORTLAND, Dec. 7—(Special to The Oregon Statesman) The tide of Empire changed Monday and as it turned the five officers and directors who have directed the corporation for one year were swept out of office and in their stead five new men were chosen. The action climaxed a three hours' session of more than 100 stockholders who met in the Terminal Sales building here and listened to extensive oral and written reports by the former leaders of the corporation on its operations for the past 12 months.

cial city election on the municipal

water bond issue took up the ma-

for attention of the Salem chap-

ter, Oregon Building congress,

board of directors, which met last

night. As the discussion was held

purely for the personal informa-

tion of the several directors, no

formal action was taken concern-

en by the directors to the congress

next Monday night at the cham-

invited to attend this meeting and

hear addresses by Colonel W. B.

SILVERTON, Dec. 7. - Silver

Falls Timber company camp No.

16 was destroyed by fire Sunday

caused from the exploding of a gas

lamp used in the dining room.

There was an electric light plant

at the camp but this did not run

The exact extent of the loss was

ficials had gone up to look over

the situation and had not yet re-

turned. Men came out of camp and

will not return until after the

holidays. Outside of a small con-

struction camp this is the only one

of the Silver Falls camps which

has been running for some time.

To be Resumed

Investigation of the acts of of-

ficers of the Empire Holding cor-

poration will be resumed today

where it was left off last week,

District Attorney John Carson an-

nounced Monday night. Changes

made in the operating personnel

of the company at Monday's meeting in Portland will have no

effect on the grand jurors' probe

into acts of the old officers, the

The hearings will start at

On Highway Job

The 65 men sent to work yes-terday on county and state emer-

gency highway projects from the U. S. Employment bureau con-

stituted just 6.4 per cent of the number of men registered. Reg-

istration of 15 men yesterday

brought the season's total to

Employment for three common

1015.

district attorney indicated.

10:30 o'clock this morning.

Crew Sent Out

Empire Hearing

Further consideration was giv-

ing the election measures.

Heading the move for reorganization was Dr. R. W. Clancy, former Medford physician, who had gathered proxies or direct votes for at least three fourths of the shares of Empire stock outstanding. Foreseeing defeat at the election, each Empire would terminate his 10-year contract with the corporation as of December 7, 1931, and would not continue longer with the corporation even if his services were de-Discussion of the coming spe-

manded. Only Nominees Are Five Men Elected

The election of the new directors, made without the nomination of anyone but the five men elected, marked a decisive victory for the Clancy forces and an equally overwhelming defeat for the former officials of the company who until the last few days have been assailing Clancy in his attack on the company and his demand for new leadership.

New directors chosen were Dr. W. Clancy, Portland; W. R. Bailey, Portland; Dr. C. L. Ogle, Grants Pass; F. Thornton Smith, LaGrande; David Shambrook, Roseburg. Retiring directors and officers are Judge Oliver P. Coshow, president; L. H. Fetty, vicepresident; Wilson R. Adams, treasurer; Jay H. Stockman, legal counsel, and Frank J. Keller, Jr., sales counsellor. Keller and his brother, C. J. Keller, had terminated their sales contract with the Empire Holding corporation several weeks ago and the former is now engaged in selling stock for a Washington corporation.

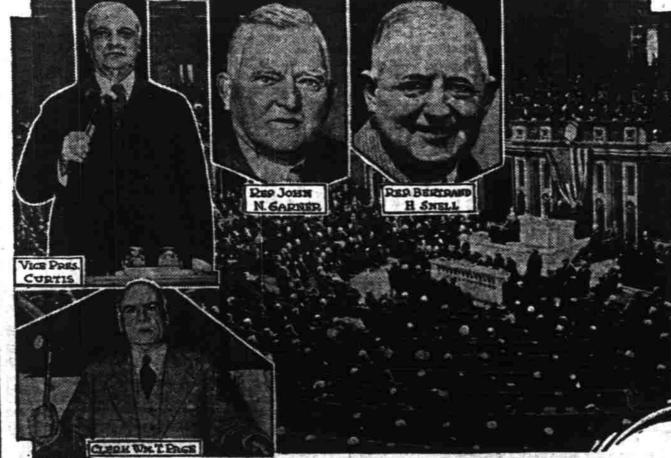
Outlook is Still

Bright Says Clancy "I believe there are yet marvelous possibilities for stockholders in an Oregon fire insurance and casualty company," Clancy said in summing up his views on the reorganization of the company. "I do not care to ask present stockholders to put up an additional dollar until we have companies organized and operating. Some of my best friends tell me will be unsuccessful but I beieve that within 60 to 90 days I can secure sufficient financial support to have two companies ready for organization and underwriting. If present stockholders in the Empire Holding corporation wish to put in more money it will be welcomed but we shall not seek it. We have heavy, pressing obligations to meet and we are going to do our best to pay them as last as we

Clancy urged the stockholders under the new directorship, to have faith for a time. In company with the four other directors, Clancy pledged to take no salary whatever for the first year of the new organization's operations. Ex-officers Are

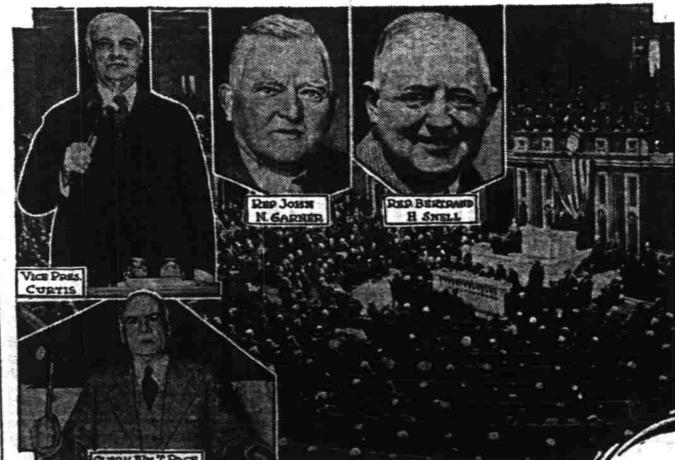
Thanked For Act Judge Oliver P. Coshow, obviously relaxed when the meeting drew_to a close, accepted with (Turn to Page 2, Col. 4)

SHOPPING DAYS 'TIL CHRISTMAS



For the first time in 12 years the national house of representatives is being organized by the democrats,

National Congress Convenes Again



with John N. Garner of Texas as speaker. Hertrand H. Snell of New York was the republican contender for the honor and failing that, will be the floor leader of his party. Clerk William T. Page laborers also was obtained was "king for a day," his gavel pounding the house to order for the opening session Monday. Vice President Curtis is resuming his regular duties as presiding officer of the senate.