

PROMOTION OF WORK PROVING HUGE SUCCESS

Total Approaches \$50,000
As Thermometer Rises
Showing Progress

Suggestions as to Repairs
Made and Accepted by
Owners of Homes

RESULTS OF WORK PROMOTION PLAN	
Third day	\$12,929
Second day	19,282
First day	15,748
Total	\$47,959

Another bottle of red ink yesterday was required to run up the Work Promotion plan thermometer as five of the 14 teams reported \$12,929 worth of jobs promised by persons they had interviewed during the day.

With the thermometer board, which stands in the chamber of commerce auditorium, registering nearly \$50,000 as the fruits of but three days' canvassing for jobs, the solicitors were confident their labors would prove well worth while both in creating jobs for unemployed and in getting needed money into circulation.

The hearty courtesies with which they were received at homes and business houses encouraged them to plan on starting off the new week with renewed confidence in their undertaking of both mercy and public service.

Most Teams Show Gain Over Friday

The teams reporting at the 5 o'clock meeting at the chamber of commerce yesterday afternoon with but two exceptions had increased amounts of pledges to show for their day's work and that of the blustery evening before. Yesterday's reports, followed by those of Friday's were as follows: \$5820-\$340; \$588-\$15; \$4000-\$3450; \$310-\$320; \$2220-\$18198. Since the 14 districts vary in the amount of pledges possible to obtain, rivalry in terms of money is not being fostered in the drive.

Construction of two new houses, one to cost \$5000 and the other, \$4000, was pledged yesterday, bringing to five the number of dwellings promised. Erection of residences and repairs and alterations to business buildings now have comprised the major portion of the pledges.

Solicitors calling on dwellers in rented houses are ascertaining the name of the landlords, then visiting the latter to show how their income properties may be made more attractive at the same time that the needed employment is being provided.

Alteration Needed Easily Discovered

Property owners have only to give consideration to the matter in order to find many repairs and alterations which can be done profitably at this time when the cost of high grade labor and building materials is so low. It is being shown. One man interviewed yesterday concerning a civic building for which he is trustee decided that the present winter would be an opportune time in point of cost to refinish residential properties which he owns.

Pointers on jobs that may well be done at this time are given on a card being distributed by the solicitors. Some of them are as follows:

Replacing window panes, weather proofing, and weather stripping gutters and downspouts, porches and steps, repair or build fences and trellises, insulate outside walls and roof, garage repairs and improvements, build garage, house cleaning, repairing furniture, painting and decorating, paper-hanging, calcimining, chimney and fireplace repairs, build in fireplaces, waterproofing basement, overhauling heating system, installing new plumbing facilities, repairing plumbing facilities, inspection or overhauling electrical wiring.

The Work Promotion plan solicitors will report the results of their fourth day of efforts at the chamber of commerce at 5 o'clock.

Crew Shorted in Road Work Given More by County

As an aid to workmen on the state highway employment projects in Marion county who last week received only two and three-quarters days' work, James E. Smith, county commissioner, and Frank O. Johnson, county roadmaster, yesterday arranged to provide two days' additional employment for them on county roads this week, according to E. R. Koenig, acting agent at the Y. M. C. A. Employment bureau.

The men on the emergency projects at best receive only one week's work in five. Their slight earnings of last week would have left them in severe financial straits.

Ex-Empire Officers To be Arraigned in Court Here Monday

Coshow and Associates to Face Fraud Charge
In Circuit Court; may ask for Change of
Venue Because of Publicity Here

ARRAIGNMENT of the five former officials of the Empire Holding corporation comes up here Monday morning in department one of circuit court, John H. Carson, district attorney, announced yesterday. The five-men will be brought before Judge L. H. McMahan who returned to Salem late Saturday night after spending a fortnight in Portland where he has been ill.

The men are individually charged with devising a scheme to defraud in the issuance and sale of shares of stock in the holding corporation with many representatives made in the sale untrue. Each of the men was indicted in December here and is now free on separate bail of \$1500.

Former president of the company was the former chief justice of the state supreme court, Oliver P. Coshow. Other former officers to be here tomorrow with Coshow are I. H. Petty, vice-president; W. R. Adams, treasurer; Jay H. Stockman, counsel; Frank Petty, sales counselor.

The indictment of the men followed the publication of a series of articles by The Statesman exposing the untruthful methods observed by the corporation in its promotion.

District Attorney Carson and Barnett H. Goldstein, special prosecutor for the state corporation department, will handle the prosecution of the Empire officials. Counsel for the five men has not been announced. Word from Portland here indicates there has been dissension among the lawyers over the hiring of legal counsel. One of the officers is said to have offered to

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Miss Serena M. Anderson is Victim of Rebound in Traffic Smashup

The innocent pedestrian was the victim of the collision of two automobiles at High and Ferry streets at 5 o'clock yesterday afternoon.

Just as Miss Serena M. Anderson, 67, of 325 South Winter street, was crossing High street, cars driven by Miss Doris Pickens, 615 North 15th street, and Donald Doerfler of Macleay, collided at that intersection and the pedestrian was struck by the rebounding Pickens coupe. Miss Pickens had borrowed the machine and did not have a driver's license with her, investigating officers reported.

Miss Anderson, suffering primarily from shock, was cared for in a nearby office until an ambulance arrived to take her to Salem General hospital. Although she was knocked to the pavement and run over, her injuries were slight, it was believed. The police were informed she probably would be able to leave the hospital today.

As Miss Pickens' car was struck, she was thrown hard against the right door. Taken into a nearby store, she did not recover from semi-consciousness for nearly 15 minutes. Other than bruises, she was uninjured. Young Doerfler, a Salem high school student, was not hurt.

The youth was arrested on a charge of reckless driving, then released on his own recognizance. He immediately reported the accident to the police. L. G. Page, United States National bank building, who was driving west on Ferry street, as was Doerfler, told the police the youth passed him at high speed just before the collision. Miss Pickens, proceeding west on Ferry street, was seen to slow up before entering the intersection.

Neither car was badly damaged.

Claim Widow is Loser as Result Of Leaving Home

Francis E. Shafer, widow of Frank E. Shafer, late Salem harness and leather goods dealer, left his home in June, 1931, through months before his death, and thus forfeited her homestead rights to his property, contends Frank E. Shafer, executor of his father's estate in a reply filed yesterday in probate court. He contends that Mrs. Shafer left for good, taking with her all her personal belongings and household goods. She did not live with Mr. Shafer thereafter, the executor contends.

Under Shafer's will his widow was to receive one-half of his property and after other bequests were paid, was to share with his three sons in remaining property.

Fitwater Case Looms Won't cut Teacher pay Federal Charges Faced Pacific Defeats Albany

TO SENTENCE MONDAY
PORTLAND, Ore., Jan. 16—(AP)—Earl E. Fitwater, president of the Guardian Building and Loan association, will be sentenced Monday on his plea of guilty to unlawfully lending funds to a building and loan association without security, attorneys said today.

Fitwater was indicted jointly in four indictments with J. S. Moltner, who was sentenced Friday to two years in the state penitentiary following his conviction in circuit court, attorneys for Moltner announced today appeal to the supreme court will be filed next week.

PROPOSAL REJECTED
MEDFORD, Ore., Jan. 16—(AP)—Jackson county school directors at a special meeting here today rejected a recommendation that salaries of rural teachers be cut from 5 to 15 per cent.

The directors adopted a proposal that married women teachers, who have no dependents and have other sources of income, be replaced. They also recommended that prices asked for teachers' board and lodging be reduced to the current cost of living prices.

MONEY DIES SEIZED
MEDFORD, Ore., Jan. 16—(AP)—Benjamin W. Batten, a barber, and Luke Jennings, a rancher, both of Medford, and Melbourne Dunn of Yreka, Calif., were arrested tonight by Department of Justice Agent Thomas McSwain on a warrant charging conspiracy to make and manufacture dies and molds similar to those used in minting United States dollars.

Batten and Jennings are held in the county jail here and Dunn in the Siskiyou county jail under \$5000 bonds each. Hearings on the charge against them has been set for January 22, before United States Commissioner Chauncey Foley.

SCORE IS 51 TO 22
FOREST GROVE, Ore., Jan. 16—(AP)—Pacific university opened its northwest conference basketball season here tonight with a 51 to 22 victory over Albany college.

The game was loosely played. The score at the half was 28 to 8.

WATER BOARD SELECTION UP MONDAY NIGHT

Amendment Requires Choice
By Thursday; Forecast
Of Names is Vague

Few of Previous Group to
Be Picked Again; Other
Details Coming up

Most important of the business items before the city council here Monday night is the selection of a municipal water board. The charter amendment passed December 15 by the voters makes such selection mandatory with the aldermen within 30 days from the time the passage of the amendment was proclaimed and this date will be Thursday, January 21.

City Attorney Trindle has ruled that the council may consider the naming of a water board tomorrow night and then postpone final action until the next regular or special meeting, thus meeting the requirements of the amendment. If such postponement occurs Monday it will indicate that action in the council is stalling for time in which to select and securing adequate backing for a water board ticket; otherwise nomination and election will be completed tomorrow.

No Indication of Choice Revealed

While the charter amendment proponents have been insistent that only men who supported the municipal water bond issue of \$2,500,000 be chosen for the water board, there was an indication last night that such a proposal had received the endorsement of the majority of the council. Neither was there any certainty that any ticket had been endorsed by the majority. It is therefore likely that nominees for the water commission will be selected in catch-as-catch-can manner, a number of ballots being required before the five men to serve on the board are chosen.

All of the five men selected will serve for a brief term since the charter amendment provides that at the first election following their appointment the voters must select the entire personnel of the board, three to serve for four years and two to serve for two years.

Aldermen Interviewed Possible Appointees

A number of conferences have been held between aldermen and candidates during the week while certain candidates have personally or through friends approached the councilmen for support. A caucus of a small group of aldermen was scheduled last night.

Prominently mentioned for a position on the board is Ed Rostein, ardent proponent of the \$2,500,000 bond issue. Rostein who was defeated by Gregory for mayor is known to have Gregory's (Turn to page 3, col. 1)

Grocer Wounded When He Resists Holdup Attempt

PORTLAND, Ore., Jan. 16—(AP)—Louis Harris, Portland grocery store proprietor, was wounded in the wrist and chest last night when he resisted with gun fire an attempted hold-up of his store by two men. Physicians who attended him at a hospital said his wounds were serious.

Police arrested Henry J. Blair, 30, of Kansas City, Mo., at a nearby apartment. Blair was wounded in the wrist.

Blair, police said, admitted the attempted robbery but blamed the shooting on an unidentified companion.

Mountain Feud Flares up and Four Are Slain

LONDON, Ky., Jan. 16—(AP)—A mountain feud which flared in a peaceful church yard while worshippers were leaving services here today. The trouble resulted, witnesses said, from the accusation of one family that a member of the other clan had wronged a 17 year old girl.

The dead are "Big Henry" Johnson, 35, and Earl Johnson, 25, brothers, and Homer Crook, 32, and Forrest Crook, 30, brothers.

200 Arrested in Portuguese Plot

LISBON, Portugal, Jan. 16—(AP)—Police arrested 200 persons today in connection with what they declared was a plot to assassinate President Oscar Carmona and Antonio Oliveira Salazar, minister of finance.

A former priest named Puares was taken into custody as the leader of the movement. A number of low-ranking army officers also were held.

Sells Still To Officer, Claim Made

Answers to Query
On Grade Evaded

When questioned by the housewife as to the grade of milk offered, the solicitors have been evasive, giving such answers as, "We have a grade A plant," or "Our wagons carry the grade A milk."

Mr. Mickle was called upon to give his views in regard to C or ungraded milk. He pointed out that he had recommended that only grade A milk be used in state institutions and declared that if grade C milk can be distributed in Salem that the local milk ordinance and the producers organizations are worthless.

"I am deeply sorry," said Mr. Mickle, "that a few distributors will deliberately attempt to wreck the welfare of so many consumers in order either to make more profit for themselves or to keep their heads above water if their business is being poorly managed."

"You producers will have to exert yourselves farther than you ever have if such a move is made. You may find that you will have to function not only as producers but as distributors as well." This remark brought enthusiastic applause from the large audience.

Ordinance Coming Before City Council

R. W. Clark, local head of the state dairy cooperative organization reported on the progress of the association and then stated that an ordinance will be presented to the Salem city council on Monday evening which is designed to aid in the enforcing of the ordinance against selling ungraded milk. Many producers attending their intention of attending the (Turn to page 3, col. 7)

LIBRARIAN CHOSEN FOR WILLAMETTE U.

The position of head librarian for Willamette university will be filled by Robert Spencer who will replace Dr. F. G. Franklin the first of April.

Dr. Spencer is a graduate of Wesleyan university of Connecticut and the author of "Falling Health, caused by an automobile accident early last summer, brought Dr. Franklin's request to resign.

He has been an instructor at Willamette for 14 years, starting as professor of Social sciences in 1918 and assuming the position of librarian in 1921.

At present Dr. Spencer is connected with the University of Rochester in New York state where he is engaged in reclassifying the medical library. He has been previously connected with libraries at University of Nebraska, University of Nebraska and Iowa state college.

Dr. Spencer is 50 years of age and was selected over 50 other applicants. Special permission releases him from his present contract.

Federal Control Of Liquor to be Plan of Finland

HELSINGFORS, Finland, Jan. 16—(AP)—The cabinet's prohibition repeal bill, which would set up a government-controlled source of liquor supply without private profit, was made public today. It will be presented at a special session of the diet Tuesday.

The measure, drawn up in compliance with the wishes of the voters as expressed in the recent referendum, would set up an intermediate company for the importation, manufacture and sale of intoxicating beverages, in which the controlling interest would be held by the government.

Hattie Smith is Winner in Suit

An award of \$2 and costs was made Saturday in circuit court to Hattie L. Smith, plaintiff in action to collect rent brought against George Vilstrup. The jury was out slightly more than an hour. The case marked the fourth jury trial concluded during the week. Judge Gale S. Hill of Albany was on the bench, substituting for Judge L. H. McMahan who has been ill. Judge McMahan will preside Monday having returned to Salem last night.

UNGRADED MILK PROBLEM EYED BY PRODUCERS

New Threat to Organization
Discerned; cut Prices
Promised, Report

Mickle Addresses Meeting
Discusses Outlook of
Milk Producers

"The citizens of Salem want good milk, and most of them know that they cannot afford to buy C grade milk if they wish to avoid sickness and disease," said J. D. Mickle of the state department of agriculture, in an address to the milk producers of the Salem district, assembled at the chamber of commerce Saturday afternoon.

The producers evidenced much concern over the report that an attempt to sell C grade or ungraded milk was being made by local producers' organization. The producers were unanimous in declaring that the difficulty in the milk situation in Salem was not one of price or of volume but rather of antagonism of distributors toward producer organizations.

According to reports, solicitors have been canvassing the residential districts to secure customers for milk at a reduced price.

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COLUMBIA PROJECT IS FOUND FEASIBLE

WASHINGTON, Jan. 16—(AP)—The reclamation bureau reported today that the development of Columbia river basin in Washington as a great power and irrigation project was financially and physically feasible.

Envisaged in the bulky findings of reclamation engineers was a dam across the Columbia river just above Grand Coulee which would be 450 feet high and 4100 feet long, forming a lake extending 150 miles to the Canadian border.

The engineers would pierce the mountain with a tunnel and divert the water for irrigation purposes into Dry Coulee, damming it at both ends to make a semi-natural reservoir.

The cost of the dam, and its power plant, the report said, would be paid within 50 years with 4 per cent interest, through the sale of power. In addition, about 50 per cent of the cost of irrigation development could be paid from power revenues.

Kozer Gets Job As Statistician

SAM A. KOZER, for many years secretary of state and later state budget director, has accepted a position as statistician in the Salem office of the state board of higher education. Kozer already has assumed his new duties. He has lived in Portland since his retirement as state budget director.

Japan Troops Go Forth To Avenge Recent Loss

(By The Associated Press)

A brigade of Japanese infantrymen marched westward from Chinchow, Manchuria, yesterday to avenge the slaying of 20 of their countrymen by Chinese irregulars.

The brigade had orders to clear 15,000 Chinese soldiers from the area between Chinchow and the border of Jehol Province—and perhaps to press on into Jehol, Chinese sources said, although this was denied by Japanese authorities.

Observers in Harbin expected General Mah Chan-Shan, enemy of the Japanese in the Nonni-Tsitshar campaign last November, to emerge as the leader of a

School Tuition, Bus Transportation Laws Face Court Attacks

General Mah to
Head Army, Help
Japanese Regime

Deem System Unfair
To Districts With
Few Benefitting

LARGE AREA IN COUNTY IS REPRESENTED AT PROTEST MEET

Oregon's high school tuition law passed in 1915 and its high school bus transportation act adopted in 1929, both measures legislative enactments, may come under court attack in this county if plans being formed in the Mt. Angel district and in the North Howell area are carried into effect. Mt. Angel and adjacent taxpayers last week met to discuss and agreed that the tuition and transportation levy is unfair.

Nine districts represented at the meeting included Mt. Angel, McKeen, Scotts Mills, Belle-Passi, Grassy Pond, Hazel Dell, North Howell, Lash Center and Central Howell.

The lawsuits which are expected to enjoin payment of the tuition and transportation money by the county court will probably be begun in February.

Reason for the suits lies in objections by taxpayers in non-high school districts to paying taxes for tuition and transportation when few or no pupils from that district attend an out-of-district high school. The situation becomes more grievous, taxpayers contend, where children are receiving their high school education at private and parochial schools and the tuition and transportation tax is thereby added to the charge made for private instruction.

Search of the supreme court records yesterday revealed that the tuition and transportation acts have never been passed upon by that body in Oregon. They have been made the basis for many interpretations from the attorney general's office in this state. In many cases similar acts have been favorably ruled upon by the highest tribunal in the commonwealth.

Number of Pupils Is Not Considered

As the tuition law operates in Oregon, non-high school districts in each county are assessed annually an amount sufficient to pay the total tuition bill of all non-high school district pupils attending public high schools in the county. The assessment is made upon the basis of assessed value of property, not the number of pupils attending. The district tuition is determined by a uniform cost finding accounting system, in which each school reports out-of-district pupil reports to the county school superintendent. (Turn to page 3, col. 4)

HUNDREDS BECOME FLOOD'S PRISONERS

GLENDORA, Miss., Jan. 16—(AP)—Water from the Tallahatchie, Coldwater, Yalobusha and Yazoo rivers spread out today in six Mississippi counties, marooning hundreds of persons.

Leaves, crushed after a month of severe strain and residents took to high ground to await rescue. In Louisiana, rains kept the Ouachita river in the Monroe section pushing upward, and levees crews raised the dikes to prevent deeper inundation of West Monroe.

Shreveport, in northwest Louisiana on the upper Red river, reported the flood spreading below there. At least 20,000 acres of lowland between Gillisville and Greenvale are under water and 200 families, most of them negroes, have fled their homes.

A repetition of the disastrous floods of 1930 in the Caddo Parish area were anticipated because of a new rain.

Improvement in Motor Industry Being Heralded

DETROIT, Jan. 16—(AP)—Improvement in employment conditions in the automobile industry is reported in today's issue of the Michigan manufacturer and financial record which says the Ford motor company has begun production of its 1932 four cylinder models and stepped its employment rolls up to more than 50,000 workers.

Volume production of 1932 new models it says, may not get fully under way until late in February or early March with the prospect that some 75,000 will be on the payrolls by the time the reported new V Eight is in production.

Leak of Secret Information is Stimson's Claim

WASHINGTON, Jan. 16—(AP)—An assertion by Secretary Stimson that secret state department information had "leaked" brought a sharp clash with Senator Johnson, republican, California, today in an executive session of the senate finance committee.

The flareup resulted from a remark by Stimson that questions asked by Senator Johnson in the committee's investigation of the flotation of foreign bonds indicated information "from the department's files."

Originator of Hair Bob Dies

LOS ANGELES, Jan. 16—(AP)—William Hepler, 77, credited with creating the mode of bobbed hair for women, died tonight of a protracted illness. He was internationally known for half a century as a wig and hair expert.