CIRCULATION
Average Distribution March, '32 7123
Net paid, daily, Sunday 6739
MEMBER A. B. C.

The Oregon Statesman

FOUNDED 1851

WEATHER
Fair today, Monday probably cloudy with rains, moderate temperature; Max. Temp. Saturday 72, Min. 37, river 5.6 feet, west wind.

EIGHTY-FIRST YEAR | Salem, Oregon, Sunday Morning, April 10, 1932 | No. 326

RANSOM MONEY BEING TRACED

County Republicans Back Prohi Referendum in Platform

HEATED BATTLE OVER DRY LAW IS WAGED HERE

Vote Taken After Many of Delegates Gone; 35 to 32 Ballot Result

Resubmission of Amendment Sought; Congressmen Urged to Assist

Marion county's republicans went back to the "gold old days" of political conventions Saturday. They agreed that taxes must come down, expenses be cut and Washington and Hoover principles carried on. Then came prohibition. And for one hour the assembly, 130 in number, heard a succession of contrasting arguments on a proposal that a plank favoring a national referendum on prohibition be embodied in the county republican platform.

In the end the "wets" prevailed. By a vote of 35 to 32 they voted down a proposal to strike from the platform a plank favoring a national referendum on the 18th amendment. The platform as adopted contains this section:

"As there appears to be a general desire throughout the United States for a re-submission of the 18th amendment to the state legislatures or through a constitutional convention, your committee recommends that our congressmen and senators be instructed to vote for such a resolution when presented for consideration at our next congress and that candidates who are now seeking office for the United States senate and congress be committed to this resolution."

Father of the plank and leader in the fight on the floor of the convention was Louis Lachmund. Along with Mrs. W. Carlton Smith of Salem and Fred J. Schwab. Lachmund had voted in the platform committee for the favorable report on the plank. A minority report was made by W. W. Rosebraugh and Henry L. Porter, urging the convention to reject the "wet" plank.

Vote Taken After Some Had Departed

By the time the matter came up for a vote the voting strength of the assembly had been cut down considerably. A number of the delegates had left for home while others, sensing a test vote impending, ducked out of the chamber of commerce rooms where the roll call was taken and did not cast a ballot.

The roll call was by delegates, and not by precincts. Records of Chris J. Kowitz, secretary of the assembly, showed that slightly less than 50 precincts of the 79 in the county were represented while 130 delegates out of the 247 authorized precinct representatives were in attendance.

"For 12 years the 18th amendment has been on trial and it has failed," declared Louis Lachmund in speaking on the majority report. "Sentiment has changed now, and I believe this convention has a right to ask for a vote on resubmission. When prohibition started 85 per cent of the papers in the country were for it; now less than 15 per cent of the papers favor the 18th amendment." Lachmund then outlined the economic advantages he saw in repeal of prohibition.

W. W. Rosebraugh, speaking for the minority report on the resubmission plank, declared "This is no time and place for such an issue; the case is not clear and the issue cannot be drawn. In time the matter of resubmission may come up but it is out of place here."

Turn Down Plank Offered by W. C. T. U.

Henry L. Porter, "father" of the convention, declared the plank on resubmission would "divide the party." Porter pointed out that the platform committee had turned down a plank offered by the W. C. T. U. pledging republicans to vote only for men who were for the 18th amendment.

Porter then recounted his memory of saloon days. "If the saloon had ever been square or decent, we might not have had prohibition," he declared. "I am reminded of coyote hunting; sometimes the coyote barks sound loud and one thinks there are many in the brush but when you go to find them you discover few coyotes."

Mrs. Smith defended the majority report with vigor. She said that while the saloon was a disgrace present conditions were abominable. Like Lachmund, she commended the W. C. T. U. for abolishing the saloon, but she said she was going to give her time and strength to clean up the bad conditions now prevailing.

(Turn to page 3, col. 1)

Economy to be Watchword For Marion County Republicans in Campaign, Platform Declares

Platform for Marion County Republicans Adopted at Political Assembly Held Saturday at Chamber of Commerce Rooms Here:

SPEAKING for the Republicans of Marion county, we feel that in this 200th year after the birth of that great American model of civil virtues, George Washington, our party should dedicate itself anew to the principles of its founders 78 years ago—national unity and honesty and true democracy.

We hold that these fundamentals can be realized only by practices insuring economy in public affairs, and confining agencies of government to the lowest practicable number:

Limiting salaries to match services rendered, and in equitable proportion to incomes in private life, and that will avoid duplications and padded payrolls.

Taxation to maintain government on these lines should be based upon the productive power of property assessed, and the forcing of hidden sources of wealth to reveal themselves and bear their share.

Tax burdens can be lightened only by reducing agencies that consume tax money.

We insist that Republican candidates for the legislature pledge themselves to support and vote for measures that will wipe out unnecessary commissions and consolidate others, and also effect substantial reductions in the higher salaries of state and county officials.

We ask for a horizontal reduction averaging at least 25 per cent of the total federal budget.

We demand that our representatives in congress pledge themselves to work for the elimination of useless bureaus, constantly increasing in number and cost, and becoming a menace to representative government.

We ask Republicans of Marion county to vote in the primaries for no candidate who will not publicly subscribe to this platform, and we pledge our party to support the candidates who make such pledges.

We commend the untiring and able labors of President Hoover, Marion county boy, in directing through the period of its greatest stress the affairs of our nation in a manner creditable to its place of leadership in world affairs, for which destiny it was set apart in its beginning times and has since worthily maintained in the progress of the race.

"As there appears to be a general desire throughout the United States for a resubmission of the 18th amendment to the state legislatures or through a constitutional convention, your committee recommends that our congressman and senators be instructed to vote for such a resolution when presented for consideration at our next congress and that candidates who are now seeking office for the United States senate and congress be committed to this resolution."

W. C. T. U. SESSION PLANS ANNOUNCED

Plans for the local institute of the W. C. T. U. which will be held here Tuesday at the Union hall have been announced.

The program includes devotions at 10 o'clock followed by a talk by the county president, Mrs. Helen Prescott, on the topic of institutes; 10:45, short talks by directors of departments; and 12 o'clock potluck luncheon.

At 1:30 o'clock there will be the dedication of the white ribbon recruits, followed by Crusade anniversary conducted by Mrs. Helen Prescott; 1:50, W. C. T. U. work in South Africa, an address by Miss Daisy Frederick; 3 o'clock, address by Rev. P. J. Eriksen; 3:30 o'clock, question box and adjournment at 4 o'clock. There will be special music.

Hoover Wins Straw Vote; Margin Wide

Herbert Hoover, president, received almost one half of the straw ballot votes received by The Statesman in the short poll conducted here this weekend in conjunction with Warner Bros. Elsinore theatre. Up to 6 o'clock Saturday night, Hoover had received 48 votes. Franklin D. Roosevelt, New York state governor, came next with 20 votes while Newton D. Baker of Cleveland, another democrat, was third with 12 votes. Will Rogers and Al Smith tied with six votes each.

Scattering votes were received by several other possible nominees. They were: Governor Murray 5, Governor Meier 1, John N. Garner 2, Charles G. Dawes 2, Owen D. Young 1, Robert LaFollette 1.

Navy Mutineers Driven Out But Escape on Boat

GUAYAQUIL, Ecuador, April 9—(AP)—Government forces today drove navy mutineers out of the fort at Punta Piedra, but allowed the rebels to escape on a gunboat.

The rebels, in possession of both ships of the Ecuadorean navy, the gunboats Tarqui and Cotopaxi, held off the government forces in the little motorship Colon with gunfire as they fled.

SAMUEL WILSON DIES

ASTORIA, Ore., April 9—(AP)—Samuel H. Wilson, 68, a resident of Knappa, died at a hospital here last night. He is survived by his widow and one daughter, Mrs. Mabel F. Murphey, of Salem.

ASSASSINATION OF HANS LUTHER TRIED

BERLIN, April 9.—(AP)—Dr. Hans Luther, president of the Reichsbank, narrowly escaped assassination tonight while he was pacing the platform of the Potsdamer station in Berlin, waiting for a train to take him to Basel, Switzerland.

The bullet, fired at close range by one of two men who had been quietly walking up and down the platform, passed through one sleeve of Dr. Luther's coat and inflicted a slight scratch about an inch and a half below his elbow. The bullet then entered the heel of a nearby railway porter's boot.

The man who fired the shot told police his name was Dr. Max Roosen. He smilingly surrendered his pistol. Both he and his companion, who gave the name of Werner Kertscher, admitted cheerfully, police said, that they planned to shoot Dr. Luther because they disapproved of the Reichsbank's deflation policy and wanted a "controlled inflation." They denied any political motive.

Weather Brings Many Shoppers To Stores Here

Good weather at the close of the week brought out an unusually large number of Saturday shoppers in the downtown districts here yesterday. Merchants reported business decidedly more brisk than it has been for several weeks. The good weather also sent hundreds of people into their gardens and out on their front yards, mowing lawns, spading rose hedges and doing similar spring gardening. Some repair work held back by inclement weather of recent weeks was also beginning in various properties as the week closed.

Car Stolen and Wrecked, Burns Up Thief Gone

A thief who stole a large sedan from Court street near Commercial last night wrecked the machine nine miles south on the Pacific highway, state police discovered. The car had gone over a bank and burned up. The thief had disappeared.

The state motor vehicle department's records show the car as registered to V. L. McAllister of Shaw but city police were informed it belonged to a man named Lowell.

STRAWBERRIES BLOOM

THE DALLES, Ore., April 9—(AP)—Mid-Columbia strawberry tracts are beginning to bloom. Growers say the crop will be about two weeks later than that of last year.

THREE TRAPPED BY FIRE AFTER BIG EXPLOSION

Another Trio Missing and Firemen Battling to Rescue Victims

Five Story Structure is Demolished; Blast is Blamed Upon gas

SPRINGFIELD, Mass., Apr. 10—(Sunday)—(AP)—Three persons were trapped by walls of flame in an explosion here early today. Three other persons were missing. A five story brick store and tenement building was demolished.

The building, located on Ferry street in the heart of a congested area, was left without a standing wall. Nearby buildings were twisted out of shape and glass from structures for blocks around littered the streets. The blast was supposed to have resulted from an accumulation of gas.

Firemen Struggle To Reach Captives

Mrs. Dahdah, Mrs. Mary Frangeia and a 7-year-old girl named Karon, were the three trapped in the ruins. Firemen were struggling to penetrate the flames to reach them.

The debris was in such confusion, and the flames had swept so rapidly through it, that there were but a few isolated spots untouched by fire, and these provided no pathway to the bodies.

So terrific was the explosion that Patrolman Harry Lawrence, the officer assigned to the Ferry street beat, fell before the concussion and had to be rushed to a hospital. It was reported he was suffering from severe shock. One fireman was overcome and was brought from the ruins on a stretcher. Two women and a boy were suffering from bad cuts and abrasions.

ASSERT BEAR RAID AVERTED BY PROBE

WASHINGTON, April 9—(AP)—The surprise investigation of the stock market ordered by the senate banking committee gained momentum today with the formal endorsément of President Hoover.

A whirlwind of rumors and reports revolved about the inquiry. One of these rumors, scoffed at by Wall street but persistently circulated at the capital, was that a gigantic bear raid climaxing the eight day fall in prices on the exchange had been planned for today.

Richard Whitney, president of the New York Exchange was to appear before the committee Monday.

Substantiation of the contention that bears had been active in the price collapse was seen by the elated sponsors of the investigation in the quick upturn on the market today. The senators were not concerned by later losses.

Barber Inspects Customer, Finds Missing Brother

BOSTON, April 9.—(AP)—A clergyman got into the chair of Hazen MacDonald, head barber at the Ritz Carlton hotel today for a shave. With hesitation MacDonald proceeded, stopping occasionally to study his client's features. There was something familiar about them.

The shave finished, MacDonald ventured the remark: "You are Walter, aren't you?"

Surprised, the cleric answered, "Yes."

They were brothers who hadn't seen or heard from each other since Walter set out seeking a fortune 26 years ago.

Two Seed Loans Given Approval

Two loans to farmers for 1932 seeding operations have been approved by the Spokane office of the Reconstruction Finance corporation and checks returned to Miss Thora Boesen, of the Red Cross, who is acting as local secretary for the farm loan committee. One loan was for $400 and one for $175. Quite a number of applications were sent in, but these are the first ones to be acted on.

First on Trial In Empire Case

FRANK J. KELLER

EMPIRE CASE WILL START ON MONDAY

Frank Keller, Sales Chief Of Company, First to Face Jury Action

Trial of the former officers of the Empire Holding corporation begins Monday, morning at 9 o'clock in the circuit court at Dallas, Judge Arlie G. Walker presiding. The first man to be tried will be Frank J. Keller, Jr., sales counsellor of the company. Along with the four other officers, Keller is under indictment for devising a scheme to defraud.

The Empire Holding corporation was authorized under a permit issued from the state corporation department in December, 1930, to sell $2,500,000 in stock. To obtain the permit its officers alleged they had individually paid $20,000 into the treasury of the company where as the records of the company show no officer paid in more than $3000.

Sales of stock of the corporation ran to nearly $1,000,000 before the Empire permit was cancelled. Cash paid into the company's treasury exceeded $200,000.

The state, represented by Barnett H. Goldstein, special prosecutor, and John H. Carson, Marion county district attorney, will contend that the officers devised a scheme to defraud. Various lawyers will represent the defendants, many of the attorneys being outstanding in the legal profession in Portland.

Forty-one jurors have already been subpoenaed for the trial and more will be called if necessary. More than a score of witnesses, many of them holders of stock, have also been summoned.

It is expected that all of Monday will be used in securing a jury.

More Tourists Visiting State

PORTLAND, Ore., April 9—(AP)—J. E. Shelton, secretary-manager of the Oregon State Motor association, reported today 8505 visiting automobiles were registered in Oregon during the first three months of the year, as compared to 7442 registered in the corresponding period of 1931.

FEDERAL PROHI AGENTS FACING MURDER COUNT

Slay man who Points gun in Belief They are Yeggs, Reports Indicate

Officers in act of Making Arrest of an Alleged Bootlegging Pair

DALLAS, Tex., April 9—(AP)—Two federal prohibition agents were charged with murder today for the slaying of Marion McGlothlin, 50, proprietor of a crossroads gasoline station and grocery.

The agents, N. D. Heaton and L. C. Smith, declined to make a statement, saying federal regulations silenced them.

McGlothlin was shot to death last night and his wife wounded in the hand when they pointed firearms at the agents in the belief they were holdup men.

The shooting occurred as the officers were arresting Lester Cox and his wife, Ruby. The Coxes had met the agents at McGlothlin's business place by appointment after the government men had visited Cox's home in an attempt to buy liquor.

Mrs. Cox was alleged to have displayed a pistol and to have been disarmed.

Thinking a robbery was occurring, Mrs. McGlothlin seized a pistol from behind a counter and pointed it at one of the agents, he shot the weapon from her hand. The bullet tore off several of her fingers.

McGlothlin obtained a shotgun. The other agent opened fire. McGlothlin fell with three bullet wounds in his body, the shotgun discharging harmlessly as he pitched to the floor.

In the excitement Cox escaped.

VERNON LEVEY IN TRAINING SCHOOL

Vernon Levey, 19, whose complaints against W. H. Baillie, ex-superintendent of the state training school for boys, caused an investigation of the institution several months ago, is again an inmate of the school. Levey was received at the institution Friday night from Multnomah county, where he recently stole an automobile.

The investigation of the boys' school was conducted by the state child welfare commission, after Levey alleged that he had suffered serious leg burns. These burns, it was claimed, occurred while attendants at the institution were removing an "Oregon Boot" from his leg.

Levey's father now has a claim for several hundred dollars before the state board of control.

G. A. R. MEMBER DIES

FOREST GROVE, Ore., Apr. 9—(AP)—Solomon Franklin Deming, 86, one of the last five members of the Forest Grove G. A. R. died here today.

Large Crowd at Friends' Youth Conference Rally

Nearly 400 young people, members of the Oregon Yearly Meeting of Friends, crowded the Rose Cafe last night for the ninth annual Twin Rocks banquet and pep rally, preparatory to the youth conference which will be held at the Tillamook beach August 2-7.

Attendance honors went to Lents Christian Endeavor, which had double its membership present. In the Intermediate group, Sunnyside First Friends church, Portland, took honors with all of its members present. The banquet crowd was almost a hundred more than anticipated by leaders.

Milo Ross of Salem acted as toastmaster for the program, conducted in the manner of a ship's log, with Admiral's orders extended by Chester A. Hadley, superintendent of the Friends Yearly Meeting. Supt. Hadley challenged the youth of the church to "carry on", declaring that the church today faces the greatest challenge and opposition that it has ever faced. He also asked the youth to maintain a balanced ration of fun, worship and frolic at the annual youth conference, first started in 1916.

Walter P. Lee, state president, of Portland, presented "Captain's Commands" in which he declared "the need was never greater for young men and women who will fight for God".

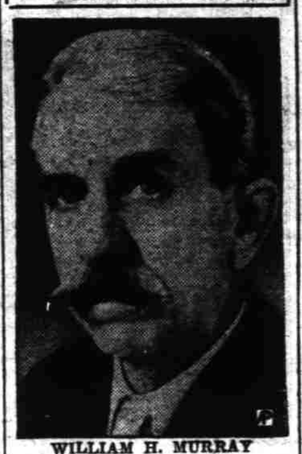
Song leader for the banquet was Donald Edmundson of Portland, pianist, Florence Ritter; and banquet chairman, Genevieve Beckett of Salem.

Appearing on the rally program besides those mentioned were: Frederick Baker of Tacoma; "Bug" Linstrom of Salem; Ruth Kellogg of Scotts Mills; Dr. John Brougher of Vancouver; James Henderson of Portland; Elizabeth Ott of Portland; Emel Swanson of Lents; "Captains" Kneeland, Hadley and Harmon of Portland; and the Pacific Bible Institute quartet of Portland.

Among the leaders for the Twin Rocks conference in August will be the following, according to announcement last night: Merrill Coffin, Edwin Mott, Levi T. Pennington of Newberg, Chester Hadley, Helen and Laura Cammack, Milo Ross and Chester and Bertha Haworth.

In future, the rally banquets will be held in Portland, where accommodations to feed 400 persons will be more easily secured, the crowd last night voted.

Alfalfa Bill to Talk Here Soon



WILLIAM H. MURRAY

MURRAY TO SPEAK HERE WEDNESDAY

Oklahoma's Colorful Chief On way West; Meeting In Salem Listed

Governor "Alfalfa Bill" Murray of Oklahoma, nationally-known for his firm stand last year in reducing oil production in that state, will speak in Salem Wednesday, April 13 at 4:30 p. m. at Nelson hall. Word of the governor's appearance was received Saturday by John S. Marshall of Salem. Marshall is chairman of the county central committee of the democratic party.

It is expected that William Delzell, who formerly knew Murray in Oklahoma where both served in the legislature, will introduce the visitor who is on a hurried tour through the various states where his name appears on the primary ballot.

NORTH PLATTE, Neb., Apr. 9—(AP)—Governor William H. Murray of Oklahoma made his final presidential campaign speech in Nebraska here this afternoon and entrained for Portland, Ore.

Charging the press had been "bought" against his interests, the Oklahoman also criticized public utilities, chain organizations and dealers in stock.

Present conditions are not a depression, he asserted, but bankruptcy.

Bents, Schmidt Not Indicted as First Reported

By error, The Statesman reported Saturday, April 2, that true bills were returned by the Marion county grand jury against Henry L. Bents and Jacob B. Schmidt. The contrary is true, not-true bills being returned against each man. Bents was freed of the charge of larceny by bailee and Schmidt of the charge of passing a check with the intention of defrauding the payee. The jury, in making its report on Bents, investigated charges that he had sold hop-drying equipment under mortgage. Bents who now lives at Newberg, resided for many years in the north end of Marion county where he was well known and respected.

Bank Directors Are Flayed But Aren't Indicted

EUGENE, Ore., April 9—(AP)—The board of directors of the Junction City state bank, which is now in the hands of the state bank examiner for liquidation, was described by the Lane county grand jury today as incompetent, unsuitable and unqualified to transact banking business.

The grand jury, called by Circuit Judge G. F. Skipworth to investigate the board of directors and all functions of the bank, declared it was unable to find sufficient evidence to warrant indictment of the directors for violation of criminal statutes.

Attorney Faces Forgery Charge

KLAMATH FALLS, Ore., April 9—(AP)—S. A. Jetmore, prominent Klamath Falls attorney, was arrested this afternoon on a charge of forgery. He was released on $2500 bond.

Jetmore was named in a secret grand jury indictment returned Friday.

KIDNAPERS FAIL TO KEEP FAITH LINDY REVEALS

Men Properly Identified, Paid $50,000, Baby Is Not Returned

Numbers on Currency Told In Circulars Sent to Banks and Others

NEW YORK, April 9—(AP)—Col. Charles A. Lindbergh has paid a ransom of $50,000 for his kidnaped son, but the baby has not been returned.

This was disclosed tonight in a statement issued through the New Jersey state police.

The ransom was paid, the statement said, "to the kidnapers, properly identified as such, upon their agreement to notify him as to the exact whereabouts of the baby, but the baby was not found at the point designated.

Government Asked To Trace Currency

"Several days were permitted to elapse to give the kidnapers every opportunity to keep their agreement. It was not intended to use the number of the species (currency) in which the ransom was paid, but inasmuch as the kidnapers have failed to keep their agreement and have not communicated since the ransom was paid it is felt that every remaining possible means must be utilized to accomplish the return of the baby and to this end the cooperation of the federal government was requested in tracing the bills used."

Earlier in the day it was learned that a circular giving details of the currency had been distributed to banks through the country by the treasury with a request for telegraphic notification if any of the bills were seen.

The date of the circular, Wednesday, April 6, coincides with reliable information that the payment of the ransom was effected Monday on an airplane flight which Col. Lindbergh and Col. Henry Breckinridge, his attorney, made in the neighborhood of the island of Martha's Vineyard, Mass. The pair carried a suitcase, suitable for holding currency, and a blanket. As the statement pointed out "several days" elapsed before the payment and the action by the government.

Tonight's statement lent itself to two theories: One, that the ransom had been paid to the real kidnapers and they "double crossed" the colonel, became fearful of completing negotiations or for some unknown reason decided not to complete the transaction.

The other was that clever criminals had succeeded in forging a satisfactory identification of themselves as the kidnapers and seized upon the opportunity to extort $50,000.

At Norfolk, Va., the very Rev. H. Dodson-Peacock, one of three men there who have been seeking the child's return since eight days after the infant was kidnaped March 1, said he did not believe there was any connection between their efforts and the failure of the ransom payment announced tonight.

TODAY!
Begin Reading
Embers of Love
By Hazel Livingston
The story of a boy and a girl thrown together, torn asunder—in the best love story ever written by Hazel Livingston, author of "The Secret Studio."
Turn to Page 4