

HEATED DEBATE OVER EMPIRE'S AFFAIRS HEARD

Case Will Reach Jury Late Monday; Hayter Depicts Plan as Legitimate

Goldstein Dwells on Fact That Money was Paid in And Soon 'Grabbed'

DALLAS, April 23—(Special)—Picturing the plan of the originators of the Empire Holding company as a legitimate and meritorious deal beyond any question, but unfortunately launched at a time of low ebb in business when "any such great adventure would be attended by great risk," Attorney Oscar Hayter of Dallas late this afternoon laid the foundation for the closing defense plea in the trial of Frank Keller Jr., one of five former directors of the holding company charged with devising a scheme to defraud the public.

Striking at a vital spot in the state's case, Hayter read from resolutions adopted by the directors November 13, 1930, that "promissory notes shall be accepted as payment for not to exceed 290 shares of stock prior to January 1, 1931."

Pointing to this, he told the jury "It is rank nonsense for anyone to say the corporation commissioner could be deceived when this statement is read in the minutes of the company's books." He argued that the promissory notes of \$20,000 each given by the five directors and exhibited to the corporation commissioner December 10, 1930, refuted state's charge that there was deception in directors' statements, when permit was sought, that \$20,000 cash had been paid in.

Hayter opened the defense argument to the jury at 3:45 o'clock, after Special Prosecutor Barnett Goldstein for the state had spent most of the day in reviewing plaintiff's case. Defense will finish its plea Monday morning when court reconvenes at 9:15 o'clock, and a final plea for Keller will be made by Attorney Frank Lonergan. The case is expected to go to the jury late Monday afternoon.

Pointing to the defendant Keller as one who came to trial to make a home and who secured a contract with the Empire directors so he would "not be at the whim of the stockholders and might establish a permanent home," Hayter read from telegram after telegram which painted Keller as a super-stock salesman and organizer of the highest type. These were mostly from Utah, where Keller allegedly successfully promoted stock sales for the Capital Underwriters. Bringing into play the growing appeal for home products, the Dallas lawyer voiced commendation of the holding company's idea to keep Oregon insurance money in Oregon.

Robison Testimony Strongly Attacked

He attacked the testimony of George Robison from several angles, declaring the witness "not to be trusted... whatever he is, not a fool... but probably one who knows which side his bread is buttered on." He attacked Robison's statements that Fetty, Stockman and Coshov signed contracts October 14 and that these were not signed until nearly a month later.

Fact that the corporation commissioner had the matter in hand a month and then put his stamp of approval upon it should leave no feeling that the directors had devised a scheme to defraud, he submitted.

Surprised Company Is Still Existing

Following this line of argument to take blame for the let-down of the holding company from operation of the directors, Hayter said he was surprised the company was still existing and attempting to carry on, that there had apparently been no sales lately and that there is no known value of the stock, and that some 800 people over the state may stand to lose because of misconstruction of original statements.

Hayter pointed to the bulk of testimony of state's witness as oral statements which had passed through two or three hands, and likened it to the children's game of "telephone," in which a sentence is whispered through a line of persons, with the last in the line stating aloud what he has heard—often miles from the original thought.

"What a stock salesman might say is not binding upon the defendant," Hayter declared at another point.

Determined to Visit Kentucky Mines



Undaunted by the warning of Attorney Walter B. Smith, of Bell County, Ky., that "the Civil Liberties Union will be suppressed in Bell County, just as we would suppress the mad dog," Arthur Garfield Hayes (upper right), of New York, general counsel for the union, plans to lead a party into the troubled area to investigate mining activities and to defend the persons arrested in labor troubles. The delegation will be composed of five other prominent Americans. They are, left to right, above: Rev. John Haynes Holmes, New York; Corliss P. Lamont, son of the financier; Professor Harry Elmer Barnes and Mr. Hayes. Lower is Amos Pinchot, brother of the governor of Pennsylvania, and Roger Baldwin, of the American Civil Liberties Union. The delegation will go to Kentucky this week.

EMPLOYMENT HERE NOTABLY IMPROVED

More men Sent out Though Road Work Loss; Wood Jobs Afforded 60

Employment took an upward turn here last week, while applications increased but slightly, according to the report of E. A. Kenney, manager of the U. S. Y. M. C. A. Employment bureau. Despite the fact that county road jobs were cut in half, 17 more men were sent to work than during the previous week.

Sixty men were placed at wood cutting jobs last week, in contrast with but 19 the week before. Likewise farm work increased. Common labor, however, was less plentiful.

While but four of the eight women applying for jobs were placed last week, five out of six obtained positions during the previous week. Housework was the only kind of job available.

Men were sent to work as follows: farm 28, common labor 12, wood cutting 60, painting three, county roads 28. The manager was able to provide men capable of filling all of the 145 calls for help, a situation which previously had not prevailed.

Wages for all classes of work are generally very low. For cutting wood, the men are receiving (Turn to page 12, col. 1)

MASSIE WAS SANE ALIENISTS ASSERT

HONOLULU, April 23—(AP)—

Against the defense contention that Lieut. Thomas H. Massie was mentally deranged when he fired the shot that killed Joseph Kahahawai, the prosecution in the lynching case fought its way into the record today with testimony of two alienists that the navy officer was sane at the time.

Denied the privilege of examining Massie because of objections by Clarence Darrow, leader of the defense, Dr. Paul Bowers, Los Angeles psychiatrist, expressed his opinion on the stand after studying the record in the case and after several defense objections had been overruled.

Dr. Bowers expressed the belief that the whole affair had been premeditated by Massie and the other defendants, Mrs. Granville Fortescue, his mother-in-law, Albert O. Jones and E. J. Lord, as it turned out.

Oregon Briefs

RARITY IN OREGON CARLTON, Ore., April 23—(AP)—

Great flocks of wild geese, northbound, flew over Carlton yesterday.

During the past few years only scattered flocks have been seen and yesterday's flight was the greatest noted since 1921.

About one hundred wild swans were seen flying north recently.

ASSAULT IS CHARGED OREGON CITY, Ore., April 23—(AP)—

V. Fisher of Park Place was arrested today as one of two alleged poachers who attacked Sergeant H. E. Mead of the state police last Thursday night.

Fisher was charged with assault with intent to kill.

OLAF OLSEN HONORED CORVALLIS, Ore., April 24—(AP)—

Klamath Falls was selected today by the order of DeMolay for its 1932 annual convocation.

Two boys from Corvallis and six from Portland were awarded citations for the legion of honor today. Five adults were given the cross of honor. They included Olaf Olsen, of Salem, and Glen Fabrick, of Medford.

CHARGE PISTOL TOTTING PORTLAND, Ore., April 23—(AP)—

Phillip Davis, 27, who police said his records showed, is an escaped convict from the Oregon state penitentiary, was arrested here tonight on a charge of carrying a concealed weapon. He was held under \$1000 bail.

Police said Davis, when arrested, was carrying a loaded automatic pistol. He told police he was on parole from the state penitentiary.

Incendiarism In Medford's Fires Traced

MEDFORD, Ore., April 23—(AP)—

The state fire marshal, state police, the county sheriff's office and city authorities have launched an investigation into the allegedly incendiary fire which swept through the Medford packing plant district early today.

Total losses from the fire were estimated by firemen at between \$150,000 and \$200,000, about half of which was covered by insurance.

Fire started almost simultaneously in the Bardwell Fruit company plant and in the Rogue River Lumber company yard. From these plants it spread to the Growers Fruit Exchange and the Swift & Company building. Firemen fought the flames several hours before controlling them.

Milt Scherping Opens Campaign For Treasurer

The campaign of Milt Scherping for state treasurer is rapidly being organized, according to word received Saturday, Dr. P. O. Riley, editor of the Hubbard Enterprise, has been named campaign manager and will take up his headquarters in the Scherping office in Portland. Lee D. Drake, formerly of Astoria, will be assistant and A. G. Lambert of Portland treasurer.

Scherping is going to work for harmony in state administration, said Dr. Riley. He plans to elect to cooperate with Governor Meier and Secretary Hoes for the best interests of the state. His speaking dates will carry him into western Oregon most of this week.

Drunken Driving Charges Facing George Johnson

George Johnson of Brooks lay in the city jail last night, unable to raise \$500 bail set yesterday when he pleaded not guilty to a charge of driving an automobile while under the influence of intoxicating liquor.

He was arrested by city police early Saturday morning, along with Jim Long, route 7, who was charged with being drunk and in possession of wine. Long, who also pleaded not guilty when arraigned before Municipal Judge Mark Poulson, posted \$100 bail. The trial has been set for Wednesday.

Wild Geese Fly to North Alleged Poacher Caught DeMolays Pick Klamath Escaped Convict is Held

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FIVE MEN KILLED AS DAM CAVES IN

Three Others Buried Under Piles of mud, Rescue Crews Work Hard

MARMET, W. Va., April 23—(AP)—Five men were crushed to death, at least three others were buried beneath tons of earth and seven men were injured in a cave-in at a government dam project here tonight.

Construction officials said it would be impossible to determine until daylight the number buried in the piles of mud, but that they were certain three more men would be found dead.

There were three major slides. The first buried Jimmy Collins, 15, a water boy, and Alfred Roush, 13, a workman.

Between 50 and 75 fellow workers rushed to their rescue and they were digging frantically in the earth piles when the second fall occurred, trapping a group of rescuers.

A short time after the second slide Delbert Gordon, Thornton Lewis and Harry Coleman were found dead.

Cause of the cave-in was undetermined.

RASKOB IS NAMED AS SHORT TRADER

WASHINGTON, April 23—(AP)—

The object for days of an unavailing senate search, two of Wall Street's big bear traders—Thomas E. Bragg and Bernard E. Smith—calmly walked into a committee room today and proceeded to tell a story packed with startling surprises for their eager inquirers.

John J. Raskob, chairman of the democratic national committee, Fred J. Fisher, W. C. Durant and W. F. Kenny, they testified, had been associated with them in a gigantic \$32,000,000 pool on Anaconda Copper in 1929. They lost heavily.

In addition, they said Mrs. Michael J. Meehan, whose husband was specialist in Radio on the stock exchange floor, engaged in a pool on that stock in 1928 and 1929. A subpoena has been issued for Meehan.

New Trial For Reed Resisted By Prosecutor

MEDFORD, Ore., April 23—(AP)—

The state filed 14 counter affidavits resisting a motion, for a new trial for Albert W. Reed, of Denver, who is serving a life term in the Oregon state penitentiary for the murder of Victor Knott, Ashland policeman.

Three Ashland merchants signed affidavits saying they visited the Ashland police station immediately after the shooting last November but that they did not see Reed there. Reed testified at his trial he went to the station to learn what had caused the police alarm.

Baker Lad Falls In Lake, Drowns

BAKER, Ore., April 23—(AP)—

Thomas Yeager, 16, of Baker, fell out of a home boat on Smith's lake east of Baker today and drowned. His companions, unable to pull him from the water, came to Baker for help. Baker firemen and volunteers went to the lake to attempt to recover the body.

SCHOOL TUITION CASE TO REACH COURT TUESDAY

Judge, Opposing Attorneys Appear Agreed on That Point, no Others

Carson and McMahan Issue Statements; Speed is General Desire

Action on the long-delayed case of Weinsacht vs. Oscar D. Bower, Marion county sheriff, appears probable for this week as counsel in the litigation and Judge L. H. McMahan, who will hear the arguments in lower court here, were in agreement Saturday that action at once was imperative. The suit involves the legality of high school tuition taxation.

Statements and counter-statements, meanwhile, were being issued by Judge L. H. McMahan and District Attorney John H. Carson regarding the procedure for the action. McMahan requested earlier statements Saturday to the effect that he was willing to try the case at once while Carson said this was new to him since he thought McMahan had disqualified himself by expressing an opinion on the matter. Carson also stated that he wanted to go to the law in full in the lower court while McMahan said he favored short arguments and an immediate decision so the matter could be rushed to the supreme court for a final decision. Tax payments are being held up while the matter is in court.

Appeal Agreed on Tuesday

It appeared certain Saturday night that the case could be brought into court Tuesday. Carson indicated he was willing to appear for the state then, Judge McMahan said he would hear the suit then and James G. Helzel, representing the plaintiff, has said at several times he was ready and willing to try the case at the earliest opportunity.

Carson issued the following formal statement yesterday: "I will present the case before Judge McMahan, if he feels he has a right to try the case after expressing an opinion on it. I do not act in the case under the circumstances even if it were otherwise agreeable," Carson said. Knowing in advance what the decision in the court would be, it seemed to me that it would not be fair to either side to present the matter to him.

However, Judge McMahan invited the case, as I read his formal statement and if he feels it is right for him to proceed, so far as I am concerned he will immediately get the opportunity. "Pro Formal" Verdict

"The statement of the judge in the newspaper continues that if I had appeared in court he would have suggested the entry of a 'pro-formal' verdict, whatever that may be.

"There should be no such thing as a pro formal decree in this suit. Both sides of the litigation are in good faith and mean business. The question is one of law and is highly important, and (Turn to page 12, col. 4)

Endeavor Heads Are Chosen at State Meeting

PORTLAND, Ore., April 23—(AP)—

The Oregon Christian Endeavor union tonight adopted the report of its nominating committee, electing a new set of officers for the ensuing year.

Edgar W. Hoover of Portland, was advanced to the presidency. Ralph Tarbell and Lea Turner were elected vice-presidents. Formerly only one vice-president was named.

Harold Dunn of Eugene and the Rev. H. E. Thomas were named regional vice-presidents; Judge Jacob Kanister, Portland, was chosen world union vice-president; Viola Ogden, Portland was re-elected secretary; and William Maurer was named treasurer.

Ball Club Loses Suit Over Park But Will Appeal

PORTLAND, Ore., April 23—(AP)—

Glen J. Howitt today dismissed an injunction suit brought by the Portland baseball club to prevent the city of Portland from opening up Wilson street through the club's ball park at 24th and Vaughn streets.

The city ordinance vacating Wilson street provided the ball club should build a new grandstand and make improvements by May 1, 1931. If the club failed to do this, the ordinance provided that the vacation should be considered void and the street re-located. The club did not make the improvements.

The court granted the club 60 days in which to file an appeal.

Filipinos Appeal to Governor in Ouster Case; Agree to Move

Will Evacuate Banks District by Monday, say Japanese Employers owe Them Money And Claim Inability to pay

BANKS, Ore., April 23—(AP)—

Ordered out of the Banks-Hillsbad strawberry district by a group of white farmers and laborers, 87 Filipinos tonight telegraphed Governor Julius L. Meier asking him to investigate the situation and then began preparations to evacuate the district by Monday.

KIDNAPING GANG IS BELIEVED SMASHED

Fourteen Arrested; Many of Recent Bank Robberies Solved say Police

CHICAGO, April 23—(AP)—

Capture of a kidnaping and bank robbery gang with ramifications in several states was claimed by authorities tonight as they questioned 14 prisoners here.

Twenty-nine bank robberies, a dozen kidnapings, and numerous other crimes were the offenses with which police charged the suspects who included two young women. Witnesses were being summoned from nearby states to attempt identification.

Howard A. Woolverton, wealthy manufacturer of South Bend, Ind., who was kidnaped two months ago, scrutinized the alleged desperadoes at a "show up" and said one suspect "looked a little like" one of his abductors. Ransom of \$50,000 was demanded for Woolverton, but whether it was paid has not been announced.

Chief Investigator Pat Roche of the state's attorney's office, who directed round up of the gang, said he would take them Monday to Blackford county, Indiana, where victims of several robberies would view them.

James Barrett, said to be a leader of the gang, was pointed out today by William Peedel, police chief of Hartford City, Ind., as one of the bandits who obtained \$9,990 from the Hartford City Citizens' state bank last Oct. 7.

PRIMARY BATTLES LOOMING TUESDAY

WASHINGTON, April 23—(AP)—

Forces behind Franklin D. Roosevelt and Alfred E. Smith will clash Tuesday in Massachusetts and Pennsylvania in primary battles that may decide whether the dominant Roosevelt candidacy can be checked sufficiently to block his nomination.

The week just over saw a small number of delegates selected by both parties. Of the 490 democratic delegates chosen to date, Roosevelt now has 255 pledged support for him, with Senator J. Hamilton Lewis of Illinois far back in second place with 58.

President Hoover increased his total slightly and now has all but 22 of the 445 republican delegates selected so far either pledged or claimed by his managers. Former Senator Joseph I. France of Maryland, his only avowed opponent, disputes 47 of his claimed total of 248.

Child Health Parley to Be Event of May 2 and 3

Salem will be host to people from all parts of the state May 2 and 3, when the state conference on Child Health and Protection will be held at the statehouse. This event was called by the governor, Julius L. Meier, and is Oregon's conference to apply the conclusions of the White House conference held in 1931.

Much preparation has gone into plans for the conference, according to Mrs. Saldie Orr Dunbar, vice-chairman, who visited Salem Friday. The executive committee includes those foremost in the work of safeguarding the health and training of young people. The general divisions of the conference embrace medical service, public health and administration, education and training, and the handicapped delinquent or dependent child. In each of these groups specialists will bring the fruits of their experience.

Monday, May 2, will be devoted to meetings by sections. Concrete problems will be tackled and an effort made to summarize conclusions. Tuesday there will be the general conference and this is the day when the general public will find the program most interesting. A guest speaker will be George Aubrey Hastings, extension director of the White House conference. He will address a public meeting Monday night.

A Marion county committee, headed by Dr. B. F. Pound, will aid in the local plans and represent this county in the sessions. The public is invited to attend. A registration fee of 50 cents will be charged which will admit one to all sessions and obtain for the person a copy of the conference findings. No charge, however, will be made for the Hastings lecture of Monday night.

A general meeting of the executive board and committees of the Marion county public health association will follow the afternoon session in the hall of representatives.

SECRET CLUBS ISSUES FACING SCHOOL BOARD

Informal Meeting is Held With Findings if any Not yet Revealed

Legalizing Societies is one Suggestion; Previous Effort Failure

Seeking to determine a course of action toward remedy of the recurring evils resulting from secret societies in Salem high school, the five members of the school board met informally in a downtown office last night. Only the directors attended the meeting.

Whether or not they decided what should be that course, they did not choose to reveal, but stated that the matter was handled publicly at the regular meeting at the high school Tuesday night. At that time, Superintendent George W. Hug will recommend that the seven boys definitely involved in the kidnaping and alleged mistreatment of Victor DeJardin last Tuesday, be expelled from school for the remainder of the semester. If this action is taken, the boys will automatically lose their credits, it is understood.

Full Cooperation Given, Declared

The board members deny the charges that they have not cooperated with Principal Fred D. Wolf in driving out the secret societies. Wolf was hired three years ago for the express purpose of remedying the secret society trouble.

Much of the blame for the existence and spread of the societies lies on the heads of the parents and alumni members, it was declared after the meeting last night. The directors voiced their need of the public's cooperation in meeting the situation.

Barring secret society members from participation in student body affairs, including athletics, will not by itself solve the problem, it was averred. Students preferring school athletic activities to secret society membership may hereafter refrain from the secret affiliations, it was argued, but there will remain the larger percentage of students with the fraternal inclination who will continue to maintain the illegal organizations unless more drastic action be taken.

LEGALIZING SOCIETIES PIOUSLY FAILURE

One course has been suggested, that of legalizing the societies by providing them with a faculty advisor and requiring them to submit to school authorities their charters and membership lists. This scheme, however, has been tried and found unsuccessful. It was pointed out, four years ago this plan was instituted but later abandoned as unsatisfactory.

Former members of the societies last week spoke of this course in derision. The club meetings with the advisors were mere shams, they said. Meetings of the organizations continued to be held surreptitiously.

With only the Julius Caesar organization involved in the present trouble, members of the other three secret societies are complaining that the former group by its misbehavior will bring penalties upon all. They plead their innocence and say they are not even while admitting their organizations are illegal.

Hug on Warpath Against Societies

Superintendent Hug last week declared himself on the warpath against the secret societies. Toleration of the societies' existence has reached its limit, with their wholesome influence on student morale, he intimated.

As for the legal side of the J. C. group's actions last Tuesday, the school directors say they will have no part in it. The crime angle of the affair is for the courts to decide, in their estimation.

Jewelers Will Gather Monday

Salem members of the Oregon Retail Jewelers association will go to Portland tomorrow to attend the annual convention of the organization, to be held at the Multnomah hotel. A. A. Keene, of Pomeroy and Keene, elect secretary of the organization at the convention here last year. He will speak at the afternoon session.

Mr. Keene prepared the attractive 23-page convention program, which was printed by The Statesman.