

STATE BANK TO DEPOSIT PUBLIC FUNDS FAVORED

Grange Picks Pendleton as
1933 Meeting Place by
Majority Action

Numerous Public Questions
Settled in Closing day
Of Silverton Meet

By LILLIE L. MADSEN
Staff Correspondent
SILVERTON, June 17.—Ar-
rangements for an initiative meas-
ure creating a "Bank of Oregon"
were introduced into the Friday af-
ternoon session thus creating the
most excitement yet experienced at
the Oregon state grange conven-
tion.

This was the second of two recom-
mendations contained in the in-
terim banking commission ap-
pointed by the executive commit-
tee on order of last year's state
session. The committee includes
Peter Zimmerman, Morton Tompkins
and Senator W. E. Burke, all
of Yamhill county.

With more than half the total
votes cast recorded in its favor,
Pendleton was awarded the con-
vention for 1933 at the 49th an-
nual grange session here today.
Eugene placed second and Hills-
boro third. A delegation from the
latter, made up of business men
from the chamber of commerce
and city officials, appeared to pre-
sent arguments in favor of their
city.

The recommendation regarding
the state bank was that the state
grange "direct and empower ex-
ecutive committee to draft a suit-
able banking act declaring the
purpose of the state of Oregon to
engage in banking business and
to establish a system of banking
under the name of 'Bank of Ore-
gon,' to be operated by the state
and to do a general banking busi-
ness." The recommendation went
on to say that the bank was to be
a depository for all state, county
and municipal funds. The bank-
ing act was to provide for neces-
sary constitutional amendments.
The executive committee is to
have charge of the necessary ar-
rangements for initiating.

Coining of Money Is Recommended

Further recommendation of the
bank commission was that the
right to coin money be reassumed
by congress and that congress issue
necessary currency to transact the
business of the nation so that
"commerce may flow free and un-
restricted between producer and
consumer." Across the face of the
currency is to be printed "good
in payment of all debts, both pub-
lic and private."

Any curtailment of vocational
work would be a step backward
was the report of a special com-
mittee appointed to consider the
Smith-Hughes act. The commit-
tee's report was adopted. Bertha
J. Beck of Albany, Charles Wick-
lander of LaGrande and Arthur
Brown of Roseburg composed the
committee.

A resolution, introduced by the
Applegate delegation of Jackson
county, which would authorize
each county deputy to request ev-
ery candidate for the state legis-
lature to state his political plat-
form if elected, received unfavor-
able report and the motion to
table the resolution was adopted.
Subordinate granges will here-
after be permitted to elect officers
in November and install in Decem-
ber instead of elect in December
and install in January as is now
the requirement.

Cherry Park grange of Wasco
county suggested that each coun-
ty form a grange council composed
of two members from each sub-
ordinate grange in the county
and that this council hold monthly
meetings. Several counties re-
ported that they already had such
a council and that it was proving
of great benefit.

Protest Delay on Philippine Bill

That senators are endeavoring
to sidetrack a vote on the Philip-
pine independence bill was the
word wired to worthy Master
Glover at the convention from
Washington, D. C., headquarters
of the grange. A vigorous protest
will bring the bill to a vote in the
senate, he added. As a conse-
quence telegrams were sent to
Senators Steiwer and McNary ask-
ing that the bill be brought to a
vote.

The grange will incorporate
with the office of the secretary as
headquarters, it was decided at
the morning session when a recom-
mendation of the executive
committee to that effect was
adopted.

Reversing its previous stand on
the old-age pension matter, the
convention adopted a resolution
which urged a federal old-age in-
surance plan with funds to be con-
tributed equally by every able-
bodied man at work, his employer
and the federal government.

Proof of financial ability to
meet automobile accident damage
awards will be required of all au-
tomobile drivers in a bill which
the legislative committee of the
grange was instructed to draw up.

State police will drive motor-
cycles instead of automobiles in
the future if a suggestion of Suth-
erlin Community grange to that
effect, adopted by the convention,
is followed out.

(Turn to page 2, col. 5)

Secret Clubs Issue in School Vote but Nominees Ape Clam

Rumors fly as to Candidates' Attitude; Most
Of Them Declare for Support of law
Prohibiting Fraternities

WHETHER or not candidates wish it so, secret societies
are cropping up as an issue in the school election which
will be held Monday in the W. C. T. U. hall. In public state-
ments, the four nominees avoid taking sides for or against
the societies and evade the question by saying they believe
in abiding by the state law which prohibits such student
organizations in high schools.

CHURCH GIVES NEW PASTOR RECEPTION

Dr. Pettitcord is Welcomed
To Evangelical Pulpit
By Local Members

Dr. E. W. Pettitcord, with Mrs.
Pettitcord, was welcomed as new
pastor of the First Evangelical
church at a pleasant reception
held last night at the church. The
new pastor succeeds Dr. C. C.
Poling, now evangelist in the con-
ference, and will preach his first
sermon Sunday morning.

Following a potluck dinner
served in the basement, a short
program was held in the auditor-
ium, at which greetings and
pledges of cooperation in the spiri-
tual field were extended to the
new minister for various groups
by the following:

L. L. Thornton, superintendent
Sunday school; G. Stover, class
leader; Esther Hilmer, vice presi-
dent Christian Endeavor; J. F.
Ulrich, chairman board of stew-
ards; Ethel Poling Phelps, organ-
ist; Grant Wilcox, chairman trust-
ees; Mrs. Victor Ballantyne, vice
president Ladies' Aid; Mrs. O.
Bewley, president mission band;
and Mrs. G. N. Thompson, presi-
dent Women's Missionary society.

Musical numbers included vocal
solo by Kathleen Phelps, accom-
panied by Ethel Poling Phelps;
and vocal trio, Joyce Phelps, Gladys
Hilfiker and William H. Hilfiker,
accompanied by Helen Rex.

A pleasing note came when Dr.
Pettitcord paid tribute to the work
of Dr. and Mrs. C. C. Poling, and
attested his warm friendship over
a period of years for them.

Dr. Pettitcord, who has been do-
ing evangelistic work for the past
20 years and thereby carried all
over this country and into 14 for-
eign lands, declared he was glad
to have a congregation again. De-
claring that he would preach fun-
damentals he told the group: "If
you are calling for a popular
preacher, someone with a moder-
nistic trend and someone who will
play the galleries, you have the
wrong man."

Dr. and Mrs. Pettitcord will be
joined here within a week by their
son, Emory Jr., a junior high stu-
dent who has been with his older
brother at Corvallis.

**Tusko Trudging
Toward Seattle;
Still Unwanted**

SEATTLE, June 17.—(AP)—
Tusko, huge unweaned seven-ton
elephant, whose escapades in the
Pacific northwest are well known,
told along the highway from
Tacoma today.

His destination was Angle lake,
12 miles south of here, where his
new keepers will exhibit him.

Last week he was evicted from
Chehalis and on Tuesday was or-
dered out of Tacoma by order of
Officials of the Seattle branch
of the state humane society said
they were going to see that he
was well guarded while in King
county.

DAVILA IN AGAIN

SANTIAGO, Chile, June 17.—
(AP)—A military coup today
again put Carlos Davila at the
head of a socialist junta "devoid
of extremists."

**Inter-Community Club
Contests are Planned**

Plans to carry on inter-club
contests on a more comprehen-
sive program and approval of a
county-wide survey related to com-
munity club work, were reached
at the meeting of the Marion
county federation of community
clubs held at the chamber of
commerce last night.

While not worked out in de-
tail, the representatives present
agreed that contests should be
carried on along the following
lines: Beautification of grounds,
community beautification, partici-
pation of community club
members in various events and
organizations of choruses, glee
clubs and orchestras.

It is possible a general non-
competitive program at the end
of the year featuring the best
talent will be planned, but no
talent contests will be held.

Changoog memorial park was
selected as the gathering place
for the county wide community

TUITION TAX IS VALID ASSERTS CIRCUIT JUDGE

Defendant Upheld Upon all
Points; Appeal to be
Taken, Forecast

Early Decision by Supreme
Court Desired by Both
Sides, Indicated

Judge L. G. Lewelling yester-
day sustained in department two
of circuit court here the constitu-
tionality of the present high
school tuition law adopted in
1915 and operative since that
date. In doing so he sustained the
demurrer of counsel for Oscar D.
Bower, defendant in a suit
brought last April by W. Mein-
acht and wife against the sheriff
in which an injunction was granted
by the court holding up the
payment of such portion of 1931
taxes in the county as were to be
applied to the high school tuition
fund.

James G. Heitzel, plaintiff's
counsel, immediately announced
that he felt certain the case
would be appealed to the state
supreme court. He said he would
know definitely Monday after he
had conferred with the plaintiffs.
In case of appeal, Heitzel will
have the injunction retained. At
the same time he will ask that the
case be advanced on the calendar
of the state supreme court so ar-
guments may be made before the
August recess of the court. Many
high schools in the state are un-
certain about 1932-33 plans until
the case is decided.

Lewelling decided
Soon After Hearing
Judge Lewelling, laying aside
the dilatory tactics which have
marked the case's progress thus
far, handed down his memoran-
dum opinion of ten pages in just
ten days from the time the de-
murrer was argued in his court
here. On all four major points ar-
gued by the plaintiffs he sided
with the defendant's position.

The claim that the tuition tax
is an unequal levied cannot be
fully sustained, the court held,
inasmuch as it does apply equally
on the entire non-high school dis-
trict in the county which district
consists of all areas in which the
school system does not embrace a
high school.

There is no double taxation in
the high school plan prescribed
by law, Lewelling held. Interest
on warrants charged as a high
school cost refer to current
warrants to cover unfunded debt
and not to warrants for the pur-
chase of furniture and equipment
on which interest is also charged
as a cost.

The court held the tuition law
was not unconstitutional for hav-
ing originated in the state senate.
Its principal purpose was to pro-
vide a school system and its re-
venue purpose was distinctly sec-
ondary (Turn to page 2, col. 3)

**LAUSANNE PARLEY
GETS UNDER WAY**

LAUSANNE, Switzerland, June
17.—(AP)—The long-awaited
Lausanne conference got under
way today with restrained expres-
sions of differences among the
major powers, but before the first
session ended an agreement was
obtained for a stop-gap contin-
uance, in effect, of the Hoover
moratorium.

In no way involving the United
States, this agreement suspended
repatriation payments from June
30, the end of the Hoover moratorium,
for the duration of the
Lausanne conference.

This will have the probable ef-
fect of prolonging the conference
well into July, and reflected an
apparent decision by the states-
man here to continue the deli-
berations until something in the
nature of a "permanent settle-
ment" is reached.

The move was initiated by
Great Britain and was accepted
by France, Italy, Belgium and
Japan.

**Shanghai Slayer
Is Found Suicide**

SHANGHAI, June 18.—(Sat-
urday)—(AP)—The body of John
M. Hensen, Brooklyn, N. Y., who
was sought by police in connection
with the slaying of another
American, Rodney K. Helm, of
Portland Me., early today, was
found tonight in a rooming house
in the French concession. Police
said he had committed suicide.

**Sells Beer Too
Cheaply; Killed**

WAUKEGAN, Ill., June 17.—
(AP)—John Neven, reputed to
have attempted to undersell an or-
ganized gang supplying beer to
Waukegan speakies, was shot
to death in front of his wife to-
night by a gang of men who fore-
ced their way into his roadhouse
and hotel on Crooked lanes, sev-
eral miles west of here.

Hardware is Cow's Meat; Grass Poison

SALT LAKE CITY, Utah, June
17.—(AP)—Mrs. Charles Wrig-
ley's cow died recently and she
asked City Chemist N. E. McLach-
lan to examine the animal's inter-
nal organs.

McLachlan said today his analy-
sis has disclosed the cow had eaten
the following delicacies: a rubber
ball, three metal bottle caps, a
quantity of nails, screws, tacks
and pins, a metal from a garter,
a can opener, several pieces of
wire, two bones, a piece of an old
tire, some glass, sand and gravel.
The cow apparently ate all these,
the chemist said, concluding
she died of eating water hemlock,
a variety of poison grass.

CANNERY TO FACE NEW COURT ACTION

More Growers Plan Attack
On Company; Appeal of
First Case Likely

With another suit involving
damages for alleged grading
down of cucumbers in the office,
in all probability Libby, McNeill
and Libby will appeal on the suit
brought against them by Karl
Heusser, and in which a verdict
of the jury in circuit court here
two weeks ago allowed full dam-
ages sought by the plaintiff.

Following success of Heusser's
suit, 25 growers of the Monitor
area, where Heusser lives, have
grouped together to start a simi-
lar action against Libby, McNeill
and Libby, and have retained At-
torney W. C. Winslow of Salem,
who handled Heusser's case. Pa-
pers in the new suit have not
been filed.

The 25 growers, who held con-
tracts on last year's crop the
same as contracts held by Heus-
ser, handed down his memoran-
dum opinion of ten pages in just
ten days from the time the de-
murrer was argued in his court
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vide a school system and its re-
venue purpose was distinctly sec-
ondary (Turn to page 2, col. 3)

**FOX CAPTURED AND
BROUGHT TO PRISON**

DALLAS, June 17.—After hav-
ing forfeited his right to five years
probation, Louis Fox was ap-
peared in court yesterday
right by Sheriff Hooker, Deputy
Sergeant Huston and Offi-
cer Mogan of the state police and
today was taken to the state peni-
tentiary to serve a four-year term,
following sentence imposed by
Judge Walker.

Having pleaded guilty to two
charges of burglary not in a dwell-
ing, he was sentenced June 7
by Judge Walker to serve two
years terms, to be served concur-
rently, but soon after was put on
probation for five years, provid-
ing that he went to Texas to work
for Guy Foreman, when Foreman
came for him he was nowhere to
be found and Walker immedi-
ately issued a bench warrant for
his arrest, leading up to his appre-
hension Thursday.

He was taken before Judge
Walker today, and two years were
added to the term of imprison-
ment, making four years in all,
following which Sheriff Hooker
took him to the state penitentiary
at Salem.

**Roosevelt Lets
Tammany Select
One to Nominate**

NEW YORK, June 17.—(AP)—
The Times says Governor Roose-
velt deferred to the wishes of
John F. Curti, Tammany chief-
tain, in the matter of who is to
nominate the Governor for presi-
dent, when they met for a discus-
sion of general politics at Sara-
toga Thursday.

Mr. Roosevelt advanced the
name of United States Senator
Robert F. Wagner as the one to
nominate him, the Times says,
but agreed to the selection of
someone else at Curti's request.

**Crash is Fatal
To Bandon Girl**

MARSHFIELD, Ore., June 17.—
(AP)—Dorothy Manciet, of
Bandon, was killed today in an
automobile accident just south
of California, line on the Coast
highway. Howard Collins, her
companion, was seriously injured
and was taken to a Crescent City
hospital.

KOWITZ LEADER OF REPUBLICAN COUNTY FORGES

Elected Unanimously; Good
Prospects for Victory
In Fall Claimed

Resolution Hits at Solons
Elected With Excessive
Campaign Expense

Chris J. Kowitz of Salem was
unanimously elected chairman of
the republican central committee
of Marion county here Friday af-
ternoon. He will serve for two
years, succeeding J. C. Perry, al-
so of Salem. Bert Macy, local
attorney, was chosen secretary of
the county committee to follow
Leon J. Urak, S. Kauler of
North Howell won 16 to 13 over
Hal D. Patton of Salem, as the
choice of the precinct commit-
teemen for the state central com-
mittee. Louis Judson of Salem
was unanimously elected congres-
sional committee man.

Grant Murphy of Stayton de-
feated Dr. B. F. Pound of Salem,
18 to 11, for the office of vice-
chairman of the organization.
Paul Johnson of Salem was unani-
mously elected treasurer.
The committee selected for the
district nominating committee
for this county, Grant Murphy,
Stayton; A. H. Moore, Sa-
lem; Henry C. Porter, Aums-
ville; J. L. Ingrey, Salem; Gus J.
Molsan, East Gervais.
The party committeemen unani-
mously endorsed the work of the
national convention in Chicago,
declaring itself strong in its sup-
port for President Herbert Hoover
and Vice President Curtis.

"Under such leadership and
with such pledges for the future,
our hope of the success of the re-
publican party in November is
complete, and we pledge our best
efforts unceasingly to accomplish
that result," a resolution declared.
**Oppose Candidates
Who Spent Big Sums**

The organization instructed its
senators from Marion county to
vote against the seating of men
who in the May primary spent
"enormous sums of money, wholly
contrary to the spirit of the cor-
rupt practice act." The resolution
which was introduced by Her-
bert Patton, mentioned the ex-
penditure by one candidate of \$4780
in his campaign for a seat in the
state senate. While Jack Barde
of Portland was not mentioned in
the resolution, Patton later re-
ferred to him in his debate on the
resolution.

"If permitted to go unchallenged,
such action results in an invita-
tion to men of enormous wealth
and total unfitness, to purchase
their way into public office," Pat-
ton's resolution read.

Henry J. Porter of Aumsville,
long-time member of the party, re-
introduced his previously offered
resolution calling upon the Mar-
ion county organization to call a
county convention on or before
March 18 of primary election
(Turn to page 2, col. 1)

**Bridge Concrete
All Poured, New
Project Started**

With the final pouring completed
yesterday on the 20-foot wide
western section of the North Com-
mercial street bridge approaches,
city paving crews today should
have ordered moved to Gaines
street. At this location, one block
of curbing and concrete pave-
ment will be laid between Church
and Cottage streets.

The newly-laid bridge approach
will be open to traffic at the
end of 30 days. At that time,
the paving crew will go to work
on the east portion of the ap-
proaches. The center section, the
old roadway, is in use.

**ASKS FURLOUGH PLAN
WASHINGTON, June 17.—**
(AP)—Another demand for adop-
tion of his furlough plan for cut-
ting federal payroll costs was
made today by President Hoover
at congressional conferences on
the contested economy bill broke
up deadlocked on this issue.

**Indian Grangers Attend
Convention, Get Support**

SILVERTON, June 17.—The
Klamath Indian tribe was repre-
sented at the Oregon state grange
convention by members of the
Williamson River grange, the
first Indian grange to be organ-
ized in the United States. Mr. and
Mrs. Wade Crawford of Chilo-
quish; Eddie Cookman, a full
blooded Indian, who is master of
the grange; and Mrs. Elizabeth
Long, were here.

The Indians were here, aside
from natural interest in grange
affairs, in the interest of the Sen-
ator Bill 5588 which would allow
the Klamath Indians to incorpo-
rate for timber farming. The bill
was introduced in the senate by
Senator McNary. If the bill car-
ries it will permit the Klamath
Indians to handle their own af-
fairs.

RACKETEER SLAIN
CHICAGO, June 17.—(AP)—
George "Red" Baker, hard fisted
labor racketeer who hoped to suc-
ceed to the throne of "Scarface"
Al Capone as ruler of Chicago's
vice, gambling and liquor world,
was slain today from a second-
story front ambush.

BONUS IS KILLED BY SENATE VOTE; ONLY 18 FOR IT

Veterans' "Army" Mills About and Boos Decision, Then
Announces it Will Remain at Washington Until Case
Is won; Ragged Warriors Crowd Galleries Through-
Lengthy Debate on Compensation Measure

Thousands March on Capitol From Concentration Camps
But Perfect Order Maintained; Some Denied Entry to
City and Traffic Jams Result; Reconsideration of Bill
Denied as Final Death Blow

WASHINGTON, June 17.—(AP)—An avalanche of sen-
ate votes tonight buried all hopes of several thousand
war veterans massed at the capitol for immediate payment
of \$2,400,000,000 on their bonus certificates.
By a 62 to 18 vote the senate rejected the Patman bill
which had swept through the house on the wave of a 211 to
176 majority. Only 10 democrats, seven republicans and one
farmer-labor senator voted for the legislation which had
brought 20,000 former service men to Washington. The sen-
ate voted 44 to 26 to table a motion to reconsider the proposal.
As the result was announced outside, boos from the vast
throng of veterans mingled with cheers at a statement from
one of their leaders that "we will
stay here until the bonus is paid."

The crowd roared orderly
and hundreds started away from
the capitol immediately.
Hundreds of veterans—clad
either in overalls or ragged cloth-
ing—sat in the senate galleries
watching tensely every move as
the debate dragged through the
day and into the night. When the
result was announced they re-
mained quiet and began to leave.
Shortly before the roll call, the
thousands of bedraggled former
service men at the capitol were
reinforced by other thousands
from the main concentration en-
campment at Anacostia. They
confined their activities, how-
ever, to singing war songs and
occasionally breaking out with
shouts of "we want the bonus."
Drawbridge Raised
To Prevent Entry
Reports were received that other
thousands planned to march
on the capitol and police raised a
draw bridge over the Anacostia
river to prevent the egress from
the nearby encampment. Later,
it was lowered when the veterans
promised to maintain order.

Other approaches to the city
from the camp also were guard-
ed by police, who refused to al-
low the veterans to go toward the
city. This caused traffic tangles
which elicited many protests to
officials.

A large group of police filter-
ed through the ranks of the vet-
erans at the capitol to maintain
order but they had no serious dif-
ficulty. Leaders of the veterans
made impromptu speeches
throughout the day advising
against any disorder.

An effort was made to recon-
sider the bonus vote but the mo-
tion was tabled abruptly. It came
from Reed (R., Penn.) and the
motion to table from Moses (R.,
N. H.) its purpose was to strike
the final death blow to the meas-
ure.

Senator Steiwer of Oregon was
one of the 18 voting for the
bonus. Senator McNary voted
against it.

**CHERRIANS PLEASE
FESTIVAL CROWDS**

Applause Greet Local men
In Parade; Float Gets
Judges' Mention

Salem Cherrians and their float
entered in the Rose festival pa-
rade yesterday got hearty applause
all along the line of march, and
the reappearance of the Cherrians,
after a two-year absence was
apparently to the liking of the
throng, according to report of
Cherrians upon return here last
night.

The float, accompanied by
marching unit of 20 Cherrians,
headed by "Tiny" McNamara as
drum major, was accorded a fa-
vorable position in the long pro-
cession.

The entire affair, so far as the
appearance of the local group was
concerned, went off in pleasing
manner, according to King Bing
Gua Hixson, who expressed particu-
lar pleasure at the treatment re-
ceived from the Rosarians.

The Cherrians were guests of
the festival organization at the
Portland hotel for lunch. They
participated in the parade, though not
entered for competition, was given
honorable mention in the judging.

PORTLAND, Ore., June 17.—
(AP)—To Tillamook went first
place for floats entered from Ore-
gon cities outside of Portland in
the floral parade which today fea-
tured Portland's rose festival.
Beaverton placed second, Eu-
gene third, Oregon City fourth,
and Salem won honorable men-
tion. Silver trophies were award-
ed for first four places.

A grand gala tonight culminat-
ed the day's festivities.

**Eagles Warned
To Stay Sober**

COTTAGE GROVE, Ore., June 17.
(AP)—A resolution calling upon
delegates to exercise sobriety was
passed here yesterday by the
Eagles at their convention. The
resolution provided that any dele-
gate guilty of misconduct should
be immediately expelled from the
state aerie.
Election of officers will be
held tomorrow.

HIT-RUN DRIVER Surrenders but Explains Flight

KLAMATH FALLS, Ore., June
17.—(AP)—Merwin Arnett, 18,
walked into the sheriff's office
here tonight and admitted being
the driver of the automobile that
struck Ernest E. West, 72, of
Klamath Falls, injuring him fat-
ally.

The sheriff's office said Arnett
stated he was not sure he had
struck anyone until he read an
account of the accident in the
newspapers.

West's body was found in a
ditch last night beside The
Dalles-California highway.

**Federal Tools
May be Used in
Fighting Flood**

KLAMATH FALLS, Ore., June
17.—(AP)—B. E. Hayden, super-
intendent of the Klamath project,
said today he had received a wire
from Dr. Elwood Mead, director
of the federal bureau of reclama-
tion, authorizing the use of two
government drag lines in fighting
the Tule Lake flood.

The farmers are to pay the
government for the use of the
equipment, and are to repair the
dikes at their own expense.