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The Oregon Statesman

FOUNDED 1851

Salem, Oregon, Sunday Morning, December 11, 1932

WEATHER

Fair, continued cold today. Monday cloudy, rising temperature. Max. Temp. Saturday 51. Min. 5. River 2 feet, northerly winds.

EIGHTY-SECOND YEAR

No. 223

Break in Cold Wave Monday is Forecast; Skaters Enjoy Sport

Still Cold This Morn But Previous Mark Is not Reached

5 Degrees is Record; Ice Navigable at Monkey Island

HOURLY TEMPERATURES table with columns for time and temperature.

Welcome word came over the wire from the federal weather observer at Portland last night—prediction of a break in the last four days' cold snap.

Fair weather and continued cold is forecast for today but for tomorrow, increasing cloudiness and rising temperatures.

Yesterday's temperatures not only set a new minimum for the year, 5 degrees around 8 a.m., but also reached the highest point, 31 degrees, since 4 p.m. last Wednesday. This maximum, which came at 2 o'clock yesterday afternoon, was quickly erased and the mercury dropped to thirty degrees with few variations until at midnight the official thermometer registered 14 degrees and at 1 o'clock this morning, 11 degrees.

Several Skating Ponds Are in Use

Downtown thermometers last night registered three to four degrees lower than the one at the airport, 10 degrees at midnight.

For a few hours yesterday afternoon, the north wind kicked up again and at 4 o'clock the snow velocity of 19 miles. By midnight it had slowed to a moderate breeze.

Even if the weather does warm up again, scattered groups of ice skating fans assured themselves of at least one day of the sport this winter when they tried out on Monkey Island as the fairgrounds, the gravel pit near the state school for the deaf and the lake on the fourth fairway at the Salem golf club. While an inch of ice formed across the pond last night, it was neither strong nor smooth enough for safe, good skating.

Shortage of Coal Here is Reported

The unexpected early cold snap caught fuel dealers here off guard and a shortage of coal quickly developed. Some dealers were doling out their supply three sacks at a time to make it go around. Others had coal enough only for customers who had ordered it in advance. Orders generally have been placed for coal to arrive here about the middle of the month, dealers said.

Maintenance work on county roads has been brought to a halt on account of the frozen ground. Demands for more money were increasing yesterday, from the county court announced. The court will attempt to keep needy people from running out of fuel, members stated.

SCIO, Dec. 10.—The mercury dropped six degrees above zero in Scio Saturday morning, setting a new low for the year.

RICKEY, Dec. 10.—The thermometer dropped to just below zero here this morning. Water pipes are bursting and many families are trying to save their food supplies by running oil and electric heaters in the storerooms.

KINGWOOD, Dec. 10.—A near-panic was caused here Thursday by the sudden cessation of power on the electric line. Several housewives who were operating power washers, irons and ranges sent an urgent SOS to headquarters and relief was speedily forthcoming. The blame is variously placed on the cold snap, the high wind and Hoover.

Mobilizing Dry Forces Planned To Balk Repeal

WASHINGTON, Dec. 10.—(AP)—A call for a national conference of prohibition organizations to "mobilize the dry sentiment of America and to defeat" repeal and modification movements was decided on today by directors of the Anti-Saloon league of America.

Truck Gardener Walking Along Highway Killed

PORTLAND, Dec. 10.—(AP)—Yeon Hoy, 30, Chinese truck gardener living near Portland, was killed tonight when he was struck by an automobile driven by George M. Allen, Jr., 23, of Portland on the Columbia river highway near here tonight.

Allen told deputy sheriffs he had just passed two oncoming buses and had dimmed his lights out of courtesy to them. When he turned them on bright again, he said, he saw the Chinese walking on the pavement directly in front of him, and he was unable to stop his car in time.

ROBERT HAYTER IS RHODES CANDIDATE

Dallas boy one of Pair to Compete in Northwest Exams This Week

PORTLAND, Ore., Dec. 10.—(AP)—Robert Hayter, 21, of Dallas, student at the University of Oregon, and J. Burke Knapp, Jr., 19, of Portland, student at Stanford university, were selected tonight as winners of the state Rhodes scholarship contest. They were chosen from among eight students after oral examinations here that lasted nearly all day.

The two will represent Oregon at the regional contest next Wednesday at Spokane, Wash., when two winners from each of six northwest states will compete for scholarships. Out of the twelve contestants, four will be chosen to receive the scholarships, each of which provides for two years or more of study at Oxford university with \$4,000 a year.

Robert Hayter, majoring in pre-medicine at the University of Oregon, is the son of Mr. and Mrs. Oscar Hayter of Dallas and a graduate of Dallas high school. Before entering the university he was enrolled at the New Mexico Military Institute at Roswell, N. M.

J. Burke Knapp is the son of Mr. and Mrs. Joseph B. Knapp of Portland, and a graduate of Grant high school here.

WINE PLEA VOICED AT HOUSE HEARING

WASHINGTON, Dec. 10.—(AP)—A plea that the old wine decanter be restored to its former status was made by representatives of the grape growing industry today before the house ways and means committee in its hearings on legislation of wine and beer.

For hours the committee heard "naturally fermented vinous liquor" be restored to its former status as wine and beer, and representatives from the many grape producing states. Prohibitionists will state their side of the case Monday.

Dr. James M. Doran, commissioner of industrial alcohol, is testimony before the house appropriations committee, recommending the use of a federal permit system to control the manufacture of legalized beer. He said it was "very desirable if not necessary" to employ such a control method.

California Cold And Arctic Hot By Comparison

SAN FRANCISCO, Dec. 10.—(AP)—Geographical conceptions of what weather should be were knocked slightly haywire today by California temperatures lower than some Alaskan readings, by the alleged appearance of a waterspout in San Francisco bay and by cold in the far west from the Canadian border to the Mexican line.

SNOW BLANKET SPREADS AFAR; SHUNS OREGON

All Rest of Nation Except Extreme South Covered; Some Relief Given

Meacham Retains Limelight As Cold Spot of State; Crescent is Next

(By The Associated Press) Snow came over a vast area yesterday to ease the cold spell and provide what federal weather forecasters called one of the most widespread as well as the heaviest in years.

The white crystals fell in all parts of the United States, except Oregon and the southern tier of states. In Texas and the southeast there was rain. The season's first snow fell along the southern coast from Washington to New York.

The snow was particularly heavy on the western side of the Appalachians, drifting in some places to five feet in West Virginia. The east as well as the Mississippi and the Ohio valleys were to look whiter than ever today, the government predicted. "Continued cold" and "colder" were promised the midlands.

Lander, Wyo., recorded 26 degrees below zero, Yellowstone Park 20 below, and Helena, Mont., 16.

Some California points were colder than Point Barrow, Alaska, which was 30 degrees above zero.

PORTLAND, Ore., Dec. 10.—(AP)—While Oregon generally was still fast in the grip of the cold spell the thermometer sagged to 16 above in Portland today, reaching a new low for the season. A constant sun, however, and an abatement of the wind brought the mercury up to 29 degrees, the highest maximum of this period of frigidities.

Continued cold and fair weather today, but increasing cloudiness with rising temperature Monday is Oregon's program as forecasters predicted.

ELUSIVE PRISONER GETS LOOSE AGAIN

ROCK, Ill., Dec. 10.—(AP)—The elusive Robert W. Wacker, 21, was captured first the day after he fled from a dinner table when made by representatives of the grape growing industry today before the house ways and means committee in its hearings on legislation of wine and beer.

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BONUS BACKED BY FARM DELEGATION

WASHINGTON, Dec. 10.—(AP)—Aid a din of applause, delegates to the Farmers National Relief conference concluded their first national convention today after adopting resolutions advocating immediate payment of the soldiers' bonus and recognition of Soviet Russia.

Through a driving snowstorm, the first of the winter here, many of the 250 farmers who came from every section of the nation began the journey homeward in dilapidated trucks and automobiles. Most of them remained overnight for an early morning start.

House members from eight northwestern and midwestern states agreed to support legislation giving the secretary of agriculture a free hand in dealing with federal seed, feed and crop production loans to farmers unable to meet payments this year.

Before adjournment of their four-day meeting the farmers set up an organization to press for enactment of their legislative demands, including a moratorium on farm debts and an end to evictions. These proposals were carried yesterday to President Hoover and congress.

His Slayer is Believed Held



WALTER WANDERWELL

WANDERWELL'S FOE IS ALLEGED SLAYER

Warrant Charging W. J. Guy With Crime is Planned In Spite of Alibi

LONG BEACH, Calif., Dec. 10.—(AP)—A warrant charging William James "Curly" Guy with the killing of Captain Walter Wanderwell, noted globe trotter, will be issued Monday, it was announced tonight by H. M. Brayton, district attorney's deputy, who said "we believe we have uncovered enough evidence against him."

Brayton's announcement ended an all day conference between himself, county authorities and Long Beach police who have been investigating the shooting to death Monday night of the adventurer aboard his yacht, Carmo.

Guy, who was arrested early last Tuesday at the home of his aviator friend, Edward DeLarm, told authorities previously he was 20 miles distant from the Long Beach waterfront when Wanderwell was slain. He said he was at DeLarm's home.

Brayton's statement came soon after Long Beach police announced DeLarm had been placed under technical arrest as a material witness because of his knowledge of Guy's whereabouts Monday night.

Guy, DeLarm and Mrs. Isabella DeLarm, the Indian aviator's wife, had told authorities Guy was at their home until 9 p. m. Monday. Police believe Guy was in the back between 9 p. m. and 9:15 p. m.

Practically the entire day, Brayton said, was spent in endeavoring to shatter Guy's alibi. Guy had quarreled with Wanderwell during one of the globe trotter's world visits and again less than three weeks ago. Mrs. Aloha Wanderwell, striking widow of the adventurer, told police Guy attempted to strangle Wanderwell in a Hollywood apartment.

Railroads Want Rates Kept But Pool Eliminated

WASHINGTON, Dec. 10.—(AP)—The nation's larger railroads asked the interstate commerce commission today to extend after March 31 the rate increase and W. N. Dana, Portland attorney, said the plan which sends the revenues into a pool from which needy carriers may borrow.

Oregon Briefs

FIELDS THIRD MEMBER PORTLAND, Ore., Dec. 10.—(AP)—Arthur L. Fields, president of the Portland chamber of commerce was today named the third member of the board of arbitration to determine what prices are to be paid by the local milk distributors to the Dairy Cooperative association for milk.

Charles Eckelman, formerly owner of a distributing company, was chosen by the milk distributors and W. N. Dana, Portland newspaperman was chosen by the cooperative, which represents about 1,600 dairymen in the Portland and Salem milk areas. These two men selected Fields as the third member of the group.

LEAGUE HAS MEET PORTLAND, Ore., Dec. 10.—(AP)—The league of Oregon cities cooperating with the University of Oregon will maintain an information bureau in the rotunda of the state capitol at Salem when the state legislature is in session next month, it was announced here today after the close of the two-day meeting of the league's legislative committee at the Portland city hall. William Briggs, city attorney of Ash-

FRANCE READY TO PAY IF NEW PARLEY CALLED

Agreement on war Debts on That Basis Discussed But not Certain

Decision Waits Completion Of Negotiations With Britain, Reported

PARIS, Dec. 10.—(AP)—Although Premier Herriot has yet to announce the fact, it was asserted in official circles tonight he undoubtedly will recommend to parliament that next Thursday's payment of interest on the French war debt to the United States be made with reservations.

These reservations, it was said, will follow those Great Britain is understood to be formulating. It was asserted the cabinet had arrived at this decision, but the reservations fully decided upon. One is likely to be that this payment shall be the last one until a general and final revision is made.

The cabinet held a five hour session today, most of which was devoted to discussion of disarmament because of the imminence of decisions to be made at Geneva. The cabinet will meet again tomorrow, but the government's decision as to its recommendations to parliament likely will not be made before the chamber of deputies session Monday, when France's final attitude will be settled.

The foreign affairs and finance committees worked out a resolution providing for payment—but only on the condition the United States agree before Thursday to a debt conference which would liquidate the entire problem.

Members of the delegation which presented this resolution to the premier quoted him as being it tended toward the government's intentions, although he made reservations because negotiations still are continuing with England over a policy acceptable to both nations.

TWO ARE VICTIMS OF PLANE'S CRASH

BROWNSVILLE, Tex., Dec. 10.—(AP)—Two men, tentatively identified as L. C. Dunn, wealthy undertaker of Los Molinos, Ia., and Lawrence B. Schmitt, 26, his pilot, were found dead tonight in the wreckage of Dunn's cabin plane.

Officers said previous reports that three persons had died in the crash proved to be erroneous. The bodies were found in a pasture on the million-acre King ranch, 17 miles east of Raymondville, by a party of hunters.

Dunn and Schmitt left the airport here Tuesday, planning to fly to Austin and then to Arizona and California. The pilot gave his home as Delmar, Ia., in signing the airport registration card.

Attendees at the airport said the weather was foggy when the plane took off.

O. W. Blackwell of the Harlingen airport staff said the cowling of the plane was blistered, indicating a fire in the air. The motor was torn from the wreckage of the four-place cabin ship.

NEGR0 MUST HANG KLAMATH FALLS, Dec. 10.—(AP)—A jury voted here today to hang Theodore Jordan, young negro, for the murder of F. T. Sullivan, white southern Pacific dining car steward of Oakland, Cal., here last summer.

Milk Arbiters Chosen Cities To Have Bureau Cold Causes Four Fires Multnomah Levy Reduced

land and president of the league, will be in charge of the bureau.

Special Legislative Session is Called by Governor Meier, Will Tackle Taxation Relief Problem

Small Taxing Bodies Ones to be Rescued

State can get its Funds by Property Levy; aim In Special Session is to Avoid Damaging Counties, Cities; Issue Ramified

By SHELDON F. SACKETT

FOR better or for worse, the state administration has crossed its Rubicon of indecision and summoned a special session of the legislature. Governor Meier's announcement late Saturday that 90 senators and representatives would be called to Salem to determine upon a state policy of taxation for 1933 removes a matter which for a month has been a conference and press topic to the definite determination of the legislative branch of government.

The questions that body faces are these:

1. Shall the special session in the five days allotted it, provide other sources of revenue than a 3 1/2-mill property tax for state purposes in 1933?

2. If a substitute for a property tax is determined upon shall it be a sales tax, a higher income tax, a combination of both or some other form of taxation as yet undecided?

Many newspapers and some legislators continue to declare that the only real problem is one of cutting state expenses; accomplish this and no property tax or income tax will be needed.

Reducing Expenses Won't be Sufficient The inescapable fact, however, is that one form of tax must be levied for the state deficit has grown so large and the provisions of the state constitution are so clear that an amount equal to a 3 1/2-mill levy on real property must be raised, no matter how great the expenditure slashes may be.

Governor Meier has indicated informally that a general tax on all retail sales would be extremely advantageous in meeting the dilemma but it is to be noticed that he calls for the special session does not cite the sales tax as the method the legislature must follow if it places the administration.

Plainly, Meier, himself a merchant, knows the sales tax will be keenly felt by the retailer and he is perfectly willing that the solution of the tax problem be passed on to the legislature rather than assumed by himself.

Moreover, the sales tax has already been denounced by the state grange which prefers a higher income tax. In the face of the defeat of a higher income tax November 8, the administration has evidently felt it unwise to attempt to do at the legislature what the voters disapproved. However if the legislators desire such a tax, their wishes will be respected.

Situation Similar To U. S. Government's As legislators study the state's predicament closely they will find it not unlike that of the federal government which has found expenses relatively as high as in palmy days while its taxation sources have withered like flowers in a December storm. Unlike the federal government, however, the state cannot borrow to meet its deficit. Its sole borrowings can be made only on taxes in the process of collection and its bills in full must be met by the state's ability to meet its bills in full.

It must either get new sources of revenue or let its pay-rolls go unpaid and its bills mount. For officers of the state treasury department say there can be no legal interest-bearing warrants issued by the state, except against taxes levied in the process of collection. And if these taxes are not made available, the state is at a financial impasse.

ADD SMALL D In the final analysis, the special session is a move to help school district, city and county finances, rather than the state's. For Old Man Oregon, as a government, can reach out its collection hand and take its 3 1/2-mill tax, come what may, replenish its coffers and get along very nicely. But meanwhile the local districts will be that much more impoverished. With every expectation that tax delinquency will increase in 1933, the plight of many of these groups will be pitiful. Insofar as their securities are held by banks in their territories, as well as by individuals who need cash, not county, school district and city warrants and bonds, the very commercial fabric of many sections of the state is affected.

It is altogether possible that the special session will be so disorganized, the time so short, the conflicting voices and plans so numerous that nothing will be done. In that event, tax relief passed in the regular session will come too late for May 5, 1933, the state property tax will have

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SOLONS CALLED TO MEET HERE JANUARY THIRD

No Direct Mention Made of Sales Tax in Summons Issued Last Night

Short Meeting to Adjourn Before Regular Session Starts January 9

Tuesday, January 3, the 1933 legislature of Oregon will convene in this city in special session to consider the state's problems of taxation and relief. Governor Julius L. Meier issued the formal call late Saturday from his Portland office.

The special session, called to attack problems of taxation and relief, will convene less than a week before the regular session, which will open January 9.

Governor Meier pointed out that the regular session would not take effect until the last part of May, a date considered too late to help the tax situation, while tax measures adopted at the special session will be operative April 7.

No recommendation is specifically made as to the form the tax program should take, but the executive branch would not take effect until the last part of May, a date considered too late to help the tax situation, while tax measures adopted at the special session will be operative April 7.

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No Direct Mention Of Levy on Sales In conferences between Governor Meier and Business men and legislators a sales tax has been talked of sympathetically as an emergency means of clearing up the state's financial situation without restoration of the property tax. Governor Meier's statement last night, however, did not recommend this or any other specific form of taxation.

It is believed mechanics of the special session will be simple. Following a caucus in Salem January 2, the senate and house will organize January 3. Fred E. Kiddie of Union county is understood already to have sufficient votes pledged to elect him president of the senate and Earl W. Snell of Gilliam county likewise is said to have enough votes pledged to elect him speaker of the house. Each presiding officer will appoint a resolutions committee and a committee on taxation. Senate and house committees on taxation will meet jointly. Legislators will then adjourn last night that by suspension of the rules the joint committee can launch into hearings by Wednesday. This would allow three days for hearings and the tax measures could be passed Saturday. The legislature would then adjourn Monday for the regular session.

Property Tax Held Antiquated System The governor's statement in part follows:

"I have determined to convene the 17th legislative assembly in special session on January 3, 1933. I have decided to take this action in order that a determination may be had of the question as to whether or not we shall retain as part of our system for raising state revenue the property tax, handed down to us from feudal days.

"The elimination of this antiquated, burdensome and inequitable tax from our state levy has been and still is one of the major objects of my administration.

"Furthermore, the state is faced with the necessity of assuming a share of the expense of unemployment relief. Federal legislation makes loans available to the state for unemployment relief only upon condition that the state has reduced its available resources before applying for federal aid. It has been made perfectly clear to us that if such action is not taken, we cannot turn to the federal government for relief.

Additional Revenue Now Needed. "Let me make it clear that the tax question is not one of finding additional revenue to meet an increasing cost of government. On the contrary, the cost of state government has been substantially reduced during the present biennium and it will be drastically reduced if the legislature follows the recommendations contained in the

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HAGENBARTH HEAD OF WOOL GROWERS

Maintaining Tariff one of Recommendations Made At Portland Meet

PORTLAND, Ore., Dec. 10.—(AP)—F. J. Hagenbarth of Spencer, Idaho, was re-elected president of the National Wool Growers' association for the 20th successive year at the closing session of the association's 63th annual convention here today.

After hearing committee reports and electing officers the wool growers adjourned with the expressed belief that Salt Lake City would be their 1933 convention city, although official decision concerning the location will not be made until the midsummer meeting.

The keeping of import duties on all agricultural and livestock and meat products and on raw and manufactured wool; establishment of duties on carpet and floor covering wools; praise of the Reconstruction Finance corporation for having been of "unlimited value to the livestock agricultural industries and to the whole country"; and the suggestion of a more liberal attitude on what constitutes "full and adequate security"; criticism of the federal land banks for what was described as a general refusal to extend low rates of interest and amortization on grazing land; a program of tax reduction with the accompanying demand that federal and state appropriations for agriculture be reduced only in proportion to appropriations for other purposes—these were the recommendations made in the report of the committee on general resolutions, which was read by E. S. Mayer of Texas.

Unanimously adopted resolutions urged that sale of the public domain to private interests at low prices on long term payments is the way to bring about the ideal administration of public lands.

Maag, Employed At Capitol Here 20 Years, Passes

William Maag, of 1208 Court street, an employe at the state capitol for 20 years, died at the Good Samaritan hospital in Portland yesterday.

He is survived by his widow, Esther Parker Maag of Salem; son, H. Herbert Maag of Mill City; daughter, Esther Green of Salem; brother, Martin Maag of Wathena, Kans.

Funeral arrangements are in charge of the Clough-Barrick mortuary and announcements will be made later.

The Day in Washington

(By The Associated Press) Republican leaders at conference discuss reorganization of party.

Farmers' relief delegates close convention with resolutions advocating cash payment of bonus and recognition of Russia.