EIGHTY-SECOND YEAR

Salem, Oregon, Saturday Morning, February 11, 1938 -

Commissioner Denied Power To Declare Witness in Contempt of Court

Some Other Amendments go Down to Defeat: Final **Vote Unanimous** 

After the most extended debate of the 37th legislative session, the senate Friday afternoon came to agreement on the seven-point utility regulation program submitted by Commissioner Thomas and adopted the amended bill, 28 senators voting aye, Senators Mann and Brown absent.

The measure in the main is as originally introduced. Two sections have been deleted, one added and some amendments made in minor sections.

Senators Goss and Bynon lead the move to amend the measure: Senators Burke, Brown, Zimmerman and Hess sought its acceptance in totality. Slight compromises of position resulted. Contempt Ruling

Denied Commissioner A motion by Senator Goss to strike from the original bill that section authorizing the utility commissioner to declare a witness in contempt of court was approved by a vote of 18 to 12.

Senator Brown charged that the elimination of this section would destroy the entire measure and tie the hands of the utilities commissioner for all time.

"Giving to say administrative officer the power to declare a witness in contempt of court would be un-American and undemocratic", Senator Chinnock said. "The powers granted in this section are broader than those given to the circuit courts.

A motion by Goss, providi for the elimination of that section of the bill making it incumbent upon utilities to pay the costs of their own examinations, was defeated by a vote of 23 to 7. Goss had offered an amendment increasing the fees of the utilities and providing that the costs of investigations should be spread ever all the utility corporations operating in the state.

Senator Zimmerman charged that this proposed amendment Enters Plea of not Guilty was unfair for the reason that a well regulated utility would be made to help pay the cost of investigations involving unscrupulous utility corporations. Similar opposition to the proposed amendment was expressed by Senators Burke and Hess.

Senator Goss declared that the utility commissioner apparently day set for Friday, February 24, was satisfied with the proposed amendment and there was no rea- that Judge L. H. McMahan, a son for the profracted argument.

Senator Dunne asked how an ask to be relieved of sitting in investigation of the telephone the case. rates would be possible provided the amendment was adopted. Goss replied that the increase in fees provided in the amendment would furnish ample funds for the con- for early morning, was deferred duct of any reasonable investiga-

An attempt to eliminate the re- from the indictment. capture clause from the bill also

This section provided that if Derby, Oscar Bower and George any public utility receives in any Waters. Archerd left immediately one year a net utility operating after arraignment for Portland, income in excess of a reasonable but remarked that he would be rate of return upon the value of back in Salem today. the utility property actually used for the convenience of the public, such excess shall be placed in a reserve fund, and be applied from time to time for the benefit of

### COLD WEATHER AT END, SNOW COMES

The cheerily welcomed moderation in the cold weather yesterday precipated snow toward ball race here tonight when it nightfall, as forecast, and early overwhelmed Stanford 34 to 18 in repeal of laws committee two today the dry flakes were still a listless game. falling and had blanketed the city to a depth of over an inch. The snow probably will turn to unsettled rains today, the weather bureau predicts, and tomor-

row will be succeeded by clearing skies and rising temperature. Friday brought distinctly warmer weather to Salem and vicinity with a minimum temperature on Thursday, and a maximum of gang was brought to a head this click of the old adage "when 40 degrees, an increase of 17 over the previous day.

#### Realtors Oppose Moratorium for Mortgage Debts

PORTLAND, Ore., Feb. 10 -(AP)-The Portland realty board

### Fear Noted Fighter Has met Foul Play; Ketchell is Missed

Started South With Family After Battle With Firpo; Manager, Kearns, Doesn't Know What Happened to his Protege

DORTLAND, Ore., Feb. 10 — (AP) — Fear that Wesley Ketchell, Los Angeles fighter, and his wife and mother might have met with foul play prompted Portland police to launch a search for the trio who were last heard from February 4 in Selma, Calif.

Joe Waterman, Portland fight promoter, told police Ketchell left here with \$1,000 >cash January 31, after his losing

fight here January 24 with Young Firpo of Burke, Idaho. He had negotiated here with a man for ten acres of land in the Imperial valley in Indio county, Calif., in fact, police said, he had given his expensive sedan as down payment for the land and had purchased another car in which he and his wife and mother start-

ed for Los Angeles, police said

the hotel where man with whom

Ketchell was negotiating was sup-

posed to have stayed here did not

Police Detective Captain Pat

Moloney said the last word from

Ketchell, whose right name is

Hobbs, was a postcard dated from

Selma February 4 and addressed

to Mrs. Marie McDermit, a Port-

Ketchell wrote that their car

had broken down and that they

were going to sell the parts and

go on to Los Angeles by train. He

said they were staying at a Selma

auto camp and planned to leave

in a day or two. He gave the El

Cortez hotel, Hollywood, as his

Waterman told police he had

phoned Jack Kearns, Ketchell's

manager, in Los Angeles seeking

a rematch between Ketchell and

Firpo, and quoted Kearns as

"Sure, but where's Ketchell?"

wood hotel have heard from the

Los Angeles fighter, police here

After new Indictment is

Made: Bail \$1500

Trial of Charles R. Archerd on

charge of larceny by ballee in con-

nection with operations of his de-

funct warehouse here, was yester-

at 9 o'clock. It is virtually certain

Archerd was arrained in Judge

McMahan's chambers late yester

day afternoon, and pleaded not

guilty. Arraignment, scheduled

when it was discovered names of

witnesses had been eliminated

New bail of \$1500 was filed

yesterday for Archerd by F. N.

U. S. C. WINS AGAIN

Neither Kearns nor the Holly-

land friend of the family.

forwarding address.

know of him.

Public Invited to Attend Program, see Work of **Badge Projects** 

Appeal to the adult citizenry of Marion, Polk and Linn counies to come to Salem armory today to view the Boy Scout activities of their sons or their neighbors' sons was broadcast by Cascade area officials and committeemen last night as the first night of the first annual Boy Scout Merit Badge exposition came to a close. Expositions such as is being creditably conducted here have gained wide mention in eastern cities.

The local exposition is being staged by the boys and scout workers primarily that the citizens of the area may acquaint themselves with the interesting and educational work being done by the more than 500 Boy Scouts in the three counties. In 21 attractively decorated booths, sponsored by Salem business firms, and built around the armory walls, the boys will be seen at work on merit badge projects, such as Indian arts, blacksmithing, metal turning, woodworking, botany, cycling, health activities,

On the armory stage a typical scout camp has been erected, complete even to the campfire and fir boughs, while in the center of the parade floor is an Indian tepee, bearing Indian signs and symbols, and a booth exhibiting the archery handiwork of the famed Hobson family.

Today lively programs will be given afternoon and evening in addition to the exhibitions in the various booths. There will be moving pictures of Oregon wild life, sharp shooting by John Hadley Hobson, 14, national junior oow and arrow champion: band (Turn to page 2, col. 2)

## long-time friend of Archerd, will

Rejuvenation of the now defunct state mining board is the hoped for result of a bill that is soon expected to be introduced to the legislature as result of de- there to broadcast his loss - in velopments indicated at a meeting last night of the joint house and senate committees on mining. Committee members were pre-

sented with the suggested draft Attorney Avery Thompson apgon mining congress. Under the money." peared for Archerd yesterday, but it is said C. F. Pruess of Grants measure a three-member, non-Pass, will represent him at the salaried commission would pro-The former warehouse operator is accused & diversion of wheat semination of information and take it! owned by Tommy Walker and worth slightly more than \$600. general work for the welfare

of the industry.
Robert M. Betts of Black Murder Charge STANFORD UNIVERSITY, gene appeared before the joint committee to urge acceptance of Calif., Feb. 10 - (AP) - Unithe measure. The present mining versity of Southern California board of which the corporation strengthened its hold on the leadership of the Southern division. commissioner is chairman, it was explained, is now virtually non-Pacific coast conference basketexistent through activity of the

### Chicken Thieves Quarrel And Gang is Rounded up

in a second large chicken thieving | culture, was due directly to a week, with arrest by the sheriff's thieves fall out . . . office of Marion Miller, Jefferson, route one; Joe Grigg, route four, Salem, and Lawrence Addison, a

Miller and Addison pleaded guilty in justice court yesterday heated exchange of epithets over and were bound over to the grand | these matters caused a split in jury, but later in the day waived | the ranks upon which the sheriff's went on record at its meeting to- grand jury hearing and will ap- office was quick to capitalize, it day as opposed to enactment of pear before Judge McMahan this was reported. suggested moratoriums on mort-morning for sentence. Grigg asked Arrest of this outfit is expected gage foreclosures or extension of additional time in which to plead to put an end to the major thievredemption periods by the state and preliminary hearing was set ery of chickens and cattle. Dur-

Round-up of the ring-leaders of the state department of agri-And incidentally, some humor

is wound up in the affair, for two of the alleged thieves fell out youth arrested at Dayton. Opera- over irritating pet names tossed tions of the gang have been ear- at each other. One of the trio has ried on the past three years in a an abdominal protuberance about wide area in this end of the state. | which he is apparently sensitive; the other has Indian blood. A

Crew Remains Defiant Even After Entire Fleet is Closing in, Word

'Don't Hinder us" Warning Signal Just Before **Bomb Dropped** 

BATAVIA, Java, Feb. 11 — (Saturday) — (AP)—The Dutch destroyer Piethein arrived here today carrying the bodies of 22 men killed by an aerial bombing which ended the five day mutiny of the native crew of the Dutch cruiser De Zeven Provincien.

On board also were 25 injured men, hurt when the 11-pound bomb struck the deck of the Zeven and in the resultant fire.

Men on the Piethein confirmed previous reports of the bombardment-how the mutineers remained defiant to the end, although they were pursued by a fleet of war vessels and a half dozen airplanes, how during the brief engagement the rebels did not use the heavy armament of the Zeven, and how some of the natives took to lifeboats when the fire broke out.

De Zeven's renegade career irted last Sunday when the crew stole the ship because of a dispute about pay cuts. The commander was ashore at the time. Before the bomb dropped, the mutineers had curtly signalled

the plane: "Don't hinder us" and in so doing sealed their fate. Four planes had taken off and rere quickly above the runaway cruiser, on which eight officers were held as hostages. Two ships, the Oriion and the Goudenlefuw,

From the Piethein, nearby, the H. B. 445. actual fall of the bomb could of smoke which hid her funnels. Twelve minuates later the radio operator informed the commander of the Zeven of the surrender; a white flag was hoisted and then a distress signal was

### Lost Money: **Honest Girl:**

Fifteen dollors is a powerful piece of money these days. Especially if you're a "newsie" and lose it on the very morning you intend to turn it in to the circula-

tion manager. Raymond Griffin, Statesman carrier for West Saler, discovered just how much \$15 is yesterday morning when he arrived at high school and found the sum gone. Business of searching high and low over the route he traversed after leaving the West Salem bus netted only more headaches. So back he hurries to West Salem, to ask the principal over faint hope.

The principal does so; and in the seventh grade room little Elouise Ferguson, from Kingwood Heights, gets up on two honest of a bill sponsored by the Ore- feet and says, "I found the

Was Raymond happy? And Elouise was evidently happy also, mote the development of the for when a \$2 reward was offered state's mineral resources through her last night she opined she didresearch and survey work, dis- n't know whether she ought to

### Formally Filed Against Moore

PORTLAND, Ore., Feb. 10 (AP) - William J. Moore was formally charged here today with first degree murder in connection with the shooting to death last August 29 of Harold F. O'Connor, young Brooklyn, N. Y., tourist who had befriended him.

Police said that Moore has confessed to shooting the Brooklyn man, to hiding his body in the brush at Coopey falls on the Columbia highway where it was found September 11, and to taking his car and money orders, which he forged and cashed.

#### Lad Rushes Into Residence Blaze, Is Burned Badly

ASTORIA, Ore., Feb. 10 -(AP)-Lee Hansen, Deep River, Wash., youth, was brought to an Astoria hospital this morning surprise, as Judge McMahan had Hannah Martin leading the opposuffering from severe burns austained yesterday when trapped by fire in the home of his parents. He had rushed into the burn-The resolution contended that three are in the county jail, with employed a number of girls and up to a sec- Foreman Arthur Moore told the teachers, allowing boards to hire Industrial accident legislation ond-story room in an effort to court there was some unfinished teachers on any basis below the was liberalized by allowing a ben-

Mentioned for Commerce Post



Jesse I. Straus, of New York, who is an outstanding possibility for the portfolio of secretary of commerce in the cabinet President . - e l e c t Roosevelt. Strans, who is 61, is one of the country's leading merchants, He has acted as adviser to the president-elect and has been active in the cause of unemployment relief.

Authorizes Sale at Eating Places and in Bulk. Taxes Provided

A revised bill to substitute for the so-called Beckman measure dealing with the proposed sale of beer in Oregon, was the major house measure introduced Friday approached the cruiser in a wide | Sponsored by the committee on alcoholic traffic, the bill becomes The new bill authorizes the

not be seen, but suddenly men sale of 3.2 beer at hotels, restauaboard saw an enveloping cloud rants, groceries, drug stores and certain other specified places. Provisions are made that it can be consumed only with meals in bona fide eating places. When purchased from retailers it must be taken from the store in unbroken packages.

A 50-cent tax on each 31-gallon barrel of beer brewed in Oregon and sold here is placed on the manufacturers. Wholesalers of beer are made to pay a 50-cent a barrel tax on beer imported from outside the state.

Annual license fees are pro-Glad Newsie vided as follows: brewery, \$250; ties would give opportunity for wholesaler \$250; hotel \$50; res- closer check on educational work public carrier where beer may be consumed \$5.

> The bill calls for a \$5000 general fund appropriation to set up administration of the tax collection which is to be handled by the state tax commission, under the measure's terms. Half of the net income goes to counties, half to the state.

Sponsors of the county managerial form of government and of old age pensions are striking rocky going, indications pointed at two public hearings at the state capitol last night.

Senator Jay Upton withdrew his enabling bill that would have eleminated all present county officers excepting school superintendents. The resolution to bring the question of adoption of the managerial form before the peoples of Oregon's 36 counties was allowed to remain in, however.

In withdrawing the "teeth" of the manager-bill, Upton said he believed the drastic move premature and he would rather first have counties decide whether they wished to adopt "business" methods, then take steps to put them definitely into effect. The old age pension fathered

by Representative Hilton and others was attacked by G. M. Whipple of Marion county. Ben T. Osborne, president the state federation of labor, spoke for the need of making some provision for indigent old

#### Grand Jury is Continued Into · Its 17+1 Month

Marion county's long-lived rand jury took another gasp for life yesterday, and so will be tax on eleomargarine dealers is carried through the March term imposed annually. of court. The action came as a indicated that he intended to discharge the jury today. Continuation for another term

frighten investment funds away from Oregon and depreciate the value and marketability of real property.

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# TODAY, SENATE

Preliminary Vote Indicates It Will Pass: Zimmerman Is Chief Opponent

State Bank Proposal Gains Plaudits at Hearing; Aims are Listed

Branch banking in Oregon was one step nearer yesterday afternoon when the state senate, 23 to turned down a minority report by Senator Zimmerman which recommended that the branch banking bill fail. As a result the measure, sponsored by the State Banking association, is on the calendar for final reading today and passage in the senate seems

Senator Zimmerman declared hat branch banking was not sound and that it would operate to the advantage of the large financial institutions. Seator Burke also spoke against the measure.

Senator Williamson, chairman of the banking committee, said the bill had received careful con-sideration and that it had been amended to take care of all serious objections. He declared that the approval of this bill would move a large amount of money out of the larger cities and improve the financial status of the rural countles.

The bill also was approved by Senator Upton, who submitted statistics to show that branch banking had been in operation successfully in Canada for many years.

Most Speakers at Hearing Favorable

merman bill to establish a state approval bank will rise to success on a flood of votes.

Five speakers presented arguments in favor of establishment of a financial institution empow-(Turn to page 2, col. 1)

## **MEASURE IS TOPIC**

Organization of non-high school tuition districts in Oregon counwholesaler \$250; hotel \$50; res- closer check on educational work taurant \$25; retailer \$10; each and tend toward more economical operation, proponents of house bill 340 advocated at a hearing before the committee on education last night.

According to provisions of the proposed law, all children who are not now enrolled in high or union high school districts in the various counties would be organized into county-wide tuition districts which would be administered by board of five members each. Boards would be empowered to deal with the various standard school divisions to which students now living in non-districted territory are sent.

Some 800 Marion county pupils would be affected by passage of the law, according to C. A. Howard, state superintendent of publie instruction.

#### Woman to Head Poultry Co - op

PORTLAND, Ore., Feb. 10 of the Pacific Cooperative Poul- electrical merchandise. try Pr lucers association. It is the first time, directors said, that Senator Wheeler's bill which proa woman has headed a state-wide vides for the cancellation of pencooperative farm producing unit alty and interest on realty taxes of in this country.

Miss Reed was assistant to E. died several weeks ago.

## BRANCH BANKS Tithing Program Gets BILL COMES UP Favorable Report but Faces Strenuous Fight

Fireman Hulsey Rescues Kitten From Tree Top

"Our Hero" among the Salem feline populace probably is Homer Hulsey, city fireman, who was sent out during the noon hour yesterday, not to fight fire, but to rescue a fluffy, yellow kitten stranded in the top of an oak tree at 13th and Lee streets. Aid of the firemen was asked by an unidentified man who noted the kitten's predicament.

The kitten had been perched precariously in the tree top some 30 feet off the ground for two days, Hulsey said children of the neighborhood told him. He climbed part way up on a small fire ladder, then "shinnied" the remainder of the distance.

Official From Minneapolis Office Coming; Oregon Branch is Sought

Definite arrangements for handling federal seed loans to Marion county farmers will be made early next week when Ira B. Hyde, If all Oregonians exhibit the representative of the Crop Prosame attitude as was evinced by duction Loan office, Minneapolis, all his might any attempt to apply the capacity audience at the sen- Minn., returns here to work out tithing or service charge to the ate chamber last night, the Zim- the setup with the county loan- motor vehicle receipts. named. Yesterday Mr. Hyde stopped in Salem to discuss the loan plans with the county court and chamber of commerce officials.

It is expected applications for the loans, which amount to mortgages on the farmers' crops, can be received here within a week after Mr. Hyde's next visit. Last year 140 seed loans totalling approximately \$25,000 were made in Marion county, according to the loan representative. Indications from Washington, D. C., are that the maximum loan per farmer this year will be around \$300 instead of \$400 as last year.

Salem chamber of commerce has taken up a fight to have a federal seed loan office established at Portland since last year's branch office at Spokane, Wash., was discontinued. Acknowledging (Turn to page 2, col. 5)

## SENATE RESUMES

The state senate, coming out of a day and one-half huddle on the so-called Thomas utility bill, began passing legislation late Friday with a flurry. When adjournment came in late afternoon, nine house and senate measures had been approved, five senate and one house measure had been indefinitely postponed while nine new measures had been received preparatory to committee assign-

Major among the measures defeated was one by Senator Burke AP)-Miss Edna B. Reed was which provided that public utilithosen today as general manager ties hereafter could not sell any

1931 and prior years and permits the collection of the net tax in Dixon, general manager, who ten equal semi-annual install-

## Oleomargarine Tax Bill

The house regained its stride in | signs eight inches or more in the legislative session yesterday, height with the words "school passed a score or so of its own measures, gave approval to 11 senate measures which now go to the governor for approval and sent back to committee, killed or made special orders of at least

half a dozen additional bills. Major among the measures passed was an oleomargarine tax bill which imposes a four cent levy on each pound of butter substitute sold by a retailer, products manufactured with animal fats being excepted. A flat \$5 license

After considerable debate, Mrs sition, the house gave a strong majority to a bill which declares a two-year moratorium on mini-

bus" plainly lettered thereon. Greater safety in traffic for school busses is sought. H. B. 377 relating to a school

tenure for teachers was made a special order for Monday at 10:30 The house quickly approved 8 B. 2 which makes designation of

taxes hereafter coincide with the year they fall due. In case of property sale grantor and grantee assume or pay taxes as the date the sale is made. Inheritance tax legislation was made more stringent by allowing

the state six years from time of a person's decrease to complete its claim. Gifts made within three years prior to a person's death are presumed to be taxable for inheritance unless adequate consideration can be shown.

\$730,000 Benefit to General Fund is Estimated

#### Taking Part of Road Funds Expected to Be Resisted

Calculated to yield \$730,000 dennially, the tithing program under which various self-sustaining departments and activities would turn over to the state general fund a portion of their receipts, was approved by the joint ways and means committee of the

legislature Friday night. The favorable recommendation will go before the two houses for consideration, but it is certain to encounter stubborn opposition

The plan proposes that \$672,-619.95 would be obtained by taking 3 per cent of the receipts from the motor vehicle transportation act, motor vehicle registration law and motor vehicle fuels tax. The total receipts from these three sources were estimated at \$22,-420,665.15: Segregated they include \$80,150.21 from the motor vehicle transportation act. \$11,-449,369.78 from the motor vehicle registration law and \$10,-168,145.16 from the motor yehicle fuels tax.

Dunne Will Oppos License Fuel Tithe Senator Dunne of Multnomah county announced following the

Other activities that would contribute to the general fund under the three per cent "service" levy include the fish and game departments, a large number of self supporting activities listed under the classification of "agricultural". and a group of state boards and commissions which are now conducted through the collection of

The contributions of the fish and game departments would aggregate \$32,424.17, while \$11,-411.07 would be derived from the nine activities listed as "agricultural". The various other state boards and commissions affected by the three per cent levy would contribute \$13.581.60.

10 Per Cent Will Be Rate for Some Contributions from large group of state activities which would be assessed on the basis of 10 per cent of their receipts would return to the general fund \$50,902.83 during the

Approximately \$9410 of this amount would be contributed by the various divisions of the public utilities commission, while \$8343 would come from the state banking department. The various divisions of the state labor department would contribute \$7016 and the state board of pharmacy \$3200. An additional \$5000 would come out of the farm produce commission. Other departments would be compelled to tithe in amounts ranging as low \$43.69.

Members of the committee declared that while they were aware that the "service program" would be opposed, the plan was sound and should be adopted by the legislature. It was argued that under this proposal the activities effected would be able to compensate the state in part for the use of the courts and other concessions which they previously received

without charge. Representative Abrams said he already had heard rumblings that thy attempt to tithe funds from the state highway commission and the game and fish departments (Turn to page 2, col. 1)

#### The Day in Passed by Lower House Washington

Reconstruction finance corporation reported to a senate committee that in some cases advances to railroads exceed present market value of col-

Senate appropriations commitee rejected proposal to cut prohibition enforcement funds ten

Compromise on extent of power congress will give Presi-deut-elect Roosevelt on goverument reorganization appeared likely. Measure to which proposal was attached by senwas sent to conference by

Senate debated war department supply bill with prohibition repeal next in order.

Department of justice be inquiry into alleged attempt by Roanoke, Vs., men to extort money from Col. Charles A. Lindbergh on threats to kidnap