

BIG VOLUME OF BUSINESS STILL BEFORE SOLONS

May Adjourn Saturday Night With Clocks Stopped and Activity Feverish

Taxes, Auto Fees, Utility Control and Other big Issues not Decided

By SHELDON F. SACKETT
When will the 37th session of the state legislature adjourn? What important matters are still before it? What has the legislature accomplished?

These are the three pertinent questions asked by citizens and even some legislative members in an attempted appraisal of the 1933 assembly of Oregon's law makers. Answer to the first question is that Saturday, March 4, the beginning of the national new deal, will probably be the end of the legislative session. Some sanguine legislators think a week will see a windup but a casual glance at the unfinished business in both houses, its quantity and its importance, leads to the conclusion that the present session will continue another full week and even they may be unable to conclude its labors until the wee hours of Sunday morning, March 5.

Important Issues Are Still Numerous
A review of the many important matters yet before the legislature proves conclusively that this coming week will see the high mark in the really crucial matters of legislative concern. For while hundreds of bills already passed by both houses are of regional effect, new taxes, auto fees, utility control are orders of unfinished business. Here are major matters in the agenda for this week:

Taxation. An increased inheritance tax has been passed by the house, with rates upped 50 to 100 per cent. A similar increase is expected with little debate. The same is true of the gift tax although the state tax commission estimates the latter will raise only \$10,000 annually in Oregon. A new and drastic income tax measure is before the house and likewise will undoubtedly be passed. Certain state privilege tax on retail stores is being bitterly lobbied and if passed must be considered less as a revenue measure than as a legal attempt to level out alleged differences between chain and independent merchants.

Which brings one to the bugaboo of the session: The general sales tax. Certain it is that this will be the rallying point for a real fight in both houses during the coming week. Representative Schneider stayed over today to iron out final details with the state tax commission and he will confer Monday morning with Representative Lonerger who with himself comprises a sub-committee on the house taxation and revenue committee.

Two Per Cent Levy. Present Proposal
The general sales tax proposal will embody these features: It will be a general two per cent levy except on service institutions which will pay one per cent. Wholesalers and manufacturers will be called on to pay one-half of one per cent on gross sales. The bill will provide for dropping of the tax on personal property, the latter not being included in 1933 assessment rolls.

The proposed sales tax will be effective July 1, 1933, if it passes the legislature, and the governor and the people will continue for two years. For the first six months all revenues will go to the state in lieu of a property tax; thereafter the revenues will be equally divided with the counties. The bill probably will contain a \$500,000 appropriation for the bonus commission and a \$250,000 appropriation for relief, the latter being a gesture to the federal government that Oregon is doing something on its own part to match the large outlays for relief being made in this state by the federal government.

The consensus of legislative opinion is that a sales tax will pass the house and will pass through the senate. Ways and means committee workers have not reduced the budget but increased it. The state deficit has been found to be real and sufficiently troublesome to send state officials scurrying to the banks for help. County tax delinquency is mounting. Thus the sales tax will be swallowed as a needed although unpleasant pill.

Grande and Labor
The state grange and state labor remain adamant in opposition. They have given way during the week with greatly reduced income tax exemptions hoping thus to stop the swelling tide of sales tax. However the grange is by no means united. Such leaders as Walter Russell, former legislator from Yamhill county, have been working in the lobby during

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Territory Japanese Seek to Rule In Newest Drive Against Chinese



Here is a map showing the scene of Japan's new drive to conquer Jehol province and annex it as a part of the puppet state of Manchukuo. The city of Shanhaiwan, which fell into Japanese hands some time ago, is a key city of the Great Wall of China, north of which the invading horde from Nippon plans an advance on a 450-mile front. Kailu, to the north, is reported in Japanese hands. Inset (left) is Lieutenant General Kuniaki Koso, who commands the Jap forces in the Jehol operations. At right is Marshall Chang Hsueh-Liang, who is leading the Chinese defenders.

Fierce Battle Near Jehol Border Waged

Hardest Fighting of Campaign to Date Occurs South of Suiching; gap in Japanese Lines Closed; Boundary Held

By JAMES A. MILLS
CHINCHOW, Manchuria, Feb. 26—(Sunday)—(AP)—The hardy infantrymen from northern Japan composing Major General Heijiro Hattori's 14th brigade crossed the border into Jehol this morning and engaged a large Chinese force in what apparently was the most bitter fighting so far in the Japanese offensive to conquer the province of Jehol.

The brigade advanced into Jehol from Suiching in southern Manchuria at 9:30 a. m. It was reported that the engagement lasted through the morning. (Suiching, Manchuria, is on the Peking-Tientsin railroad, north of Shanhaiwan, where the Great Wall reaches the sea, and about 100 miles south of Chaoyang. The 14th brigade advanced eastward along the road to Wungungu, anticipating an encounter with Chinese troops led by Marshal Chang Hsiao-Liang at the point where the road enters Jehol. It could not be learned at first, however, whether these were the soldiers the Japanese brigade engaged.)

Their entrance into the province closed a gap in the giant Japanese push toward Jehol city, the offensive previously having involved 90,000 invaders divided into three spearheads advancing from the eastern border of Jehol. Along the boundary every important town has been flying the flags of Japan and Manchukuo, the government in Manchuria to which Japan wants to add the ancient rich Jehol area.

Out of a conference between Henry L. Stimson and Cordell Hull, outgoing and incoming secretaries of state, there emerged a carefully worded note to Generalissimo Chiang Kai-shek, a copy of which was dispatched yesterday to Gen.issimo. The note expressed the American cablegram was in reply to a communication from the secretary general of the League of Nations, Sir Eric Drummond of Great Britain, addressed to non-members of the League who are signatories of the Paris peace pact or the nine-power treaty relating to the orient.

The League cablegram to which the American and Russian replies were eagerly awaited expressed the hope "that they will associate themselves with the views expressed in the report and...at pressed in it if necessary concert their action and their attitude with the members of the League."

Five are Killed, Many Injured in German Rioting

BERLIN, Feb. 25—(AP)—Five persons were killed and many injured in clashes throughout Germany Saturday. Two Nazis were shot dead by communists and several were wounded at Cologne. Unidentified persons killed a Reichsbannerman at Neise and at Flenburg another Reichsbannerman was fatally shot by Nazis during a clash. In Berlin a communist shot and killed a Nazi, many were injured on both sides during a number of national socialist and communist affairs.

McNARY BILL PASSES

WASHINGTON, Feb. 25—(AP)—The McNary bill to extend the boundaries of Fremont national forest in Oregon by permitting the addition of forest lands owned by the government within six miles of the boundary, was passed by the senate today and sent to the house.

REPLACING OLD COURTHOUSE IS HELD NOT WISE

Protection of County Books Through Construction of Vaults Urged

Additions, North and South Recesses Proposed to Preserve Beauty

Sentiment generally against construction of a new Marion county courthouse but urging protection of county records through addition of vaults and elimination of fire hazards in keeping with recommendations made by city and state fire and labor departments, developed at the two-hour hearing held at the courthouse last night.

About 150 persons, including long-time residents who wished beauty of the French Renaissance structure left unmarred, farmers, builders, business men, architects, working men and "just taxpayers" attended. The grand jury, which called the session, attended, as did members of the county court. A. H. Moore, foreman of the grand jury presided.

Many speakers opined that the matter should now be left in the hands of the county court, "whose past conduct of county business has given evidence that they will handle the situation as is necessary."

New Jail Building Finds No Backers
There was no favorable comment upon construction of a jail building on the court house grounds, as it is understood the grand jury has considered. Several suggested putting the jail on the top floor in constructing additions within the recesses of the building.

Fred Erickson, Salem contractor, suggested construction of vaults starting at the bottom, with vaults built on top of each other for as many stories as necessary. Recommendations of a representative of the Oregon Building Congress in Portland that cheap money at 3 1/2 per cent be borrowed from the R. F. C. met with little favor. Those who favored renovation of the interior of the building suggested in the main that such work be done as an office or a floor at a time, the county paying for improvements as they are made.

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TALBOT RESIGNS AS GAS COMPANY HEAD

PORTLAND, Feb. 25—(AP)—Guy W. Talbot of Portland announced today his resignation as president of the Portland Gas & Coke company, the Northwestern Electric company and the Pacific Power & Light company.

Paul E. McKee, president of the Brazilian Electric company was chosen to assume the presidency of the three utility concerns. It was announced following a joint meeting of the boards of directors today.

Talbot said that the demands of the position have been so exacting, particularly during the present period of economic stress, that his health has been overtaxed, and he indicated his physicians have advised him to relinquish his presidencies, although he will retain his association with the three companies.

McKee will return immediately to Rio de Janeiro to close up his affairs there, it was announced, and as soon as possible he will bring his family to Portland. Talbot's resignation will be effective upon McKee's return here. Talbot has been president of the gas company and the Pacific Power & Light company for the past 23 years and of the Northwestern Electric company for eight years.

Bar Association Hears Plans of Judge McMahan

The Marion county bar association took cognizance of Judge L. H. McMahan's proposed changes in the conduct of circuit court affairs here but took no official action at its monthly meeting at the Marion hotel yesterday noon. Fred Williams read the judge's letter of explanation, mailed to several local attorneys. The proposals evoked considerable comment.

Gleemen's Concert To Net About \$400

Proceeds of the benefit concert of the Eugene Gleemen, held at the armory here Friday night, will amount to approximately \$400, it was estimated yesterday. The concert was sponsored by Salem Rotary club in benefit to the local Boy Scout organization. Dr. B. F. Pomeroy was general chairman and J. T. Delaney, chairman in charge of ticket sales.

Six Children Drown Along With Mother

NYSSA, Ore., Feb. 25—(AP)—A mother and her six small children were drowned today when their automobile left the road and crashed into the Owyhee ditch 15 miles from here. The dead, all of Notus, Idaho, are Mrs. Cora Shafer, 29; Jack, 11; Charles, 9; Robert, 7; Wanda, 6; James, 3, and Lawrence, four months.

The widower and father, Conrad Shafer, is a patient in the U. S. Veterans' hospital in Boise, Idaho. Mrs. Shafer and her six children left Notus today for a week-end visit with Mrs. Oscar J. Pinkerton, of near Nyssa.

On a narrow road between Owyhee river and the ditch, when they were less than a quarter of a mile from their destination, their car was seen to disappear. Orin Sleeper, 16, ran to investigate, and found the machine upside down. In the water, the children's caps floating on the surface. He hurried to a nearby farm and telephoned Dr. J. J. Sarazen, who raced to the scene with a deputy sheriff and the coroner.

Dr. Sarazen said, when the bodies were removed from the water, that all seven had been dead for some time. The sheriff's office expressed belief that the car's steering wheel jammed, causing the accident. The mother and her children were pinned beneath the car when the top collapsed. The bodies are at the Nyssa funeral home.

BOETTCHER MISSING AS DEADLINE COMES

No Communication Arrives Since Ultimatum Issued By Wealthy Father

DENVER, Feb. 26—(Sunday)—(AP)—The hour of midnight, set by Claude K. Boettcher for the ransom of his son, Charles Boettcher, II, had passed today without sign of return of the kidnaped young tubman.

No communication of any kind has been received from the captors of young Boettcher since issuance of the elder Boettcher's ultimatum setting midnight Saturday as a deadline for ransom negotiations, he said as the "zero hour" passed.

It was a night of anxiety at the two Boettcher homes. At the mansion of the elder Boettcher two policemen lurked in the stable while the Boettcher butler peered almost continuously through a front door curtain as if expecting the return of the young man.

Three blocks away, at the home of the captive, his young wife, Anna Lou, sat alone with her five-year-old daughter, and namesake. A policeman paced the hallway outside her room. As the hour neared, a screaming police car raced toward the Claude K. Boettcher home. A traffic officer on duty before the house cleared its path to the Boettcher door but the car flew past—in search, it developed later, of a hit-and-run driver.

Heads which had been silhouetted against the windows of the elder Boettcher's home as the siren neared, were withdrawn in disappointment.

Seed Loans Will Be Speeded Says Word to McNary

Senator Charles L. McNary has just been informed that all possible speed will be used in dispatching seed loan application papers to Salem, he telegraphed the chamber of commerce here yesterday. He had received the following telegram from L. J. Paulson, manager of the regional seed loan office at Minneapolis: "Regarding Salem, Ore., situation—All papers and full instructions for the inheritance tax department has been taken up as soon as we receive them from Washington. D. C. Every possible effort will be made to expedite loan to Oregon."

Appropriation Basis for All State Boards Sought

Approval of the Abrams bill putting the inheritance tax department of the state treasurer's office on an appropriation basis was interpreted by house members yesterday as a prelude to passage of a number of similar measures during the coming week. No opposition was expressed to the bill in the house.

Heretofore the inheritance tax department has taken funds as needed for administration from monies received and turned over the balances to the general fund. While a budget has been prescribed there was no legal limitation to the exceeding of the budget. Abrams proposes the same procedure be followed for the real estate commissioner, the state insurance commissioner, the state

ARCHERD JURY GIVES NO SIGN DECISION NEAR

Locked up Early in Morning To Resume Deliberation At 9 o'Clock Today

Defendant Tells his Story Of Breakdown; Walker Deal is Defended

The circuit court jury considering the case of Charles R. Archerd, charged with larceny by baillee, recessed at 12:30 o'clock this morning, more than six hours after being given the case, without giving any indication that it was near a verdict. Deliberations will be resumed at 9 o'clock this morning.

The case went to the jury about 6 o'clock. Pleas of attorneys occupied the time from 3:30 o'clock, followed by instructions of Judge Walker. Chief arguments were made for the defendant by C. B. Francis of Grants Pass who contended that the state had failed to prove any conversion of the Walker wheat; and for the state by District Attorney Trindle who traced the details of the various transactions, and attributed to Archerd responsibility for Walker's loss.

The defendant was the principal witness during the day's hearing. He is much thinner than during his residence here, his clothes hanging loosely on his frame. His mind was quick and alert however, and he was ready with his answers. He showed familiarity with the book entries and testified freely.

In relating the chain of events in the fall of October, 1931, when he disappeared Archerd gave a touching tale of his breakdown, of amnesia which gripped him, and of how he found himself at the mining property in which he had long been interested.

Archerd gave his explanation of the Walker wheat deal by saying that Walker had agreed to an exchange of his wheat which was somewhat smutty for a similar amount of grain from Durbin and (Turn to page 3, col. 5)

EXTENSIVE POWER OVER BANKS GIVEN

WASHINGTON, Feb. 25—(AP)—Tremendous powers over national banks and their billions of deposits tonight were vested in the president for the maximum period of one year.

The new authority, which the house banking committee said "will be helpful in dealing with such emergencies as exist in Michigan or elsewhere," became law by President Hoover's signature only a few hours after it was rushed through congress in four days.

Actually, the emergency power is granted to the comptroller of the currency. But he may act only with the approval of the secretary of the treasury and it was stressed in congressional debate that the treasury head in his case would be simply the president's agent.

Public Building Program Asked

PORTLAND, Ore., Feb. 25—(AP)—A resolution requesting congress to take steps to maintain an active public construction program was adopted by the Western Retail Lumbermen's association at the concluding session of its 30th annual convention here. The more than 300 delegates from nine western states adjourned after electing officers.

W. W. Anderson of Ogden, Utah, was elected president. He succeeded Windsor J. Lloyd of Nampa, Idaho.

JACKSON SHERIFF IS ARRESTED FOR BALLOT STEALING

Five Other Persons Held by Medford and State Police; Schermerhorn Released Under \$5000 Bond, Refuses to Make Statement; his Tenure Assured When Vote Count Abandoned due to Theft of Evidence

Rogue River Metropolis has Further Excitement When Woman Uses Buggy Whip on Editor of Weekly Paper; No Complaint Signed yet; Daily News Turned Over to Former Owners Under Execution

MEDFORD, Ore., Feb. 24—(AP)—Sheriff Gordon L. Schermerhorn and five other men are held in custody tonight by state and county authorities, on charges of burglary not in a dwelling, in connection with theft and destruction of ballots from a courthouse vault last Monday night.

Besides Sheriff Schermerhorn, the following are in custody: C. W. Davis, Medford machinist. John Glenn of Ashland, county jailer, formerly a resident of Coos county. T. L. Brecken of Ashland, formerly a resident of Alameda county, California, and said to be a paid organizer for the "good government congress."

Two youths whose identity authorities refuse to reveal, but described as "courthouse loiterers." Sheriff Schermerhorn was arrested early this evening when he went to the city police station to serve a warrant on City Policeman Joe Cave, indicted by the grand jury today on a charge of involuntary manslaughter.

After Sheriff Schermerhorn served the warrant on Officer Cave he was requested to step into the office. There he was served with a warrant by Coroner Frank Perl, and state and city police placed him in the city jail. Jailer Glenn was arrested this noon. Brecken was arrested in mid-afternoon. The two youths have been in custody since last Tuesday. Davis was arrested at 10 o'clock tonight.

The authorities state more arrests are scheduled for tomorrow. They refuse to make public any evidence they have collected. They reaffirm their early claim that the ballot robbery was an "inside job."

Schermerhorn was released under \$5000 bond late tonight. He had no comment to make when arrested. That of the ballots occurred last Monday night. The loss was discovered Tuesday morning when discoverers went to prepare keys to the ballot container locks for speedy opening when the recount started before Judge G. F. Skipworth of Eugene. The court ordered the case dismissed when the ballot box was discovered.

Schermerhorn was elected sheriff in the official count by a majority of 123 votes over ex-Sheriff Ralph Jennings. Last December 3 Jennings started a recount procedure. The petition was blocked when Schermerhorn absented himself in northern California until assuming office, when the recount was again instituted.

MEDFORD, Ore., Feb. 25—(AP)—Mrs. Henrietta B. Martin, president of the "Good Government congress," and the wife of a civil service employe here, this evening attempted to assault with a buggy whip Leonard A. Hall, editor of the Jacksonville Miner. Mrs. Martin, according to the authorities, waited outside the main office of the Daily News for Hall to appear. When he did Mrs. Martin, police say, leaped from her auto and lashed the young editor across the face with an old-fashioned buggy whip. Hall grappled with the woman, and was immediately seized by two men, said to be followers of Mrs. Martin.

With the first blow, state police and city police, who had been "tipped off," appeared on a hallway, and from autos parked across the street. The officers seized the two combatants and took them to city police headquarters. State police dispersed the small crowd that gathered. A group of citizens gathered across the street from the newspaper office, awaiting the start of the battle.

Mrs. Martin was released by the city police. Hall, following a conference with state police, declined for the present to sign a complaint against Mrs. Martin. Mrs. Martin said the attack was prompted by an article appearing in the last issue of the Miner, in which she was mentioned by inference. Hall as editor of the Jacksonville Miner has been conducting a campaign against the "Good Government league congress" and L. A. Banks, its chief sponsor.

MEDFORD, Ore., Feb. 25—(AP)—The News Publishing company and Lee Tuttle, former owners of the Medford Daily News, now published by Llewellyn A. Meets. (Turn to page 3, col. 5)

JOSEPHINE ALBERT CONCERT PLEASING

First Appearance Since her Return From Study in East, Impressive