

MITCHELL HELD ON INCOME TAX EVASION COUNT

Former National City Bank Chairman Arrested on Federal Warrant

Data Obtained by Senate is Basis; Roosevelt Backs Up Plan, Announced

NEW YORK, March 21—(AP)—Charles E. Mitchell, resigned chairman of the National City bank, was arrested at his Fifth avenue home tonight on a federal warrant charging willful attempt to defeat and evade the income tax law.

The warrant was signed by Federal Judge Alfred C. Coxe and was served by United States Marshal Raymond J. Mulligan. It was based on an affidavit and complaint by Thomas E. Dewey, chief assistant United States attorney, and charged specifically that Mitchell attempted to evade a tax of \$857,152.40 on a net income of \$2,823,405.85 for the year 1929.

WASHINGTON, March 21—(AP)—Attorney General Cummings today issued orders for the arrest of Charles E. Mitchell, former chairman of the board of the National City bank of New York, on charges growing out of alleged violations of the income tax law. District Attorney George Z. Medalle of New York investigated the case at direction of the attorney general and gave direct orders for the warrant for Mitchell's arrest to be obtained.

The attorney general announced tonight President Roosevelt "has been kept advised of the developments and they have his approval."

The statement of the attorney general was issued tonight several hours after he had conferred at the White House with President Roosevelt and had announced there the intended issuance of a statement on the New York banking situation. The former head of the National City bank testified several weeks ago before the senate stock market investigating committee that he had sold several million dollars worth of stock in the National City bank to a relative at a loss and had charged this loss against his income tax returns, thereby avoiding payment of taxes for that year. Shortly afterward, he told the committee, he bought the stock back.

William D. Mitchell, then attorney general, began an investigation of the banker's case on a basis of the senate testimony. Last week President Roosevelt gave his approval to a continuance of the investigation by the senate committee, and at that time the White House said Attorney General Cummings had been instructed to maintain close contact with the committee and prosecute where violations of the law were indicated.

Livestock Show Goes on Despite Denial of Funds

PORTLAND, Ore., March 21—(AP)—The Pacific International Livestock Exposition will be held this year, O. M. Plummer, general manager, announced today following the annual meeting of officers and trustees.

Decision to hold the exposition here as usual was made despite the fact that the Oregon legislature did not include the regular \$37,500 appropriation in the state's budget this year. Cost of the show and the premium list will be covered by the exposition's share of the net receipts anticipated in the pari-mutual racing bill approved by the legislature. The exposition is to receive 77 1/2 per cent of the net receipts up to \$100,000.

McNary Attends Big Dinner for Famous Pianist

WASHINGTON, March 21—(AP)—Ignace Paderewski, Polish pianist and one-time premier of his country, was the guest of honor tonight at the first dinner in the state dining room of the White House since President Roosevelt took office. Among the guests were the Polish ambassador, Stanislaw Patek; Secretary and Mrs. Hull, Senator Robinson of Arkansas, and Mrs. Robinson, Senator McNary of Oregon, and Mrs. McNary.

PREPARES TO DEATH ANCHORAGE, Alaska, March 21—(AP)—Taken ill on an Alaska trail in the Upper Kuskokwim country several days ago, Hugh Ferry, a trapper and prospector, froze to death when he was unable to build a fire.

LAD SHOT FATAL FLORA, Ore., March 21—(AP)—Cooper Murrill, 10, was shot accidentally and killed today just after he had left the Deer Creek school. He was the son of Mr. and Mrs. Arley Murrill of Paradise.

Super-Stars of Films Fall Out But No Hint of It in This Photo



No clouds, either of salary cuts, court action or rumors of marital unhappiness were on the horizon when this picture of Douglas Fairbanks, Jr., and his wife, Joan Crawford, was made several months ago on their return from Europe. Now they are reported separated with a divorce looming, Doug junior faces a \$50,000 alienation of affections suit, a \$10,000 false imprisonment suit, and financial worries which are common to all movie folk just now.

BEER BILL LACKS ONLY SIGNATURES

Senate Recessed, Garner is Unable to Sign After Passage in House

WASHINGTON, March 21—(AP)—Groomed by congress for the statute books, the beer bill was ready tonight for delivery to the White House, except for a technicality that will block its enactment until tomorrow and delay flow of the foamy beverage until April 7—the lack of a signature from Vice-President Garner.

Congressional action was completed with swift adoption by a tumultuous house of the confederate report on the measure legalizing 3.2 per cent beer and wine and levying a tax of \$5 a barrel on each. The report was approved yesterday by the senate.

President Roosevelt was ready to sign the measure tonight, but the senate, with little to do, recessed.

PUBLIC BARRED AT TRIAL OF OFFICER

LONDON, March 21—(AP)—All this afternoon the doors of the hall at the Duke of York's military school in Chelsea, where Lieut. Norman Baillie-Stewart is being tried on charges of having sold his country's military secrets, were locked and guarded by secret witnesses were giving evidence. Some of these witnesses are foreign subjects and, according to the prosecution, their lives might be jeopardized if their names were published.

Only once during the afternoon were the doors opened and then two women came out and drove away in a taxicab. One was weeping.

At a public session of the trial this morning counsel for the young lieutenant intimated that three degree methods had been used in the investigation. Lieut. Col. F. N. Syms, who conducted the preliminary questioning of the accused officer, denied that anything resembling the third degree had been used and said Lieut. Baillie-Stewart had not even been cross-examined.

Parade, Street Programs Planned, Spring Opening

Tomorrow night Salem will get itself all dressed up for spring. Stores will proclaim the official "spring opening" which heralds the beginning of the shopping season. The next day or two windows will be darkened while decorators "do their stuff" in dressing them with the most beautiful of the season's offerings. Fashion will have her way spite of untoward events; and with skies clearing in business and in nature, people will satisfy again their wants for fresh, new things.

New automobiles will make up the street parade which opens the festivities tomorrow evening. Heading south on Commercial street with the Salem drum corps leading the way, cars from Valley Motor company, State Motors, McKay, Chevrolet company, Bonesteel Motor company, Otto J. Wilson and William E. Anderson, will parade through the downtown streets.

Windows will be unveiled at the same hour and present spring fashions to interest the thousands

MUSSOLINI PLAN IS BACKED IN FRANCE

Some Modifications Noted; United States Support Is Desired by all

PARIS, March 21—(AP)—Premier Mussolini's peace plan was accepted in principle today by the French, who made modifications which have been referred to Rome. The moral support of the United States for the four-power peace pact is ardently desired. Prime Minister Ramsay MacDonald of Great Britain, told the press after all-day negotiations with Premier Edouard Daladier and Foreign Minister Joseph Paul-Boncour of France. Sir John Simon, British foreign secretary, also took part in the conversations.

The French ministers said in a communique they desire to see the four European powers—France, Britain, Italy and Germany—cooperate to keep peace within the framework of the league of nations.

Mr. MacDonald, explaining the reasons for the four-power initiative, said the British policy was to seek a more neighborly feeling in Europe. When he was in Rome last week end, he continued, Premier Mussolini gave his views on this subject and "these, with our own and those of the French, now are being discussed."

The prime minister asserted that no special views were being held.

Not Guilty but Arrested Again; Give Up Gloves

Though William Taylor and Paul Hingham, transient youths charged with shoplifting, were found not guilty in justice court yesterday afternoon, they found they were not welcome to remain in Salem. Inspector Orey G. Coffey took them into custody after the trial and advised them to leave the city, else face a vagrancy charge in municipal court.

The young men were found not guilty, but two pairs of leather gloves officers took when arresting the pair were returned to Schaefer's store after the trial. Martin Ferry was their attorney.

House-Cleaning To be Thorough Says Secretary

WASHINGTON, March 21—(AP)—A thorough housecleaning for the labor department by the new secretary, Miss Frances Perkins, has swept away almost at a single stroke most of the immigration inspectors, and, she indicated today, this is only the beginning of a general reorganization.

Included in her reassignment will be a complete shake-up in the employment service, a scientific survey of the statistical compilation so that "the man on the street can understand" and even further revisions of the immigration service.

Industry Income And Corporation Levy is Favored

TOPEKA, Kan., March 21—(AP)—A new form of taxation for Kansas—levies upon industrial and corporation incomes—was approved tonight by the legislature. Governor Alf Landon said he would sign the bill.

The rates, retroactive to January 1, start at 1 per cent for income above \$750 received by single persons and above \$1500 received by heads of families. The maximum is 4 per cent. Corporations will be subject to a flat 3 per cent tax upon net income.

GAG PROTESTED BUT FARM BILL PASSAGE SURE

Relief Measure Admittedly Radical but Roosevelt Lead is Followed

Patronage Feature Fought By Snell; Little Said On Plan's Merits

WASHINGTON, March 21—(AP)—The big house democratic majority today pushed the administration farm relief bill toward certain passage tomorrow. In hours of debate scarcely a moment was devoted to analyzing provisions of the intricate Roosevelt plan for boosting farm buying power. But in a continuous procession, member after member arose to tell why he was voting for or against the measure. Mostly it was a case of "follow the president." Bankhead (D., Ala.), sounded the keynote when he called up a rule to prohibit shifting even a comma in the 19-page measure. He frankly announced the rule "drastic" and the bill "pioneering." Then he declared, turning to the big democratic majority:

"This is a part of the democratic program under the leadership at the other end of the avenue. Let us pass it here in the house."

Snell, minority leader, labeled the plan "a pure democratic patronage bill," while Clarke, his republican colleague from New York and ranking party member on the agriculture committee, declared:

"Filled with horrors and hellishness as it is, I'm going to support the president."

Chairman Jones of the agriculture committee began the remarks with the statement that "in ordinary times I wouldn't support a measure of this kind."

"But we are at war," he added, "and while this war is on I'm going to follow the man at the other end of the avenue who has the flag in his hand, and I think that can make things worse. God bless the president!"

ALL POWER PLACED IN HITLER'S HANDS

BERLIN, March 21—(AP)—The Reichstag convened today to sign its own death warrant and the death warrant of popular government in a session intended to last only a few days.

All Germany biased with national spirit in celebration of the advent of this first federal legislature completely controlled by Chancellor Adolf Hitler's fascist party.

Reichstag met in a ceremony of consecration, attended by President Von Hindenburg, the new chancellor and representatives of the old imperial house.

The venerable president sounded an impressive call for "a national rebirth of the soil for the weal of a unified, free and proud Germany."

The spirit of Frederick the Great was invoked, and the spirit of the drill field pervaded the scene.

But Chancellor Hitler appealed for foreign amity. "We who realize what sacrifice entails desire to be honest friends of a peace that will at least heal the wounds from which all are suffering," he said.

Pirates Win Over Seattle Tossers

SANTA CRUZ, Calif., March 21—(AP)—Pittsburgh's Pirates went on a hitting junket today to defeat the Seattle Indians 19-5 in their exhibition game here. At the end of the eighth inning the Coast leaguers had not scored a run.

Larry French, Pirate southpaw, twirled masterful ball for eight frames, allowing five hits. He weakened in the ninth to be nicked for six safeties and the five runs. Finney, French and Piet hit homers for the National leaguers. The Indians annexed two home runs. Manager First Base man Burns getting the first and Junk Walters, pinch hitter, the other.

LUMBERING TO BE REVIVED IF RATE LOWERED

Spaulding Mill Here to be Improved if Case won, Examiner is Told

Various Arguments Listed For Commissioner When Issue Heard Here

Operation of the Charles K. Spaulding Logging company here if a freight rate comparable to the rates furnished other mills on their logs could be obtained, was promised yesterday by Ferris Hill, company manager, in his testimony given before A. F. Harvey, transportation examiner for the public utilities commissioner. Hill was one of several witnesses presented yesterday by the mill company in the initial day of its hearing before the commissioner.

The company has requested that the rate of \$3.90 a thousand on logs from Olson to Winona be materially reduced. Defendants in the rate hearing are the Valley & Siletz railroad and the Southern Pacific.

Hill declared that a \$2 rate as high as the mill could pay and meet existing conditions. He said if such a rate were granted he would proceed to modernize and improve the mill here and would resume production. Hill said that investigations since he became chairman of the Spaulding board of directors and general manager, had convinced him that the mill could not be operated profitably with the \$3.90 freight rate which must be paid on all logs shipped by the mill from its Polk county holdings to the mill property.

Charles K. Spaulding, long-time operator of the mill and a major stockholder, testified that the mill had had an unusually successful record over the last 30 years and had operated more continuously than the majority of lumber mills in the Willamette valley. He said the mill could resume cutting 45-the freight rate could be reduced.

Representatives of the Oregon Pulp and Paper company testified that the mill's resumption would materially benefit them since hog fuel could be furnished whereas the fuel must now be brought from long distances.

Additional testimony by intervenors for the plaintiffs included C. E. Wilson, representing the Salem chamber of commerce, and Milton Meyers, representing the county committee on unemployment relief. Both testified to the need of the mill for employment of men in this community.

William P. Ellis, handling the case for the Spaulding interests, said he thought the days would be required for the testimony on (Turn to Page 2, Col. 3)

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Late Sports

PORTLAND, Ore., March 21—(AP)—Doc Snell of Tacoma, Wash., gained a technical knockout over Al Rossberg of Great Falls, Mont., in the eighth round of the scheduled 10-round main event on tonight's fight card here. Snell weighed 135, three pounds more than Rossberg.

Sig Ecklund, 165, Los Angeles, won a technical knockout over Verne Wilton, 164, Seattle, in the fifth round of the scheduled 6-round semi-windup. Louis Nelson, 136, Portland, and Tiger Cody, 133, Butte, Mont., fought 6 rounds to a draw.

Harry Wills, 143, Longview, knocked out Jack Henderson, 139, Scotland, in the first round. By the consent of Wills, however, they finished their scheduled four rounds and Wills took the decision. Eddie Spina, 125, Portland, knocked out Curley Ingle, 123, St. Helens, Ore., in the first round of the scheduled four-round opener.

LOS ANGELES, March 21—(AP)—Freddie Miller made his third successful defense of his N. B. A. world's featherweight title tonight with a one-sided victory over Benny Dado before less than 5,000 fans here tonight.

Holman Refusal to Stamp State Warrants Unpaid Snarls Finance Situation; Hits at Board Power

"Sudden Departure" Criticism Answered

Hoover Cheered On Jaunt Home



Looking completely rested and happier than he has been for years, ex-President Herbert Hoover is shown on the rear platform of the train in which he left New York for his home in Palo Alto, Cal. Although he is now a private citizen, Mr. Hoover had to undergo the usual barrage of cameras and talkie machines, but he seemed to enjoy the fun.

HOOVER BACK HOME AND PLANS TO REST

Hopes to Remain There 20 Years, and That He'll Have Some Privacy

PALO ALTO, Cal., March 21—(AP)—Free of the responsibility, pomp, ceremony and secret service cordons that invariably go with the presidency, Herbert Hoover came back home today, received the greetings of friends and neighbors and announced he was going to take "a long, long rest."

He was a different Herbert Hoover than the tired, responsibility-ridden president that Palo Alto saw last fall when he came here at the close of his campaign week. He smiled, spoke a few words of appreciation for the quiet reception given him, answered questions, posed for news photographers and shook hands with many well wishers.

Arriving in Oakland by rail from Chicago, Mr. Hoover was met by friends and republican leaders and driven to Palo Alto, scene of the reception. There was a brief speech by Earl C. Thomas, mayor of Palo Alto, that ended with:

"We are proud to have you back."

"That's good of you," the former president replied. "It is indeed a great pleasure to come home. For 19 years I have been going away from California rather than to it."

(Turn to Page 2, Col. 2)

New Trial for Archer Demanded; Jurors Cited

Motion for a new trial of Charles Archer, former warehouse proprietor in Salem, found guilty of conversion by a jury in circuit court here last month, was filed here Tuesday by C. F. Preuss of Grants Pass, attorney for Archer.

Preuss contends the trial judge failed to give proper instructions to the jury when the latter returned their verdict. He also contends that the jury failed to take another ballot regarding Archer's guilt or innocence after the jury had come into the court for further instructions. Preuss held at variance the case which is held at variance from the original indictment which holds Archer converted wheat entrusted to him and utilized the moneys received in his own business.

With the motion are filed affidavits signed by three jurors. George B. Davis, the first, declares he was misinformed on the law, was never in accord with the verdict of guilty and "rotted guilty in the jury room just to stir up new life in the discussion. I was

No Explanations Due Meier, Departing Treasurer Says

PORTLAND, Ore., March 21—(AP)—Leaving behind instructions that the endorsement of the treasury department was to be stamped on none of the new state warrants, State Treasurer Rufus C. Holman departed tonight aboard the liner Admiral Peoples for San Diego on a five weeks' trip to Mexico City.

Governor Julius L. Meier expressed surprise tonight at Holman's action, observing that it was at the treasurer's request that the board of control Monday authorized issuance of the warrants. The governor said lawyers had failed to find any reason to question the law's constitutionality. "His sudden and unexpected departure for Mexico, leaving no explanation," (Turn to Page 2, Col. 3)

ROOSEVELT'S JOB PROGRAM BACKED

Thousand Camps, 200 or so Men in Each, to Afford Relief Employment

WASHINGTON, March 21—(AP)—Congress turned to work tonight on a broad employment and relief program submitted by President Roosevelt for the marshaling of immediate jobs for about 250,000 men in the nation's forests.

A bill authorizing the government to enlist the idle in the cities and put them to work in more than a thousand camps of 200 or more men each was promptly introduced in the senate as the fifth of the Roosevelt emergency recommendations was received on Capitol Hill.

The busy president informed congress he would submit later his ideas for "grants to states for relief work" and for a "broad public works labor creating program."

To get the funds for his program (Turn to Page 2, Col. 2)

25 Organizations Agree Upon Fight Against Sale Tax

PORTLAND, March 21—(AP)—Representatives of 25 organizations met at the Labor temple here today and adopted a program to oppose enactment of the sales tax, passed by the state legislature and referred to the people for a referendum vote. The meeting was sponsored by the state league and the state Federation of Labor.

The following officers were elected: Ben Osborne, chairman; Ray Gill, vice-president; Eugene Larson, secretary; Ray Gill, Gust Anderson, J. A. Snider, Harry L. Gross and Eugene Larson, committee on organization. Another meeting was scheduled for next Tuesday.

Hoss pointed out that his office had to issue warrants as claims were duly presented and audited. He said many payment warrants given out March 1 had not been cashed and that scores of inquiries were coming to his office asking when and if the state was going (Turn to Page 2, Col. 1)

PAYROLLS HELD UP ALONG WITH GENERAL DEBTS

Treasurer Says he Alone is One to Decide Despite Legislative Action

Departs on Vacation Trip To Mexico, Way Points; Meier is Surprised

The soldiers had a song, which paraphrased to apply to Oregon's finances, runs thusly: Monday's warrant day, Tuesday's no-pay day, Wednesday's court day, Thursday's... what?

Be it known that yesterday State Treasurer Holman abruptly announced that he would neither cash state warrants presented to his office nor mark them not paid for want of funds as the state board of control had unanimously agreed to do Monday.

The reason Mr. Holman stated, was a personal determination that no board of control could cudgel him into stamping warrants not paid for want of funds under the provisions of H. B. 243 which is now law.

Mr. Holman, for a number of days has claimed, despite the attorney-general's advice to the contrary, that the treasurer and the treasurer alone can decide when the state shall not pay its warrants. Legislation placing such power in the hands of the board is clearly unconstitutional, in the state treasurer's opinion.

Late yesterday the state treasurer's office announced that it would have a madman's suit brought by an employe of the state labor commission to test the validity of the new law. An attempt will be made to have the case advanced by the state supreme court so an early determination may be had.

Meanwhile state warrants, bills and payrolls are being issued daily by the secretary of state's office and are not being paid or endorsed not-paid-for-want-of-funds and thus made to bear interest. Banks refuse to credit them to accounts and hundreds of state employes are concerned about the funds they need to live on.

Climaxing Tuesday's events in state finances, Mr. Holman announced he was off on a vacation trip to Mexico City, which will take him four weeks. He and Mrs. Holman were to leave last night from Portland by boat to San Diego. Affairs of his office will be handled during his absence by Fred Paulus, deputy state treasurer.

Hal E. Hoss, secretary of state, said yesterday that he was astonished at the treasurer's action. Hoss said he had no idea Holman would refuse to stamp the warrants after he had voted for the action at Monday's meeting of the board of control.

Governor Meier, from his Portland office, also expressed surprise and resentment that the state treasurer had refused to proceed with a stay which had been decided unanimously by the board as a necessary one to take to permit the state to function in an orderly fashion.

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The Day in Washington

By the Associated Press
President Roosevelt asked congress for conservation corps to give 250,000 unemployed work in national forests, and a bill for it was introduced in senate.

House approved conference report on bill legalizing 3.2 per cent beer and wines previously agreed to by senate.

House debated administration farm relief bill with passage assured despite agreement to delay vote a day.

Secretary Frances Perkins announced a reorganization of labor department.

State department asked Berlin embassy for report after receiving complaints of mistreatment of Jews by Hitlerites.