

CONTROL BOARD INTERVENES IN MANDAMUS SUIT

Action Deferred on 5 to 30 Per Cent Payroll Slash; Inconsistencies Seen

Counsel to be Supplied to Aid State Employees on Warrant Question

The state board of control here yesterday made two important decisions.

First, it decided to intervene for the plaintiff in the mandamus action regarding state warrants to be heard by the state supreme court Monday.

Second, the board of control agreed to defer any action on the 5 to 30 per cent payroll slash ordered by the legislature, until the attorney-general's office clarified apparent inconsistencies in the legislative act.

Intervention in the pending test suit which involves the necessity of the state treasurer endorsing warrants "not paid for want of funds" was made at the suggestion of Governor Meter who said he thought the employees of the state should be represented by counsel.

Bowerman, Devers to Represent Intervenor
Governor Meter said counsel would be provided without cost to the board, Jay Bowerman representing the intervenors along with J. M. Devers, state highway department attorney. The attorney-general's office will represent the state treasurer's office, defendant in the suit.

Discrepancies and ambiguities in the salary reduction act, which places its enforcement in the hands of the board of control caused the board to direct to the attorney general the legal question of whether it has the right to permit department heads to apply the reductions to their total payrolls, thus keeping within their budgets, instead of to all individuals.

That the question of the constitutionality of the wage-cutting measure raised by several reputable attorneys was brought out at the meeting, and discriminatory features of the act were discussed, including the fact that in many cases the ones to suffer from its application are the oldest employees.

Act Would Increase Three of Payrolls

Strict application of the reduction scale on the basis of schedule of December 31, 1930, would increase the payroll of the state highway department by \$14,000 a year, that department reported to William Einzig, secretary of the board, who said that the payrolls of the state game commission and the accident commission would also be increased materially.

If this act is applied as written, "I say Hostetler" will have to dig up more money somewhere. A specific example of the unreasonableness of scale was cited in the case of the superintendent of the state school for the blind, whose salary would be reduced from \$200 a month to \$91.

Because of the involved wording of the act, Einzig asserted, particular employees would be paid \$10 a month in 1930 and who has since been increased to \$75 a month would take a salary cut of 32 per cent if the act is strictly applied.

Hostetler also pointed out that if the board must apply the scale to each individual employee and check all the payrolls each month to see that the schedule is being applied, the state's departments operating outside of appropriations will require the addition of a dozen clerks in the office of the board of control.

INCOME TAX FRAUD DENIED, MITCHELL

NEW YORK, March 24—(AP)—Charles E. Mitchell, former chairman of the board of the National City bank, was indicted by a federal grand jury today on a charge of evading income taxes of \$573,312.81 for 1929.

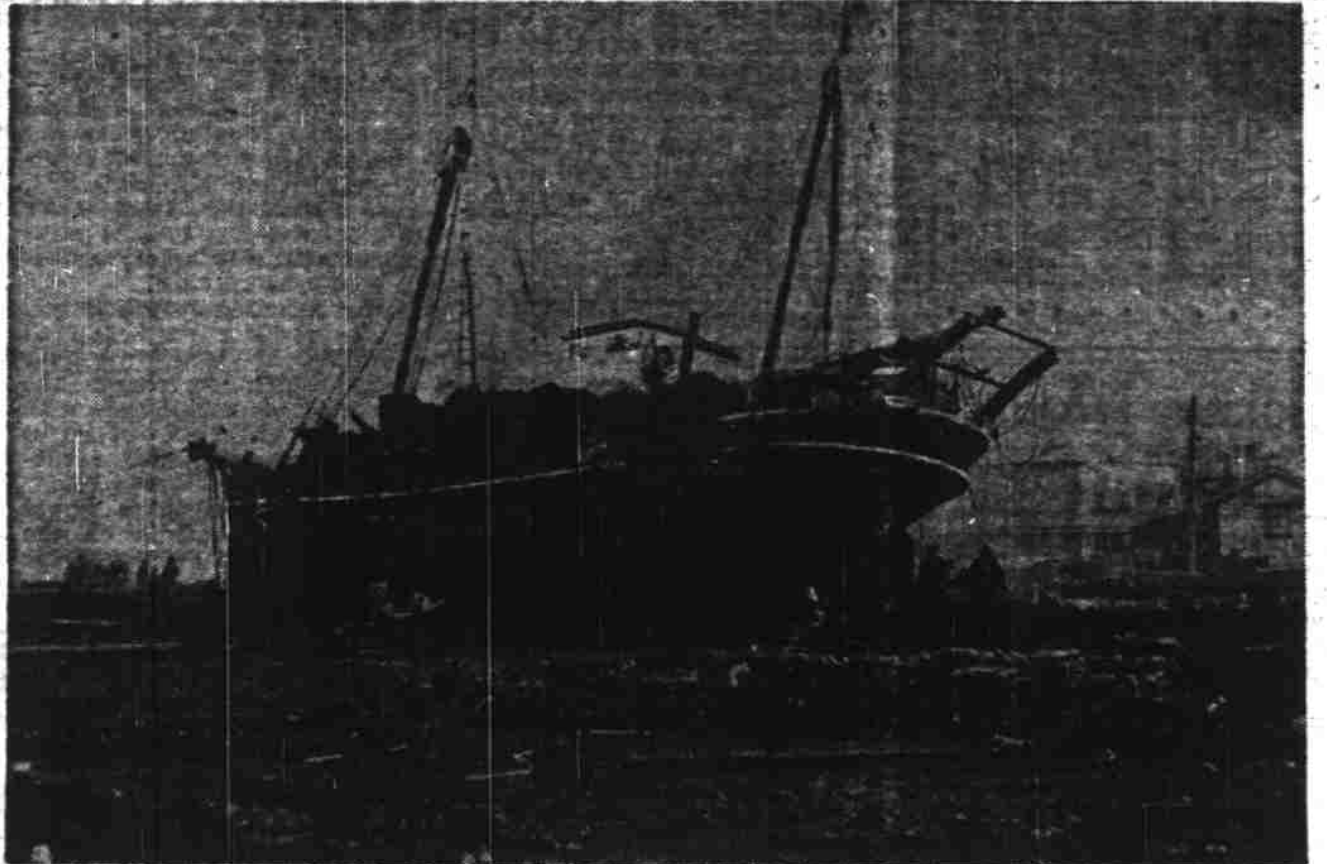
Within two hours, the wealthy banker was arraigned before Federal Judge Henry W. Goddard and entered a plea of not guilty.

When April 3 was fixed as the time for making motions and the day on which the date for the trial will be fixed, U. S. Attorney George Z. Medaille announced there would be no delay in pressing the case to its conclusion.

Mitchell, wearing a gray suit and topcoat, spoke only two words in a low, clear voice, while he looked straight at the judge.

The indictment charged that Mitchell received a net income of \$2,823,405.95 in 1929, although in his income tax report for that year he set forth that he had had a net loss of \$45,000. In the tax return he acknowledged a gross income of more than \$2,700,000, but charged off the difference between the price he had paid for 16,300 shares of National City bank stock and the price at which he had sold the stock to his wife.

No Foolin' When Tidal Wave Hits



This is one of the first pictures to arrive from Japan showing the havoc wrought by the tidal wave incident to the earthquake of March 3. Hundreds of persons were drowned in this tidal wave, considered the worst since 1891. Wreckage at Kamashi, one of the 19 towns hit by the wave, is shown.

SCHOOL BUDGET UP FOR SCANNING SOON

Teacher Salary Cuts Eyed; Vote on Budget to be Earlier This Year

Only four months after voting the 1932-33 school budget, Salem school directors Tuesday night will begin study of the budget for the fiscal year 1933-34 with the aim of meeting persistent calls for stringent reduction of expenditures for education in this district. The early consideration of the budget is in answer to taxpayer demands last year that the budget be drawn up before the start of the new school year, which this year will be June 19.

Just where the slashes will be made the directors are not ready to say but it is certain that teachers' salaries will be eyed critically since this is the largest single item in the budget. For the year 1932-33, salaries of instructors and the superintendent call for expenditure of \$233,325, while the total budget outgo is \$404,230. If instructors' salaries are further cut for the coming year, it will be in the face of a \$19,850 reduction made in the 1932-34 budget for this item.

What other cuts will be considered is uncertain. Operation and maintenance of the school plants have been held down to what is believed nearly a minimum, with slight reductions made this year. Auxiliary agencies, such as libraries, health service and swimming classes may be affected in the new year.

PRICES UP ON ALL LUMBER PRODUCTS

CHICAGO, March 24—(AP)—C. B. Cunningham, Chicago lumber broker, today said prices for virtually all lumber products have advanced ten to 20 per cent in three weeks due to new and heavy buying.

"The broker and jobber today finds it more difficult to deliver their orders than to sell them. It will require a minimum of six months to ship orders recently placed for millions of white oak bear barrel staves urgently needed now," he said.

"Building projects, dormant for two years, are again in a contract status. Tangible results of the past few weeks indicate a major upturn in lumber prices, production and distribution."

Older Boys' Conference Draws Large Group Here

The McRion-Polk county Older Boys' conference opened at the Salem Y. M. C. A. last night with a banquet at 6:30 for all delegates and leaders.

The banquet-meeting was called to order by Raymond Specht of Silverton, president of the conference. Devotion was led by Rev. Hugh McCallum, Dwight Adams acted as toastmaster. A welcome to the Y. M. C. A. was extended by Dr. Frank Brown, chairman of the boys work committee, and Everett Clark, president of the junior division board, in short talks. The main address of the evening entitled, "Where Do We Go From Here?" was given by Dr. O. R. Chambers of Oregon State college.

Five minute talks by representatives were given by Bob Reed, Salem, on "Our Future"; Delbert Otjen, Silverton, "Beer Bill and Its Effect on Unemployment"; Leslie Erb, Woodburn, "Leadership"; Charles Petrie, Woodburn, "Value of a High School Education"; Leslie Larson of Chemawa.

Today's program starts at 9

Jig Puzzles Found Basis For Divorce

CHICAGO, March 24—(AP)—Jigsaws step right up on a par with bridge and golf now as grounds for divorce.

It had to come, of course. Mrs. Harriet Anderson was the first to bring the matter up in Chicago. In her suit for divorce from Emil Anderson, a contractor, she alleged he beat her because she exceeded her weekly allowance for jigsaw puzzles.

SUPERIOR, Wis., March 24—(AP)—Working jig-saw puzzles was part of the day's work for two mail clerks in the Superior post office.

Two envelopes containing different puzzles were accidentally broken open and the clerks worked out the puzzles to segregate the pieces and return them to their proper envelopes.

MATSUOKA SORRY FLEET KEPT HERE

NEW YORK, March 24—(AP)—Yosuke Matsuoka, who headed the Japanese delegation which walked out of the League of Nations special session on Manchukuo, arrived here today on his way home and disclaimed any intention of appealing to the United States, because, he said, Japan is not a vassal state to America or any other nation.

A chunky little man with a thick mustache and yellow horn-rimmed spectacles, Matsuoka puffed on a pipe as he expressed the opinion Japan was misunderstood in this country. He said, however, he was on no mission in that connection.

He also expressed the view that Japanese-American relations might be improved by the withdrawal of the United States fleet from the Pacific.

"The continued presence of the fleet in the Pacific at this time," he said, "is causing misgivings among some people."

Secretary Swanson in Washington said he hoped to meet Matsuoka when he arrives there Thursday and would be prepared to discuss all naval angles of American-Japanese relations with him. Matsuoka said later, however, he had made no plans to confer with Swanson or any other officials in Washington. He emphasized his only official capacity was that of chief delegate to the League and he would be relieved of that office upon his arrival in Tokyo.

\$10,000 IN SCRIP VOTED, SILVERTON

School Warrants Backing For Issue; Opposition Is not Great

SILVERTON, March 24—That the Silverton chamber of commerce board of directors will issue scrip, backed by school warrants, was definitely decided at an open meeting held tonight at which representatives of the various business houses were present to express their opinions.

Ernest Starr, president of the chamber, opened the meeting and George Hubbs, secretary, explained the scrip proposition as proposed by the board of directors. Considerable discussion for and against followed, with only four business men of the entire assembly stating that they were definitely opposed to its issuance.

Even those four agreed to take scrip insofar as they were able. The motion that the chamber of commerce issue scrip was made by Claire Jarvis and seconded by George Steelhammer. It carried without opposition.

The board of directors of the chamber, voted at a meeting held Tuesday, to issue \$10,000 in scrip in denominations of 25 cents, 50 cents and one dollar. The scrip will be deposited with a trustee and will be paid out for school warrants issued on or subsequent to March 1 of this year. The directors suggested that it be signed by an official of the Coolidge company to provide against counterfeiting.

BIG WHEAT CARGO SHIPPED ON RIVER

PORTLAND, March 24—(AP)—A shipment of 14,000 bushels of wheat was brought to Portland today aboard a barge towed by the river steamer Hercules.

Henry Collins, vice-president of the Pacific Coast division of the Farmers' National Grain corporation, said the wheat, which was loaded at Big Eddy, four miles east of The Dalles, Ore., and amounted to 409 tons, constituted the largest grain shipment ever made on the upper Columbia river.

Captain H. T. Shaver said the trip took 12 hours, as stormy weather caused a three-hour delay. The wheat, grown in Sherman, Wasco and Gilliam counties, was moved to the Big Eddy warehouse by truck. Plans are being made to arrange a regular schedule for river transportation of wheat, Collins said, with trip eventually being made farther up the river.

Students Given Leeway on Fees

EUGENE, Ore., March 24—(AP)—Any student, either at the University of Oregon or at Oregon State college, whose funds are tied up due to the state warrant situation or other temporary cause may register for the spring term under a deferred payment of registration fees plan, the office of the state chancellor of higher education announced tonight. The term will start Monday.

Coquille Girl is Queen at Pacific

FOREST GROVE, Ore., March 24—(AP)—Miss Virginia Miller of Coquille, Ore., was elected Miss Queen of Pacific university at the campus election today. The election was carried on despite the protests of the men from McCorquick hall, who had supported an independent choice for queen.

TO LINK TRADE AND WAR DEBT IN NEW PARLEY

Ambassador Lindsay Talks With Secretary Hull; No Statement out

Possibility Amount to be Paid Will be Reduced Talked Informally

By F. G. VOSBURGH WASHINGTON, March 24—(AP)—Britain's plea for downward revision of the war debts was carried to the Roosevelt administration today to be met with renewed indications that the United States will insist that any reduction be balanced by definite accomplishments for the restoration of world trade.

For the first time since President Roosevelt took office, the subject was broached by Sir Ronald Lindsay, British ambassador, in a long interview with Secretary Hull at the state department.

Hull called in Assistant Secretary Raymond Moley, regarded as one of President Roosevelt's closest advisors both before and since his election, and there began the careful diplomatic fencing which the British hope will result in greatly scaling down the four and a half billion dollars which they owe to the United States.

Economic Parley Deemed Important

A state department announcement afterward made clear that the United States desires above all things in the international field the complete success of the world economic conference to be held in London this summer. The administration was represented as believing that upon it depend the hopes of all nations for ending the depression.

The American government will emphasize at the conference the importance of agreements for the reduction of tariffs and the removal of trade barriers. It will place little emphasis on the war debts.

While the administration re-

BANKER CONFESSES SLAYING EXAMINER

HEADRICK, Okla., March 24—(AP)—J. C. Brock, president of the Citizens State Bank of Headrick, was said by officers tonight to have confessed fatally shooting a state bank examiner today just after the latter had ordered the institution closed.

The banker was quoted as saying "I thought I had to," in commenting on the killing of W. E. Ernest, the examiner.

Ernest was shot in the head as he turned from a telephone after advising State Bank Commissioner W. J. Barnett at Oklahoma City that "I have found Brock short."

Late Sports

PORTLAND, March 24—(AP)—Toye Lindblad of Marshfield, won the Pacific Northwest ping pong championship here tonight, defeating West Stewart, Portland, 21 to 8, 21 to 16, 21 to 15.

Hermoine Parsons, Portland, won the women's championship from Eva Jackson, Portland, 16 to 21, 21 to 19, 21 to 14, 19 to 21, 25 to 23.

SEATTLE, March 24—(AP)—Jack Medina, sensational Washington Athletic club swimmer, bettered the accepted world's record for the 300-meter swim here tonight on the eve of leaving for New York to compete in the national indoor championships. His time was three minutes, 25 8-10 seconds.

EAU CLAIRE, Wis., March 24—(AP)—Otto von Porat, of Norway, scored a four-round knockout over Bill Bennett, Fort Sheridan, Ill., in 16-round bout tonight. Von Porat weighed 202 and Bennett 195.

BOISE, Idaho, March 24—(AP)—Harold Hawkeswood, Idaho Falls and Des Moines light heavyweight, knocked out Denny Lenhart, Portland, in the fourth round of a scheduled 16-round boxing bout here tonight. Hawkeswood weighed 167 pounds, Lenhart 177.

PORTLAND, Ore., March 24—(AP)—Henri Strand of Walla Walla, Wash., won his way to the singles final of the annual Pacific northwest handball tournament by defeating Rudy Wells of the Multnomah athletic club, 21 to 16 and 21 to 9, at the Multnomah courts here tonight. The finals will be held tomorrow night when Strand will meet John Cebula, Multnomah, who yesterday eliminated Clyde M. Ludberg of Spokane, champion for the past two years.

Jews Active In Opposing Persecution

PORTLAND, March 24—(AP)—Members of Temple Beth Israel here tonight contributed \$1500 to aid in relief of what they described as "persecution of Jews" in Germany. The amount was contributed following an address before a packed synagogue by Dr. Henry J. Berkowitz, rabbi, in which he gave his analysis of the situation.

The money will be sent to the American Jewish leaders organization in New York city to aid in its program. Governor Julius L. Meier, president of Temple Beth Israel, presided at a meeting of a group of 50 members and spoke briefly of the need for assistance.

The congregation also decided to accept the invitation of several gentle organizations and Protestant churches who have proposed, Rabbi Berkowitz said, a mass meeting here.

OAKLAND, Cal., March 24—(AP)—Catholic and Protestant leaders joined with Jewish in a protest meeting in Sinal temple here tonight against the reported anti-Jewish atrocities in Germany.

Speakers were the Rev. Dr. Walter J. Sherman, pastor of the Methodist Episcopal church of Oakland; Harry W. McGowan of Willows, a state deputy of the Knights of Columbus; and Rabbi Rudolph I. Coffee of Sinal temple.

PERSECUTION STORY DENIED IN GERMANY

Jews of Central Union say It's all Distortion; Protest Reports

BERLIN, March 24—(AP)—A statement that certain foreign newspapers are printing "irresponsible distortion" concerning the treatment of Jews in Germany was issued today by the central union of German citizens of the Jewish faith.

Reports of anti-Jewish atrocities are "pure inventions," the statement said.

The central union is an incorporated society with headquarters in Berlin and comprises 21 affiliated organizations in the 1,200 local centers.

The aims of the union are given as to combat anti-Semitism and to promote the inner peace of the German people. The official organ, the weekly Centralverein Zeitung, has a circulation of 60,000 and the monthly edition 70,000. The publication carries editorially news and is rated highly by Vice-Chancellor Franz von Papen.

The patriotic society of national German Jews took action similar to that of the central union, protesting against reports of atrocities as "foreign attempts to blackmail Germany which we, as Germans, oppose with the same determination as our non-Jewish compatriots."

FIVE OVERCOME BY CARBON MONOXIDE

HERMISTON, Ore., March 24—(AP)—Five men who entered a tunnel on the Wallula cut-off highway near here too soon after an explosion had been set off were overcome by carbon monoxide today.

They were brought to a hospital here and all available oxygen tanks in Umatilla and Hermiston, and a supply from Pendleton were obtained. Attending physicians expressed belief that all five would recover.

Five, working with a construction crew on the highway at the tunnel, were William Rogers and J. Watson of Hermiston, Max Grabbell of Umatilla, Al Beardsley of Pendleton and Marshall Newport of Portland.

Banks Will Seek Change Of Venue in Murder Case

MEDFORD, March 24—(AP)—Llewellyn A. Banks, 63, former newspaper publisher and orchardist of Medford, and his wife, Mrs. Edith R. Banks, were indicted for first degree murder here today for the slaying March 18, of Corbelle George Prescott. The elderly officer was shot through the heart as he attempted to serve a warrant on Banks.

No action was taken by the Jackson county grand jury in the case of E. A. Flemming of Jacksonville, who was in the Banks' residence with Mr. and Mrs. Banks when Prescott was shot. At the Josephine county jail in Grants Pass, where the orchardist-publisher is held, officials said he continued "calm and defiant." Mrs. Banks is held in jail in Medford.

Police declared a few hours after the killing that Banks admitted shooting Prescott "who was attempting to break into my house as my burglar would."

Decision as to when Banks and

LINER CAPSIZES AT WHARF; PAIR FEARED TRAPPED

President Madison Sinks but Held up Partially by Dock And Hawsers; Engine Room Workers Missing, Believed Dead or Doomed; Watchman Rescued From Dining Salon After his Cries Bring Help

Accident Caused When Vessel With Plates Removed for Repairs, Lists due to Shifting of Water Ballast; Investigation Ordered; two Chinese are Taken out Through Portholes; 150 Reach Safety

SEATTLE, March 24—(AP)—Trapping five men in the depths of her hold, two of whom were feared drowned and three were later rescued, the American mail liner President Madison capsized and partly sank at its moorings at a dock here tonight.

The giant vessel keeled over shortly after 5 p.m., when water poured into her hold through an opening in the side where repairs had been at work, taking off three of her steel plates. Nearly 150 workmen and members of the crew clambered to safety on the nearby dock.

Finally, the stern of the ship came to rest on the bottom, with the whole vessel tilting at an angle of 60 degrees, held upright partly by the dock and by hempen hawsers.

The two men who were believed lost, both of whom were reported to have been at work in the engine room, were:

Jack Rose, 60, an engine room storekeeper.

Carl Edberg, 40, a junior engineer.

Watchman Taken From Dining Salon

Meanwhile, as rescue workers made up of members of the ship's crew and firemen searched the vessel's interior, cries of help from John Hansen, a watchman, were heard from the main dining salon. Attempts to reach him were not immediately successful.

Two Chinese, Kum Yu and Cho Wuu, who had been trapped in the pantry room, were pulled to safety through a porthole.

When the huge vessel finally came to rest, the starboard side of her lower decks were completely under water, and her holds and engine rooms were flooded. Her tall masts and funnels were leaning at a 60-degree angle.

The strange disaster followed the work of gangs of men in removing 540 square feet of the vessel's plates, creating a hole in her side several feet above the water line. Suddenly, and without warning, the water ballast, which was balancing the ship because of the shifting of water, was shifted to starboard, and the vessel keeled over.

Official Probe of Disaster Ordered

Later, an official investigation was ordered by Thomas Short, United States steamboat inspector. Finally, nearly four hours after he had been imprisoned, Hansen was removed from the dining salon, after members of the crew of the coast guard cutter Chelan had worked with an acetylene torch on the hull, and others had broken through panelings inside with axes.

The crew on the inside finally reached him, and brought him up through the ship's safety. He was reported seriously injured.

Other men who ventured down into the depths of the vessel reported it was impossible to conduct a thorough search of the flooded engine room, where Rose and Edberg were feared trapped.

VENISON AFFORDS MEALS FOR NEEDY

ROSEBURG, Ore., March 24—(AP)—Fifty families in Douglas county are dining on venison this week. The state game commission has issued an order permitting venison, confiscated by state police in game violation cases, to be used for distribution to the needy and the meat is being distributed by Miss Agnes Pitchford, county police matron, representing the county court.

The Day in Washington

(By the Associated Press)

President Roosevelt signed bill permitting non-member state banks and trust companies to borrow from federal reserve.

Administration farm relief bill met opposition and support in senate committee hearing and Senator Smith (Dem., S. C.) presented substitute proposal.

It was learned President Roosevelt will authorize direct federal grants to states and municipalities to prevent starvation.

Chairmen of senate and house labor committees predicted drafting of president's "civilian conservation corps" bill opposed by President William Green of American Federation of Labor.

Ambassador Lindsay formally discussed war debts decision with Secretary Hull.