No. 312

Holman Headliner Just now But Dyed as Villain in **Public Estimate**

Supreme Court Will Decide Immediate Issue, Then Worry Just Begun

By SHELDON F. SACKETT Oregon citizens who have become accustomed to expecting a new bill at the state capitol show each week were not disappointed during the last seven days.

Rufus C. Holman, almost as versatile a headliner as the governor, put himself on every front page and into almost every editorial page in the state press with his retreat to Mexico. The reverberations of this newest antic were not pleasant politically and the state treasurer, being informed that the bulk of citizens thought his five-weeks' junket ill-advised at such a critical time in financial affairs in the state, was ready, before the week closed, to forsake his vacation and come home.

Tomorrow the state supreme court will consider the mandamus action brought against Holman to force him to do what he had agreed to do last Monday, i. e. stamp state warrants "not paid for want of funds." Aside from Judge L. H. McMahan who is known to have advised Holman to make this latest coup, not one lawyer in a dozen thinks the constitutionality of the warrantstamping law is in the least doubtful. The constitution clearly provides that the state treasurer's duties shall be those prescribed by law: the new law says he "shall" stamp warrants when the board asks such action; the board of control has voted unanimously to mark warrants unpaid for want of funds, q. e. d. Holman must per-

Who to Mandamus, Another Question

ing out of Mr. Holman's departure is the determination of the person upon whom the higher court may serve a mandamus. There is no law in the Oregon code stating who shall be state treasurer in the latter's absence. Unless Holman rectifies the present situation by wiring or phoning his deputy power to act in his behalf-or unless written authority permitting service of a mandamus order on the deputy has been arranged by Holman, it is entirely possible warrant-stamping might await the treasurer's leisurely return from his cruise.

Aside from the embarrassment to employes of the state and business men brought on by the treasurer's refusal to pay or to stamp warrants, the net result of the last week's episode has been a state-wide feeling of disgust with state affairs as managed at Salem. Citizens are beginning to wonder if their affairs are being made into a mock-show and it is safe to assert that the Holman-for-governor kite flies now in lower altitudes than a week ago. Warrant Problem

Then Only Begun Once the state's tempermental treasurer's rights and duties have been fairly adjudicated, a really more serious problem confronts Old Man Oregon, That question is the ultimate disposal of these stamped warrants. Bankers throughout the state say the quantity of such warrants they can hold for payment is limited. Warrants are not rediscountable with reserve banks, they bear no due date and they are likely to become slow assets along with hundreds of thousands of dollars' worth of sounty, city and school district warrants banks throughout the state are carrying. Merchants do not wish to invest working capital in warrants; the state employe who can finance his monthly bills without cashing his warrant is the exception rather than the rule. A mandamus action to compel warrant stamping, therefore, does not solve the state's financial tangle.

Bankers in Portland have held that their purchase of \$1,500,000 of highway bonds, thus preventing default on maturities due April 1, is about as far as they can go in state financing. Nevertheless they have been approached recently by Governor Meier and by upstate bankers, seeking if another loan cannot be made the general fund of the state, so warrants will not be forced into trade channels and be unassimilated.

Banks Unable to Absorb Warrants

Such cities as Eugene, Corvailis and Salem where large state payrolls are made monthly, are not able through banks to absorb any considerable amounts of warrants and pumping of new funds into the state treasury from the larger banks would do much to relieve some of the trade strangulation certain to come if too many unpaid-warrants are pumped into the current of day-to-day business. Portland banks are car- old newsbey, and robbed him of rying at least \$40,000,000 of 85 cents, his profits for tonight's United States obligations; many work. persons think the banks there. cooperation with upstate banks, could absorb at least \$1,-900,000 loan to the state on cer- (AP)—To a woman's courage committee" of 15 members in-tificates of indebtedness, thus Charles A. Ponsford of the Or- cluding Governor Meier, Catholic Turn to Page 3, Col. 1) ably owes his life.

Meier to Get Report Upon Sheriff Case WARNING

MEDFORD, Ore., March 25 .-(AP)-The hearing into the fitness of Sheriff Gordon L. Schermerhorn of Jackson county was concluded today by Circuit Judge W. M. Duncan of Klamath Falls. After studying the evidence Judge Duncan will report his findings to Governor Julius L. Meier, who ordered the investigation.

The sheriff was among several indicted for burglary in connection with theft of about 10,000 ballots from the county courthouse on the eve of a recount of votes to determine the legality of his elec-

Deputy District Attorney George Nellson testified that Deputy Sheriff Phillip Lowede had made a statement that on the night of the ballot theft, Arthur Ladieu, former business manager of the Medford News, came to his home with Wesley McKittrick and borrowed Lowede's car.

"We want to go to the courthouse and get some liquor." Ladieu was quoted in the Lowede statement, Neilson testified, "and we might get some of the ballots so there won't be any recount. That won't make you or the sheriff feel bad."

Treasurer to pay Bank on Warrants First, Then See What Happens

THE DALLES, March 25. -AP) -- Wasco county may challenge the state's right to collect state taxes in full, despite delinquencies, it was indicated today by County Treasurer Johnson.

The county finances are in bad shape because of tax delinquencies, he said, and two funds now are on a warrant basis. Under an arrangement by which the First National bank of Portland honored the warrants, these warrants must be taken up first.

The law says the state has a rior claim on first tax money received by the county. The state (Turn to Page 3, Col. 4)

DRUNKEN DRIVING CHARGE IS FILED

one motorist on a charge of drunken driving and were checking on another man alleged to be a hit-run driver. Four automobiles were damaged and one person injured as a result of the two acci-

A. D. Apperson, 536 Court street, was jailed early this morning on charges of drunken driving and speeding after his sedan was struck at Center and Commercial streets by a sedan driven by F. B. Belleque, Gervais, route three. In this collision, Margaret Crittenden. 722 State street, suffered facial bruises and a gash on the forehead that necessitated emergency treatment at city hall, administered by Dr. Vernon A. Douglas, city health officer. Both machines were damaged to a small extent.

About 10 o'clock last night a sedan driven by J. H. Lyons, 1902 Broadway street, was struck on tight street near Highland avenue by an automobile driven by an unidentified motorist. Police said the identity of the hit-run driver was virtually established but Lyons last night declined to sign a complaint against the man. Lyons' car was damaged slightly; the questioned hit-run machine was badly smashed.

Want Regulations to Avert Abuse: Talk Delegates To Repeal Meeting

Executive Board Reelects Walker, Lachmund and Cornoyer Officers

Endorsement of delegates to the state convention on repeal of the 18th amendment was discussed but no action taken by the Oregon Hopgrowers executive board which held its second annual meeting at the Marion hotel last night, according to H. A. Cornoyer, secretary. It was decided that endorsement of candidates should be left to the 12 district organizations comprising the state body.

The growers reelected the three executive officers: Dean H. Walker of Independence, president; Louis Lachmund of Salem, vicepresident, and H. A. Cornoyer of Salem, secretary-treasurer. Few changes were made in committees.

With sale of 3.2 per cent beer impending, the growers declared that stringent regulation of the newly-legalized drink was necessary. Without regulation, abuse is liable to result, it was explained. Individual members voiced themselves as against repeal of city liquor ordinances without

measures. Optimistic over prospects for the hop business, the growers talked in terms of hops prices reaching as high as \$1 a pound. Prospects for the 1938 crop are fair, the committee on hop hills reported. The hills this season are in but fair condition, not as good as last year, according to the re-

subsequent passage of regulatory

Plea for full retention of downy mildew control activities through Oregon State college was voted by the board and a committee named to further the work.

Eleven districts were representd at the meeting, as Ioliow: T. A. Livesley, J. R. Linn and H. A. Cornoyer of Salem; C. A. Pelland and Fred Davidson of St. Paul; John Morley and Fred Kaiser of Silverton; Ray Glatt and Fred Dental of Donald; Fred J. Schwab, Jr., and Otto Wellman of Mt. Angel; Lloyd Plaster and P. H. Hughes of Dallas; D. P. Mac-A. F. Everest of Sherwood; O. N. City police arrested last night | Lane and George Beal of Forest Grove: L. S. Christofferson and Stuart Hurd of Eugene; Mrs. C. E. Weston and C. F. Noakes of Grants Pass.

PROTEST FILED BY **JEWS LIVING HERE**

A petition asking that proper departments of our government make representations to the government of Germany in behalf of all the German Jews "in vigorous denunciation of, and solemn protest against the continuance of anti-semitic persecution now being waged in that country," has been prepared by the Jewish Aid society of Salem and signed by numerous Jewish citizens who are

residents of Salem. The petition is addressed to the president of the United States; and closes with this sentence: "All this we ask in the name of hu-

W. Cohen is president of the society and Dave G. Holtzman



Oregon City Slayer Dies Meanest Man Seen Again Woman Saves Man's Life Protest Meeting Planned

WOUND SELF-INFLICTED Sandy Ridge, Ore., farmer who on him, hurled him against a pile police said shot and killed his of fence posts, and started to gore daughter, Mabel, 11, and fatally him. wounded his wife, Anna 51, March 17, died tonight at a hospital here from wounds he was said to have inflicted upon himself after the other shootings.

Flatan was yesterday indicted by the Clackamas county grand jury for first degree murder and arson. After shooting his daughter and wife, police said, Flatau set fire to the home of a neighbor. Herman Miller. The residence was burned to the ground.

HOLDS UP NEWSBOY PORTLAND, Ore., March 35-(AP)-Police tonight had a new comination for the meanest man. A youthful robber, they reported, held up George Riley, 13-year-

TIES UP RAGING BULL ALBANY, Ore., March 25

While Ponsford was attempting OREGON CITY, Ore., March to return a bull to a corral, the 25-(AP)-Edward Flatau, 53, enraged animal suddenly turned

> Mrs. Frank Edgeton, whose nusband is employed by Ponsford, rushed to the man's assistance. She grabbed the bull by the horns, then made fast to s post the chain attached to a ring in the bull's nose. She held the animal tied until neighbors arrived and killed him. Ponsford suffered two fractured ribs and severe lacerations and bruises.

> > JEWS RECEIVE AID

PORTLAND, Ore., March 25-(AP)-Plans for a public mass meeting here to protest alleged activities against Jews in Germany were cancelled tonight at a conference of Governor Julius L. Meier and civic leaders.

Instead, it was decided to appoint a committee of 1000 to adopt "adequate" resolutions. The 1000 committee members will be selected by a "steering and business men.

European Statesmen Foregather To Outline New Peace Program

The tregon the tates man



With the interests of world peace at heart, this group of distinguished statesmen met at Paris recently as Premier Ramsay MacDonald arrived from London, en route to Geneva in an attempt to prevent the collapse of the disarmament conference. From there he journeyed to Rome to confer with Premier Benito Mussolini. Left to right are Paul Boncour, French foreign minister, Premier MacDonald and Premier Daladier of France.

HUPGRUWERS MAKE

Price Rise Enables Repairs Decision Expected Within 60 At Farms: Hardware **Business Gains**

Due to the rise in hop prices business is looking up for Salem hardware dealers. Sales of hopgrowers' wire, tools and general supplies are mounting rapidly this season three times as great clared yesterday.

Large orders are being filled daily for hoes, knives, files, culmaterials. One dealer yesterday said he already had several orders for hop shed roofing running from \$500 to \$1000 each, and had many more such orders in Carthy and R. M. Walker of In- prospect. Feeling more prosperdependence; Emmett Baker and ous once again, the hop men are now buying other articles such as electric refrigerators and radios, said one hardware man.

Thousands of dollars will be spent this year for repairs to hop sheds and driers, in the opinion of Romeo Gouley, hop grower and state representative. Gouley declared that the growers are now finding credit available, which will enable them to put their equipment in good shape, after several years of inactivity along the repair line.

Lumber dealers too are looking to the hop business to net them added sales. It is expected that additional driers will be erected and extensive repairs made to old ones beginning in June.

Marian Congress In Portland Will Be Nation's First

PORTLAND, Ore., March 25-AP)-A Marian congress, the held by the Servite order of Portland August 12 to 15, it was announced here tonight. The congress will commemorate the 1900th anniversary of Mary's institution as the mother of all

Members of the Catholic hierarchy from all parts of the counful Mother, and will mark the 700th anniversary of the founding of the Servite order.

Kansas Solons Refuse to Join In Repeal Move

TOPEKA, Kas., March 25 . (AP)—The Kansas legislature adjourned today after having rejected a plan for action by the state on repeal of the 18th amendment.

A bill providing for election of delegates to a state convention was passed by the senate without negative vote but rejected by he house, 64 to 54.

The next regular session of the legislature will convene in January, 1935. Unless a special session is called, no provision can be made for Kansas action on the repeal question until that time.

RECKLESS DRIVING CHARGED

G. R. Betts of Dallas was ar-18 p.m. temorrow.

FINISHED SATURDAY

Days: Reduction Means Reopening of Mill

The four-day hearing involving rates on the Valley & Siletz railroad and the Southern Pacific between Olson, Polk county, and Winona, up the Willamette river with the prospects for a business from Salem, was concluded late Saturday afternoon before A. F. as last year, local merchants de- Harvey of the department of transportation. public commissioner's office.

The hearing was brought by the tivator parts, wire, and building Charles K. Spaulding Logging company here, seeking to have the joint rate of \$3.90 a thousand feet on logs cut to \$2 in order to permit the mill here to resume operations.

The defendant railroads contended in presenting their case Friday afternoon and yesterday that the rates were not out of line with hauling charges on logs made by other common carriers. They also held that the Valley & Siletz and Southern Pacific both showed large operating losses in 1932 and had never made undue profits.

The Spaulding case, earlier presented, had cited excess profits of \$75,000 in the years 1926 to 1929, inclasive, above the 5% net (Turn to Page 3, Col. 2)

BANQUET WINDS UP OLDER BOYS' MEET

A banquet, committee reports and an address, "Puzzle Box," by Dr. O. R. Chambers of Oregon State college, last night, closed the Marion-Polk county Older Boys' conference held at the Y. M. C. A. here for the past two days. Conference officers elected for the next year were: Charles Pe-

first in the United States, will be trie of Monmouth, president; Arne Jensen of Monmouth, secretary, and Marian Palmer of Silverton, vice-president. Conference delegates tendered

a vote of thanks to the Salem residents who offered the hospitality of their homes to the boys from out of town, to the business men who took the delegates to lunch try are expected to be here for Saturday noon, to newspapers for the congress, which will be held publicity given the conference, to at the Sanctuary of Our Sorrow- Dr. Epicy and Betty Bedford in charge of the musical program and to the Salem Y. M. C. A. as perfect hosts.

Monmouth won the basketball championship in the afternoon in a tournament held between teams composed of representatives from Perrydale - Independence, Silverton, Monmouth, Woodburn, Salem One Supposed Victim of and group leaders, winning the fi-nal game from Salem 28 to 18.

Late Sports

PORTLAND, Ore., March 25-AP)-Robin Reed of Reedsport, Ore., defeated Ray Lyness of Salem, Ore., two falls out of three, in the main event of tonight's wrestling card here. Reed weighed 144, a pound less than Lyness. The Salem wrestler won the first fall in 25 minutes with a ashore—although the other supflying tackle, Reed came back to take the second fall in 10 minutes with an underbody leg drag, then won the deciding fall in four minutes with a flying head scissors time." and arm bar.

Jack Gorman, 147, Dallas, Tex-salt, who was twice torpedoed as, and Henry Jones, 146, Provo, during the World war, related his rested in West Salem last night on a charge of reckless driving. Chief of Police J. A. Gosser re-taking a fall. In another five-Cathelic ported. Betts is cited to appear round match Bobby Novak, 148, got mislaid, ufficials in West Salem municipal court at Cleveland, O., wen from Bulldeg Meanwhile, hope for Carl Ed-Jackson, 153, Chicago, on a foul. berg, 49, a junior engineer, who the wreck

ADVANCE NOTED

General 50 Cent Increase Per Thousand Feet in Northwest Shown

Turn for Better Conceded By Cautious Observer; Surplus Lacking

PORTLAND, Ore., March 25-(AP)-The lumber industry has reason for new hope and fresh optimism, if large exporters and dealers here read the signs cor-

A price increase of 50 cents s thousand feet has been definitely confirmed in the Pacific northwest; dealer associations report sharply increased orders, and production has gained substantially with some mills reopening and others increasing their output. C. E. Dant of Dant & Russell large exporters and dealers in the domestic trade, stated cautiously today that "business is actually somewhat better." This week the West Oregon Lumber company of Portland reopened after having been closed four months, putting

210 men to work. Orders the past week exceeded these of any previous week this year, lumbermen here said, as! were larger than any week in 1932, with two exceptions. Dealers report the actual need for lumber is the greatest in the country's history due to prolonged delay in all types of construction and repair work.

Commenting on the brightened outlook, Dant said "the main point is that the industry has at last actually taken a turn for the better for the first time in a long period. We are optimistic as to the next few months, but primarly we are pleased that the change actually has arrived. At the moment, California business a most

He said there is no surplus of lumber in the United States and salers believe that with the higher price levels in sight, yards will take advantage of the situation to restock to the fullest capacity of their ability to buy and carry stocks.

WOMAN STRUCK BY AUTO, HURT BADLY

Mrs. Flora Swain, 44, of 448 University street, suffered a painful knee injury and severe shock when she was struck by an automobile driven by Mrs. E. H. Leach, Court apartments, in the north pedestrian lane at State and Commercial streets early last night. City police arrested Mrs. Leach on a charge of failing to give right-of-way to a pedestrian and cited her to appear in municipal court at 2 p.m. tomorrow.

The accident occurred near the middle line of Commercial street as N. J. Swain and Mrs. Swain were walking eastward. As the Leach car bore down on them, Mr. Swain attempted unsuccessfully to save his wife from being struck. Champion Jigsaw Puzzle Requires She was knocked to the pavement but not run over, witesses said. Mr. Swain was not injured.

At Salem general hospital late last night, it was reported that Mrs. Swain was resting comfortably. .

Saturday Store Business Lively

Business in retail stores here

Saturday was exceptionally good, many merchants reported last night. Throughout the afternoon filled downtown streets. traffic was congested and parking space was at a premium. Spring buying was manifest in the department and women's wear stores., The approach of Easter coupled with the better feeling prevailing since the bank holidays were given by merchants as rea- ial to the tenacity and persever sons for the good trade day.

American Mail liner President

Madison keeled over and sank

Rose, elderly engine room store-

keeper, was found alive today in

the ship's interior and walked

"I died 10 times during the

Thereupon, the hardbitten old

night," the 61-year-old seaman

said, "but I came to life each

experiences, handicapped some-

posed victim was still missing.

Passenger Ship Catapults Into Peaceful Dwelling Near Hayward; all Members of Family of six, Pilot and two Passengers, Several Neighbors die as Result of Sudden **Burst of Flame**

Three Homes Destroyed; Ship Caroms off two Housetops Before Final Smashup; Blast Follows Immediately; Several More Persons Injured, one Likely to die; Cause Unknown, Investigation Planned

AKLAND, Calif., March 25—(AP)—A speeding transport plane catapulted flaming death into a happy family group near Hayward tonight, killing the pilot, his two passengers, a family of six and their friends—twelve in all.

The crash, which occurred without warning shortly after 8 o'clock, was followed by an explosion and fire which destroyed three residences. The blast was heard for miles, and the flames lit the rain-drenched skies to a semblance of day.

The cause of the disaster had not been determined tonight. Aeronautical and police officials started investigations as soon as fire departments, hastily summoned, stamped out the flaming embers of what had been three homes.

R. F. C. Relief Program to

Get Under way; More

Later This Month

Tomorrow will bring employ-

ment to 550 Marion county men under the R. F. C. relief program,

it was announced from the Y. M.

C. A. employment office yester-

day. Extra assistance was re-

quired yesterday by D. D. Dotson,

assistant manager in charge, to

make out the work slips for the

new crew, the largest to be put

If employment is given to the

maximum permitted by the state

relief committee, 1100 men will

receive two weeks' work and

wages of \$18, consisting of \$6 in

cash and \$12 in groceries by

requisition, during the coming

While last week's report of the

employment bureau shows but 68

men employed on the county land

clearing project and 98 on county

road work, many more were at

work during that time. Seven men

were placed at common labor dur-

ing the week, and five each on

farm and woodcutting jobs.

Twelve new applications for work

jig-saw puzzle, says Pierpont B.

Noyes, president of the Oneida

Community, Ltd., and so far no

It was made from a West Point

military academy poster. It is five

feet 1 1/2 inches by 6 feet 9 1/2 inch-

Noyes, with the assistance of

his nephew, Ray Noyes, and many

friends, put it together between

August 15, 1927, and February

1928. They figure it took them a

have framed it-a lasting memor-

over last night when water poured

in through an opening in the side,

was practically abandoned. All

During the day, any official an-

nouncement of the cause of the

disaster was withheld while an of-

ficial investigation got under way,

but A. F. Haines, vice president

pressed the belief someone had

turned the wrong valve, pumping

the water ballast to the starboard

side, where repair crews had re-

Haines set the loss as probably

250,000. The Salvage King, of

Victoria, B. C., arrived here today

to aid in assisting the raising of the vessel, while divers examined

of the American Mail line, ex-

been accounted for.

noved three plates.

Loathe to attempt it again, they

total of 2500 hours of puzzling.

es and contains 10,000 pieces.

one has disputed him.

SEATTLE, March 25-(AP)- was believed in the engine room

Seventeen hours after the giant when the stricken vessel keeled

last night near a drydock, Jack other members of the crew have

were received.

month. The crew going out to-

morrow will work all week.

to work at one time this year.

The dead: Noel B. "Jack" Evans of Alaneda, Calif., pilot of the plane. Herman L. Brown of Hollywood, Calif., passenger. Miss Lavele Miller, of Los An-

eles, passenger. Mrs. Joseph Arisa, 1281 144th street, Hayward. Her four children: Anna, 10; Joseph, Jr., 6; Michael, 4; Juanita, 11/2. Tony Serrano, 20, 1281 144th

street, Hayward. Joe Serrano, 18, his brother. George Jeanott, 18, a next door

neighbor. Flores Fuentes, 17, a neighbor, The injured: Joseph Arisa, 128 1144th street.

Hayward, dying of burns. Tony Tochero, 1281 144th treet, head injuries.

George Jordan, head injuries. Missing: Evans is survived by a widow, Mrs. Lilace Evans. They recently moved to Alameda from Los An-

Brown leaves a widow in Hole, lywood. She had planned to accompany him to San Francisco. but changed her mind shortly before departure. He was 48 years old, and lived formerly in San Francisco and Seattle.

The plane was a liner of the Varney Speed Lines, single-motored of the low wing type. It was on its way here from Los An-

Witnesses hald it flew low over Hayward in the rain, traveling toward San Leandro, and caromed off two house tops before crashing deafeningly into the Arisa home. Harold Chavez, who lives about four blocks from the scene of the crash, said the pilot seemed to be trying to find a place to land. Judging from the position of the bodies, the Arisas and their friends were sitting contentedly in the living room of their little home after the evening meal, when the crash Months to Solve came, turning their house into an inferno. A moment later the explosion blew the house to SHERRILL, N. Y., March 25-(AP) - It's the world's largest

Fire fighters were hampered y lack of water. The Avisa home s outside incorporated areas. Joseph Arisa, whose father, Mihael, lives in Vacaville, crawled out of the flaming house and collapsed. Hospital surgeons found him probably fatally burned.

BODY IS NOT FOUND

EUGENE, Ore., March 25. -AP) -Attempts of a diver engaged by the family of George H. Wood, secretary of the Eugene Elks lodge, to locate Wood's body in the Willamette river had proved unavailing at latest report.

The Day in Washington Madison Wreck is Alive

(By the Associated Press) President speeds up draft of railroad legislation, in conferences with railway experts and special advisers.

Senate labor committee revises reforestation unemployment re-

Administration distinction between payers and defaulters in war debts discussion indicated by Secretary Hull.

Secretary Wallace appealed to enate agriculture committee to give him broad powers to work out farm relief program.

Senate foreign relations com-mittée decided to take up St. , Lawrence seaway treaty Mon-