Warrant Debt not Equal to Taxes Levied, Stated; **Deficit Explained**

Chamber of Commerce to Make Investigation of Entire Issue, Plan

SILVERTON, May 23. — (Special) —First official statement on the present school fight at Silverton to be made by the board was given by H. R. Irish, chairman of the board, at the chamber of commerce meeting held Tuesday night in the Christian church social

The statement reads: To the patrons of school district

Because of the fact that many misleading statements concerning the financial condition of this school district are being published in the papers and spread about the community by those misinformed, the school board feels that the following statement should be made to the patrons of this district.

1. During no school year have actual school expenditures exceeded the amounts budgeted for during that period.

2. In keeping with the times the budgets for the three years including that of the present upon which the board is working, have shown progressive decreases in spite of an increase in attendance of about

100 pupils. 3. The reductions in past and present budgets will represent a

total decrease of over \$20,000. Greater reductions were made but were wiped out by added expenditures forced by changes in school laws, supreme court decision, or slower tax collection due to the economic depression over none of which the board exercised control. The total sums so added to the budgets are as follows:

ing a deficit 2300 Added warrant interest due to delinquent taxes 3200

Total\$9700 5. That all schools have always operated upon a warrant basis at some time during the school year because the monies expended according to the school budgets are not paid in as taxes until about 10 months of the school fiscal year have expired.

6. The oldest outstanding warrant of the district is dated September 1, 1932. All outstanding warrants of the district are fully covered by taxes levied.

7. That during the past five years \$58,140 of the voted indebtedness of the district has been retired through the budget. The law prescribes that school bonds must be retired annually. 8. That at no time have the

educational standards of the school been lowered.

T. T. Leonard brought the school situation up at the chamber, remarking that it was through an action of the chamber of commerce that the present school difficulties had arisen and he was of the opinion that the chamber should in some manner get all of the facts of the situation and lay these before the taxpayers. A motion was made and carried that the president of the chamber, Ernest Starr appoint a committee to investigate the sitnation and advise voters of all pertinent facts. T. Preston, T. T. Leonard and H. B. Latham were

asked to serve on this committee. Dr. P. A. Loar brought up the question of a sewage disposal plant at Silverton, saying that 'according to the law we cannot dump the sewage into the creek but as everyone has been doing it no action has been taken so far." Dr. Loan indicated that within the next few years this law would be enforced and that the plant could be built at less expense now than it will be likely in a few years. He estimated that such a plant could be built at Silverton for approximately \$60,000 and that \$30,000 of this could be borrowed at 5 per cent with from 20 to 30 years to liquidate and that the other \$30,000 could likely be secured for relief work. However, the matter, Dr. Loar explained, must come to a vote before the

Council members expressed themselves much interested in the matter and a vote was carried that the chamber ask the city council to secure an engineer to estimate cost and operating expense of such a plant.

Norris Ames, reporting on the industrial committee, spoke of the proposed starch plant company which was considering the Silverton Food Products cannery site

SUICIDE INDICATED

was Lewis Graham, 36, and who funds they understood to be an apart- work. ment house builder and owner of Alameda, Calif., was found shot to death today in an apartment he had shot himself.

Water Pollution at Silverton Reported; Action is Demanded

Carcasses of Cattle on Ed Porter Property are Held Dangerous to Health; Official of State Sends Ultimatum, Word

CILVERTON, May 23. — (Special) — It was learned here that complaints had reached state and county health offices to the effect that many dead cattle on the Ed Porter property tributary to Silver creek and above the Silverton city water works intake have not been properly buried or burned and are dangerously polluting Silver creek waters.

Exam Time: Note Left

Threatens Suicide

WEST POINT, N. Y., May 23 (AP)—The search for John S.

Conner, missing West Point ca-

det, was intensified today when

state police announced he had

left a note indicating suicidal in-

Officials at the United States

say whether it mentioned sui-

sence was noted yesterday morn-

ing at reveille. West Point offi-

cials, directing a search of the

reservation's 2500 acres, said he

had no money and asserted there

was going to commit suicide."

way for the last three weeks."

SURVEY OF PUPILS

FOR FALL DESIRED

A preliminary survey of the

number of country girls and boys

who think they will attend Sa-

lem schools next year in case no

presented to the school board last

shows that 184 students out of

Leslie junior high, Yes, 25 or

67 per cent; No, 12 or 33 per

Parrish junior high, Yes, 54 or

63 per cent; No. 32 or 37 per

Senior high school, Yes, 105 or

cent: No. 108 or 37 per cent.

The segregation follows:

the affirmative.

Conner was last seen at the

tentions.

Sunday night.

According to the report the state health officer, Dr. F. D. Stricker, notified Mr. Porter that "To allow these carcasses to remain and pollute Silver creek water is in violation of state law and must be corrected at once. You have previously been asked a number of times to properly dispose of the carcasses, If you do not do so immediately, court action will Medford Youth Worried at

The matter first came to the attention of health authorities early in April and Mr. Porter was notified April 3. Dr. Vernon Douglas, county health doctor, and J. E. Blinkhorn, sanitary engineer, were at Silverton the first of this week, and together with Elgin McCleary, city water superintendent, made further inspection of the property and reported that several cattle

military academy, from which Conner was to have graduated with honors in a few days, said a note was found but declined to academy Sunday night. His ab-

(Turn to Page 2, Col. 1)

Compromise Effort to end Fishermen's Strike is Noted at Astoria was no train out of West Point

The search was expanded in scope when state police broad-ASTORIA, May 23. - (AP) cast an alarm over the tri-state A compromise effort to end the telegraph system. After describ- strike that has tied up the fishing ing the missing cadet the alarm and canning industry of the Colsaid. "He left a note that he umbia river since the season opened May 1, Astoria packers tonight Army information headquar- offered a price of 7 cents a ters at the academy said Conner | pound for Chinook salmon until was "probably suffering from July 31, with the guarantee that strain due to the final written the price would not be less than reviews which have been under 3 cents a pound from August 1

to August 19. Although he stood high in his While the packers' offer does class Conner wrote his parents in not meet the price of 8 cents. Medford Ore., last week he was the gillnetters have demanded it worrying over his studies, but it 1/2 cent better than their highdid not indicate he was despon- est previous offer, and was said dent. His parents, Mr. and Mrs. to mark the first time since the Guy Conner, said they promptly strike started that the packers despatched a cheering letter by volunteered a compromise offer.

Last year the price was 6 cents until July 15, 5 cents until August 1, 3 cents until August 7, 2 cents until August 20 and 1 cent until the close of the season, August 25.

The packers made their offer in a communication signed by K. Bendstrup, secretary of the local packers' group, representing a majority of the canneries on the Columbia river. It was addressed to Arvid Mattson, secretary of the Columbia River Fishermen's Protective union.

school busses are operated was Former Leader Of Spanish War night by Supt. George Hug, and Vets is Called 292 who responded, indicated in

BEND, Ore., May 23-(AP)-Elwood L. Clark, 54, former state department commander of the United Spanish War veterans, died in his store at LaPine today Death was attributed to a heart attack. He enlisted in the 2nd 62 per cent; No, 64 or 38 per Oregon infantry and served in the Philippine Islands during the Total Yes, 184 or 63 per war with Spain.

He is survived by his widow. Many of the 516 pupils at- two daughters and three broth- bilities: J. J. Sechrist, G. W. tending failed to give an indi- ers, including Ed M. Clark precation, as they wished to talk sident of the Glens Ferry, Idaho. the matter over with their par- bank and W. S. Clark, president of a Los Angeles bank.

School Grounds Benefit From Reliet Work, Noted Water Bond Case

Report on the work that is be- to refrain from further use of ing done on Salem school schools for this purpose. grounds by county relief workers, city. Chairman Olinger explained as municipal playgrounds in sum- school children.

A road and the athletic "bowl" at Leslie junior high grounds are James Preble seeking endorsebeing improved, ground at Englewood is being graded and seeded, and work is also being done at Grant. Principal E. A. Miller of Grant, in this connection, requested that paved basketball visement a number of routine PORTLAND, Ore., May 23 - court and tennis courts be built matters: (AP)-A man who police said there, contingent upon R. F. C. | Recommendation of Fire Chief

dentists and druggists over an advertising campaign carried on in the schools by Dr. D. B. Hill, brought a motion from the board that Dr. Hill be requested by and the ballas City bank.

Salem bus lines will have the here where he had been living in the schools by Dr. D. B. Hill, mittee to report back. for two weeks. The officers said brought a motion from the board that Dr. Hill be requested

Letters signed by I. W. Lewis, was made at the Tuesday night druggist, Salem Drug company, session of the school board. Di- by R. Adolph, Emil Schaefer, rector B. F. Pound reported that druggist and the executive comabout 18 men were at work, mittee of the tri-county dental paid through R. F. C. funds ob- association, signed by Estill tained through cooperation of the Brunk, president, were presented, each protesting that Dr. Hill was that the city had lent its aid selling tooth brushes, carrying because school grounds are used his name, at nominal cost to

The board gave favorable action to a resolution presented by ment of a move to establish a 500 watt radio station in Salem. Harry Runyan and Robert L. Burch are backing the station. The board also had under ad-

Harry Hutton that all motors at

Losses of Company in Last Two Years are Given as Cause of Failure

Millions 'in red' Shown When Reorganization Effected in 1931

WASHINGTON, May 23-(AP) -A senate investigating committee was told today that none of the 20 members of J. P. Morgan and company paid income taxes for the years 1931 or 1932 because of losses reported by their

Senate banking - currency committee is inquiring into the Morgan company as part of an investigation of the nation's financial

J. P. Morgan, senior partner of the firm, and Leonard Keyes, office manager, testified at the opening of the investigation by the banking committee that the total income taxes paid by the partners in 1930 was about \$48,000 and none had been paid since.

They said that in reorganizing the firm January 2, 1931, a loss of \$21,000,000 was established but had not been used to get out of paying income taxes because it was not needed, and now by virtue of a change in the law can't be used in 1933.

The income tax testimony furnished the thrills that a huge crowd had waited for through long hours of questioning the senior Morgan partner and his ofmanager, questioning that opened to view hitherto closely guarded secrets of Morgan operations.

WASHINGTON, May 23-(AP) -In a quiet, all day recital of the two continent activities of his bankin firm, J. P. Morgan opened the cloistered portals of the House of Morgan for senate fact finders today and they were told (Turn to Page 2, Col. 1)

FARMERS UNION IN

DALLAS, May 23-(Special)-Several hundred delegates and visitors attended the opening sessions of the three day convention The morning session at the Dallas Christian church was open to the public and included the calling of the convention to order by State President L. H. McBee, an invocation by Rev. K. E. Burke, addresses of welcome by Mayor Leif S. Finseth and R. W. Hogg, a response by G. W. Potts, and an address by Max Gehlhar of the state department of agriculture. At the afternoon session President McBee made his annual report. He endorsed the state fair and urged the members to back Gehlhar to the limit. He stated that four new locals had been started and that membership had been maintained despite conditions. He expressed relief at the federal farm marketing act and stated that he believed this had great possibilities. McBee commended the board on the manner in which it had proceeded and expressed himself as being in favor of a graduated income tax and

against the sales tax. Suggestions as to candidates for the office of president for the following year disclosed two possi-

Other talks made during the afternoon were by Senator Peter Zimmerman of Yambill county and Representative Dean Walker of Polk county.

Is Delayed Again

against the Oregon-Washington line." Water Service company was postponed again in supreme court yesterday on motion of counsel for the defense. Walter E. Keyes. one of the defendant and respondent's attorneys, has been ill. The case will now come up for argument Monday, June 5. The validity of the \$2,500 000 water bond issue approved in Salem on December 15, 1931, is at issue.

He Was Glad to Let Fish Escape

GOLD BEACH, Ore., May 23 -(AP) - Don Cartwright of Protests from several Salem crete slab and covered with sheet Sunday blinked twice at his Fred Lenhart, Tacoma light-hea-

May Dictate to U.S. Industries



Brigidier-General Hugh S. Johnson, lawyer and manufacturer, who has been tendered the post of administrator of industry under the "recovery bill" now before congress. The bill gives the administrator, through the president, almost unlimited powers over American industry.

Damaging High Winds Come As Aftermath to Death Dealing Tornadoes

SPARTA, Wis., May 23-(AP)-Beports reaching here tonight said five persons were killed at Norwalk and two at Kendall when a severe wind storm swept parts of Monroe county late today.

KANSAS CITY, May 23-(AP) -Tornadoes which killed 19 persons in the midwest were followed today by damaging high winds in Iowa and Wisconsin. Falling tree branches injured

two Des Moines school girls. Four barns were demolished by a small twister which struck near be opened soon in Peiping. Marshalltown, Ia., and property damage of \$10,000 was done at ported to have given the assur-Sloux City. Dust filled the air. | ance that their troops would not when wind shattered windows of Manchus, since the Chinese have the Sparta, Wis., high school.

Sparta's World war memorial arch was felled. The Jefferson the signing of a Sino - Japanese Leake Tobacco company building armistice said that certain high in which 200 persons were at Chinese authorities had offered work, was unroofed. A hotel and terms of peace which the Japanese were willing to meet halfway. a hide company's property were damaged.

Near Hoxle, Kas., citizens searched on foot and by airplane for Verlin Timmons, 22-year-old farm hand last seen near the path of a tornado which demolished buildings on nine farms.

Damage estimated at several million dollars was done crops and buildings in widely scattered localities in Nebraska, Kansas, Colorado, Montana, Minnesota and the Dakotas by the storms yesterday. Scores of others were seriously

injured and many were homeless, the civilian conservation corps The Red Cross dispatched work- was announced here today. Rayers from St. Louis today to Lib- mond B. Wilcox, chairman of the eral, Kans., where four persons state relief committee, said he were killed, 40 others were in had received the information from hospitals seriously injured and San Francisco headquarters of numerous residences and business the ninth corps area. buildings razed.

Chemawa to Close Down McNary Told

PORTLAND, Ore., May 23 (AP) — The Chemawa Indian school will be closed and the pupils sent back to their homes to attend the public school, the commissioner of Indian affairs told Senator McNary today, according to a special dispatch to the Oregonian tonight from Washington, D. C. Senator McNary, the dispatch stated said he would fight Case of the City of Salem the commissioner "right down the

> Commissioner Collier has written James T. Ryan, superintendent of the school that because of federal ecenomy plans several non-reservation schools, Chemawa included, will be closed.

> The dispatch said that the plans are to retain Ryan as superintendent and one or two employes to take care of the plant.

Senator McNary informed Commissioner Collier that he will go to President Roosevelt in an effort to prevent closing of the Chemawa school, the dispatch said.

Late Sports

CLASH GOES ON

Official Confirmation of Agreement is Made at Tokyo war Office

Japanese Will not Occupy Peiping but Chinese Troops Must go

PEIPING, May 24. - (AP) -Despite reports of a truce between Chinese and Japanese in north China, reports from missionaries at Tungchow, 13 miles east of here, said today there was renewed fighting last night on the outskirts of the town, with 10 Chin-

TOKYO, May 24. — (Wednes-da) — (AP) — The foreign office confirmed today reports that an agreement for a Chinese-Japanese truce in the north China war zone had been reached at

The agreement provides, the announcement said, that Chinese troops will remain southwest of a line running from Yenkins to Changping, Shunyi, Paoti and Lu-

Formal signature was scheduled to be affixed at Mihun Thursday.

TOKYO, May 23. - (AP) -An agreement for a Sino-Japanese truce which leaves Peiping free from Japanese occupation, was signed at Peiping today, according to news dispatches to the

Before receipt of these reports official Japanese quarters forenorth China armistice. This truce, whose

was reported by the Rengo (Jap- his wife, Edith R. Banks. anese) news agency, provides that Chinese troops shall evacuate Peiping and remain behind a line running from the Great wall to the north of the ancient capital in a southeasterly direction to the

Meanwhile, the news reports said, negotiations for terms of a permanent peace settlement will Japanese army leaders were re-

Three children suffered cuts enter the old imperial city of the peacefully retired therefrom. Tokyo officials who forecast

UUTLINE DISTRICTS FOR FOREST CAMPS

PORTLAND, May 23-(AP)-Division of Oregon into four disremainder of the state's quota in

A change from the original plans will make it possible to organize the forest army recruits in the districts where they live. Headquarters for the four districts have been established at Medford, Eugene, Baker and Vancouver, Wash., barracks. Marion county, with a quota

of 127, is included in the Vancouver district. Polk county, with 35 and Linn county with 52 are included in the Eugene district.

WOOL CLIP DELAYED

BURNS, Ore. May 23-(AP) average by 11/2 inches.

SIND-JAPANESE New York Sixth State To Support Repeal of U. S. Prohibition Law

Coos Bay Lumber Firm Will Raise Workers' Wages

MARSHFIELD, Ore., May 23. — (AP) — The Coos Bay Lumber company announced today that an increase in the wages of its employes would go immediately into effect. Notices were posted in the plant yards that common labor would be given a 20 per cent increase, from \$2.50 a day to \$3. The mill has been closed for a few days because of snow in its Eden Ridge camp and a shortage of logs. The company has orders to keep the mill running steadily for several months, it was said, and new business is being offered.

Testimony About Weapon in Prescott's Hands Said False: Plan Probe

MEDFORD, Ore., May 23 - peal of the prohibition amend-(AP)-George Codding, district ment. New York city took the attorney of Jackson county, an- lead in demanding the eliminanounced here today that the tion of the dry law. With all but Lane county grand jury and dis- 222 of the city's 3,794 districts trict attorney, the state of Ore- reported, the vote in the metropogon and Jackson county will in- lis stood: For repeal, 984,953; vestigate allegedly perjured tes- against repeal, 23,362. cast the early conclusion of a timony presented by defense witnesses in the first degree murder trial of Llewellyn A. Banks, and of the state, the repealists scored

The trial held at Eugene, ended Sunday when Banks was convicted of second degree murder for the fatal shooting March 16 of George Prescott, Medford constable. Mrs. Banks was acquitted. The officer was shot when he attempted to serve a warrant on Banks, former editor and orchardist, at his Medford resi-

Four witnesses testified for the defense that they saw a revolver drop from Prescott's hand as he slumped mortally wounded to the porch. The state introduced rebuttal witnesses who said that at least two of the "eye witnesses" were not near the Banks home when the tragedy occurred. The state brought out that each of the four defense witnesses who said they saw the officer's revolver drop stated under cross examination that he did not see anyone else near the scene.

Codding said the investigation would come before the Lane county grand jury within 10

Meanwhile, Banks rested in a hospital at Eugene to regain his strength taxed by the threeweeks' trial. Sentence has been deferred to allow his attorneys time in which to file a motion the Brooklyn chief; Joseph V. for a new trial, an action they have declared they will take. chairman of the state liquor con-Mrs. Banks frequently visits her

Here's One Case Police Get Busy Upon Right Away

PORTLAND, Ore., May 23 -(AP)-Portland police glanced at their usually routine bulletin today, rested their attention on a brief item, and resolved to bend every effort to find a lost suit-

Just an ordinary suitcase, the report said, fastened with an odd. old strap, but the suitcase was lost by a Gold Star mother. The strap was fashioned from the belt her son wore before he went "over there." And its contents were valuable to her. A Bi-Because of extended heavy ble and an album, family heirrains the 1933 wool clip has been looms. The mother, Mrs. M. A. delayed in this district. The Har- Reeves, explained the suitcase ney branch experiment station was lost sometime after April 12 said today precipitation this when she was taken to a hosspring has surpassed the 19-year pital and her effects moved meanwhile to a new home.

Dollar Day Today Real Opportunity for Saving was called and identified warrants paid by Marion county to Police covering her share of the costs

All dollars count with Salem; Besides the bargains that mersion prices in a joint month-end increases have been noted in eral space in Tuesday's dailies to ent prices will soon be a thing of paid to Polk county on September set forth their offerings.

merchants today in a Salem- chants have listed in their ad- the Empire Holding company wide community dollar day. No vertisements, they have hundreds trials. matter whether you have gold of others which thrifty shoppers dellars, depression dollars, infla- may take advantage of. With tion dollars -just so U. S. A. prices strengthening in world is stamped on them, they're good markets prevailing retail prices for merchandise at real depres- will not last very long. Already selling event sponsored by Salem some lines like cotton goods; and was the identifying of the state stores. Merchants have used lib- if inflation gets under way, presthe past. Leslie school be placed on con- boat on the Rogue river reef Improving as he went along, ple down-town for early shopping in building up Salem as a trad- count it was disclosed that there

Only 25,000 in Great City dry, Million Take wet Side

Farley Asks Bourbon Workers all Over Nation to aid

ALBANY, N. Y., May 24 -(AP)-Returns from 5,831 of the state's 8,837 election districts, compiled early today by the Associated Press, gave the repeal slate of delegates to the New York convention a total of 1,450,677 votes. The slate of 150 delegates against repeal received 119,284 votes, In New York city the vote was: For repeal 1,047,068; against repeal,

ALBANY, N. Y., May 24 — (Wednesday)—(AP)—On a tidal wave of wet votes from populous centers, New York yesterday became the sixth state to approve the repeal of the 18th amendment. Returns from more than one third of the state indicated New York has elected 150 delegates to a repeal convention pledged to re-

In Albany, Buffalo, Rochester, Syracuse and virtually every city decisive victories. All of the 21 counties heard from early this morning were in the wet column. the exception. The vote there from 18 of the 29 districts was

for repeal 1346; against 1732. As his home state was electing repeal delegates to the state convention. Postmaster General Farley in Washington announced he would send a letter to all camprign workers urging them to work for the removal of the 18th amendment. Mr. Farley also is national chairman of the democratic party and New York state

chairman.

President Roosevelt's home dis trict in Hyde Park returned # substantial wet vote with 274 votes for repeal and 47 against. New York in taking its stand as the sixth state to demand repeal joined with Michigan, New Jersey, Rhode Island, Wisconsin and Wyoming, in favoring elimin-

ation of the 18th amendment.

The repeal convention will be held in Albany on June 27. Governor Lehman will open the convention and former Governor Alfred E. Smith will be permanent chairman. Other outstanding democrats elected to the delegation include John F. Curry, Tammany leader; John H. McCooey, McKee and Edward P. Mulrooney,

DOCUMENTS VIEWED IN TRIAL OF BLACK

DALLAS, May 23. - (Special) - Examination of witnesses for the purpose of entering documents as evidence consumed the entire second day of the trial of Hugh G. Black on a charge of larceny of public money. The court room was jammed to capacity during both the morning and after-

Ralph H. King, Portland attorney, stated that under authority from Black he had made settlement, on behalf of the Amsterdam Casualty company, of the claim presented by Polk county for the shortage in the clerk's ac-

count. William Boydston, presen county treasurer, was called to identify the treasurer's cash book which is a record of all cash

received by the treasurer. C. C. Ward of Salem, deputy county clerk of Marion county. was called and identified warrants covering her share of the costs of the operation of the Independence ferry and for the costs of

Otto Paulus, deputy state treasurer, identified warrants which had been issued by the state of Oregon to Polk county for gas funds and secondary highways. The main feature of his testimony warrant for \$694.66 which was 10, 1931, as a gas refund. During the Salem bus lines will haul ing center, attracting buyers was a deposit of this same amount