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The Oregon Statesman

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WEATHER
Fair today, fair and warmer Saturday, cloudy on coast; Max. Temp. Thursday 72. Min. 55, river 5.4 feet, rain .12 inch, south wind.

EIGHTY-THIRD YEAR | Salem, Oregon, Friday Morning, May 26, 1933 | No. 52

UNITED STATES PREPARING FOR ECONOMIC WAR

Drastic Moves Planned if Conference Fails to Reduce Tariffs

Pessimism Marked; Relief Bill Provides Basis For Protection

WASHINGTON, May 25. — (AP) — The United States government was said in official quarters tonight to be arming itself for economic war if international efforts at the world economic conference should fail to achieve lowered trade barriers.

At the same time, officials expressed some concern lest strong nationalistic feelings in various parts of the world should lessen the prospects of success not only at London but in the arms reduction conference at Geneva.

Open pessimism as to the prospect of lowering tariff and other trade barriers at the London conference opening June 12 has been expressed by Assistant Secretary Raymond Moley of the state department, close advisor of President Roosevelt and one of the leading architects of his domestic reconstruction program.

Secretary Hull, a life-long advocate of low tariffs, has taken a more optimistic view in general but has told newspapermen it must be determined forthwith whether tariff moderation will be the objective or whether the goal will be finally abandoned and every nation turn back upon a policy of commercial isolation.

Other officials said definitely, though privately, that the United States is putting itself in a position to embark on a policy of comparative commercial independence of the rest of the world and to work out a more self-contained national economy if efforts at international action fail.

Three particular pieces of legislation were pointed to as powerful measures which might be employed in undertaking this far-reaching transformation of the American economic system — The farm relief bill under which import taxes are levied equal to processing taxes on domestically produced goods; the industrial recovery or government - business partnership bill, and the new tariff measure under which it is expected the chief executive would be given authority to raise tariffs as well as lower them.

EMPLOYMENT PLAN WILL BE TAKEN UP

WASHINGTON, May 25—(AP)—House leaders decided tonight that the bill to set up a new federal employment service would be taken up as soon as pending bills on the president's emergency program have been disposed of, possibly next week.

It is the same bill, virtually, as that passed by the last congress and pocket-vetoed by President Hoover.

Secretary Perkins in a letter to Representative Peyser (D-NY), co-author with Senator Wagner (D-NY) today said that without such a system as the bill would set up "chaos in the labor market is inevitable."

The bill provides for cooperation among the states on employment services through a federal system. It would appropriate $1,400,000 for this work the first year and $4,000,000 for each fiscal year through that ending June 30, 1938. The new system would absorb the employment agency now operated by the labor department.

BANDITS DEFEATED IN PITCHED BATTLE

MEXICO CITY, May 25.—(AP)—Six persons were slain and a number injured today in a pitched two-hour battle at Guyutlan, Jalisco, between rurale guards and a bandit gang.

The bandits, who attempted to sack the town and kidnap rich merchants, were repulsed.

Four bandits were killed. Several injured were carried away. Later five men were captured. They will be executed.

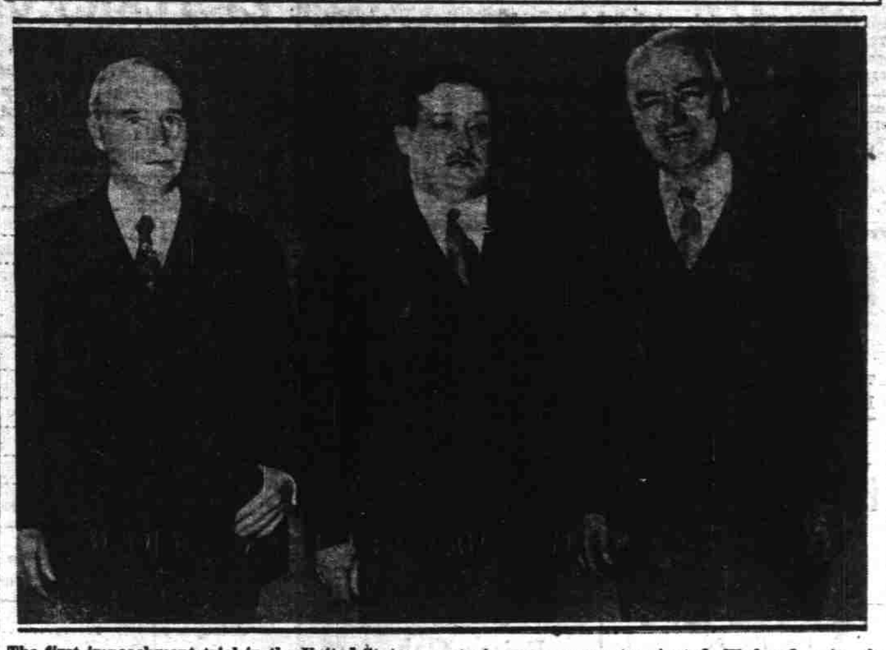
Two guards were killed and two injured.

The bandits, headed by a leader known as Cortes, have raided the region systematically for some months.

GANDHI TO SURVIVE

POONA, India, May 25.—(AP)—The Mahatma Gandhi was increasingly weak today — the 18th day of his three weeks fast — but a board of eight doctors announced in a bulletin that the frail leader should survive the ordeal without difficulty.

Federal Jurist is Vindicated



The first impeachment trial in the United States senate in many years, terminated Wednesday in the complete exoneration of Federal Judge Harold Louderback of San Francisco, who was charged with profiting from the appointment of receivers and attorneys in bankruptcy cases. Judge Louderback (center) appears here with his attorneys, Walter H. Linforth (left) and James M. Hanley.

MASTER PLUMBERS TO CONVENE TODAY

Sessions of State Meeting To be at Chamber of Commerce Here

Opening session of the annual convention of the Oregon State association of master plumbers will be held at the chamber of commerce this morning at 10:30 o'clock, with President R. D. Rennie in the chair. About 100 plumbers are expected to attend.

Welcomes will be extended by Mayor Douglas McKay and E. O. Pratt, president of the Salem association. Business matters will occupy the remainder of the morning session, and in the afternoon addresses will be given by Roy Thompson, national director, and C. H. Gram, state labor commissioner.

Saturday E. B. Kleine, president of the national association, will attend, and he will be shown the charter issued to the Salem association March 9, 1896. This charter is unusual in that it was issued to the local plumbers before there was a state association. According to T. M. Barr, J. A. Bernardi and other old time plumbers, local plumbers were among the first in the northwest to organize.

AGREEMENT MADE ON LETICIA PEACE

GENEVA, May 25—(AP)—A letticia peace agreement was signed today by representatives of Colombia and Peru at a session of the League of Nations council.

The agreement, concluded after several months of mediatory efforts by the league council with the cooperation of the United States government, provides for evacuation of the seized Amazonin territory and the sending of a league commission to determine the boundary between the two republics.

Eduardo Santos, head of a special Colombian mission to Europe, signed for Colombia, and Francisco Garcia Calderon subscribed to the agreement on behalf of Peru.

Espee Given 23 Millions, R.F.C. Loan

WASHINGTON, May 25. — (AP) — The Reconstruction Finance corporation today approved loans of $23,200,000 to the Southern Pacific company.

To meet equipment trust maturities, interest on funded debt and judgments due by January 1, 1934, the corporation authorized $22,000,000 and $1,200,000, made under the work loan provision, was allotted for the erection of a new terminal station at Houston, Tex.

The loans were approved previously by the interstate commerce commission.

EXAMINE RECRUITS FOR FOREST WORK

Scores of young and middle-aged men underwent physical examinations yesterday for forest conservation work, the government demanding minimum physical requirements from all workers before they start to the camps being established in this state. The examinations were conducted at Red Cross rooms on North Commercial street. One hundred twenty-nine young men are eligible for Marion county's forest camp quota while 80 more experienced woodsmen will also be recruited here as camp leaders.

Heart, lungs, eyes, ears were included among the examined points for each individual. A minimum height of 58 inches and a weight of 90 points is required. Hearing or sight requirements are not exacting; the government will allow no workers in the camps who have defective hearts or who are threatened with lung trouble.

Dr. Vernon A. Douglas had charge of the examinations yesterday.

County Pays Its First Half Tax

Payment of 72,738 to the state treasurer was made yesterday by County Treasurer Drager. The sum represented Marion county's first half of 1932 state taxes, payable in 1933. Moneys came from road funds.

BANKING MEASURE PASSED BY SENATE

Would Avert Recurrence of March 4 Crisis; Insure Safety of Deposits

WASHINGTON, May 25—(AP)—A steel-flanged banking bill designed to prevent a recurrence of such a financial emergency as rocked the country on March 4, precipitating the bank holiday, was passed today by the senate with less than four hours of debate.

Revised considerably from the form in which it held the senate in prolonged dispute and filibuster last session, the bill passed the formality of a record vote.

It carries provisions for both emergency and permanent insurance of bank deposits and calls for the severance of banking and investment businesses. Like the bill of the last session, it bore the name of Senator Carter Glass (D-Va.), who led the long fight for the legislation.

The measure will go into the hands of a conference committee which will reconcile differences between the senate bill and the one passed by the house Tuesday. The two are similar except for slightly different deposit insurance provisions.

AMERICAN LEADING CUBA REBEL FORCE

CAMAGUEY, Cuba, May 25. — (AP) — An American, Colonel Charles Muecke, is heading a rebel force near Cubanacan, Camaguey, it was learned today.

Colonel Muecke, almost blind in one eye, is more than 60 years old. He fought in Cuba's war for Independence from Spain.

Six revolutionaries who surrendered today said they were members of forces pointly commanded by Muecke and Ismael Sanchez, a Cuban. A band of about 30 of them battled three days ago with rural guards on Agustin Gutierrez at Cubanacan. One of the rebels was killed.

There rebel forces now are being pursued by an army detachment under Lieut. Montalvo.

Another small group of rebels has been reported near Hajasa, in this province, but this has not been confirmed. Juan Blas Hernandez' rebels, active chiefly in Santa Clara, have crossed the line into Camaguey several times.

Contract Given On Rations for Forest Workers

BAKER, May 25. — (AP) — Contracts were awarded here today for the purchase of 216,000 rations for about 4000 men in the 18 camps in the Baker district of the civilian conservation corps. Bids were opened from all parts of the state. The foodstuffs will be sufficient for the 4000 men in the five national forests in the district for about 54 days.

The Baker Grocery company of Baker, successfully bid on 75 per cent of the business. The remaining 25 per cent was divided between Portland, Spokane and Seattle concerns. Plumbing material and pipe fittings costing $600 were also purchased.

AVIATORS KILLED

SEVILLE, Spain, May 25 — (AP)—Pilot Sergeant Federico Lopez and Sub-Official Gregorio Calente were killed today when an army sesquiplane collapsed during an instruction flight over Tablada field.

Oregon Briefs

Ellis Files Application Attack by Rooster Fatal "Buddy" Poppies Stolen Get Gold, Already Coined

ASKS LOAN FOR DOCK

PORTLAND, May 25.—(AP)—W. P. Ellis has left Washington, D. C., for Oregon, after having made formal application for a loan of $95,000 from the Reconstruction Finance corporation for a municipal dock at Salem, a dispatch to the Oregonian from Washington stated tonight. Business of handling self-liquidating projects, now handled by the R. F. C. would be transferred to the administrator of public works if the public works bill is passed by congress, but Ellis figured he would gain time by dealing with the R. F. C. now, the dispatch said.

PNEUMONIA SETS IN

HOOD RIVER, May 25.—(AP)—Attacked by a large, prize rooster yesterday, Carol Kreig, 18 months old, died in a hospital here tonight. Her death was pronounced due to pneumonia which set in after she had suffered concussion of the brain.

The baby was attacked by the rooster when she wandered into the backyard at the home of her parents, Mr. and Mrs. Ed Krieg. Her scalp was slashed by the rooster's spurs.

The rooster was killed today on orders of Police Chief William Hart, grandfather of the baby.

THIEF IS MEANEST

PORTLAND, May 25.—(AP)—Police were unanimous in their selection of the meanest person in Portland today. He stole 200 "Buddy Poppies" on the day of the sale by the disabled war veterans. Apparently, police said, the thief took advantage of the event to sell the "poppies" to downtown pedestrians.

PROSPECTORS FIND $20 GOLD BEACH, May 25.—(AP)—When Pinky Hill and Keller Clarno started working a sluice box on the Illinois river near here they expected to get gold, but they never expected to get it already made up into coins. After washing some material, they found a $20 gold piece in their sluice. It was minted in San Francisco in 1855.

DISCLOSURE BY MORGAN BRINGS OUSTER EFFORT

'Preferred Customer' Davis Should Resign as U. S. Envoy, Solon Avers

Coolidge Place Upon List After He Left White House, Revealed

WASHINGTON, May 25—(AP)—Amid disavowals and demands arising from previous evidence, a new list of famous personages to whom J. P. Morgan and company sold stock at prices below their market quotations brought the name of Calvin Coolidge into the record of the senate banking committee today in its investigation of the activities of the banking house.

From Senator Robinson (R-Ind.) there came a demand for the withdrawal of Norman H. Davis as ambassador at large for America and the assertion Secretary Woodin had outlived his usefulness.

Davis was disclosed yesterday as having received a loan from the Morgan company and Woodin was on a list of customers to whom stock was sold at a reduced price several years before he became secretary of the treasury. A little earlier Senator McAdoo (D-Calif.) had disclaimed he was one of the Morgan preferred customers and said he lost money on his stock transactions.

The introduction of the name of the late former president into the record brought a buzz of excitement in the crowded committee room. Mr. Coolidge was shown to have purchased 3,000 shares of "standard brands" stock at $32 a unit, in the summer of 1929 after he left the presidency. The stock opened in the fall at a listed price of 40⅞.

Other major developments in the day's inquiry included:

A statement on behalf of the Morgan House that it had parti-

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MORGAN EXPLAINS BRITISH TAX PAID

WASHINGTON, May 25—(AP)—The reason why he paid income taxes to Great Britain in the last two years when he did not pay any to the United States was explained to the senate banking committee today by J. P. Morgan.

Here is his explanation:

"I was asked yesterday whether I paid any income taxes to any foreign government and replied that I had paid income taxes to the British government.

"May I state that my income tax to the British government is paid upon a statutory basis and is estimated by the inland revenue authorities, they basing their estimates upon the fact that I own property in Great Britain.

"I paid an assessment during 1930 of 7,000 pounds and approximately similar amounts for 1931 and 1932. The English income tax includes a tax on the rental value of property owned which the owner uses and which would have increased his income had he rented it.

"It does not include any capital gains and losses."

Late Sports

PORTLAND, Ore., May 25 — (AP)—The first dog races ever held in Oregon tonight opened a 60-day session of the sport at the civic stadium here. A crowd estimated by officials at 5,000 attended.

Governor Julius L. Meier, who participated in the opening along with other state and city officials, picked the winner in the first race. The state legislature at its recent session enacted a law legalizing horse and dog racing.

DETROIT, May 25 — (AP) — Jim Londos defended his claim to the heavyweight wrestling title here tonight, pinning Frank Judson, Detroit, with an airplane spin and body slam in 32 minutes and 35 seconds.

BOSTON, May 25 — (AP) — Adoption of the metric system for measurement of track events, to be used for the first time in 57 years by the intercollegiate A. A. A. A. at the championship meet starting tomorrow, was condemned tonight by a majority of members of the track coaches' association of America.

On a motion made by R. L. (Dink) Templeton, of Stanford university, the coaches voted, 32 to 8, in opposition to the metric standard and in favor of restoring the traditional linear measurements. The only votes in favor of the metric system, which has also been adopted by the National Amateur Athletic union, were those of John Magee of Bowdoin, Mike Ryan of Colby and Jaako Nikkola, Harvard's javelin coach.

Move to Plug Holes In Income Tax Laws Is Started in House

Revelations of Morgan Partners' Tactics in Carrying Over Losses From Year to Year Prompt Committee Action

WASHINGTON, May 25—(AP)—A move to "plug holes" in the income tax law was made today when the house ways and means committee adopted an amendment to the public works-industry bill.

Offered by Representative Vinton (D. Ky.) it was designed to prevent the carryover of capital losses to offset net income for tax purposes. This would compel businessmen to absorb all their losses in the current year, instead of carrying them over from year to year.

The amendment resulted from testimony before the senate banking committee in its investigation of J. P. Morgan and company that the senior member of that firm did not pay income taxes during the last two years.

"I offered this amendment in the revenue act of 1932," Vinson said, "but it was eliminated by the senate. I think it will go in now and stay. It will bring in a considerable amount of revenue and will prevent financiers from

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POTTS IS ELECTED BY FARMERS UNION

Sessions end; Throttling Of Truck Transport is Decried by Group

DALLAS, May 25—(Special)—Election of officers for the following year and reports of committees finished the annual state convention of the Farmers Union here today with the meeting adjourning late in the afternoon. The convention selected Hillsboro as the meeting place for next year and rejected a proposal to hold the convention in November instead of May as in the past.

Officers elected and installed today were: George W. Potts, president; John Plaas, vice president; Smith B. Holt, secretary-treasurer. The executive committee for next year will be composed of C. F. Emerson, The Dalles; Peter Zimmerman, Yamhill; and Henry Jacobson, Beaverton.

Resolutions adopted during the

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GREAT SHIRES HAS ROLE IN WILD BOUT

LOUISVILLE, Ky., May 26—(AP) — Charles Arthur (The Great) Shires, baseball player and former boxer, was among four persons treated for injuries early today after a free-for-all fight. Police ordered he be returned to headquarters after his bruises were treated at a hospital.

The most seriously injured was Jack Deacon, 32, whose right leg was fractured. Shires received two bumps on the head and a cut on his nose. Others cut and bruised were Robert Armstrong, 26, and Carrie Potts.

Police who investigated the affair, ordered that Jimmy Adair, second baseman of the Louisville American association baseball team, be brought to headquarters for questioning also, after the officers said Shires told them the fight started when an attempt was made to steal $150 from Adair.

AGREEMENT ANENT SHORTAGE CLAIMED

Auditor Chief Witness at Hugh Black Trial for Thursday Session

DALLAS, May 25. — (Special) — Details of the conferences between Hugh G. Black, former county clerk, members of the county court and Floyd A. Rowell, auditor, were brought to light during the fourth day of Black's trial on a charge of larceny of public money.

Mr. Rowell told of conducting the audit of the clerk's office and said he took his information from records in the office and received assistance from Mr. Black. He said Black admitted that he owed the county some money and that he wanted the matter settled. Black allegedly believed the amount of the shortage was about $1600 and said he hoped Rowell

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SIX CONVICTS ARE SOUGHT BY POSSES

DILLON, Mont., May 25—(AP)—A man hunt was in progress throughout southwestern Montana and northeastern Idaho today for six prisoners who dug out of the Beaverhead county jail last night and whose escape was not discovered until this afternoon.

The fugitives cut through a quarter-inch steel flooring, tunneled through the ground to a two-foot stone wall and removed that barrier to effect their escape from the rear of the jail.

Jail attendants placed breakfasts on a table in the cellhouse at 6:30 this morning, but because the prisoners had been in the practice of sleeping until later, their absence was not detected.

At 2:30 this afternoon the jailer visited the cells after a long period of silence and found the uneaten breakfasts.

Bridge Traffic Delayed After Truck Crashes

PORTLAND, Ore., May 25—(AP)—Traffic over one of Portland's main bridges was suspended just before the peak load hour tonight when a truck crashed into the superstructure of the draw span, causing several heavy steel girders to fall to the bridge floor.

The truck, driven by Carl Skow, was hauling a tractor-excavator. The county roadmaster's office said it would be a day or more before the bridge could be re-opened to traffic. Meanwhile, streetcars on two principal lines were routed over another bridge.

Slap by Wife Held Cause For Strong's Dismissal

Because Mrs. Leo Strong, who is not well, slapped her husband for failing to maintain perfect balance on the waxed floor of a friend's home where they were guests on the evening of May 8, Strong, who at that time was a member of the Salem police force, was discharged by Chief of Police Frank Minto. Such was the contention of the appellants in the public hearing given Strong before the civil service commission and a curious audience which packed the council room of the city hall last night.

Strong testified that following the little domestic tiff he left the house of friends in West Salem and walked across the river to a service station from which he telephoned for a taxi. Charles Needham, taxi-driver, refused to let him have credit until the first of the month so he walked on into town to find a more friendly chauffeur. He denied the statement of Needham and other witnesses who said he appeared to be under the influence of intoxicants when he later visited the lobby of the Bligh hotel to remonstrate with Needham, but admitted that he had warned the taxi-man that courtesies hitherto shown him in minor traffic violations would be withdrawn in the future.

H. H. Daniels, taxi-driver who later took Strong home, and Clarence Lindsey, manager of a chain store in Salem who lives in the same apartment house as the Strongs, testified that, to their knowledge the officer was sober on the night in question.

Chief Minto's letter of discharge he said last night was based on charges filed by Needham and witnessed by Frank Johnson, Bligh hotel night clerk, and Frances Michaels, who was in the lobby at the time of the altercation. Ernest Teske, taxi-driver, maintained that Strong if not intoxicated had at least "had a few."

Martin Ferrey, attorney for the defense, argued that none of the witnesses were willing to state under oath that they were sure Strong was drunk although they so stated in their written charge, while Chris Kowitz, city attorney, was of the opinion that the personal judgment of two taxi-drivers and one waitress as to the sobriety of an individual was more valuable than the statement of anyone else "except, perhaps, a physician."

JAPANESE SAY TRUCE SIGNED; CHINESE DENY

Temporary Armistice Will Be Made Permanent on Monday, Announced

China Must Keep its Army South of Stated Line, Avoid Aggressions

PEIPING, China, May 26—(AP)—Friday—A last minute hitch was reported today to have prevented the signing of a Sino-Japanese armistice at Miyun, 35 miles northeast of Peiping.

TOKYO, May 26—(Friday)—(AP)—The foreign office announced today that a preliminary truce, called a "formal promise" as concluded orally Thursday at Hwaiju, about 30 miles north of Peiping, by Chinese and Japanese military representatives.

The truce will be maintained, it was stated, if the Chinese cease "all provocations" and hold their troops southwest of a line running from Yengking, 50 miles north of Peiping, through Changping, Shunyi, and Paotiho Lutai, 30 miles north of Tientsin. This passes within 15 miles of Peiping.

The Japanese armies agree to remain northeast of the line.

A formal armistice is to be signed next Monday, it was announced.

The place was not named.

In order to permit the Chinese military leaders "to save their face" with compatriots, the Japanese said they would undertake to prevent publication of the agreement in China.

Correspondents were permitted to cable the information freely to other countries.

SHANGHAI, China, May 25—(AP)—While welcoming the military truce between opposing Sino-Japanese forces in the Peiping area, the Chinese press today demanded to know "the price that was paid" for the cessation of hostilities.

Newspapers urged the utmost publicity regarding details of the negotiations between representatives of Nanking and of Tokyo and roundly condemned secret diplomacy.

Details of the armistice agreement have not been disclosed here but the Chinese expressed admiration for the courage of their leaders who negotiated it.

POPE PIUS VISITOR AT MOTHER CHURCH

ROME, May 25. — (AP) — Pope Pius today made a pilgrimage to the basilica of St. John Lateran, the "mother church" of the Roman Catholic world, where he was ordained as a priest 54 years ago.

Leaving the vatican the aged pontiff blessed a crowd estimated at 300,000 persons and attended mass at the basilica.

The pope in making today's pilgrimage, resumed an Ascension day custom unobserved since 1870 as a result of the voluntary imprisonment of the head of the church.

Today's visit to St. John Lateran was the first such pilgrimage on Ascension day by a pope since the visit of Pope Pius IX, four months before King Victor Emmanuel 2nd with his troops entered Rome and deprived the popes of temporal power.

Pope Pius XI went as an ordinary pilgrim today seeking plenary indulgence remitting punishment of sins. Other similar visits in observance of holy year are being planned to the basilicas of St. Paul, June 30, and St. Mary Major, August 15.

Chamber Active Against Indian School Closing

The Salem chamber of commerce was continuing its efforts yesterday to retain the Chemawa Indian school as an operating institution here. Advices from Washington were not encouraging. "Notwithstanding protest from this office, am advised by commissioner of Indian affairs that Chemawa school will not be operated during fiscal year beginning July 1, 1933," Congressman James W. Mott advised the chamber yesterday.

Senator Charles L. McNary is working, along with Mott, in an effort to keep the school. He has announced he would go directly to President Roosevelt with the matter.