



BARGAIN PERIOD
For a limited time The Oregon Statesman by mail to any address in Oregon \$3.00 per year. Today's Paper Today.

EIGHTY-THIRD YEAR

No. 155

TWO NEW MEN APPOINTED TO HIGHER BOARD

William Hare is Selected By Meier for Vacancy As Colt Resigns

Roscoe Nelson is Successor To Starr; Additional Changes Rumored

Events moved swiftly Friday on the higher education scene which for the last ten days has occupied the attention of the state.

First came announcement from Portland that C. C. Colt, executive vice-president of the First National bank there had tendered his resignation from the board of higher education to Governor Meier.

Shortly thereafter the governor announced that he had chosen Roscoe P. Nelson of Portland, prominent attorney, to succeed C. L. Starr, whose resignation from the board was received here Wednesday.

By 4 p. m. yesterday came word that William P. Hare, Hillsboro attorney, had been chosen to succeed Colt.

Callister, Oliver May Also Resign

Last night there were reports here that the voluntary retirement of F. E. Callister of Albany and Herman Oliver of eastern Oregon, was imminent. It was reported on good authority that the latter resigned yesterday that F. E. Irvine, editor of the Oregon Journal, would not resign from the board although reports have been current since Chairman Starr was asked to resign that Irvine's resignation would follow shortly.

Colt, who has been on the board since it was created by the 1929 legislature, resigned because it seemed impossible, under the circumstances, to harmonize the educational forces and the work of the board. Prior to his appointment in 1929 by Governor Patterson, Colt served 13 years as regent of the University of Oregon. His resignation from the board leaves the position of vice-chairman vacant the chairmanship having been vacated by the resignation of Starr.

In tendering his resignation Colt indirectly came to the defense of Starr. The governor in requesting the latter's resignation had remarked that under his leadership as chairman, "strife, dissension and discord have prevailed on the board." In a statement today Colt declared that "if strife and discord have prevailed . . . because of Mr. Starr's administration as chairman, I share with others, constituting the majority of the board, in that responsibility, and if a preponderant majority is wrong, probably the criticism might be justified."

Governor Meier issued a formal announcement of Nelson's appointment to succeed Starr, and commented that "changes affected on (Turn to Page 2, Col. 1)

IRREGULARITIES IN BANK ARE CHARGED

Spaulding Firm Will Intervene In Siletz Case

BOSTON, Sept. 22.—(AP)—Department of justice agents investigating the affairs of the federal national bank and its affiliates today estimated that irregularities would approach the \$2,000,000 mark.

Five officials of the banks have been indicted and the federal authorities said indictments against at least three others would be sought for misapplication of \$1,000,000. Irregularities charged in indictments already returned totaled \$600,000.

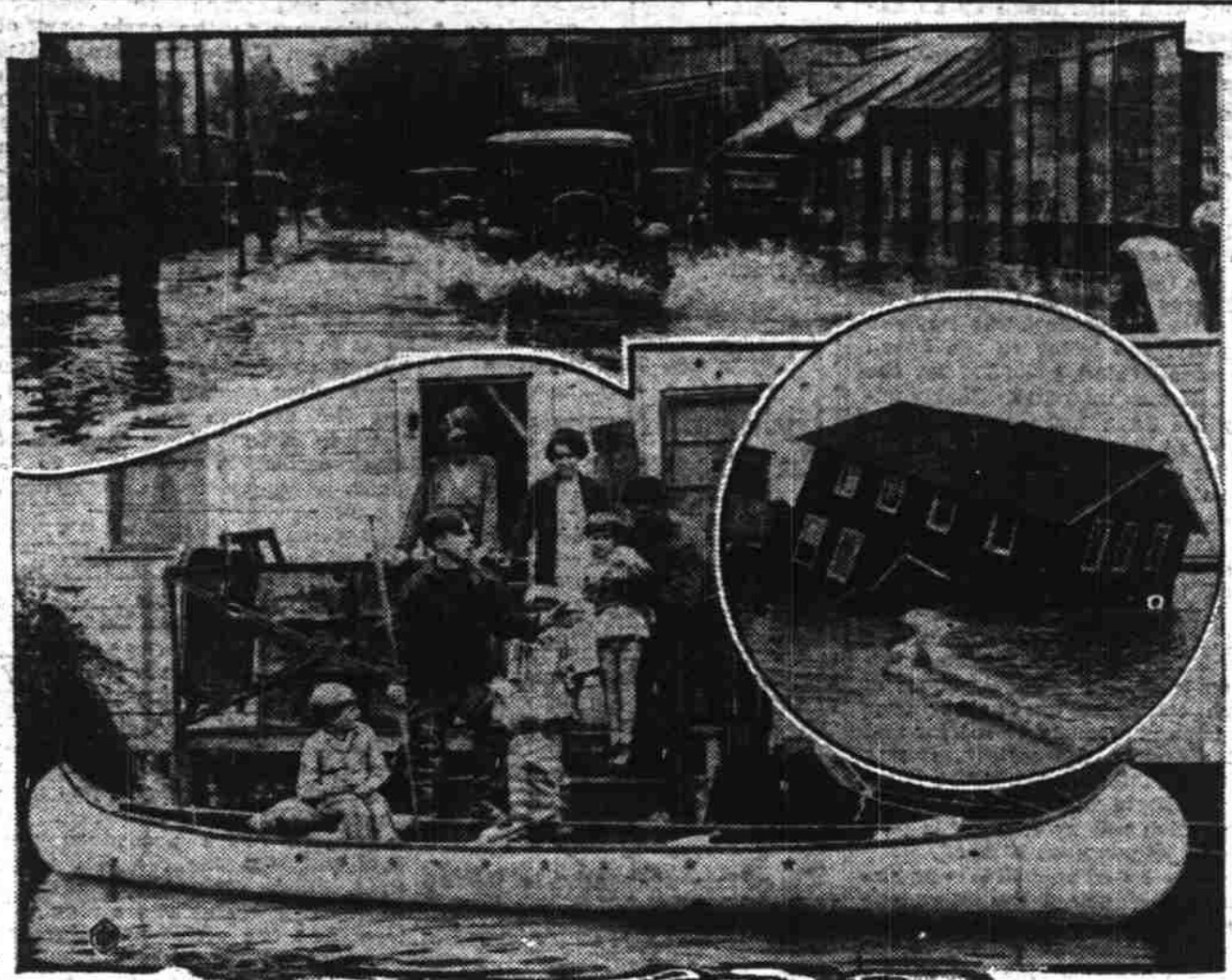
Special Assistant Attorney General Irving G. McCann today ordered a further survey of records of the Federal National and three of its affiliates, the Middlesex National bank of Lowell, the State National bank of Lynn and the Inman Trust company of Cambridge. The federal officers said transactions involving \$350,000 of the Lowell bank's bonds were under scrutiny.

Theodore M. Logan, president of the closed State National bank of Lynn, pleaded not guilty today in federal court to an indictment charging misapplication of \$30,000 and \$25,000 by means of "straw" notes and making false entries. The true bill charged Francis W. Falvey was the "straw" and that the proceeds went to Logan. Judge Hugh D. McCallan released Logan on \$10,000 bail and allowed 20 days for the filing of dilatory pleas.

Cameron is Held On Check Charge

SEATTLE, Sept. 22.—(AP)—D. Cameron, 43, unfringed Cottage Grove, Ore., minister, was charged in justice court today with grand larceny for allegedly passing an "n.a.f." \$28.55 check on a hotel here last Monday. He is held in city jail in lieu of \$2000 bail.

ATLANTIC COAST STORM PLAYS HAVOC



These three pictures give a graphic idea of the severity of the recent storm which swept the Atlantic coast. At top is a principal street in Winthrop, Mass., turned into a river by torrential rains. Below, a marooned family at Lincoln Park, N. J., taking to a canoe to escape from their flooded home. Inset, the Fish and Gun club at Manassas, N. J., undermined and wrecked by heavy seas.

FEDERAL CREDIT TO RUSSIA IS PLANNED

Morgenthau and Bogdanov Hold Conversations; Significance Eyed

NEW YORK, Sept. 22.—(AP)—Direct government credits on vast soviet purchases loomed strong tonight with the disclosure that Henry Morgenthau, Jr., governor of the farm credit administration, and Peter A. Bogdanov, chairman of the Amtorg Trading corporation, have held several conversations recently.

Their meetings—in which the whole field of trade and credit has been explored—were regarded as the most important developments in soviet-American relations, inasmuch as Morgenthau, a trusted aide of the president for several years, was designated to direct personally Russian trade negotiations.

The naming of Morgenthau, announcement of which followed the disclosure in New York that the administration expects to recognize Russia before congress convenes, was interpreted here to mean the president is giving close consideration to the soviet situation.

The Morgenthau-Bogdanov discussions have contemplated immediate extensive purchases of cotton, livestock and heavy industrial equipment.

While cotton sales to the soviet union may amount to around a million bales the coming year, it was thought likely in well informed quarters that sales at the outset—in the event of satisfactory credit agreements—would not exceed half a million bales at the most.

Spaulding Firm Will Intervene In Siletz Case

Circuit Judge L. H. McMahan has signed an order permitting the C. K. Spaulding Logging company to file a complaint in intervention in the Valley & Siletz railroad's case against C. M. Thomas, public utilities commissioner, seeking to prevent Thomas from effecting lower logging rates on the railroad line.

The logging company's complaint in intervention states that excessive rates of this railroad line make it impossible for the company to ship logs from its holdings at Olon to Wilson or Independence from where they would be towed by river to Salem.

Agreement on Limitation Of Arms Declared Nearer

PARIS, Sept. 22.—(AP)—A close approach to a general agreement between the United States, France, Great Britain and Italy for the limitation and control of armaments, it was authoritatively learned, was made today in talks between negotiators of the first three powers.

A French official reported "substantial progress" had been made toward the forming of a solid front of the four nations at the resumption of the world disarmament conference, with the four powers on a common ground of understanding concerning the disarmament question.

Cuban Chiefs May Placate Rebel Groups

HAVANA, Sept. 22.—(AP)—Already entangled in a maze of political, military and economic problems, the government of Ramon Grau San Martin faced a new menace tonight as armed rebellion flared in at least two sectors, including the adjacent province of Matanzas.

While his best political minds sought to find a way out of the deadlock between Grau and his leading opponents, the army of students and soldiers sought to suppress the outbreaks.

A formula which Havana university professors hoped would placate the political situation was drawn up and submitted to the opposition factions for consideration. It authoritatively was said to include a provision that Grau remain as chief executive, but with sharply restricted powers, including one that he could not demand the resignation of cabinet members.

The plan also was said to include provisions for the naming of a concentration cabinet, responsible to an opposition junta representing all factions.

GIGANTIC RAILROAD MERGER IS TALKED

WASHINGTON, Sept. 22.—(AP)—Consolidation of all railroads into a small group of great trunk channels is being studied by Joseph B. Eastman, coordinator of transportation in an effort to achieve operating economies.

Eastman said today in a statement that the restoration of the southern and western regions had formed organizations to investigate savings that could be obtained through joint use of facilities, pooling of train service and other means.

Eastman has selected the Prince plan as a typical one to study. It was written by J. W. Barriger, 3rd, now chief examiner of the railroad section of the reconstruction corporation, and presented to President Roosevelt last winter when the railroad situation was being studied at the White House.

This plan contemplates a combination of the nation's railroads into seven or eight systems formed around the New York Central and the Pennsylvania railroad in the east; the Southern railway and the Atlantic Coast line-Louisville and Nashville system in the south and others in the west.

Late Sports

EUGENE, Ore., Sept. 21.—(AP)—The University of Oregon football team opened its season here tonight with a 53 to 9 victory over Linfield college. Prink Callison, Oregon coach, used three full teams in the game.

HOLLYWOOD, Calif., Sept. 22.—(AP)—Meyer Grace, Philadelphia welterweight, was knocked out in the tenth and last round of his bout here tonight with Ceferino Garcia, hard hitting Filipino fighter. Grace weighed 147; Garcia 144 1/2.

NORTHWEST FACING UPTURN, PREDICTED

Optimism Keypnote at Meet Of Advisory Board to Discuss Problems

PORTLAND, Sept. 22.—(AP)—The recent upward trend of business has inspired representatives of industry and agriculture in the Pacific northwest with more optimism than at any time in the past four years, speakers said at the eighth annual meeting of the Pacific northwest advisory board here today.

Delegations from all branches of business voiced their confidence in the future development of the northwest's resources, resulting from the dawn of a new era in which all industries will cooperate to bring prosperity out of the chaos of depression.

Reports of the chairman of commodity and special committees bore the forecast that the business revival would result in a 16 per cent increase in car loadings in this section during the final quarter of this year.

Discussing the significance of the NRA lumber code, W.B. Greeley of Seattle, secretary-manager of the West Coast Lumbermen's association, described the lumber code as the industry's "Magna Carta of self-government," and said:

"The first objective under this charter will be the restoration of employment to build back the earning power of the employes. This is a tremendous experiment in industrial self-government and industrial stabilization. We will continue more steadily and more surely to economic progress of the northwest than in the past."

R. E. Clark of Seattle, secretary of the advisory board, expressed the same note of optimism in his report for railroads, in which he said, "There is more hope than we have known at any time in the past four years."

Thirsty Profit; Beer Price War On in Cleveland

CLEVELAND, Sept. 22.—(AP)—Cleveland suddenly discovered today that it was in the midst of a beer price war between groups of breweries, as five makers of the foaming suds announced they had cut the price of draft beer from \$15 to \$12 a barrel.

Two other brewing companies, it was learned, had previously cut their prices from \$15 to \$14 a barrel. There was no change in the price of bottled beer.

MAY RECOVER LOSS

WASHINGTON, Sept. 22.—(AP)—The federal trade commission made public today an opinion holding that purchasers of misrepresented stocks or bonds can recover under the new securities law up to the purchase price of the security from the underwriter.

POSTMASTERS CHISELING ON U.S., CLAIMED

Send Heavy Mail Purposely To Gain Commissions, Farley Declares

160 per Cent Allowance is Temptation; Foodstuffs Sent Long Distances

WASHINGTON, Sept. 22.—(AP)—Postmaster General Farley announced tonight an investigation had disclosed some fourth class postmasters were increasing their compensation by personally swelling the mail by their offices.

Under the law, postmasters of this class are allowed commissions of 160 per cent on the first \$75 worth of postage stamps on mail matter dispatched from their offices.

Farley said an investigation of several months had convinced him that some postmasters have themselves prepared and mailed from their offices to friends and relatives packages containing heavy articles requiring considerable postage for the sole purpose of increasing their compensation.

He announced he had directed Joseph G. O'Mahoney, first assistant postmaster general, to prepare legislation to "ameliorate this evil of inflation of compensation" and ordered postal inspectors to "take prompt action with a view of stamping out this abuse."

This compensation plan, Farley said, has been in effect for many years, but congress in 1925 increased the commissions to 160 per cent on the first \$75 worth of stamps cancelled each quarter.

"Therefore," the announcement said, "when the postmaster at one of these small offices deliberately mails heavy packages with a large amount of stamps thereon, he does it obviously for the purpose of collecting in salary or compensation \$1.60 for each dollar worth of stamps placed on such matter."

It also adds to certain other allowances for rent, light, fuel and equipment.

"In some communities such shipments have consisted of eggs, cream, and similar products to distant points. As an illustration some reports show that postmasters west of the Mississippi river have shipped foodstuffs by parcel post to New York."

GIRL MEETS BEAR NEAR LYONS HOME

LYONS, Sept. 22.—(Special)—Allyl Marie Devalyn, who is living with her parents, the Davises family, on the hill above Lyons, was going to school Thursday morning she met a large black bear in the road over the hill from her home.

The child's screams were heard by her grandmother, who rushed to the scene. She was pushing and the one seen Thursday may have been the one doing the mischief. A man passing in a car a few minutes earlier saw the bear on the hill near Lyons and reported it did not seem at all frightened at seeing him.

It has been several years since wild animals have come so close.

Beer is Favored In North Dakota By Wide Margin

FARGO, N. D., Sept. 22.—(AP)—A bill to permit sale of 3.2 per cent beer in North Dakota was favored by about two to one in early returns tonight from a statewide special election.

Returns from 76 of the 2240 precincts was 5241 in favor of beer, and 2576 against. Most of the returns were from urban districts. North Dakota has been dry since statehood in 1889.

Controversy Among NRA Leaders Must Cease, Ultimatum

Bickering Over Open and Closed Shop Hurting Cause, Johnson Quoted; Green, Lund and Harriman may go on Carpet

WASHINGTON, Sept. 22.—(AP)—Creations of regional agencies to mediate strikes was announced today by the national labor board as Hugh S. Johnson, the NRA chief, considered demanding either an end of controversial statements or resignation from prominent members of his advisory boards.

STUDNICK IN RACE FOR RODEO CROWN

Rides Tough Pony Second Day of Roundup; Gone Wrong is Bested

PENDLETON, Ore., Sept. 22.—(AP)—The veterans set the pace for the younger hands at the Pendleton Round-up today.

Bob Crosby of Kenna, N. M., after getting off to a bad start yesterday, brought the spectators to their feet twice today with snappy exhibitions of roping.

First, he roped his calf and tied him in 23 4/5 seconds, after taking more than a minute for the same feat yesterday. Then he caught, busted and tied a Mexican steer in 21 3/5 seconds.

Hugh Strickland of Burbank, Cal., another of the old-timers, tied his steer in 20 1/5 seconds to lead today's steer-roping field.

Dick Trutt of Stonevale, Okla., king of last year's show, threw his steer in 17 3/5 seconds, the best time for bulldozing in the present meet.

Still another veteran, F. E. Studnick from Stayton, Ore., winner of the bucking title in 1932, drew a tough assignment in the world's bucking championship in Miss Headlight, but he came through with a brilliant ride to put himself definitely in the running for another title.

Gone Wrong, the bucker that won the acclaim of the audience yesterday, drew a rider today as tough as himself. Erwin Collins of Miles City, Mont., stayed for the full route despite the best twisting, changing ends and sunfishing Gone Wrong could produce.

RELIEF PLANS ON LONG-TERM BASIS

WASHINGTON, Sept. 22.—(AP)—President Roosevelt's program for buying surplus farm commodities and distributing them to families on relief rolls will be organized on a long-term basis instead of a purely temporary basis.

This was disclosed today as the agriculture adjustment administration hastened establishment of an organization, determined to have it ready to turn over products to the federal relief administration within a week.

George N. Peck, chief administrator of the farm act, said that substantial portions of the proceeds of processing taxes on basic farm commodities would be made available to finance purchases, supplementing federal relief funds.

These taxes are now being levied on wheat and cotton but others are to be levied soon on swine, tobacco and possible dairy products, corn and rice.

Instead of \$75,000,000 in purchases, already planned, the outlay may greatly exceed this figure during the current fiscal year, officials said.

SALEM BUDGET REDUCED FROM 1933 FIGURES

Items Under Limitation up \$19,300 but Total is \$22,000 Smaller

Salary Increases Opposed, Building Inspector to Take Reduction

A 1934 city budget calling for a tax levy under the six per cent limitation approximately \$19,300 greater than that for 1933 but including fixed items approximately \$41,300.11 lower than for the present year was tentatively drawn up by the citizens and clerical members of the budget committee at the city hall last night.

The total budget as proposed would bring a saving of about \$22,000 for the coming year.

The levy under the six per cent limitation as proposed would amount to approximately \$207,500 as against \$182,200 for 1933 and the entire budget \$463,605 as against \$485,605 this year.

Determination not to raise salaries at this time was evident throughout the nearly two-hour long session. Several committees kept up a continual sniping at numerous small items along with salaries but only one salary reduction was approved, a cut of \$360 in the building inspector's pay, bringing it down to \$1800 a year.

Chief among the increases in general expense items was that of \$19,000 added to the \$5000 appropriation for interest on and redemption of warrants. The extra money was added at the suggestion of Alderman David O'Hara who declared that with the city's warrant debt now amounting to approximately \$200,000, drawing \$12,000 interest annually, a larger fund for paying interest and retiring warrants was imperative.

O'Hara also supported a \$1800 raise in the emergency fund on the grounds that the city would have during the coming year to expend a greater amount for relief in matching funds with the federal government. Only a few dollars now remain in the 1933 emergency fund, whose depletion has been largely due to growing relief needs, he pointed out.

Other items boosted were mainly for repairs and replacements in the various departments. They included \$35 for computers, (Turn to Page 2, Col. 3)

SAWYER IS CHOSEN RECLAMATION HEAD

BAKER, Ore., Sept. 22.—(AP)—Robert W. Sawyer, of Bend, was reelected president of the Oregon reclamation congress at the concluding session of the annual meeting here today.

Klamath Falls was chosen as the site for the 1934 meeting. Other officers named included: Dr. W. L. Powers of Corvallis, reelected secretary-treasurer; Olin Arnsperger of Medford, E. M. Hammond of Klamath Falls, and Kenneth Miller of Portland, vice-presidents.

Directors included, first district: Wilford Allen of Grants Pass, Charles E. Stricklin of Salem, E. H. Judd of Medford and M. R. Lewis of Corvallis; second district: T. G. Montgomery of Baker, C. M. Connell of Burns, George Kanoff of Bend and C. Van Petten of Ontario; third district: L. A. McArthur, Marshall N. Dana and James M. Kyle, all of Portland, and E. E. Wist of Scappoose.

Among resolutions adopted was one endorsing a 72-foot or power dam on the Columbia river at Bonneville.

Son's Slayer is Said Identified After Six Years

NEW YORK, Sept. 22.—(AP)—Mrs. Margaret Wilson, who for six years has searched for the slayer of her son, found where he had been buried alive in a shallow grave near Springfield, Mass., today appeared at police headquarters and accused Leonard Scamard held in connection with several slayings and the O'Connell kidnaping, of the crime.

The woman, whose son, Frank "Jazz" Wilson, was found dead on October 30, 1931, a victim, police said, of a bootleggers' feud, told her story to Capt. Richard Oliver, who led the squad of detectives who arrested Scamard and six alleged confederates.

FOUR LIVES SNUFFED

FRESNO, Calif., Sept. 22.—(AP)—After allegedly shooting and killing his wife and two children, E. H. Switzer barreled himself in his ranch home here late tonight and as officers rushed the place with tear bombs sent a bullet through his own head.