

HIGHER SCHOOL BOARD FUTURE NOT YET ENDED

Callister Denies Intention To Resign, Oliver Will Give no Inkling

Reorganization, Committee Confirmation Impend; Questions Raised

PORTLAND, Sept. 23.—(AP)—With two of its members resigned and two new ones appointed as their successors, a reorganization of the state board of higher education probably at its next meeting, was the subject of tonight's meeting.

Rumors were heard, however, that indicated the final chapter to the story of the board's turbulent affairs had not yet been written. Those rumors were that F. E. Callister of Albany and Herman Oliver of John Day were contemplating following the action of C. L. Starr, chairman, and C. C. Colt, both of Portland, who resigned this week.

Callister, reached at his Albany home, stated that he did not contemplate resigning from the board at this time. Oliver said he had no statement to make at present.

Starr resigned in compliance to the request of Governor Meier, who, in a public statement, held the chairman responsible for what he described as lack of harmony in the functions of the board. Colt resigned two days later with the statement that he wished to give the governor an opportunity to name a member of his own choosing in the interests of harmony in the board's work.

Roosevelt C. Nelson, Portland attorney, was named to succeed Starr and William G. Hare, Hillsboro attorney, to replace Colt. Naming of a new chairman and vice chairman will be effected by the board itself, the governor having no power to select the officers.

The board was scheduled to meet sometime next week at the call of the chairman, but now that both chairman and vice chairman have resigned, the question remained open as to when the next meeting would be held.

The two appointments must yet be confirmed by the interim committee on executive appointments of the state senate. The secretary of state is required by law to assemble this committee within 10 days of the appointment, but the point was brought out here tonight that in the event no members should attend the meeting, confirmation would probably be held up until the contemplated special session of the legislature. In that event, the senate as a whole would act.

Members of the interim committee are W. H. Strayer of Baker, George Dunn of Ashland, Clyde E. Williamson of Albany, Robert M. Duncan of Burns, Joel O. Booth of Eugene and Linn E. Jones of Clackamas.

STAFF CHANGES IN BANK DEPARTMENT

A. A. Schramm, state superintendent of banks, yesterday announced the resignations of H. O. Voget, assistant superintendent and trust examiner, and M. W. Starbuck, senior bank examiner, both of whom are joining the staff of the federal reserve bank at San Francisco. The resignations were effective Saturday night.

Tinkham Gilbert, of Salem, a deputy in the department and a bank examiner, has been advanced to the post of assistant superintendent and trust examiner, succeeding Voget, and Edmund T. Way, another deputy, is being promoted to the position of senior bank examiner, succeeding Starbuck.

T. B. Lumsden, formerly with the Jackson County bank at Medford, is being added to the staff as an examiner as also is S. Deitrich both men having been engaged in liquidation work for the department for some time past. Lumsden has recently been in charge of liquidation of the Shute Saving bank at Hillsboro. Prior to going to Hillsboro he had charge of bank liquidations at Ashland and Central Point. Other minor adjustments are being made in the staff, Schramm said.

Voget had been with the state banking department since 1922 while Starbuck joined the department in August, 1926. Schramm expressed regret over the loss of both men from the department.

Mrs. McDonald Better, Report

WENATCHEE, Wash., Sept. 23.—(AP)—Mrs. H. D. (Luelle Saunders) McDonald, former Oregon newspaperwoman who underwent an operation here this week, was said at the Deaconess hospital here today to be "getting along fine." She will leave the hospital within a few days, attendants said, and it is possible she may leave Sunday.

Huge R. F. C. Loan to Russia May Precede U. S. Recognition



PETER A. BOGDANOV

Following negotiations between Jesse H. Jones, chairman of the reconstruction finance corporation, and Peter A. Bogdanov, chairman of the board of Amtorg, American trading agency owned by Soviet Russia, it is believed a big financial deal, involving a loan of from \$50,000,000 to \$75,000,000 to the Soviet, is on the way to being consummated. Terms of the loan are that the money is to be spent in the United States for the purchase of American goods, wheat, copper, cotton, aluminum and machinery. The projected deal is remarkable inasmuch as the United States does not officially recognize the Soviet. However, with the closer relationship bound to result from such business dealings, observers say, it is only a matter of time until diplomatic relations are resumed between the two countries.

RUSSIAN RELIGIOUS ISSUE NOW RAISED

Vatican Hopes Recognition By U. S. Will Depend on Changes of Policy

VATICAN CITY, Sept. 23.—(AP)—The hope that the United States would make the religious liberty of Russia an essential condition if it recognizes the Soviet Union was expressed tonight by Bishop Michele D'Herbigny, president of the pontifical commission for Russia.

Previously Vatican City circles reported that some means of an approach to the Soviet government were being sought for conversations which would lead to an agreement guaranteeing protection of Catholic interests in Russia.

"This means religious liberty for all, not merely for Catholics," the bishop continued. "Conditions in Russia are such that she needs money wherever she can get it, and the attractiveness of formal relations with the United States might induce her to accept the condition."

"The United States will have done a great deed, not only for Russia, but for civilization and the world."

"The pope at the Genoa conference" (Turn to Page 3, Col. 1)

MORE LIGHT SHED, CITY WATER LOAN

Reported ban on Using any Of Funds to Purchase, Creates Problem

City officials last night awaited receipt of official information regarding the allotment of \$1,500,000 PWA money for construction of a municipal water system here, hoping soon to convene a special council session to weigh the conditions of the loan and grant in the light particularly of its effect on plans to purchase the existing system.

Unofficial word from Washington, D. C., that none of the loan or grant could be used toward purchase of the Oregon-Washington Water Service company's plant here, if true would leave the city in a difficult situation. City Attorney Chris J. Kowitz declared. He said such a ruling would leave the city only with the alternative of offering municipal water bonds to the water company and these in an amount considerably larger than the plant could be had for at cash.

Kowitz estimated offhand that use of water bonds in purchasing the present plant would raise the total cost to the city for its completed mountain water system (Turn to Page 3, Col. 3)

Oregon Briefs

Liquor Control Wanted Body Found Along Road May Abandon Polk Line "Stalling" Says Martin

CITIES TAKE STAND
EUGENE, Ore., Sept. 23.—(AP)—Cities of Oregon will ask that the liquor situation be brought under full control in the event the 18th amendment is repealed, it was decided at a meeting of the League of Oregon cities, held on the University of Oregon campus today.

Delegates brought out that cities want the right of regulation and the right to raise revenue from the sale of liquor.

Herman Kehrl, head of the university's municipal service bureau, was formally elected executive secretary of the league.

CAR DRIVER UNKNOWN
MEDFORD, Ore., Sept. 22.—(AP)—George E. Gordon, 70, of Central Point, was killed today when he was struck by an automobile on the Pacific highway near here. Police said the identity of the motorist was not learned. Gordon's body was found alongside the highway by passing motorists.

ENPEE ASKS PERMIT
WASHINGTON, Sept. 23.—(AP)—Examiner Haskell C. Davis today proposed that the Interstate commerce commission grant permission to the Southern Pacific to abandon that part of the Monmouth, Ore., branch extend-

ing from a point at Dallas to the end of the branch at Monmouth, about 7 miles, all in Polk county.

BONNEVILLE MOVE HIT
PORTLAND, Ore., Sept. 23.—(AP)—A special dispatch from Washington, D. C., to the Oregonian tonight quoted Congressman Charles H. Martin (dem. Ore.) as saying that the \$250,000 allocated yesterday for engineering preliminary study of the Columbia river dam project at Bonneville was designed to delay the project.

United States army engineers recently recommended construction of a 72-foot dam to cost \$45,000,000 that would provide power development and navigation improvement. Later, word from Washington was that a 30-foot dam to cost \$15,000,000 and that would provide only for navigation was being considered by the administration.

"Allocating funds for additional engineering is just stalling," the dispatch quoted Congressman Martin.

Marshall N. Dana, regional adviser to the public works administration, today sent a recommendation to President Roosevelt that a 72-foot dam at Bonneville be constructed. His estimate of the cost, however, was \$31,000,000.

LEAGUE FACING BIG PROBLEMS; WAR IS TALKED

14th Assembly Which Will Open Monday is Viewed As Vital Factor

Influence for Peace, Also World Recovery, Looked For by Delegates

GENEVA, Sept. 23.—(AP)—The fourteenth assembly of the league of nations opens Monday, with Europe particularly in political ebullience and the entire world battling economic conditions. The delegates voiced hopes that action will be taken to dissipate the international gloom.

The word "war" has been printed pessimistically in so many newspapers in Europe that the delegates think that participation in the convulsions of nations possesses a potent influence either for war or peace. The peace call undoubtedly will predominate.

The league itself is suffering a crisis financially and politically, yet the size of the delegations—France has sent 33 representatives—shows no lack of interest in the Geneva institution.

The great problems of the world beginning with disarmament and the fixation of the position of revolutionized Germany and Austria, will be treated in private parley.

The league delegates expect Germany to make a bid for real arms equality with the other great powers either in the assembly or in the executive council conference. Her spokesmen insist that other countries, and not Germany have been talking war, and that the Reich is peace-bent. Combined with this, however, the key point out that Germany wants the place in the world to which her might entitles her.

Strikes in various parts of the country brought from Senator Warner a resolution to amend the national labor board, an appeal to labor to resort to such stringent means only as a last step.

Meanwhile the recovery administration continued hearings on the newspaper public code and approved modifications of the blanket code to bring canvas goods and cereal foods under the general NRA agreement.

Many telegrams from retail merchants and groups of retailers came in urging immediate action on the retail code and retention of the less limitation provision to end "cutthroat competition."

BOLD KIDNAP PLOT BELIEVED BLOCKED

NEW YORK, Sept. 23.—(AP)—A bold plot to kidnap the niece of a Morgan partner, even while she prepared her wedding trousseau was disclosed today by authorities who arrested a nurse and a filling station manager for the crime.

Yonkers officers used the old dummy package lure to trap them at a rendezvous and charged them with attempted extortion against Mrs. John K. Dougherty, society leader, bride and heiress to millions.

She is the niece of Russell C. Leffingwell, partner of J. P. Morgan & Co., and the daughter of Franklin A. Batcheller, wealthy Yonkers resident and stock broker.

The kidnap scheme upset plans for her wedding, brought federal agents to the Batcheller mansion as house guests and converted an elaborate church ceremony into a comparatively simple home wedding.

The nurse held is Virginia Antonette de Palma, 23. The filling station manager is James Medley of Yonkers. Thomas S. Cullen, in charge of department of justice agents in New York, said the pair told him they sought money so they could be married.

BOYCOTT AGAINST GERMANY FAVORED

WASHINGTON, Sept. 23.—(AP)—A boycott of German products by American labor was held probable today by William Green in a statement describing the Hitler rule as "medieval, revolting and sickening."

Saying that "the terrorism in Germany has gone to wilder and wilder extremes and has resulted in open war on the trade union movement and the torture, exile and even death of many trade union leaders, the president of the American Federation of Labor added:

"American labor is becoming convinced that something more than protest is needed in dealing with the Nazis, we are being forced to the conclusion that a boycott is the only thing that will bring home to the German tyrants the abhorrence in which their rule is held by the rest of the world."

Holdup Is Just Imagined, Word

State police scurried toward the south Salem city limits last night after a holdup was reported to have been perpetrated there. They found the crime to exist only in the fancies of Pat Sullivan, Salem. Sullivan whom the state officers avowed was inebriated, was sent home.

Dropping of Prohi Cases Is Forecast

WASHINGTON, Sept. 24.—(AP)—In view of the numerous recent predictions by administration officials that prohibition repeal is imminent, plans have been made for a review of the thousands of liquor cases pending in federal courts to determine which shall be brought to trial.

The work will begin officially October 1, when L. J. Buggs, a congressional attorney, becomes senior counsel of the prohibition unit of the justice department.

It was estimated at the justice department today that in some federal courts there were as many as 1,000 criminal cases pending. Altogether, one official said, there probably were 90,000 cases on the docket.

Authorities said today all prohibition law violators now in jail expected President Roosevelt to free them in the event of repeal.

CREDIT PROBLEMS ARE IN LIMELIGHT

Labor Troubles Also Face Recovery Leaders as Codes are Eyed

WASHINGTON, Sept. 23.—(AP)—Lagging credit and farm prices today turned the eyes of general economists to a close watch of the developing plans of President Roosevelt for prodigious purchasing power into stride with rising industrial costs.

Credit problems and labor troubles coupled with labor disputes and reorganization of the NRA into a permanent working unit to claim the close attention of recovery administration officials.

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Meanwhile the recovery administration continued hearings on the newspaper public code and approved modifications of the blanket code to bring canvas goods and cereal foods under the general NRA agreement.

Many telegrams from retail merchants and groups of retailers came in urging immediate action on the retail code and retention of the less limitation provision to end "cutthroat competition."

NEW BANK TO OPEN HERE MONDAY MORN

Salem will welcome a new bank here tomorrow when promptly at 10 a. m. the First National bank of Portland, Salem branch, begins operations in the First National building, State and Liberty streets. The new institution is an integral part of the Portland bank, sharing its liabilities and assets. J. E. Roman, formerly of Astoria, later of Portland, is to manage the new branch.

Of especial interest to Salem citizens is the fact the new branch is taking over for immediate payment, if desired, 70 per cent of the regular deposit liability of the First National bank of Salem, which has been restricted since the March holidays. Governmental deposits and other preferred claims on the bank have been met or will be paid in full.

Printing Plant Blaze Put Out; Damage Slight

A second alarm reported as from the New Salem hotel brought out all downtown fire fighting equipment at 3:30 p. m. Saturday when fire was discovered in the Thatcher Printing company office at 153 South High street. Firemen responding to the initial alarm with a chemical truck extinguished the blaze before it reached serious proportions.

The flames, whose origin was not established, burned off the end of an office desk and ruined a typewriter.

355 Jobs Given Out as Harvest Rush Continues

Exactly 355 jobs were obtained through the city-county free employment bureau here last week as fruit and hop growers hurried to save their crops from rain damage, Manager D. D. Dotson reported last night. This figure exceeds that for several of the summer monthly totals this year.

Farm labor provided employment for 310 men and 10 women sent out by the bureau, while woodcutting cared for 13 men, common labor 19 men and household three women.

KELLY SEARCH CENTERS UPON CHICAGO AREA

Owner of car Figuring in Messenger Holdup and Murder Identified

Suspected Participants in Affair are Rounded up And Face Probes

CHICAGO, Sept. 23.—(AP)—The nation-wide hunt for George "Machine Gun" Kelly, suspect in half a dozen major crimes of the southwest, was focusing on the Chicago area tonight.

A picture of a man known locally as "J. J. Rosenberg," suspected owner of the armored car which figured Friday in a strike mail messenger holdup and the slaying of a policeman, was identified, Chief of Police William Schoemaker said, as that of Kelly.

Who made the identification was a carefully guarded police secret but Schoemaker intimated it was by a close acquaintance of Rosenberg.

Shortly before police announced this progress in the widespread hunt for the slayers of Policeman Miles Cunningham and the robbers of the federal reserve bank mail truck, Theodore Rosenberg who had been brought to the station on an anonymous tip was released. Theodore Rosenberg established his status as a reputable citizen and it was disclosed he was a prospective candidate for the police force from department lists.

Two men still were held by police in the search for the robbers and gunmen who killed Policeman Cunningham in their escape after holding up the federal mail truck. They were Joseph Bergl, Cicero motor car dealer, and friend, Chief Schoemaker said, of Gus Winkler, sought as possible engineer of the robbery plot, and Charles Phillips, a west side garage man.

Police suspect Bergl of having (Turn to Page 3, Col. 1)

SCHOOL BUDGET AT WOODBURN BACKED

WOODBURN, Sept. 23.—(Special)—Accepting the report of the budget committee in full, a small but representative group of school patrons met here today and voted a budget of \$40,282.86. Of this, \$19,135 will have to be raised by direct taxation.

The meeting also authorized the purchase of a bus at \$1500 to be used in the transportation of high school students. It is estimated that such a purchase will pay for itself in three years. To transport 20 students from Butteville and Dorinda district to school at the beginning of the school term rented a bus at \$50 per month. One bus was purchased last year to transport grade and high school pupils and has been covering two routes successfully.

A discussion of arrangements for directing hand or orchestra or both in the high school this year was dropped without being put to a vote when it became apparent that the majority was opposed to the expense entailed.

The budget voted at today's meetings includes the following items: General control, \$1330; supervision, \$850; instruction, \$15,590; operation of plants, \$2700; maintenance and repairs, \$1000; auxiliary agencies, \$1820; fixed charges, \$375; capital outlay, \$50; debt service, \$15,967.86; emergency fund, \$100.

Expressing the appreciation of the Salem NRA committee and commenting on the NRA jubilee parade sponsored in connection with fall opening, a letter from William P. Ellis, general of the Salem NRA committee, has been received by Carl Ramseyer, president of the Salem Ad club.

The letter reads: "On behalf of the president of the Salem NRA committee I desire to compliment your club on the very effective and successful parade sponsored and arranged in connection with your fall opening. This parade, I believe, was one of the longest in the history of Salem. It will do much to promote the principles of NRA in this community, and your organization is entitled to much credit for its effective work."

The parade, nearly two miles in length, was one of the features of the annual fall opening celebration sponsored by the Ad club and managed this year by John Nelson

Statesman Will Sponsor Contract Bridge Tourney

A contract bridge tournament in which every bridge player in the city—no matter his or her ability—is invited to join is announced today by The Oregon Statesman which will conduct the play in conjunction with Mrs. William H. Quinn and Bette Harrild, both of Portland and experienced in the Culbertson system of bridge play.

The tournament is to open Tuesday night, October 3, at 8 p. m. at the Marion hotel here. Each Tuesday night thereafter for a total of eight weeks, the play will continue. Nationally accepted rules for play will be enforced. Duplicate boards will be used and a thoroughly enjoyable evening of bridge assured.

In preparing for the tournament, The Statesman chose Mrs. Quinn as director because of her attractive personality, her fine education in contract bridge and her experience as a tournament conductor.

In a letter from Ely Culbertson, the following statement was made: "Mrs. Quinn is one of the west's foremost Culbertson teachers and is particularly fitted for tournament and newspaper work."

Schools for All Jobless Latest Plan

CHICAGO, Sept. 23.—(AP)—A plan to corral every transient unemployed person, professional and amateur, in federal "concentration centers" for care and education was announced today by Harry L. Hopkins, federal emergency relief director.

Hopkins told the United States conference of mayors that the federal government would remove from the shoulders of local relief organizations the burden of supporting tramps.

"Hitch hiking on the highways will be combated on a nationwide basis," Hopkins said. "So will bumming on the freight trains."

"City and state authorities will be called on to pick up transients on local vagrancy laws and turn them over to federal authorities. "Concentration centers will be established in every state, probably several of them in more populous states and in them the transient will be given a new chance in life."

PAIR BADLY HURT, THREE-WAY CRASH

Milwaukie Couple Victims Of Smashup Caused by One Car's Stalling

An automobile with a stalling engine, a six-wheel trailer truck loaded with calves and a third automobile proved the combination for an accident on the Pacific highway just north of Jefferson last night that resulted in critical injuries to two Milwaukie, Ore., residents, Mr. and Mrs. Thomas Meisenberg.

Mrs. Meisenberg, considered in the most critical condition, was suffering from severe shock, head laceration, a fractured wrist and apparently a fractured thigh bone, the attending physician reported. Her husband received a bad scalp laceration and possibly concussion and internal injuries, the physician said. Both are at Salem General hospital.

State police reported that the Meisenbergs were unable to stop their car quickly enough when the trailer truck stopped suddenly to avert hitting a car ahead whose engine had stalled. The trailer, engine and front fender of the Meisenberg machine were demolished when it crashed into the trailer. The calves were not hurt and the trailer not greatly damaged.

The outbreak in Matanzas province led by Pedro Rodriguez and others, came to a quick end when the rebels decided to abandon their activities and return to their homes. The Matanzas movement was believed the result of a miscarriage of plans for a simultaneous outbreak throughout the islands.

PARADE IS PRAISED BY NRA CHIEF HERE

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CUBAN AFFAIRS APPEAR HEADED TOWARD CRISIS

Destroyer Standing by to Remove 16 Persons Held By Striking Group

One Revolt Fails; Other is Gaining; Clash Results In Capture of ten

HAVANA, Sept. 23.—(AP)—The American destroyer Hamilton stood off on the north coast of Oriente province tonight, ready to receive on board 16 Americans and Britons held prisoners of striking Cuban workers, but their removal to safety was held in abeyance, pending negotiations with the strikers.

Representatives of the sugar mill owners planned to leave Havana by airplane to participate in the negotiations. Three women and five children were among those reported held prisoner by strikers, with food running short and no milk for the young ones.

Affairs in Havana seemed to be moving toward a new crisis with threat of famine in the capital, spread of disease, and financial difficulties hampering the administration of Ramon Grau San Martin on all sides.

A rebellious movement in Matanzas province fell today, apparently of its own weight, and the army supporting the administration turned its attention to Havana's possible food shortage, which resulted in a ban on wheat and flour, still unsettled. The army started a survey of all the foodstuffs on Havana docks. Cutting of water.

The American destroyer moved into position as near as possible to the besieged sugar mill when it became known that food supplies were running short. Besiegers had threatened to cut off the water mains leading to the homes of the foreigners.

The mills are about a mile and a half from the coast line. They are owned by American interests, including groups represented by Percy Rockefeller and Vincent Astor.

Down the island in Camaguey province, Juan Blas Hernandez continued his revolt, reports reaching here, saying he had engaged government soldiers in a skirmish near Jatibonico. Ten rebels, including three of Blas Hernandez's sons were taken prisoner, the reports added, and two soldiers were wounded by machine gun fire.

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FORD COMPLIANCE PROBE IS SOUGHT

DETROIT, Sept. 23.—(AP)—William L. Mills, publicity chairman for the NRA committee in suburban Dearborn, disclosed tonight that steps will be taken Monday for official consideration of complaints which have been received against the Ford Motor company, Dearborn's largest employer.

The first step, Mills said, will be the selection of a compliance board—an action which he added had been delayed in the hope that the Ford company would sign the NRA automotive code and thus put itself into position to be represented on the board.

"We had hoped," Mills said, "to have both the Ford company and its employees represented before going into these complaints, but it seems now that we must go ahead without them."

The complaints, Mills said, are of three classes. The first is based on the recent hiring of men recommended by the local American Legion, the complainants alleging this amounts to a discrimination against former Ford workers. The second has to do with a "dollar-a-day" welfare plan and the third group alleges that they are over-worked.

Driver Is Pinned Against Tree And Suffers Injuries

Stem-winding automobile days may be nearly gone but for Chester Robinson, 1807 Broadway street, they are not forgotten. When Robinson cranked his car on Chiemeketa street, between Front and Commercial early last night, the machine suddenly leaped forward, pinning him against a tree. At Deaconess hospital where Robinson was taken by Golden ambulance, it was reported his injuries were painful but apparently not serious. No bones were broken.

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