

Session News
The Statesman is giving thorough news coverage of each day's events at the legislature. Follow the session in The Statesman.

THE WEATHER
Unsettled with rain today.
Sunday rain; Max. Temp.
Friday 41, Min. 33, river
-1.5 feet, southwest wind,
cloudy.

HOUSE PASSES LIQUOR CONTROL

BIG LINEN MILL TO BE HERE IF BUILT, ASSURED

Lipman Wires That Entire Development Will Be Close to Source

Three Million and Half Not Appropriated Yet Says Story From East

Denial that Salem has been passed over as location for the prospective linen mill to be erected by the United States National Linen Industries with the assistance of government financing was made in a telegram received Friday by the chamber of commerce from Will Lipman who is in Washington in the interest of his project. Lipman's wire is as follows:

"Press announcement of Portland factory absolutely wrong; not only the mill but all activities of every kind, growing, betting, scutching will be centered in the Willamette valley and around Salem. This is one project in which all funds will be expended in our agricultural community for farmers' crops and labor."

Previous press reports were to the effect that the mill would be located "in or near" Portland. This made the Salem interests apprehensive since this city has pioneered in flax development and now has two mills located here.

The chamber of commerce directors meeting last night discussed the situation, but lacking adequate information did nothing except to authorize a telegram of encouragement to Mr. Lipman, stressing the importance of building on the experience and investment of Salem in the industry.

Congressman James W. Mott who was present stated he would endeavor to ascertain from Washington just what the status of the proposed \$1,750,000 grant is.

Yesterday's Washington dispatches on the \$2,500,000 flax industry loan bill, which confirmed local suspicions that the announcement made in mid-week was premature and not backed by verified facts.

Instead of confirming initial reports that the United States National Linen Industries, Inc., of Portland, had been allocated \$3,500,000, PWA announced officially it was considering the project but had not yet acted on the corporation's application which was presented by William P. Lipman of Portland. It specifically declared that Lipman's application raised new points for which policies had not been laid down.

Security behind the linen loan, the question of repayment of the advance, the question of initial capital to project as well as legal details still must be satisfactorily determined, PWA officials said, before the loan can be made.

The Washington announcement Friday cleared the air here and relieved the tension of chambers of commerce and state capitol officials.

Officials Aghast At First Reports
The latter group were frankly aghast when the news of the alleged advance to Lipman came from Washington. No state officials who are well acquainted with production and processing of flax had been consulted on the advance. No attempt had been made to place the project to the state's big flax industry nor to the private concerns operating here.

Nor had PWA consulted its regional headquarters on the advance. Marshall Dana said in Portland the granting of the loan was all news to him and Dana's position was the same as that of Bert E. Hanay, chairman of the (Turn to page 3, col. 6)

City to Buy Back Auto Park; County is Owner But Doesn't Realize it

Foreclosure on 1923 Taxes Levied Prior to Salem's Acquisition is Overlooked by Both Parties Until This Week

SALEM officials are about to "buy back" the Salem city auto park. Although the name of the park has not been changed and city officials continue to collect funds from the rental of the cabins, Marion county holds the title to the property.

The switch in ownership, without the knowledge of either county or city officials, came last spring with the foreclosure of several delinquent tax liens. The foreclosure on the auto park was not noticed until recently and City Attorney Chris Kowitz is making preparations to "buy back" the property.

According to the records the foreclosure was made on 1923 taxes, which were delinquent before the city purchased the site from the J. H. Albert estate. When the property was taken over by the city, it automatically was erased from the tax books.

"I was notified by county officials yesterday that in foreclosing on several delinquent tax liens, the county bought an auto park," Mayor Douglas McKay said last night. "On investigation we found the auto park which the county bought, belonged to the city. We are going to buy it back immediately."

Delays that have characterized this type of relief in Marion county since its inception late in the summer will now be largely eliminated, Mr. Ulrich declared. Hereafter, he stated, groups of loans will be closed every two weeks.

At the next closing 25 to 30 loans will be cleared, he promised.

Of the 157 loan applications on file, 90 per cent are likely to be granted, Mr. Ulrich estimated. The majority of the applications are carefully investigated before being sent in to the head office at Portland.

In all of yesterday's deals the mortgagees accepted bonds of the federal corporation. Loans altogether amounted to \$24,105.20 in bonds and \$4848.49 in cash for payment of taxes and improvement liens.

Two of the loans were made to Silverton residents, one to a Scotts Mills citizen and the others to Salem home owners.

Applications for these loans may still be filed at Mr. Ulrich's office, 325 State street.

LOCAL TRUCK MEN BACK LAW ATTACK

By unanimous vote of the 100 members of the organization meeting in the chamber of commerce rooms last night, Salem local No. 1, Truck Owners and Farmers Protective association, decided to ally itself with 32 other organizations of truck owners in the Council of Commercial Vehicle Operators which last night opened its campaign in Portland with petitions asking an initiative measure to repeal chapter 429 of the Oregon laws.

The measure under fire, better known as the "bus and truck licensing law," was passed at the last regular session of the legislature and is now under process of amendment in the special session. Initiative petitions were expected to be placed in circulation on Salem streets today.

Possibility of affiliating with a similar organization in Washington state which is fighting a like measure there also was discussed at last night's meeting.

Receipts last month at the Salem postoffice were the highest November receipts in history, Postmaster John H. Farrar said yesterday when he announced gross receipts of \$21,835.95 for November, 1933. Last year's receipts for the eleventh month were \$21,278.91.

Willamette Gets \$20,000 If Students Don't Dance

Dancing activities of Willamette university students may cost the institution a bequest, reported to approximate \$20,000.

The donor, an elderly Salem woman, who believes Willamette students should find their dancing at places other than the university, reported last night the gift had not been definitely decided.

"If they would rather have their dancing than my gift that is up to them," she said. "They know at the university how I feel about dancing and there is no need for further comment."

The conditions of the reported \$20,000 bequest came to light recently with the campaign of the students to include dancing in their social activities. The students believe, according to leaders, that the ban against dancing

MORTALITY OF UNDERWORLD'S LEADERS HIGH

Murder, Suicide, Two Long Prison Sentences are Listed This Week

CHICAGO, Dec. 1. (AP)—Death and the courts closed the careers of some of the underworld's leading figures.

Verne Miller, notorious outlaw and termed the "most hunted man in America," was dead.

James "Fur" Sammons, killer and desperado, began a life sentence at the Michigan City, Ind., penitentiary after a lifetime spent in evading gang breaking the law.

Willie Sharkey, alleged "strong-arm" man of the Touhy gang and accused of sundry kidnappings and bank robberies, was dead.

Waxey Gordon, New Jersey beer baron, was awaiting transfer to a federal penitentiary to begin a 10-year sentence.

Miller's death Wednesday added another slaying to the long list of gangland's supposed retributions for underworld lifings.

His denuded body was found near Detroit, Mich. His death came within only a few weeks of that of Gus Winkler, another hoodlum leader.

Sammons, who throughout a long criminal life had escaped fully penalty for his alleged crimes heard the prison gates slam behind him, perhaps for the last time, because he got drunk in a small Indiana community and then tried to bribe his way out of an arrest.

Sharkey took his own life, in St. Paul, Minn. He had been acquitted a few days before of the kidnaping of William Hamm, Jr., Minnesota brewer, but faced trial after government revenue agents had worked several years assembling evidence against him.

The removal of these four speeded the parade to the grave of the penitentiary of criminals who rose to rid the district of prohibition and whose downfall began with the sentencing of Al Capone, long a leading figure in Chicago gangland, to Atlanta penitentiary in 1931.

BANKER FACES 600 YEAR PRISON TERM

EMPORIA, Kas., Dec. 1. (AP)—Warren W. Finney, 60, banker, whose son, Ronald, is accused in the Kansas million dollar bond forgery scandal, was sentenced in district court late today to from 36 to 600 years imprisonment for embezzlement.

Finney was convicted on 12 counts, the embezzlements charged totaling approximately \$63,000. He was sentenced by Judge Lon McCarty to from three to 50 years on each count, the terms to run consecutively.

The sentence followed a denial of a motion for a new trial. Finney made arrangements to provide \$25,000 bond for his release pending an appeal but encountered difficulties.

He is the president of banks here and at Neosho Falls, both closed in connection with the bond scandal, and is manager of three telephone companies.

TUNNEY LEFT OFF SOCIAL REGISTER

NEW YORK, Dec. 1. (AP)—Gene Tunney, retired king of fistiana, chucked today when the 1934 social register showed he still was in retirement from the who's who of the blue bloods.

The former heavyweight champion got his name in the register when he married Polly Lauder. But he was not listed last year and the latest edition skipped his name again.

Ford Winner As Contract Award Given

WASHINGTON, Dec. 1. (AP)—A decision for Henry Ford in his latest controversy with General Hugh S. Johnson was rendered tonight through the award of a federal contract for 700 trucks to a Bethesda, Md., Ford dealer.

The award had been held up for weeks pending settlement of the eligibility of Ford dealers to bid on government contracts because of the failure of the Ford Motor company to sign the national recovery administration's automobile code.

The Northwest Motor company, of Boston, owned by R. L. Sabine, was the low bidder on 700 trucks for the civilian conservation corps at the first opening of offers but even after Comptroller General McCarl had ruled Ford dealers were eligible other complications arose.

Secretary of State tonight, however, apparently put an end to the passages back and forth by holding the company was entitled to the contract. Wallace said the award was made with the concurrence of Johnson, administrator of the national recovery act.

The reason attributed for suspension of cash payment is the mounting warrant debt of the city, which now amounts to around \$180,000. Warrants now run for a year before being called for payment.

In an effort to save the situation Mayor McKay and city officials conferred with bankers Wednesday when the bankers expressed fears that the pending bill to allow cities to sell bonds with no minimum price fixed by law would endanger the city's credit.

Thereupon the city officials agreed to have the bill which had passed the house of representatives, killed. While there was no definite "trade" as to future policy of accepting warrants, when one bank adopted the new policy Friday, the city officials were notified. Mayor McKay announced Friday that since the expectation of cashing the city warrants was not being realized, at least in full, the Abrams bill so far as he was concerned should be held as pending for passage in the senate and not killed through infanticide of its parents, the city council.

The method adopted at the United States National is to make a loan of 90 per cent of the face value of the warrant, deducting its interest on the loan at the time it is made. Thus if a person has a \$100 warrant, he would receive \$90 less \$5.40 interest now, or (Turn to page 3, col. 8)

BANK DEBITS SHOW BUSINESS INCREASE

Judged by the volume of its bank debits, Salem's business increased 22 per cent last month over the same month in 1932. Bank debits in the community last month reported a volume of \$10,709,623 in bank debits. In November, 1932, the total was \$8,782,812.

The bank debits in November of this year exceeded those of any month during 1932 and were the second highest in 1933 for Salem.

These debit items — the total charges against accounts in Salem's three banks — are considered by the Babson service and others as an exceedingly accurate index of business unless additional factors are explained for the upturn included the general business revival in the country, the local Buy Now campaign, the augmenting of business by the special session and the generally higher prices now prevailing on commodities and retail lines.

BALLOTS SET AFIRE TO AVERT ELECTION

BATON ROUGE, La., Dec. 1. (AP)—In spite of the burning of ballots today at St. Francisville, Senator Huey P. Long announced tonight from his New Orleans headquarters that he would call a special election to name Mrs. Bolivar E. Kemp as sixth district representative would be held "fairly and honorably and the good manhood and womanhood will be protected in expressing their choice."

"This election will be held," declared Senator Long and he added, "I understand that ballots have been reprinted," for the West Feliciana parish election where citizens obtained the ballots today from the county clerk's office and burned them on the courthouse square.

About the time the senator was speaking, reports were received that other citizens in East Feliciana parish had broken into the clerk's office at Clinton and there also lit a torch to the ballots to be used next Tuesday in that parish; one of 12 parishes in the sixth district.

Poisoner of Four To Face Gallows

BENTON, Ark., Dec. 1. (AP)—Mark H. Shank, Akrop, O. attorney, late tonight was convicted of the poisoning murder of Alvin Colley, who with three other members of his family died near here in a picnic tragedy last August 15. Shank was being tried only on charges of murdering Colley. The verdict carries the death penalty.

CITY WARRANTS NOT CASHED BY ONE BANK HERE

U. S. National Making Loans While Others Continue To Redeem at Par

Cashing of Salem city warrants passed under a cloud yesterday when the United States National bank adopted the policy of making a loan on warrants presented rather than handing out the cash. No change was announced at Ladd and Bush which has been accepting the warrants at par. J. E. Roman, manager of the First National bank said his institution had the matter under consideration but was not ready to state what its policy would be.

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STATUS OF LIQUOR HERE NOT CERTAIN

Salem city officials are totally "up in the air" as to what the status of "hard" liquor and state liquor stores may be here in case the Knox plan of control, passed by the lower house of the legislature Friday, becomes law.

The state senate indicated probably the first at Klamath Falls, to determine the right of the various sections to control liquor as they see fit under the old home rule charters, are expected to reach the courts soon. Reports received here indicated Klamath Falls residents already are circulating petitions for the establishment of liquor stores in that center.

City Attorney Chris Kowitz believes Salem still is dry and will remain so until a vote of the people changes the law. He declined to say why other sections differ with this view, however, Kowitz reported. The entire proposition is a legal jumble which will not be (Turn to page 3, col. 4)

State Insurance Office Guarded; Probe Impending

BISMARCK, N. D., Dec. 1. (AP)—Three national guardsmen tonight were stationed at the state insurance department offices in the downtown district with orders to permit no one to enter or leave the place.

Governor William Langer said the men would remain on duty throughout the night. He declined to say why they were placed on guard, but it was learned from a reliable source that the move was to protect the department's records and prevent any possibility of tampering with the books during the night. It was reported an investigation was being made of the department.

Schools' Plight is Told At Legislative Hearing

Plight of the Milwaukee Union high school, which, according to a large citizen group, will be closed unless additional revenue is obtained, was pictured to the members of the taxation committee of the house at a hearing in the capitol last night.

The group of citizens, primarily seeking immediate relief from the financial predicament of the school, asked the enactment of a retail sales tax for the schools to assure the operation of the institutions in the state at least during the remainder of the school year.

The group was led by Fred H. Cottell, who reported the teachers in that district, as in many sections, were unable to pay the costs of living.

"We are urging the legislature to discover some method of revenue to assure the school district an income," Cottell reported. "We have a bond issue which we can

Knox Plan Favored by 50 to 10 Majority as All Amendments Fail

KLAMATH FALLS, Ore., Dec. 1. (AP)—Declaring that the Knox measure for state control of liquor, which passed the house of the Oregon legislature today in "a weird scheme of racketeering," Mayor W. E. Mahoney of Klamath Falls today issued a statement warning that this city will take "whatever steps are necessary under the law" to assume control of liquor when the repeal of the Eighteenth amendment is effected.

"We will stand on our constitutional rights," Mayor Mahoney stated. "We demand that the state keep its agents out of Klamath Falls and from meddling in our local affairs. If any attempt is made to set up a state liquor store in Klamath Falls, we will take any necessary steps under the law to prevent it."

The mayor declared that the home rule section of the state constitution is still in effect as regards liquor control.

The Oregon house of representatives, refusing to be swayed Friday from a final vote on the Knox liquor control plan, gave the bill enacting it hearty approval at 5 p. m., 50 members voting aye and 10 no.

Final vote on the measure, which now goes to the senate for consideration, came after a day-long debate, marked by the dogged determination of the lower house to get the measure off its calendar and senate - bound by night.

First the house refused, 41 to 19, to adopt the minority report of its alcoholic committee by which the sale of liquors, up to 22 per cent alcoholic in content, would have been allowed in hotels and restaurants.

Early Friday afternoon Representative Beckman, leading the fight for the plan, spiked unanimous consent amendments when he refused to allow Representative Nichols to strike out the advertising clause of H. B. 1.

Then the house membership rebuffed a prolonged debate on amendments by voting against going into committee of the whole to consider the bill.

The last proposed delay came when Representative Jerry Hall, urging that druggists, not the state, sell hard liquor, found his motion to go into committee of the whole ruled out of order.

All Members Vote: A crowded house gallery which had listened throughout the day heard the roll call. Every house member was present. Five representatives explained their votes.

For the Knox plan: Aye: Abrams, Beckman, Belton, Boat, Brockway, Childs, Chrisman, Clarke, Conner, Dammasch, Deleh, Dickson, Duerr, Eckley, Geisler, Graham, Herman, Herron, Hill, Horan, Huntington, Johnson, Judd, Keasy, Lang, Loneragan, Lynch, Martin, McAlear, McGorack, McPhillips, Miller, Oakes, Leon, Paulus, Price, Ryan, Scott, Semon, Smedecor, Snider, Staples, Taylor, Turner, Walker, Weatherford, Wells, Whislow, Wyers, Speaker Neill.

Against the Knox plan: Nay: Allen, Bennett, Gordon, Hall, Hilton, Lewis, McCloskey, Nichols, Paget, Stockdale.

The senate alcoholic committee will consider the K. B. H. bill Monday night, it announced Friday, and declared it would probably be ready to report within 24 hours from that time. Members of the senate committee sat in (Turn to page 3, col. 3)

World News at a Glance

(By the Associated Press)
Domestic:
DECATUR, Ala.—Herwood Patterson convicted in Scottsboro case, state penalty recommended.
WASHINGTON.—Hugh E. Johnson, NRA administrator, says if necessary he will "impose" labor regulations on telephone and aluminum industries.
WASHINGTON.—Nearly 1,250,000 jobless found work by November 25 under civil works program, says director in reply to Alfred E. Smith's criticism.
NEW YORK.—Waxey Gordon, New Jersey beer baron, convicted of income tax evasion and sentenced to 10 years imprisonment.
WASHINGTON.—Government plans to permit transportation of 4,000,000 gallons of foreign liquor in two months after repeal.
WASHINGTON.—RFC boosts gold price to \$34.01 an ounce; Roosevelt may answer monetary critics.
CHICAGO.—Arraignment of Earl Wymekoop on charge of being accessory in wife's murder continued to December 13.
Foreign:
BERLIN.—Hitler adds two trusted co-workers to cabinet as ministers without portfolio.
BELFAST.—Unionist party returns with clear majority in parliamentary election.
BERLIN.—Hitler tells national and state government not to interfere in church controversy.

BUY CHRISTMAS SEALS



Christmas Greetings

19 SHOPPING DAYS TO CHRISTMAS