EIGHTY-THIRD YEAR

Salem, Oregon, Thursday Morning, February 8, 1934

**Bond House Men Conferring** on Deal to Supply **Purchase Money** 

Bond Sale Would Enable City to Buy Plant, Start Pipeline

By SHELDON F. SACKETT A rising market for city bonds evidenced by a firm offer of San Francisco bond houses for a million dollar issue of Salem's obligations, coupled with possible refusal of PWA officials in Washington to continue to earmark a \$1,500,000 loan and grant for a water works project here, was known last night to be inclining city officials towards new negotiations for purchase of the Oregon-Washington Water Service company's plant here.

The proposed deal, still in the conference stage, would call for an immediate sale of city bonds, in an amount sufficient to tender the water corporation \$950,000 in cash for its plant. Concurrent with the purchase the city would seek a contract with PWA whereby 70% of the money needed to construct a line to the little north fork of the Santiam would be borrowed and the remaining 30% would be an outright grant to the city.

Attorneys for the San Francisco bond houses interested in Salem's securities were known to have been in Salem several days this week, conferring with Mayor Douglas McKay and members of the utilities committee of the council as well as Ed Rostein, chairman of the city's water commission. These spokesmen reportfered for Salem's 5% bonds was 87% of their par value and then | ane. for very limited amounts of the securities. The bond houses now talk a price of 90 for mediumtermed 5% bonds of the city, saleable at once in sufficient quantity to provide Salem with \$950,-000 cash for acquiring the water company's plant.

In exploring the new alternative to acquiring the local plant by condemnation - a procedure already under way in the courts here and the federal court in Portland-city officials have debated the possible loss to Salem if court procedure would drag out so long that PWA would refuse longer to earmark funds it has already approved for the construction of the water pipe line to the mountains. Secretary Ickes has already turned back into PWA general, unallocated funds, some \$30,000,000 in projects where cities have not acted promptly to provide their part of the con-

Attorneys here vary in their estimates of the time needed to acquire the local plant by condemnation. Some think the plant could be acquired through the pending suit, with all appeals settled, by fall. Others opine that delays in the circuit court, and appeals to the state supreme court, with possible federal court litigation and United States supreme court appeal, might keep the condemnation litigation unsettled for 18 months. In that period PWA funds would be lost, it (Turn to page 2, col. 3)

## HARDWARE MEN IN **NEW ORGANIZATION**

PORTLAND, Ore., Feb. 7 .- (P)-The North Coast Hardware & Implement Dealers' association was organized here today and C. J. Jennings of Tacoma named presi-

The organization was effected through extension of the Oregon Retail Hardware & Implement Dealers' association, here for its 28th annual meeting. The new organization includes Oregon and western Washington.

Other officers elected were: A. Quackenbush of Eugene and M. D. Hamsberry of Seattle, first and second vice-presidents; and the following board of directors: F. A. Ernst of Seattle, D. B. Chown of Portland, George E. Allen of Salem, Ray Cavanaugh of Auburn, Wash., E. P. Lewis of of Vancouver, Wash., Richard Fendall of Forest Grove, Ore., and Roland Hubbard of Medford,

Irwin E. Douglas, of the National Retail Hardware association. Indianapolis, was at the meetings here. He will leave Friday to attend the northern California hardware meeting in San Francisco February 13 to 15, and will attend a similar Los Angeles Perkins who, while serving a term expulsion order for, they said,

Speakers during the morning session cautioned merchants to 'watch your credits," push collections, and to beware of longterm contracts.

### PARISIANS RIOT IN PLACE DE LA CONCORDE



Here is an exceptional view of the Place de la Concorde in Paris, scene of bloody rioting which has continued this week. The mob of 100,000 shown here filled the Place on a war anniversary celebration. This throng is calm however compared with the mobs filling the square this week. The Place de la Concorde was the scene of the guillotining of Louis XVI in October, 1793, and Marie Antoinette. Key to Picture—(1) Hotel Crillen, in which many government effices are housed. Many of the more seriously injured were taken here. (2) Cafe Weber, in Rue Royale. Indicated by aw nings. The Church of the Madeleins is less than a block further down the Rue Royale. The cafe is a famed rendervous of gou rmands. (3) Champs Elysees, leading into the Place de la Concorde. (4) French Ministry of Marine, which the med twice a ttempted to destroy by fire. (5) Rue Rivoli, entering the Place de la Concorde, opposite the Champs Elysees. (6) Egyptian ob clisk in center of Place de la Concorde, near spot where Louis XVI and his queen, Marie Antoinette, were guillotined in Oct ober, 1793. (7) The famed Tuilleries Gardens, within a few yards from right center. (8) Place de la Concorde, from the foreground of which the great mob sought to storm the police and soldiers guarding the Pont de la Concorde over the Sei ne leading to the Chamber of Deputies.

## ARMY CONTRACTS NOW UNDER FIRE

Half of Washington Busy Investigating Other Half; **Woodring on Carpet** 

WASHINGTON, Feb. 7. (AP)-Army contracts furnished the fuel ed that the bond market is firmer | today for two burning inquiries, and higher than a few months one of them threatening to send ago when the highest prices of- a flame toward two persons high in the ranks of organized veter-

Names were not immediately disclosed, but from sources that had every reason to know what they were talking about came word that the district attorney would seek indictments against three persons in the pending grand jury investigation.

President Roosevelt disclosed that the inquiries he had offered were not restricted to affairs of sity. this administration but went back

into old contracts. The growing investigation trend bade fair to progress to the point where half of Washington would be investigating the other half. Already inquiries pending and proposed call for studies of codes and code formulation, surplus crop buying, electric appliance financing, corn and cotton loans, slum clearance, air mail contracts, airplane equipment contracts, civil works graft charges, cément bids, and a wide va-

riety of other topics. The inquiries under way brought to senate and house com-(Turn to page 2, col. 7)

## USE OF LUMBER

PORTLAND, Ore., Feb. 7 .- (AP) -Action calculated to help Oregon's lumber industry was taken by the Retail Merchants association of Portland at a meeting here tonight.

The association requested the chamber of commerce to urge the chemistry departments of Oregon State college and the University On U of W Campus of Oregon to study uses for waste timber and lumber, with a view to establishing new pay rolls.

E. N. Weinbaum, vice-president of the National Association of Retail Secretaries, told of another case where lumber was being substituted. He said government engineers have eliminated wood in favor of steel in plans submitted for the abolishment of slum districts in New York and Cleveland.

#### Intercept Trio On Robbery Job

Three men and a woman who, according to the woman, were en route to Klamath Falls to rob an ice cream concern there, were arrested by officers here Wednesday on a vagrancy charge. They gave Marshfield, W. J. McKenzie of their names as Harry Brady, R. R. Goldendale, Wash., J. G. Bennett Vann, Al Kidder and Ruth Harvey. The men denied the woman's

Kidder told the officers that he was bringing the party as far as Salem in his car. Brady said he was en route to California while assaulting a civil guard were re-Vann declared that he was on his

a job.

The Harvey woman was said to be the ex-wife of a man named events, but concerned about the fatal to Mrs. Sally Juniper, 22, of meeting the following week, he in the Marion county jail in they are anxious to make Palma March

hart. Sheriff A. C. Burk said the four pleaded guilty in justice court and were serving out fines of \$20 each in the county jail.

#### High Debaters Divide Honors In Two Debates

Salem high school debaters lost one debate and won another in the first debate of the interscholastic season. The Salem negative, composed of "Billy" McReynolds and Martha Robertson defeated the Lebanon affirmative at Lebanon, and the Albany negative defeated the Salem affirmative, receiving a two to one decision over the local talkers. Ted Smith and Frances Field were the Salem affirmative in last nights' contests. This is the first of a series of

debates sponsored by the Oregon High School Debating league on the subject "Resolved: That the United States should adopt the essential features of the British system of radio control." The Salem team was coached by Shannon Hogue, of the local high school faculty. Judges were Dick Lucke, Garfield Barnett and Ross the justice department to make Knotts, all of Willamette univer-

# RIOT IN NEW YORK

NEW YORK, Feb. 7.-(AP)-All available police patrol cars and emergency squads, with Commissioner John F. O'Ryan, personally in command, were called out tonight to deal with a mob of some 500 striking taxicab drivers any sympathizers who marched down Broadway wrecking taxis as they went.

The mob damaged cabs by the dozen and hurled missiles through the windows, showering passengers with broken glass in many

Commissioner O'Ryan, a major general in the World war, viewed the disorder from an automobile with other high police officials. Turning to his aides, he ordered: "Get those men into a side street, surround them and lock them up."

## Block Dope Ring

SEATTLE, Feb. 7-(AP)-Chief of Detectives Luke S. May announced tonight that eight University of Washington students had secretly supplied officers today with information of a narcotics "ring" on the campus. Later two men

were arrested. May said that he was also ad vised that tyo "farms" on which a habit-forming drug was grown were being operated near Seattle. He believed sales on the campus, however, had been blocked before they had become more than a

"fad." Those arrested were R. Martine, 53, a Mexican, and A. Couldron, 38.

### Order Americans To Leave Island

PALMA, Mallorca, Feb. 7.-(A) Four Americans sentenced to six months and a day in prison for leased today on condition that way to Klamath Falls in quest of they leave this Spanish island. They immediately went to their homes, happy at the turn of

> their home The Americans are Mr. and Mrs. Clinton B. Lockwood of West Springfield, Mass., Roger F. Mead of New York and Edmund A. Last fall Rosenberg was acquitBlodgett of Stamford, Conn. ted of a similar charge in connecCrawford took under advisement, as ingenuity could make them.

### Hoss Rites At 2 O'clock State House

The hall of representatives at the capitol will be the scene for the funeral services for the late Hal E. Hoss, secretary of state, at 2 o'clock this afternoon. The family of Mr. Hoss made the change ments in order to accommodate friends who wished to attend the services and would be unable to find room elsewhere. The services will be in charge of the Christian

Science church. The body will lie in state at the capitol from 10:30 a. m. today until the hour of the services. Interment will be at Belcrest Memorial park.

The Salem Cherrian band and state and city police will escort the funeral procession from the statehouse to the park. State ofthe afternoon.

Desks in the hall of represenfor the room.

Messages of condolence were received at the Hoss home here an election race. yesterday from all parts of the

Business Men's League Endorses Move for Horse Racing Here

A seven to 11-day horse racing meet for Salem late this spring was endorsed last night by directors of the Salem Business Men's league at their regular monthly meeting at the chamber of com-

The event, as outlined by Max Gehlbar, state fair director, and Alderman V. E. Kuhn yester- James Smith, secretary of the state racing commission, would bring to Salem some of the best horses on the coast. If held, the meet would probably be at night with pari-mutuel betting carried

George Arbuckle, Cherrian king bing, expressed himself as dates, Arthur Girod for the fifth heartily in favor of the idea which ward and Merrill D. Ohling for will be submitted fermally to the the seventh ward, also filed their Cherrians at their meeting next notices of candidacy yesterday week. If undertaken, the spring and Alderman David O'Hara was racing project would be a Cherpreparing to file for re-election rian undertaking, this organizafrom the fifth. Girod promises tion giving publicity and general an "honest, economical and effimanagement to the event. cient administration of city af-

H. H. Olinger said he thought fairs" in his ballot statement. Ohthe proposal meritorious. He conling's notice bore no official statecurred with Mr. Gehlhar in the Kuhn, now serving his fifth statement that the Lone Oak year as a council member, detrack was one of the best on the clared he felt that "whoever the coast and should be used more mayor may be, he should be fathan one week a year. Senator J. N. McFadden of Cormiliar with conditions in Salem

and prepared to make a practical vallis, was represented to be in application of the managerial hearty accord with the project and willing to send a string of horses If he is elected he will put forth every possible effort to that end,

After being appointed to the ful horse race promoter of Moncouncil to complete the unexpired probably could be secured to aid in putting on the event.

Howard Hulsey, president of the league, had charge of the gathering which was well at-

### BREMER STILL MISSING

Julius L. Meier is looked for late ST. PAUL, Feb. 7.-(AP)-The law today or early Friday. The prompt and the Bremer kidnap gang still appointment is necessitated, it marked time today as the baffling was stated yesterday at the gov- mystery dragged through its 22nd ernor's office, due to the virtual day. Police activity was shackled cessation of work in the secretary by the latest word of Adolph Breof state's office because no mat- mer, father of Edward, seized Janters require the signature of the uary 17 for \$200,000 ransom, in offering one more day for the secretary can be legally attended to. Scores of telegrams urging gang to communicate with the family without fear of outside incertain appointments came to the terference.

# regon

office during yesterday.

ALDERMAN KUHN

FILES FOR MAYOR

Arthur Girod and Merrill

Ohling to Seek Posts

on Council

day became the first man to file

his declaration of candidacy for

mayor. In doing so he stated

that he was motivated by a desire

to assist further in the establish-

ment of a managerial form of gov-

Two more aldermanic candi-

form to our particular situation."

(Turn to page 2, col. 3)

Expected Today

Appointment of a successor to

the late Hal E. Hoss by Governor

Hoss Successor

ernment in Salem.

Kuhn added.

Seek Milk Price Injunction Held For Manslaughter Gets Between Cars Merger Plan Approved

SEEK MILK INJUNCTION

PORTLAND, Ore., Feb. 7.-(AP) Thomas A. Sweeney, chairman of the Portland milk consumers' committee, today asked the city council to seek an injunction against the Oregon milk control board's price-fixing orders which he said were issued illegally.

In an open letter Sweeney asked that the injunction be obtained "in the name of the 300,000 milk consumers in Portland" restraining the board from establishing prices and designating the limits of milk sheds.

Sweeney said his committee had never been granted an audience by the milk control board, though repeated attempts to get a hearing has been made.

HELD FOR MANSLAUGHTER ASTORIA, Ore., Feb. 7 .- (AP)-C. C. C. Rosenberg, 70, Astoria. was arrested today on manslaughter charges arising from an alleged illegal operation which proved

The complaint alleges that Mrs. funiper died from blood poison ing resulting from an illegal op- submitted to the state corporaeration performed on her by Ros-

tion with the death of a woman adding: residing at Hammond, Ore., he denied operating on the woman. Rosenberg was placed in county jail tonight in lieu of \$2000 bail.

GETS BETWEEN CARS PORTLAND, Ore., Feb. 7.-(AP) -Mrs. R. P. Gilliland, 60, narrowly escaped death when caught between two streetcars moving in opposite directions here last night.

apparently became confused when dodging an automobile and stepped back between the cars. At a hospital she was treated for head lacerations and shock. MERGER PLAN APPROVED

Witness told investigators she

PORTLAND, Ore., Feb. 7.-(AP) Almost unanimous approval of the merger plan for six Portland Savings and Loan associations was voiced by shareholders who attended the hearing in circuit court here today. However attorneys representing

groups of shareholders in the Naasked 30 days to evolve a liquid- lounging, and made up in a varition commissioner.

from first-announced arrange- Fear to Start Courthouse Job as Money Uncertain

> Cannot Complete Work Before May 1; Await More Information

Marion county officials came fices will be closed throughout home from Portland late Wednesday in deep quandary over the correct procedure regarding the tatives chamber had been re- proposed courthouse remodeling moved last night to make avail- project. The problem is as vexing able a greater seating capacity and as difficult to solve as how much to venture on a poker hand or whether to toss one's hat into

The specific dilemma before the county, hinges on the date of May 1, 1934: will CWA relief work continue after that time or will the pending appropriation in congress be utilized only until mid-spring for CWA projects?

The committee which went to Portland - Commissioners Smith and Melson, J. N. Chambers, relief chairman, Cuyler Van Patten, architect and builder, and Hedda Swart, engineer — returned assured that CWA officials at the state office favor the courthouse project and the committee is practically certain that funds will be blocked off in the new state allotment, to run the job up to May 1.

But after that date, no one at state headquarters, or perhaps, at national CWA headquarters, knows what will happen. The proposed remodeling of

the courthouse as now planned, calls for a total estimated expenditure of \$150,000, of which \$80,-000 would go for labor and \$70,-000 for materials. Tentative asthe full labor grant of \$80,000provided the time limit did not intervene-and at least 25% of the material costs. This would mean Marion county would pay slightly more than \$50,000 to secure a \$150,000 face-lifting job on its courthouse.

The hitch in the plan is the time limit. With two CWA shifts (Turn to page 2, col. 1)

# CODE PRICE-FIXING

WASHINGTON, Feb. 7. - (AP) -Senator Borah tonight called the prices industry is charging under Lars Bergsvik told the directors | NRA codes "legalized robbery" that J. Bert Clements, a success- and asserted if the anti-trust laws were not restored to protect contana, was likewise interested and sumers and small businesses from 'rapacious charges of combines and monopolies' the whole recovery program would fail.

Taking his anti-monopoly campaign to the nation through a radio address, the Idaho republican independent told of receiving thousands of letters of protestsometimes 300 a day - against high prices and destruction of independents in business, and ad-

"Any scheme which does not protect the individual citizen from unjust charges and prices, which justice, and which fails to give small and independent business a fair chance in the struggle for existence is a libel upon government, a travesty upon justice and a brutal, indefensible system, regardless of whether you call it new freedom, old freedom, rugged individualism, or planned indus-

trialism. ..."
"What is the use to kill pigs and reduce acreage if the harvester combine, the packers and the major oil companies can put up prices so as to grab off to themselves all the benefits?" he asked,

"Until we can increase the purchasing power of the masses, until they can buy more, not less as they are doing now, until they can make some savings, there can be no permanent prosperity. Prices should be kept down within reason and the price of labor raised and unemployment decreased."

### Stylists are Long on Shorts

SAN FRANCISCO, Feb. 7.-(AP) Shorts have come to the feminne wardrobe to stay, style exhibitors asserted here today at the apparel show held in connection with market week.

New models paraded today car ried some concessions, however, to the modest misses who were a little timid about last year's ab- overthrown, or other such events. breviated sportswear. Some were bottom cuffs, designed for alltional Savings & Loan association around sports use and beach- channels.

### Robbed, \$150,000



Harold J. Anderson (top), teller at the Pennsgrove (N. J.) National Bank, and William Waddington (lower), bank messenger, who were held up while en route from Pennsgrove post office to the bank and robbed of a \$150,000 payroll. Other employes of the bank looked on, too excited to act.

# LAUNCH CAMPAIGN

Seek to Raise \$5000 to Avert Bond Foreclosure on General Hospital

An immediate campaign to bond obligations of the Salem Doumergue to save the precarious General hospital was decided upon situation. at a public meeting held Wednessurances from state CWA heads day night at the chamber of comindicate the county could obtain merce here. A determination was evidenced by speakers at the meeting that the hospital should be retained as a general com-

George Putnam of the Capital Journal made the motion calling for the appointment of a committee of five to conduct the drive for funds and said he would pledge \$250 personally to the \$5,-000 quota. William H. Dancy. president of the hospital board and chairman at the meeting, said he would select his committee today after consultation with the

hospital board Citizens at the meeting, 75 in number, were told that the trustee for the bondholders would not wait many days more before instigating foreclosure procedures to protect the holders of the hos pital's bonds. Joseph Albert said that while legal action against the hospital was imminent, he did not consider the institution by any means insolvent, its 1933 operating statement showing it had more than met its current expenses but had been unable, due to bad collections, to secure funds for interest payments. He said he thought it likely that a threeyear moratorium on the payment of bond principal could be se-

As soon as delinquent interest can be met, the hospital can secure the services for six months (Turn to page 2, col. 2)

# FRANCE APPLIES

PARIS, Feb. 7 .- (AP)-The censor, with wartime fervor, tried today to keep the world from reading accurate descriptions of riots and news of the cabinet's resignation.

While he and his assistant held up thousands of words in cablegrams the government-owned telephone lines were kept in constant use by correspondents carrying the same dispatches to all countries. All operators, even of all the

American cable companies, were supervised by government agents who must see every dispatch. When in doubt his duty is to refer to a superior at a distant headquarters. When the censor holds up a dis-

is required to maintain secrecy and thus the sender may never know whether the dispatch was halted Mistakes sometimes occur because the censor's knowledge of

patch, the transmitting company

languages is often sketchy. He occasionally passes cablegrams which he should have stopped and stops innocent messages. Censorship in France is severe

only occasionally, when a statesman is assassinated, a cabinet and usually only long enough for knee-length, loose fitting, with news to be confirmed officially through leisurely bureaucratic

Periodically the foreign ministies" were not forgotten, how- will be applied. His order remains This terminated hearing on the ever. There were snug-fitting, effective only until the censor and to "spellbinding" and "mob

No. 273

Former President Domergue Called to Head Ministry Upon Withdrawal of Premier Daladier

Expéct Decree Dissolving Parliament; Left Parties Protest Threat of Fascism With Demonstrations

By ALEXANDER H. UHL Copyright, 1934, by The Associ-

ated Press PARIS, Feb. 7-Terror struck at the heart of Paris the second time tonight as savage rioting raged in the Champs Elysees, the Rue Royale, and streets leading

to the presidential palace. Two persons died of their injuries in a hospital, bringing the total known dead to 12.

Two hundred were injured, at least 25 seriously some of them from bullet wounds during the second night of riots, but the insurrectionary disorders appeared to be under control. Premier Edouard Daladier step-

ped out as a result of Tuesday's bloody fighting, and President Alraise \$5000 in Salem with which bert Lebrun immediately called to pay delinquent interest on the beloved 70-year-old Gaston The withdrawal of Daladier's

ministry failed to calm the hotheads. Battles, more violent than those before, swept the spacious not go by foreclosure into the Place de la Concorde this evening hands of bondholders but should as mounted guards, their sabers drawn, charged repeatedly into the surging throngs. M. Lebrun was understood to

have prepared a decree by which Doumergue could dissolve parliament and call new elections to still the mobs' ominous cries of "thieves" and "assassins!" directed at the government. Communists went on a rampage near the American section of

the Place de L'etoile, where France's unknown soldier lies, and cut electric and telephone wires. The French labor federation. disgruntled at the turn of events announced a 24-hour general

strike for Monday in protest against the "menace of fascism." Socialists announced they planned a huge demonstration against a "fascist threat to liberty." They regard the resignation of the Daladier government as a desertion

and a surrender to reactionaries. They sought communist support for demonstrations in conjunction with the general strike Monday and asked the confederation to advance the date of that manifestation. The socialists' protest was

scheduled to start from the Place de la Bastille, fall of which marked the beginning of the French revolution.

Running pistol battles, meanwhile, broke out near the Madeleine church between police, communists and hoodlums at 16:30

Six barricades had been built along the Boulevard Des Capucines. Three mobs set fire to all the newspaper vending places from the opera house to the Madeleine, and smashed store windows. Just a few minutes previously

the streets near the Elysee palace were swept by savage pistol fire. Scores of persons were wounded in that vicinity. (Turn to page 2, col. 1)

### Corvallis Pulls A Roscoe Nelson On NRA Speaker

PORTLAND, Ore., Feb. 7-(P)-Dr. Frederick Vining Fisher of Washington, D. C., field agent for the NRA, will not enter into "controversy" with three Eus ne clergymen who criticised his technique," he told the Associated Press tonight.

"I am in too big a work to enter into any controversy." Fisher said. "I have made similar speeches in 27 states to approximately 200,000 persons, and

have met with fine response." Fisher said the Corvallis high school, where he spoke this morning, put on the finest patriotic demonstration he had seen anywhere in the United States. He said he found Corvallis "very patriotic," both at the high school and at a business men's

club he addressed at noon. Three Eugene ministers in an . Those who liked the "brevi- that censorship thereafter never movement being made synonymous with the religion of Christ"