

### VACATION TIME

Have The Statesman follow you while on your vacation; mailed to any address two weeks, only 25 cents. Call 9101.

### EIGHTY-FOURTH YEAR

## STATE WARNED IT MUST SHARE IN RELIEF TASK

### Hopkins Wires That Oregon is Expected to Defray Its Share of Cost

### Liquor Receipts Intended for That Purpose Far From Sufficient

By SHELDON F. SACKETT  
The state of Oregon yesterday was squarely up against the problem it faced last fall—and never solved—the problem of how to raise funds to satisfy the federal relief administration that this state was doing its limit in handling the problem of relief in Oregon.

The challenge came in the form of a telegram from Harry L. Hopkins, relief administrator, to Governor Meier. The message read: "I wish at this time to make it perfectly clear that this administration does not feel that it should carry the entire cost of unemployment relief for state of Oregon and I must insist that satisfactory arrangements to this administration must be worked out immediately whereby state of Oregon will defray its fair share of cost of unemployment relief in Oregon. I am prepared to continue present arrangements for a reasonable time until you can have opportunity to work out these arrangements but in no case do I feel that this should be longer than August 1 of this year."

### Withdrawal Warning Issued Last Fall

Threat of federal government withdrawal from the relief field was made in Oregon last fall but the actual withdrawal never materialized. Governor Meier at that time assembled a statewide committee to recommend how to meet the problem. The committee estimated the sum to be raised annually in Oregon from \$3,000,000 to \$15,000,000.

At the second special session of the legislature \$3,000,000 for relief was appropriated out of the first net receipts from liquor taxes and sales but to date only \$44,000 of this has been forwarded to the state relief committee and none of this has been used.

Federal government relief expenditures in Oregon since CWA was completed have run from \$600,000 to \$800,000 a month and relief officials said yesterday that there was no apparent letup in demand.

The federal relief agency has suggested that one-third of the moneys spent here each month be provided by the state.

Oregon has no direct arrangement with the federal government for relief funds, the governor's office declared yesterday. Each month a requisition is sent to relief headquarters at Washington and the request for funds is honored.

Relief officials in Oregon declare that unemployment is continuing and that this fall and winter heavy demands will be made on relief funds to continue to aid needy families.

While SERA work is being carried on, relief officials say this is not much more expensive than direct relief since minimum living budgets of \$24 to \$36 a family are set and these budgets are provided for each month with work in that amount.

Over Five Millions Provided Last Year  
Figures available at the statehouse show that the federal government provided the large sum of \$5,196,000 for relief in Oregon in the period ending November 10, 1933. Since that time CWA expenditures in Oregon have run to almost \$5,000,000 while expenditures for direct relief during and after the period of CWA have run to almost as much.

The state's contribution to relief throughout the depression has been virtually nothing. From January 1, 1933, to October 31, 1933, (Turn to page 2, col. 1)

## GATES REELECTED GRAND ARMY HEAD

ASTORIA, Ore., June 20.—(AP)—Re-elected department commander H. V. Gates of Hillsboro remained in command as the Grand Army of the Republic continued its annual convention here tonight.

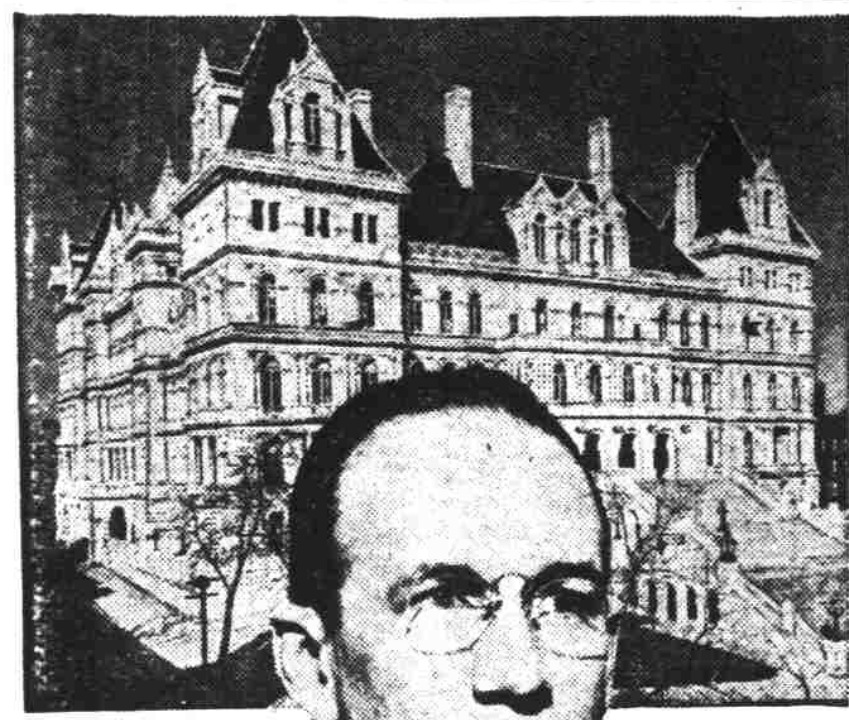
Other officers named included Joseph Ridge of Portland, senior vice-commander; George Kaiser of Portland, junior vice-commander; George Prentiss of Portland, chaplain; and J. W. Jones of Portland, medical director.

Immediate action was not taken on Albany's invitation that the 1935 convention be held there.

The annual "campfire," warm in fellowship, was held tonight by the Union veterans and all affiliated groups. Colonel Martin made the principal address.

Installation of officers and routine business will mark the closing sessions tomorrow.

## "New Deal" Republican Arises as Potential Leader of Party



State capitol, Albany

W. Kingsland Macy

W. Kingsland Macy, whose forbears sailed the Nantucket waters in whaling ships and who, a Harvard graduate, has risen to become New York state republican chairman, is typical of the "young" republicans who dare to criticize past leadership. Because of his insistence on political ideals he is looked to as one of the strong hopes of republicanism in the east for reunion with the progressives of the west.

## OWNERSHIP LEAGUE REVISES ITS PLANS

### Half Million Bond Sale is Favored; Arbitration Parley Date Set

While city officials were preparing to confer with E. C. Elliott, Oregon-Washington Water Service company president, June 25 relative to agreeing on arbitration on the price of the company's water plant, the Salem Public Ownership league last night revised its advice to the council by passing a resolution asking that \$500,000 worth of water bonds be advertised for sale immediately. Originally the league had urged the council to sell \$1,000,000 in water bonds.

Proceeds of sale of bonds in the latest suggestion would be used for pipeline construction from the Little North Fork, Santiam river, (Turn to page 2, col. 5)

## GERSHKOVITCH HEAD OF SYMPHONY AGAIN

Jacques Gerskovitch of Portland has been re-elected as conductor of the Philharmonic orchestra for the coming year. The board of directors at a meeting last week voted in favor of employing him for his third year; and Mr. Gerskovitch came to Salem yesterday and signed the contract covering the engagement.

Three concerts are planned for the season of 1934-1935. Orchestra practice will begin about October 1 and will close with the final concert about April 1. This will be the third season for Mr. Gerskovitch in Salem, but he has been conductor of the Portland Junior Symphony orchestra for many years.

"I have already selected the material for our first concert in the fall," said the director yesterday. "Our first program will consist of lighter selections which I believe will prove very popular."

## Call for Independents to Meet Here Monday Issued

Formal call for a state-wide assembly to be held in the hall of representatives in the statehouse here Monday at 10:30 a. m., to nominate an independent candidate for governor at the general election in November, was issued Wednesday. The call was signed by L. H. McBee, Dallas; Cecile Wiegand and Warren Gray, Salem; George Hessler, Dayton; and J. L. Steinback, Tillamook. McBee is a prominent member of the Farmers union.

The invitations, which entitle the recipients to voting privileges on the floor of the assembly, were placed in the mails Wednesday night. Sponsors of the assembly said approximately 300 delegates would attend and that virtually every section of the state would be represented. The activities of the assembly will be limited to the selection of an independent candidate for governor and other

offices to be filled at the general election will not be discussed.

The first action of the assembly will be the selection of a temporary chairman. This will be followed by the election of permanent officers and the appointment of several committees. Morton Tompkins of Yamhill county was mentioned prominently here Wednesday in connection with the office of permanent chairman.

Tompkins is an active worker in the Oregon state grange and previously served several terms in the state legislature. The important state legislators will include those on credentials, rules and resolutions. Who will give the keynote address of the assembly had not been determined tonight, members of the committee asserted.

Reports current Wednesday indicated that Peter Zimmerman, state senator from Yamhill county, (Turn to page 2, col. 1)

## OAKLAND BANK BANDIT HANDED QUICK JUSTICE

### Enters Prison Here Within 9 Hours After Holdup for 20-Year Term

### Assistant Cashier Pursues Robber and Forces Him to Abandon Auto

ROSEBURG, Ore., June 20.—(AP)—Just 4½ hours after he walked into the E. G. Young & Co. bank at Oakland, Ore., flourishing a pistol, today, Stanley Rayson, about 25, was on his way to begin serving a 20-year sentence in the Oregon penitentiary at Salem.

Rayson surrendered to a posse that surrounded him at the south approach of Rice hill, six miles north of Oakland on the Pacific highway, two hours after the hold-up, in which he obtained \$1881 in currency. All the loot was recovered.

He was brought to Roseburg and sentenced by Circuit Judge B. L. Eddy after pleading guilty. Rayson fainted as sentence was pronounced.

Rayson walked into the Oakland bank at noon and held up Earl Garrison, assistant cashier, who was in the cashier's cage. He forced Garrison to lie on the floor and the bandit was leaving, T. B. Garrison, cashier of the bank, came into the bank room from a wash-room at the rear. He, too, was forced to lie on the floor and was bound with a rope.

Rayson then ran to the street and climbed into a stolen car, which he had left with the motor running. Earl Garrison freed himself almost immediately and fired three shots at the fleeing Rayson, none of which took effect. Garrison then ran into the highway and commanded a passing car, with which he chased Rayson to Rice hill, where the fugitive abandoned his car and ran into a thicket. Other Oakland residents arrived a few minutes later and surrounded the fugitive, who surrendered without a battle when possessed (Turn to page 2, col. 5)

## LUMBER CUT QUOTA REDUCTION DRASTIC

### WASHINGTON, June 20.—(AP)—Drastically curtailing production, the lumber code authority today limited output of the lumbering industry for the third quarter of 1934 to 3,845,000,000 board feet, a reduction of 705,000,000 feet or 15.5 per cent below the allotments for the current quarter.

The allocation of quotas was as follows: Cypress division 35,000,000 feet; northeastern division 72,000,000; Appalachian group 16,000,000; northern hemlock division 64,000,000; northern pine division 32,000,000; Redwood division 88,000,000; southern pine division 1,100,000,000; west coast division 633,000,000; Tillamook burn area 40,000,000.

The 40,000,000 feet allocation to the Tillamook burn area was given in all but reference to a portion of the great Douglas fir stand which was killed by fire in Oregon last summer.

The log quota for the west coast logging and lumber division was fixed at 1,119,000,000 feet for all purposes.

## CELEBRATION PLAN LEADERS SELECTED

The American Legion July 4 celebration committee last night named a committee to conduct the children's sports program which will be conducted following the morning flag raising and address by General U. G. McAlexander. Committee members are H. V. Collins, Leslie Wadsworth, Walter Zosel, Dr. George Vehrs, R. B. Boardman, Harry W. Scott, Joseph Pound, R. S. Keene, Clifford Parker, Gilbert Ward, Phil Bell and Jack Nash.

The sports program will consist of a briquette rolling race, two sack races, a barrel race, shoe race and free-for-all pig-chasing contest, three bicycle races, four foot races and four stunt races.

Wadsworth, Scott, Quisenberry and Parker were delegated to collect the prizes.

## Macon Back at Sunnyside Base

SUNNYSIDE, Calif., June 20.—(AP)—The United States navy dirigible Macon moored at its base here at 7:20 o'clock tonight after a training cruise over northern California and Oregon.

## Holiday Boat Wrecked and Three Killed

### HAUGESUND, Norway, June 20.—(AP)—Three women died in their lives today when the 14,000-ton German liner Dresden, carrying 1,000 Nazi holiday passengers, struck a rock in a fjord near here.

The bodies were brought to Stavanger aboard the rescue vessel King Harald which took off 700 of the Dresden's passengers after racing to the scene in response to SOS calls.

Fears were expressed that there may be others missing, but nothing definite could be learned until the next sessions. Reports from the survivors and crew have been checked.

With a gaping hole in her port bow, the Dresden was beached after the crash in a small bay on Karmoy Island, where the other passengers and crew were taken off.

Some of those rescued said two lifeboats capsized, one by breakage of her lowering gear and the other by running too near the vessel's screw.

## POMONA HEARS OF GRANGE PROJECTS

### No Resolutions at Turner Meeting; State Bank Plan Emphasized

Marion county Pomona grange, meeting yesterday at Turner, gave no attention to political matters as such and no mention of the move for an independent candidate for governor was made in the day's sessions. Reports from the state grange convention just closed at Roseburg and discussions of the state banking movement which the grange is sponsoring occupied most of the day. The next Pomona meeting will be held at Ankeny in October.

Report was made at yesterday's meeting that the cooperative gasoline movement for dirt farmers has been assured and that Idaho, Washington and Oregon will unite for this venture. The grange is sponsoring the cooperative for assistance to farmers, whether grange members or not. Full details of the application in this section have not been announced.

Unusual for a Pomona grange session was the fact that no resolutions were reported during the day.

Ray Gill, state grange master, was present to report upon the state grange session and progress of the state bank petitions. He emphasized that the petition movement must continue strong. Peter Zimmerman of Yamhill county and George Palmer, members with Gill of the state executive committee, also spoke. Dr. Albert Slaughter, Portland, former master of Salem grange, spoke at some length upon cooperation, newly adopted alumni of the state grange.

J. O. Farr of Ankeny grange is master of Pomona and Mrs. Anna Hadley of Silverton Hills is secretary. Pomona yesterday appointed Mrs. W. S. Krenz of Union Hills grange as correspondent.

## BRAINS DEFENDED IN TALK BY F. R.

NEW HAVEN, Conn., June 20.—(AP)—President Roosevelt struck back today both at critics of congress and of the "brain trust" and told his newly adopted alumni of Yale university that the use of brains in government will be continued.

"After all," said the president, "we are, whether we like it or not, living in a democracy. I like it. We are going to continue to live in a democracy."

The graduates of Yale, who had heard some light reference to congress in the course of the commencement exercises at which Mr. Roosevelt was given an honorary degree of doctor of law, applauded the presidential declaration.

Congress, he said, represents a "better cross section of opinion" than the viewpoint of any single group, educated or otherwise.

"While there has been a certain amount of comment about the use of brains in the national government," he remarked, "it seems to be a pretty good practice—a practice which will continue."

## Late Sports

LOS ANGELES, June 20.—(AP)—Seattle and Los Angeles battled for 16 innings and until nearly midnight tonight before the Angels punched across the winning run to take the game 4 to 3.

The contest started as a pitcher's duel between Howard Craghead and Fay Thomas. No runs were scored until the sixth when Lahman beat out a punt.

Seattle . . . . . 3 12 0  
Los Angeles . . . . . 4 6 1  
Craghead, Radonits and Bottarini; Thomas, Henshaw and G. Campbell.

## UNLOAD TANKER IN DEFIANCE OF DOCK PICKETING

### With 150 Armed Police on Job, Strikers Make No Move to Prevent

### Crowd Seeks to Intimidate Special Police Recruits but is Dispersed

PORTLAND, Ore., June 20.—(AP)—Under a guard of 150 police regulars, the motor tanker Lio of the General Petroleum company, manned by a non-union crew, today began unloading a 3,000,000 gallon cargo of gasoline at the company's dock near here.

Small groups of strikers, both longshoremen and sailors, gathered to watch the company dock during the morning, but when the tanker arrived at noon, few were present. A picket boat tried to approach the tanker as it pulled in, but was driven away by a harbor patrol boat. The picket boat crew shouted warnings to the Lio's crew to leave the ship.

The only other activity of the strikers consisted of warning a truck driver that he "had better not leave the plant." The driver returned to confer with officials. There was no violence at the dock.

Meanwhile, a crowd estimated variously at 200 to 500 men gathered at the downtown police headquarters, supposedly with the intention of intimidating special policemen who were being recruited. A small force of regulars dispersed the crowd, making only one arrest for loitering.

Albert E. Horn, Jr., Oregon manager for the General Petroleum company, said late today his company would inaugurate regular tanker service to Portland from California ports if police protection continues, similar to that given today.

Several hundred employees of the Clark and Wilson Lumber company were thrown out of work today when the mill was forced to close last night because its docks were cluttered with lumber. Inman-Pulsen Lumber company officials announced that mill would not open Thursday morning, thus bringing unemployment to 250 additional workers.

## THREE IMPORTANT MEASURES SIGNED

WASHINGTON, June 20.—(AP)—Three bills vitally affecting the big money of the nation were included in a large batch of measures signed by President Roosevelt before leaving on his trip to New England.

The White House today announced that in addition to other measures, the chief executive had affixed his name to the loans to industry bill, second deficiency bill making huge relief appropriations and bill to regulate the nation's communications system.

The industrial loans measure, subject of a protracted dispute in congress, which once threatened the measure with death in conference, makes \$580,000,000 available for five year advances to large and small business enterprises.

The deficiency bill is next to the second largest appropriation bill to be enacted in peace time. It provides \$2,629,500,000 for relief purposes, public building construction, and to meet unexpected needs of the government in the closing days of the present fiscal year.

The communications bill establishes a commission of seven to regulate all wire and radio facilities used in interstate commerce and supercede the radio commission that has been functioning since 1927.

## Banks Will Make Service Charges Beginning July 1

A uniform group of service charges, effective in Marion and Polk counties as of July 1, were announced here yesterday for all banks in the two counties. Local bankers, in making public the charges, said they were imposed primarily to cover the extra cost to banks of federal insurance of deposits which the first of next month will be added to all accounts of \$5000 or less. Heretofore deposit insurance has applied only to accounts of \$2500 or less. Under the new insurance provisions 98 per cent of the number of average bank accounts will be covered.

In announcing the service charges local bankers pointed out that similar charges had been effective in many cities in this state and elsewhere for many months.

The official statement of the banks follows:  
"Accounts having an average

## Relief Head and CWA Chiefs in California Charged With Fraud

### Gaiser Expected to Arrive Today to Assume Task

### Paying Men to Be Idle One Allegation in U.S. Complaint

### Officials Neglected to Give Veterans Jobs it is Claimed

LOS ANGELES, June 20.—(AP)—Relief director and former state head of the civil works administration, and eight other former officials of the CWA, were indicted by the federal grand jury today on charges of conspiracy to defraud the government.

Five of the defendants were indicted under the CWA act, and three, one of whom was named in both indictments, were named in indictments brought under the national re-employment act.

The defendants charged with fraud under the CWA setup were, besides Branlon, Pierce Williams, western director for the CWA, and western regional administrator for the federal emergency relief administration; Major Jules Hanique, former county director and chief engineer of the CWA; Charles C. Frye, former CWA county director; Eugene M. Brown, executive secretary of the county CWA advisory committee; James T. Ritchie, in charge of the CWA purchasing department in Los Angeles county, and George O. Durkee, in charge of CWA work assignments.

The seven defendants were charged in general with improperly carrying out provisions of the CWA. They were alleged to have kept many thousands of men on the CWA payroll on jobs where "no tools or materials" were provided, with paying them to be "idle" and with employing men on projects not approved by the county CWA advisory committee.

Named in the second indictment were Henry E. Walker, director of the Southern California National Re-employment service, and Eugene M. Brown, who also was named in the first indictment.

The second indictment charged the three defendants with discrimination against registered negro workmen and against veterans. The indictment charged "the grant disregard" of the provision of the law that veterans with dependents should receive preference in work orders.

The CWA indictments charged fraud in cases where alleged "favoritism" in work orders had been given an involved project which, as asserted had not been officially sanctioned.

## HUGE LOSS FEARED FROM EARTHQUAKES

### (By the Associated Press)

Earth shocks over widely separated portions of the globe Wednesday are feared to have caused extensive damage.

Dispatches from Istanbul said an unknown number of persons had been killed in an earthquake in eastern Turkey, which was accompanied by a downpour of rain. The region worst affected was Smyrna where communications, meager at best, were reported completely disrupted by the volcanic of the tremors. Detailed information was not available.

Villages were inundated by cloudbursts at the same time they were being shaken by tremors, causing enormous panic among the populace.

Reports from Benhen, Germany, said an earthquake in upper Silesia entombed seven miners in the Karsten Zentrum pit, and was sufficiently strong to crack the walls of buildings.

An earthquake of considerable intensity was felt in Managua, Nicaragua, early on Wednesday morning.

Disastrous quakes also have been reported recently from India and South America.

## Foochow Flooded After Hard Rain; Life Loss Heavy

FOOCHOW, China, June 21.—(AP)—(Thursday)—(AP)—The worst floods in 25 years have inundated the streets of this south China coastal city to a depth in some places of six feet.

Torrential rains in the headwaters of the Min river caused the floods.

Traffic is carried on by boats. Scores of houses have collapsed in the flood and considerable loss of life has resulted in outlying sections.