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HOOVER URGES RESUMPTION OF GOLD PAYMENTS

More Men Would Go to Work Former Chief Executive Declares at Tucson

End Devaluation Threat and Make Dollar Payable in Gold, Suggests

TUCSON, Ariz., Feb. 20.—(AP)—Immediate resumption of gold payments by the United States and stabilization of the dollar at its present value were advocated by former President Herbert Hoover in a statement here tonight commenting on the supreme court's gold case decision.

The former president said this course would "put more men to work out of the 12,000,000 who still remain unemployed than any other single action."

Mr. Hoover said there was "no need to wait on foreign nations before we re-establish the gold standard and restore confidence in our currency."

Foreign Nations Excel At "Managed Currency"

Foreign nations, he said, "are more afraid of our doing just this than they are of any American 'managed' currency."

The statement was one of the few public pronouncements made by Mr. Hoover since leaving the White House in March, 1933.

The former president declared that all that of further devaluation should now be removed and the dollar should immediately be made convertible at the present 69 cents of gold, "payable in gold bullion."

In a prepared statement to the Tucson Daily Citizen, Mr. Hoover said in part:

"There is no need to wait on foreign nations before we re-establish the gold standard and restore confidence in our currency. This would be bound to follow sometime. They are far more afraid of our doing just this than they are of any American 'managed' currency, at which game they have us at a disadvantage."

Would Revive Capital Goods Industries, Says

"There are five compelling reasons for this action: 1. It would put more men to work out of the twelve million who still remain unemployed than any other single action. Unemployment rests today largely in the capital goods and construction industries. These industries are dependent largely upon long term capital. The people are hesitant to invest their savings and take long term risks because there is uncertainty in what value they will be repaid.

2. The government's program of stimulating the capital goods and giving employment through public works can never result in 25 per cent of the jobs which can be provided by recovery of normal production.

Two Doomed Spies May Receive Clemency, Is Indication At Berlin

Sensation Caused by Beheading of 2 Women Likely to Lead Hitler to Spare 2 Men From Headsman's Ax

BERLIN, Feb. 20.—(AP)—Two more German spies doomed to death, may be spared the headman's ax, it was indicated tonight.

Petitions asking clemency for the two, both men, have been presented to Adolf Hitler, it is understood, and favorable action was regarded as likely because of the sensation that greeted the execution of Benita von Falkenhayn and Renate von Natzmer, noblewomen beheaded Monday.

A spokesman for the minister of justice, meanwhile, denied the two men, who are prisoners in the death cells of grim Plötzensee prison from which tradition has it none emerges alive and free, had any connection with the women.

An official in the propaganda ministry, meanwhile, denied reports published abroad that 54 German spies had been trapped in foreign countries through the activities of Baron Georges von Sosenowski, Polish nobleman sentenced to life imprisonment as ringleader in the espionage.

"We don't have that many spies," he said. "Sosenowski, in any case, was engaged in espionage in factories and the reichswehr (regular army)."

"The court books have been definitely closed on the whole unfortunate complex of cases entangled with the name Sosenowski."

General Italo Balbo, former air minister and now governor of Libya in Africa and undersecretary of war, accompanied the sessions of the council, which government circles said were inspired by the Ethiopian situation and Italy's watchful attitude toward possible developments in Austria.

The Fascist government has liberated its nations from "the horrors of war" and any future campaign can be fought in the knowledge that war supplies will be adequate, the council said in its statement.

Lee Tracy Gets Real News Yarn; Home Roof Burns

HOLLYWOOD, Cal., Feb. 20.—(AP)—A mysterious fire in which one fireman lost his life burned the top off the fashionable Valtre apartment building at dawn today, drove several movie colonists to the street from it and adjoining buildings and made a real life reporter of Lee Tracy, who has played several newspaper roles on the screen.

Two firemen were injured, one seriously.

Before 11 fire companies could extinguish the blaze, damage estimated at nearly \$150,000 was done to the \$400,000 seven-story building, situated on a West Hollywood hillside, 1428 Crescent Heights boulevard. The roof was burned away and upper stories ruined.

Crater Park Head Named Protest Fish Price Cuts Pendleton Gets Downpour

enod, no action has been taken. Not more than 15 or 20 boats are operating for the fresh fish market. The season closes March 1st.

Buyers said that with the Portland market loaded and California uninterested, the buying price for chinooks has dropped to 10 cents a pound from 15 cents, and for steelheads, to six cents from nine cents.

NRA EXTENSION ASKED BY F. D. R., STRONGER PLAN

Would Retain Provisions on Wages, Hours, Codes, Labor Bargaining

Vote on Wage Amendment to Relief Bill Likely Today in Senate

WASHINGTON, Feb. 20.—(AP)—A presidential recommendation for a new NRA today caused congress to relegate relief, gold, security and other pending questions to secondary positions while it scanned the message.

Both republicans and democrats present in particular Mr. Roosevelt's call for stronger provisions to protect little business and prevent monopoly.

In general, Mr. Roosevelt's communication followed lines previously indicated. He advocated minimum wage and maximum hour provisions; retention of codes and reassertion of labor's right to collective bargaining.

Senate Committee Investigating Codes

The senate finance committee, however, went ahead with plans to investigate code administration. Chairman Harrison of the committee said the inquiry would go hand in hand with the drafting of a new bill to replace the NRA which expires in June.

The senate expected today to vote on the McCarran prevailing wage amendment to the administration's \$4,880,000,000 work-relief bill but the debate cracked over the chamber until hope for the ballot was abandoned till tomorrow or later.

Among the speeches was one by Senator Byrd (D-Va) urging defeat of the bill. Byrd broke with the administration last year on the proposed amendments to the agricultural adjustment act, Huge Reed Loan Bill is Signed

President Roosevelt today signed a \$60,000,000 feed loan bill but in doing so he tabled the money he taken from relief funds contained in the pending work-relief measure.

Among other developments were: The house wages and means committee today fixed the tax on payrolls contained in the administration's social security tax at one per cent for 1935; two per cent in 1937 and three per cent in 1938.

William B. Shearer, big navy propagandist, interrupted a session of the senate munitions committee to deny testimony that he had threatened shipbuilders with death and scandal for failure to pay him money he sought.

OWNERSHIP OF BAGS OF GOLD'S SETTLED

BUENOS AIRES, Feb. 20.—(AP)—The "mystery" as to the ownership of \$650,444.14 kicking around the central post office was straightened out tonight.

Bolivia was sending the money to London, postal authorities learned. The mix-up occurred because the routine documents for the shipment were slightly divergent from the usual form. It will continue to London on the first steamer.

A zealous postal employe discovered the apparently ownerless parcels when one of four ordinary mail sacks from Bolivia broke open and gold spilled out. Their eyes bulging, officials inspected the sacks and found 126 kilos of gold bullion in addition to \$500,000 in paper currency.

Worth Close to Billion in 1931



ANDREW W. MELLON

MELLON'S WEALTH TOLD AT HEARING

Government Charges Former Treasury Secretary, Tax Evasion

PITTSBURGH, Feb. 20.—(AP)—From the lips of one of Andrew W. Mellon's closest confidantes there came today a statement that a personal wealth of the internationally known banker in 1931 was carried on his books at \$97,603,005.

Howard M. Johnson, Mellon's financial secretary for 20 years, made the disclosure before the board of tax appeals investigating the government's charge that the three-times secretary of the treasury willfully evaded income tax payments.

Under cross-examination, he read the figures as of December 31, 1931, and quickly added: "I want to call attention that this does not necessarily reflect true value."

He explained the sum included a "book listing" of a huge "joint account" of Mellon and his wife.

TOLL CONFAB SET TODAY BY MARTIN

A conference between Governor Martin and the state highway commission has been called for this morning at the capital with the question of free bridges along the Oregon coast highway, one of the matters understood to be up for discussion. Other legislative matters affecting the commission will be considered.

The crowd's hero is known to favor free bridges but so far he has not asked the legislature directly to provide the commission with authority to take tolls from the coast structures.

C.-W. Company Declares Dividend

SAN FRANCISCO, Feb. 20.—(AP)—Crown-Willamette paper company declared a dividend today of \$1 per share on the first preferred 7 per cent stock, payable April 1 to stockholders of record March 13. The dividend will leave the stock \$11 in arrears. The issue and the company's 6 per cent preferred stock, on which no dividends have been paid for some time, are traded on the San Francisco curb exchange.

Late Sports

PORTLAND, Feb. 20.—(AP)—Ted Cox, 220, Lodi, Cal., forgot all about wrestling and with hair-yanking and fistcuts battered two out of three falls from Hal Rumberg, 228, Spokane, Wash., here tonight.

Rumberg took the second fall in short order when his shoulder buds were working.

NEW TAXES MAY BE AVOIDED IN NORMAL BUDGET

Double Budget, "Ordinary," "Extraordinary," to Be Set Up, Believed

May Permit General Fund's Deficit to Rise to Million, Biennium

A plan for handling Oregon's relief program for 1935 and 1936 and for meeting the "normal" expenditures of state government for the biennium, without new taxes, had been fairly well worked out yesterday, it was learned from official sources at the statehouse.

In such a plan the administration and the joint wages and means committee may agree to let the general fund deficit of the state increase at least \$1,000,000 in the coming two years.

No provision in the plan is made for the "social security" program presently to be enacted by the federal government, it being the thought of the Martin administration that no sound legislation on such a program can be made until congress has outlined its plans.

Here is the apparent manner in which state finances will be shaped by the end of the week: \$11,000,000 for "Ordinary" Outlays is Likely

Outlays is Likely for the state will be kept to a total of \$11,000,000 to \$11,500,000, an increase of \$1,000,000 to \$1,500,000 over the \$10,000,000 biennial budget proposed by the former administration through Henry Hansen.

2. "Extraordinary" expenses will be set at \$7,000,000 of which \$5,000,000 would be the state's estimated outlay in two years in matching federal relief funds. The remaining \$2,000,000 will be blocked out by the state to aid counties in meeting old-age pensions and providing for the care of unemployable persons.

3. No new taxes will be sought or favored by the Martin administration for either "normal" or "extraordinary" state expenditures.

4. The "ordinary" expenditures will be readily covered by the state's estimated total normal revenue of \$13,300,000 for the biennium. An estimated \$1,800,000 surplus of normal income over normal expenditures would be placed with \$4,000,000 anticipated liquor revenue receipts for the biennium to make a total of \$5,800,000 of the \$7,000,000 "extraordinary" budget.

5. The remaining \$1,200,000 will be handled by an increase by that amount in the state's general fund deficit.

Several variations from the present (Turn to page 2, col. 6)

Senate Surprises By Voting Favorably on County Unit System

World News at a Glance

(By the Associated Press)

WASHINGTON — President's call for anti-monopoly safeguards and extension of NRA halted by congress leaders.

WASHINGTON—Proposals for expansion of the currency seen approaching on heels of gold clause decision.

WASHINGTON—Fresh attack on work-relief bill postponed senate vote on prevailing wage amendment.

WASHINGTON — Christiana resigns from AEA as aftermath of shake-up.

PITTSBURGH — Mellon secretary alleges shogun's 1931 while still treasury head, puts 1931 wealth at \$7 million.

WASHINGTON — Bonus issue now centers on question of paying off in new (expanded) currency.

PAWNEE, Okla. — Both sides sum up in Kennamer murder trial.

LOS ANGELES — Testimony that two wealthy couples exchanged mates informally offered in sensational case.

CHICAGO — Hogs continue to pre-depression prices; \$9.10 top is highest in over four years.

WILLIAMSPORT, Pa. — Five-year old slashes baby brother in "hex" rite.

FOREIGN: ROME — 4000 troops embark for Ethiopia; many more stand ready.

BERLIN — Two more spies, doomed to headsman's ax, may be spared.

MOSCOW — Soviet tells England and France she agrees with European peace pact proposals.

Minority Report Okeh Said to Indicate Passage Today

"People Don't Want This Bill," Says Senator McKay

Approval of the county school unit requested by Governor Martin the second day of the session was given late Wednesday afternoon by the state senate which adopted a minority report that the measure pass. In accepting the favorable report the senate voted 16 to 13 to accept the minority report, President Corbett voting with the majority. Senator Burke, who fought the measure bitterly, changed his vote to aye to permit reconsideration, the final count being 17 to 12.

Advocates of the county unit play lacked sufficient votes yesterday to suspend rules and push the bill through on final passage. Last night opponents of the measure were trying to switch enough votes to defeat the bill on final passage but there was little likelihood that the vote on the committee reports Wednesday would be upset.

All But 5 Counties Would Vote on Plan

As the measure stands—it has already passed the house—all counties in the state in 1935, with five exceptions, must vote on whether or not they wish to adopt the county unit plan for operating schools. Klamath, Hood River, Lincoln and Gilliam counties, who now have the system, are exempted from voting next year as in Lane county which voted last November and turned the plan down by a large majority.

The roll call: Aye—Atkins, Allen, Best, Burke, Bynon, Chincock, Dickson, Duncan, Dunn, Fisher, Harlett, Lee, Lessard, Pearson, Stetler, Wallace, Corbett.

Nay—Carney, Francisovich, Hess, McCormack, McKay, Spaulding, Staples, Strayer, Stinger, Walker, Wheeler, Zimmerman.

Excused—Goss.

Senator Hazlett, chairman of the senate committee which reported the bill out unfavorably, supported the county unit system, as one conducive to greater teacher efficiency and to economy. "In these days of specialization you can't expect the best results from a teacher who conducts all grades," Hazlett declared. "As for economy, a salesman told me in our county that he used to be able to go to a school district and sell inferior goods at a high price; in Hood River county he said the county unit heads would buy only what was needed and at a fair price."

Unit System's Economy Questioned by McKay

"I question whether this bill is the most efficient method of handling schools," declared Senator Douglas McKay, of the county, in opposing the bill. "Of the four counties which have it, two are higher than Marion county in costs, one is lower and the other—Lincoln—has been in operation less than a year and has a short school year."

"When the people don't want this bill I am not going to try to make them take it. We want very much being forced to vote on this. If we want to vote on the plan, the existing law provides a means to put it on the ballot."

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Rioters Elicit Condemnation by Yugoslavian Head

BELGRADE, Yugoslavia, Feb. 20.—(AP)—Violence in the kingdom of Little Peter II today caused Prince Paul, chief regent and defender of Yugoslavia, to break a rigid rule and lash out publicly in condemnation of rioting which has taken 16 lives in two days.

For years the young and reserved Prince Paul has refused to give out press interviews. Today, in an exclusive interview, he expressed fervent hope that his people "will see the folly of bloodshed and bullets to gain their ends."

Kenamer Case May Reach Jury Today

PAWNEE, Okla., Feb. 20.—(AP)—The state painted Phil Kennamer as a cold blooded killer, said the veteran Tulsa attorney, defender of womanhood during a day of arguments which brought near a close his trial for the murder of John Gorrell.

The 19-year-old defendant, son of Federal Judge Franklin E. Kennamer, sat stolidly through the longest day of the trial, poker-faced and silent.

The case is expected to reach the jury tomorrow.

Kenamer heard the prosecution demand his incarceration, and point out that the instructions of Judge Thurman Hurst permit the assessment of the death penalty for his crime.

"You may order Phil Kennamer's death by electric chair," said the veteran Tulsa county attorney.

A moment later Wallace qualified his argument by asserting that the state does not insist on such a verdict.

Lee Ransom Note Hoax, Say; Federal Charge May Be Made

PORTLAND, Ore., Feb. 20.—(AP)—Charges of violation of the federal extortion statutes were placed today against Louis Lee, 19, of St. Paul, Ore., who was accused of making a planned disappearance and then claiming his own ransom for \$50,000 ransom for his son's release.

Carl C. Donagh, United States attorney here, filed the federal charge and set Lee's bail at \$5,000.

The \$50,000 ransom note received early this week by Jimmy Lee, St. Paul, apparently turns out to be a hoax perpetrated by Louis Lee, 19, son of the St. Paul man. Louis Lee, taken into custody near Roberts yesterday by Deputy Sheriff Newell Williams, was held in the county jail last night for the department of justice, following questioning yesterday by F. A. Grimsdall, justice agent from Portland.

Information from the sheriff's office late yesterday was that Lee had been a hard-luck story. Pickering had heard nothing of the so-called ransom note until informed yesterday morning.

FAVORED PLAYERS OUT, INDOOR NET

New York, Feb. 20.—(AP)—Two favored players were eliminated today in the quarter-final round of the women's national indoor singles tennis championship. It saw the end of the reign of Norma Taubele as champion and the defeat of Miss Sylvia Henrotin of France.

The red-haired Miss Taubele went down to a fast and decisive defeat at the hands of 19-year-old Milliecent Hirsch, 6-1, 6-2. Miss Henrotin was ousted in a thrilling two-hour struggle by Helen Pedersen of Stamford, Conn., national girls' champion, 6-7, 6-1, 6-2.

Miss Hirsch and Miss Pedersen will meet tomorrow in the semi-final.

The other players who won their way to the penultimate round were Mrs. Dorothy Andrews of New York, the top-seeded player and now the outstanding favorite, and Jane Sharp of Pasadena, Calif., who apparently was recovered from a bothersome chest cold.